

# Message from the County Manager

May 13, 2024

## To the Catawba County Board of Commissioners and Citizens:

I am pleased to present to you the recommended Catawba County budget for Fiscal Year 2024/25 in the amount of \$323,999,586, which maintains a property tax rate of \$0.3985 per \$100 of valuation (the 8<sup>th</sup> lowest tax rate in North Carolina) and reflects an 8.1 percent increase in the total budget. In addition to addressing continuing inflationary pressures, this increase is driven by planned fund balance investments in infrastructure for solid waste and water and sewer, both integral to our community's economic vitality.

The General Fund budget totals \$250,435,039, a 3.6 percent increase over the current year. This increase, which is less than the annual rate of inflation, invests heavily in quality of life, with significant resources committed to advancing the Commissioners' strategic plan objectives through additional public safety and public health staffing, an increase to the local teacher salary supplement to assist our three public school systems in attracting and retaining a qualified workforce, and updating and implementing various comprehensive plans that cover a range of strategic focus areas, including economic development, planning and community development, parks, and education. The budget also acknowledges the critical importance of maintaining competent, motivated, and values-driven County employees, investing in competitive compensation for staff, who enable Catawba County to provide the strong services we deliver to our citizens and businesses every day.

The budget is balanced and prepared in accordance with the Local Government Budget and Fiscal Control Act and Generally Accepted Accounting Principles, and is aligned with the priorities of and direction given by the Board of Commissioners.

In addition to this budget message, the Budget Presentation and Budget Highlights sections provide a more detailed executive summary of the coming year's financial plan. Details on each department's budget, school capital and current expense funding, long-term capital improvement plans and other future looking data and analysis are also included.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Furtado", with a stylized, cursive script.

**Mary Furtado**  
County Manager





**catawba county**

MAKING. LIVING. BETTER.

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# FY 2024-25 Recommended Budget

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County Manager Mary Furtado

May 13, 2024

# FY 2024-25 Budget: The Bottom Line

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- Property tax rate: 39.85 cents per \$100 valuation
- Total Budget: \$323,999,586 (+8.1% from FY24)
- Total General Fund Budget: \$250,435,039 (+3.6% from FY 24)
- Staff: 1,220.5 full-time equivalents (+15.75 positions; 1.3%)



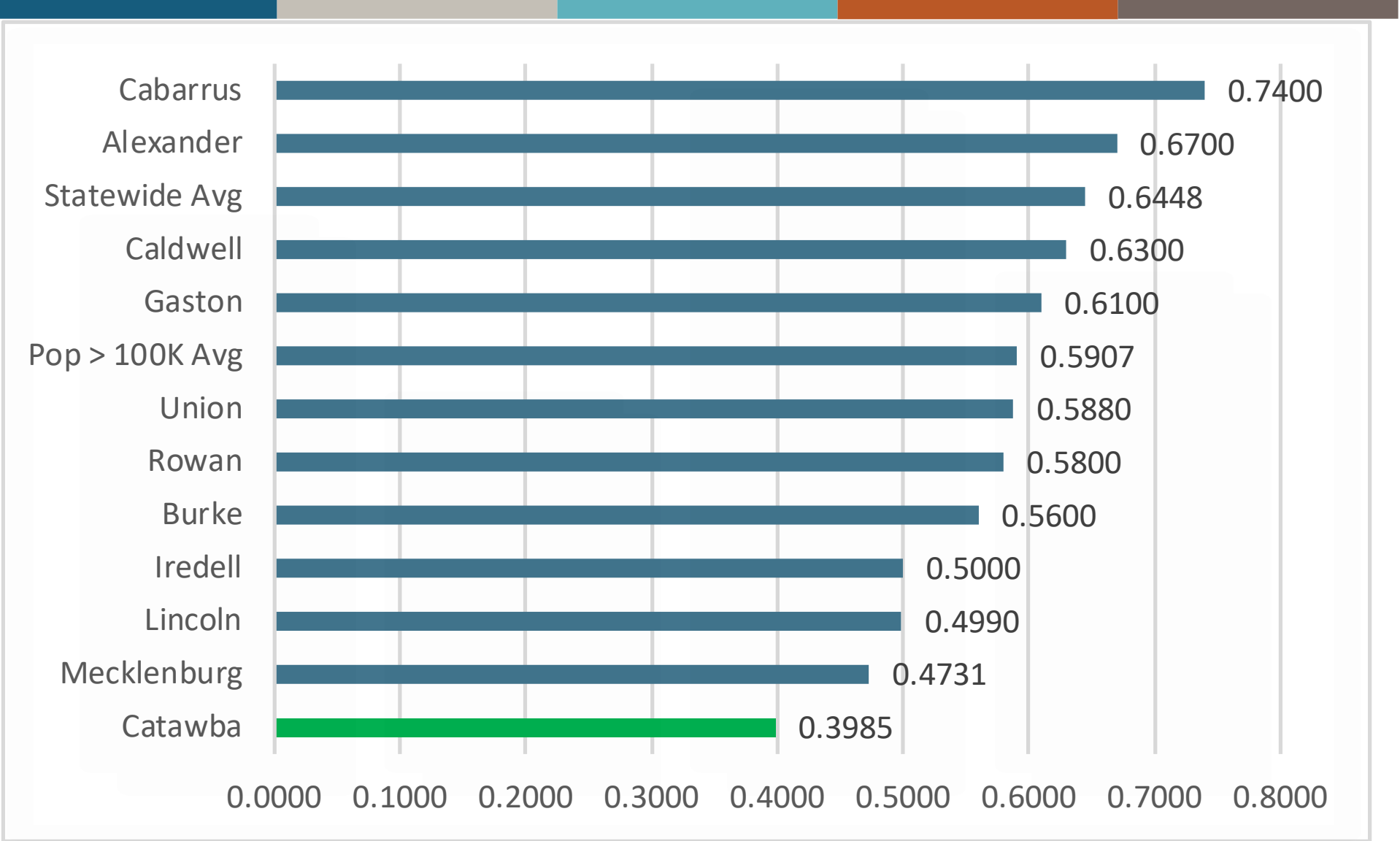
# FY2024-25 Game Plan



- Maintain positive business climate - *stable, predictable tax rate*
- Take care of our people – “*Retention is the new recruitment*”
- Address existing commitments
- Invest in Strat Plan 2.0: Sustainably paced critical service expansions supporting quality of life
- Build plans for resilience and adaptability
- Continue conservative budgeting practices



# Foster Positive Business Environment: Maintain Lowest Tax Rate in Region



# FY24-25 Total Revenues Grow 8.1%

Major Revenue Summary					
Revenue by Source	FY24 Adopted Budget	FY25 Requested Budget	FY25 Recommended Budget	Rec \$ Change	Rec % Change
<b>All Funds</b>					
Property Tax	\$119,257,970	\$123,240,000	\$122,621,000	\$3,363,030	2.8%
Fire Prot. Service District	\$11,276,519	\$14,487,762	\$13,519,430	\$2,242,911	19.9%
Sales Tax	\$54,214,000	\$56,000,000	\$56,000,000	\$1,786,000	3.3%
Other Taxes	\$3,367,500	\$2,917,500	\$2,917,500	(\$450,000)	-13.4%
Federal	\$20,135,166	\$19,180,583	\$19,180,583	(\$954,583)	-4.7%
State	\$8,408,624	\$8,592,714	\$8,592,714	\$184,090	2.2%
Federal & State	\$6,676,780	\$6,460,809	\$6,656,137	(\$20,643)	-0.3%
Local	\$5,565,533	\$6,237,526	\$6,219,526	\$653,993	11.8%
Permits & Fees	\$25,988,815	\$28,506,118	\$28,731,813	\$2,742,998	10.6%
Miscellaneous	\$2,965,458	\$3,437,570	\$3,429,580	\$464,122	15.7%
Transfers	\$13,324,716	\$23,591,523	\$16,556,282	\$3,231,566	24.3%
Fines & Forfeitures	\$512,647	\$490,571	\$511,106	(\$1,541)	-0.3%
Other Sources	\$14,829,756	\$18,659,400	\$18,659,400	\$3,829,644	25.8%
Fund Balance	\$13,222,536	\$38,368,457	\$20,404,515	\$7,181,979	54.3%
<b>Total Revenue All Funds</b>	<b>\$299,746,020</b>	<b>\$350,170,533</b>	<b>\$323,999,586</b>	<b>\$24,253,566</b>	<b>8.1%</b>



# FY24-25 Total Expenses: Heavy Infrastructure Investments

Expenses by Department/Fund	FY24 Adopted Budget	FY25 Requested Budget	FY25 Recommended Budget	Rec. \$ Change	Rec. % Change
General Government	\$11,659,409	\$11,557,865	\$11,468,382	(\$191,027)	-1.64%
Public Safety	\$52,830,376	\$59,749,072	\$56,798,809	\$3,968,433	7.51%
Environmental Quality	\$912,894	\$962,669	\$962,669	\$49,775	5.45%
Economic & Physical Dev	\$25,496,186	\$26,462,203	\$25,615,529	\$119,343	0.47%
Human Services	\$58,146,847	\$60,966,923	\$60,473,263	\$2,326,416	4.0%
Education - Current Exp	\$50,868,076	\$55,068,446	\$54,277,300	\$3,409,224	6.7%
Culture	\$4,227,038	\$4,370,101	\$4,313,940	\$86,902	2.1%
Debt	\$32,719,206	\$31,481,354	\$31,481,354	(\$1,237,852)	-3.8%
Transfers	\$4,816,677	\$9,271,305	\$5,043,793	\$227,116	4.7%
Total General Fund	\$241,676,709	\$259,889,938	\$250,435,039	\$8,758,330	3.6%
General Fund Like	\$7,451,527	\$7,574,819	\$7,594,019	\$142,492	1.9%
Special Revenue Funds	\$5,611,138	\$3,468,182	\$3,998,814	(\$1,612,324)	-28.7%
Fire Districts	\$11,918,091	\$14,695,495	\$13,727,163	\$1,809,072	15.2%
General Capital Projects	\$2,155,000	\$8,461,354	\$5,382,431	\$3,227,431	149.8%
Schools' Capital Projects	\$11,316,694	\$21,243,633	\$11,108,339	(\$208,355)	-1.8%
Schools' Construction	\$0	\$4,106,376	\$4,106,376	\$4,106,376	0%
Water & Sewer Capital	\$2,878,750	\$4,714,000	\$4,714,000	\$1,835,250	63.8%
Solid Waste Capital	\$2,475,000	\$5,050,000	\$2,400,000	(\$75,000)	-3.0%
Water & Sewer Operating	\$3,422,000	\$6,625,577	\$6,578,043	\$3,156,043	92.2%
Solid Waste Management	\$10,871,565	\$14,341,159	\$13,955,362	\$3,083,797	28.4%
Total Budget	\$299,776,474	\$350,170,533	\$323,999,586	\$24,223,112	8.1%



# FY24-25 General Fund Revenue Grows Less Than Inflation

GENERAL FUND	FY24 Adopted Budget	FY25 Requested Budget	FY25 Recommended Budget	Rec \$ Change	Rec % Change
Property Tax	\$118,069,000	\$123,240,000	\$122,621,000	\$4,552,000	3.9%
Sales Tax	\$43,396,000	\$45,230,000	\$45,230,000	\$1,834,000	4.2%
Other Taxes	\$2,982,500	\$2,482,500	\$2,482,500	(\$500,000)	-16.8%
Federal	\$18,144,564	\$18,705,583	\$18,705,583	\$561,019	3.1%
State	\$7,303,705	\$8,165,553	\$8,165,553	\$861,848	11.8%
Federal & State	\$6,276,780	\$6,060,809	\$6,256,137	(\$20,643)	-0.3%
Local	\$5,229,233	\$5,814,126	\$5,796,126	\$566,893	10.8%
Permits & Fees	\$15,298,080	\$15,995,465	\$16,213,160	\$915,080	6.0%
Miscellaneous	\$2,765,347	\$3,212,459	\$3,204,469	\$439,122	15.9%
Transfers	\$1,954,289	\$1,310,000	\$1,506,508	(\$447,781)	-22.9%
Other Sources	\$11,659,756	\$11,512,400	\$11,512,400	(\$147,356)	-1.3%
Fund Balance	\$8,597,455	\$18,161,043	\$8,741,603	\$144,148	1.7%
<b>Total General Fund</b>	<b>\$241,676,709</b>	<b>\$259,889,938</b>	<b>\$250,435,039</b>	<b>\$8,758,330</b>	<b>3.6%</b>



# FY24-25: Significant Investments in Quality of Life

Expenses by Department/Fund	FY24 Adopted Budget	FY25 Requested Budget	FY25 Recommended Budget	Rec. \$ Change	Rec. % Change
General Government	\$11,659,409	\$11,557,865	\$11,468,382	(\$191,027)	-1.64%
Public Safety	\$52,830,376	\$59,749,072	\$56,798,809	\$3,968,433	7.51%
Environmental Quality	\$912,894	\$962,669	\$962,669	\$49,775	5.45%
Economic & Physical Dev	\$25,496,186	\$26,462,203	\$25,615,529	\$119,343	0.47%
Human Services	\$58,146,847	\$60,966,923	\$60,473,263	\$2,326,416	4.0%
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Transfers	\$4,816,677	\$9,271,305	\$5,043,793	\$227,116	4.7%
Total General Fund	\$241,676,709	\$259,889,938	\$250,435,039	\$8,758,330	3.6%



# FY24-25 Local Expense Breakdown: Where Does \$1 Go?



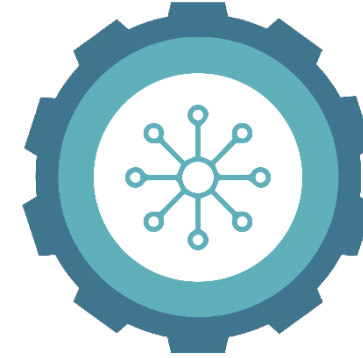
# Advancing Strategic Plan 2.0 through FY2024-25



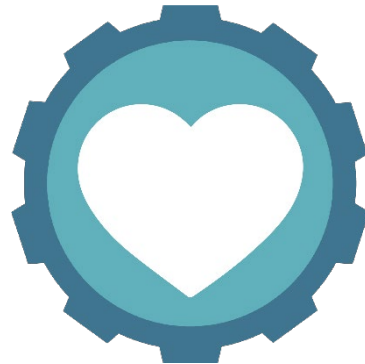
**ECONOMIC DEVELOPMENT**



**EDUCATION**



**COMMUNITY PLANNING +  
DEVELOPMENT**



**HEALTHY + SAFE  
COMMUNITY**



**NATURE + CULTURE**

# Healthy, Safe Community: Sheriff's Office

- Road Patrol Deputies (4 FTEs) for Zone 3: \$332K on-going; \$375K one-time – 2 in July, 2 in January
- Forensic Investigator (1 FTE): \$79K on-going; \$87K one-time
- Axon Body-worn Camera replacement: \$186K increase
- Axon In-car Video System for Patrol: \$315K (new cost)
- Jail Medical Contract renewal: \$146K increase
- Jail Medical – MAT service expansion: \$180K (opioid \$\$)
- Requests Addressed in FY24
  - Jail Kitchen Renovation: \$480K
  - Evidence Room Audit: \$95K



# Healthy, Safe Community: Emergency Services

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- Fire Inspector (1 FTE): \$71K on-going; \$106K one-time
- Neonatal Transport EMT (1 FTE): \$74K on-going; CVMC-funded
- Animal Shelter Kennel Technicians (2 FTEs): \$51K – funded at mid-year
- Community Paramedicine Equipment / Initial Start-up Funding: \$280K
- Ambulances / Remounts – maintains current-year replacement levels
- Funded in FY24
  - EMS Body Armor (end-of-life): \$96K
  - Lucas (automated CPR) devices: \$92K
  - Ambulance mobile connectivity devices: \$15.5K



# Healthy, Safe Community: Public Health

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- Environmental Health Specialist (1 FTE): \$75K on-going – funded at mid-year



# Education: K-12 Enrollment Drops Less than Anticipated

- Preliminary:

Schools - Requested ADM	Catawba	Hickory	Newton	Total ADM
FY 2024/25	15,815	3,701	2,620	22,136
FY 2023/24	15,677	3,810	2,802	22,289
Increase/Decrease	138	(109)	(182)	(153)
% Change	0.9%	-2.9%	-6.5%	-0.7%

- Certified:



Schools - Certified ADM	Catawba	Hickory	Newton	Total ADM
FY 2024/25	15,894	3,705	2,623	22,222
FY 2023/24	15,677	3,810	2,802	22,289
Increase/Decrease	217	(105)	(179)	(67)
% Change	1.4%	-2.8%	-6.4%	-0.3%



# Investing in K-12 Education: Current Expense

- \$162 increase in per pupil funding: add'l 1% local teacher supplement + operating

Schools - Recommended Per Pupil	Catawba	Hickory	Newton	Total ADM
FY 2024/25	2,150	2,150	2,150	2,150
FY 2023/24	1,988	1,988	1,988	1,988
Increase/Decrease	162	162	162	162

- 7.8% increase - When converted to total funding, each system fares differently

Schools - Recommended Budgets	Catawba	Hickory	Newton	Total ADM
FY 2024/25	34,172,100	7,965,750	5,639,450	47,777,300
FY 2023/24	31,165,876	7,574,280	5,570,376	44,310,532
Increase/Decrease	3,006,224	391,470	69,074	3,466,768
	9.65%	5.17%	1.24%	7.82%



# Investing in Education: CVCC Operating

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- Current Expense: \$5.3M total (0.8% increase = \$42,456)
  - + East Campus sale proceeds
  - Footprint reduction of 100,000 sq. ft. eases operational cost pressures
- K-64:
  - \$100,000 matching funds for CVCC Scholars Program
  - \$1.1M set aside to maintain 1-to-1 technology



# Investing in Education: Schools Capital and Construction



- Annual Capital: \$11.1M dedicated to schools' capital needs
  - Catawba County Schools: \$6.63M
  - Hickory City Schools: \$1.71M
  - Newton-Conover City Schools: \$941K
  - CVCC: \$720K
- Schools Construction:
  - Newton-Conover High School Phase II: \$4M
  - Catawba County Schools – Maiden Middle Reno: \$1.5M
  - Catawba County Schools – CREC: \$2M in dedicated school funds (\$9M total)
  - All systems: \$14.7M in planned debt service payments



# Community Planning and Development / Nature and Culture



- Planning: Unified Development Ordinance re-write: \$200K
- Parks Master Plan Update: \$125K
- Agricultural Resource Center (former CVCC East Campus): \$4.1M
- Newton Branch Library: \$200K set-aside



# Economic Development

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- Economic Development set-aside for future projects: \$463K
- Water & Sewer investments:
  - \$2M - Brown Chapel & Mollys Backbone Lift Station Upgrades
  - \$2.25M Buffalo Shoals Rd. Water
  - \$250K set aside towards 0.5 MG Water Storage Tank (Terrell or Anderson Mtn.)



# Maintaining Operational Excellence

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- Facility Improvements:
  - Human Services Campus Ravine Stabilization: \$440K
  - Justice Center Boiler Replacement: \$210K
  - Animal Shelter HVAC: \$185K
  - Government Center Fire Alarm Replacement: \$150K
  - General Renovations: \$100K
- Technology Investments:
  - ERP System Replacement: \$500K
  - Infrastructure Upgrades: \$500K annual set-aside
  - Server & Desktop Applications: \$363K recurring



# Investing in Quality of Life: Outside Agency Support

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- Historical Assn: \$125K
- Hickory Public Libraries: \$237K
- Salt Block Fdn: \$100K
- United Arts Council: \$164.6K
- Carolina Land & Lakes: \$10K
- Chamber of Commerce: \$19K
- Convention & Visitors Bureau: \$20K
- Forestry: \$113.3K
- NC Wildlife Commission: \$6K
- WPCOG: \$113.6K + \$39.6K for MPO
- EDC: \$411.6K
- Court Svcs. – Repay: \$189.4K
- Lake Norman Marine Commission: \$37K
- Conflict Resolution Ctr.: \$12.2K



# Solid Waste Enterprise Fund

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- Landfill Closure Expense \$2.9M
- Subtitle D Cell Construction \$4M (net increase \$1.35M)
- \$800K Sherrills Ford Convenience Center Site Improvements
- Additional Funds for Treatment & Grinding Processing Area \$250K
- Equipment replacement \$2.1M
  - \$700,000 Compactor Rebuild
  - \$700,000 Replacement - Articulated Dump Truck
  - \$375,000 New Track Loader
  - \$325,000 loader



# Competitive Pay, Positive Culture: Retention is the New Recruitment

- Pay Plan Market Adjustment: 4%, targeted increases beyond that (hard to recruit or farther behind, based on market data)
- Competitive Performance Pay
  - 2.5% (meets expectations) to 3% (exceeds expectations), on anniversary
- Health and Dental: no premium changes
- Maintain 401k: 2% + 1% match

## Core Values: The Foundation of Operational Excellence

Doing What's Right

Doing What Matters Most

Doing it Together

Doing it Well



# FY25 Proposed Fee Changes

Department / Unit	Proposed Change
Solid Waste - Landfill	<ul style="list-style-type: none"><li>• 2% increase in landfill-related fees, consistent w/contract</li><li>• Mobile Home Fee Removal</li></ul>
Animal Services	<ul style="list-style-type: none"><li>• Remove Rescue Organization Pull Fees</li><li>• Bordetella Vaccine (new fee) - \$10</li></ul>
Fire Inspections	<ul style="list-style-type: none"><li>• Food Truck Inspections (new fee) - \$100</li></ul>
EMS	<ul style="list-style-type: none"><li>• EMS Unit Haz-Mat Standby (new fee) - \$100/hr</li></ul>
Planning	<ul style="list-style-type: none"><li>• Removal of outdated and duplicate fees (captured in other parts of fee schedule)</li><li>• Subdivisions: Performance Guarantee Extension (non-residential, subdivision) - \$110</li><li>• Subdivision: Text Amendment (applicant-initiated) - \$720</li></ul>
Parks	<ul style="list-style-type: none"><li>• Removal of Dog Park Usage Permits</li><li>• Remove Sign Permit</li></ul>



# Fire Protection Service Districts: Current State

- Catawba County has statutory responsibility to provide fire protection service in its unincorporated jurisdiction
- County partners with 14 fire districts to contract for fire protection services covering entire county
  - Additional services, based on capacity and specialization: Medical First Response; various levels of rescue certification, USAR technical rescue specialties
- Fire districts vary considerably
  - Geographic size: square mileage ranges from 2.2 to 50.6
  - Population served: 447 to 14,173 residents
  - Tax base: value of penny ranges from \$6,760 to \$460,375
  - Staffing level / mix: paid vs. volunteer, full-time vs. part-time
  - Built environment: industrial vs. residential mix; density



# Fire Protection Service Districts: Current State



- Declining volunteerism
- Increasing training requirements
- Increasing call volume, particularly driven by medical, mutual aid, automatic aid
- Rapid cost escalation
  - 100%+ price increases; quarterly?
  - Vehicle delivery delays – lead time measured in years vs months
- 10 of 14 fire districts requested tax rate increases; manager recommendation includes increases in 8 districts



# FY25 Recommended Fire Service District Tax Rates

District	1-Cent Value	FY24 Adopted		FY25 Requested		FY25 Recommended		FY24 Adopted to FY25 Recommended	
		Rate	Budget	Rate	Budget	Rate	Budget	\$ Change	% Change
Bandys	\$ 129,867	0.0785	\$988,519	0.1000	\$1,306,091	0.1000	\$1,306,091	\$317,572	32.13%
Catawba	\$ 34,517	0.107	\$360,309	0.1170	\$404,079	0.1070	\$369,738	\$9,429	2.62%
Claremont	\$ 53,149	0.0925	\$483,964	0.1320	\$704,236	0.1320	\$704,236	\$220,272	45.51%
Conover	\$ 18,004	0.08	\$141,225	0.0800	\$145,912	0.0800	\$145,912	\$4,687	3.32%
Cooksville	\$ 28,523	0.054	\$150,838	0.0710	\$202,247	0.0710	\$202,247	\$51,409	34.08%
Hickory	\$ 67,147	0.125	\$850,141	0.1500	\$1,017,088	0.1250	\$848,028	(\$2,113)	-0.25%
Long View	\$ 6,760	0.0755	\$50,047	0.0755	\$51,188	0.0755	\$51,188	\$1,141	2.28%
Maiden	\$ 58,388	0.072	\$401,067	0.0883	\$517,058	0.0883	\$517,058	\$115,991	28.92%
Mt. View	\$ 127,245	0.073	\$918,150	0.0980	\$1,257,768	0.0855	\$1,097,602	\$179,452	19.54%
Newton	\$ 92,399	0.101	\$929,466	0.1310	\$1,222,427	0.1160	\$1,082,811	\$153,345	16.50%
Oxford	\$ 84,640	0.061	\$509,184	0.0610	\$519,655	0.0610	\$519,655	\$10,471	2.06%
Propst	\$ 62,139	0.059	\$360,711	0.0590	\$368,210	0.0590	\$368,210	\$7,499	2.08%
Sherrills Ford	\$ 460,375	0.084	\$3,644,547	0.1040	\$4,850,609	0.0940	\$4,385,460	\$740,913	20.33%
St. Stephens	\$ 154,259	0.104	\$1,488,351	0.1240	\$1,921,194	0.1240	\$1,921,194	\$432,843	29.08%



# Citizen Impact: FY25 Recommended Fire Tax Rates

District	2024 Median Res. Property Value	2024 Tax Bill	2025 Rec. Tax Bill	\$ Change / Yr.	\$ Change / Mo.
Bandys	\$ 256,937	\$ 201.70	\$ 256.94	\$ 55.24	\$ 4.60
Catawba	\$ 251,256	\$ 268.84	\$ 268.84	\$ -	\$ -
Claremont	\$ 265,120	\$ 245.24	\$ 349.96	\$ 104.72	\$ 8.73
Conover	\$ 226,705	\$ 181.36	\$ 181.36	\$ -	\$ -
Cooksville	\$ 222,889	\$ 120.36	\$ 158.25	\$ 37.89	\$ 3.16
Hickory	\$ 281,141	\$ 351.43	\$ 351.43	\$ -	\$ -
Long View	\$ 195,967	\$ 147.96	\$ 147.96	\$ -	\$ -
Maiden	\$ 234,511	\$ 168.85	\$ 207.07	\$ 38.23	\$ 3.19
Mt. View	\$ 264,323	\$ 192.96	\$ 226.00	\$ 33.04	\$ 2.75
Newton	\$ 261,887	\$ 264.51	\$ 303.79	\$ 39.28	\$ 3.27
Oxford	\$ 209,996	\$ 128.10	\$ 128.10	\$ -	\$ -
Propst	\$ 239,904	\$ 141.54	\$ 141.54	\$ -	\$ -
Sherrills Ford	\$ 450,953	\$ 378.80	\$ 423.90	\$ 45.10	\$ 3.76
St. Stephens	\$ 223,580	\$ 232.52	\$ 277.24	\$ 44.72	\$ 3.73



# Next Steps



- May 22 – 8 am to 5 pm: BOC Hearings w/Depts., Schools, & Outside Agencies
- May 23 – 6:50 pm: Public Hearing and Wrap-Up (SECC Budget, Countywide Budget)
- June 3 – 6:50 pm: FY 25 Budget Adoption, FY25 SECC Budget Adoption



