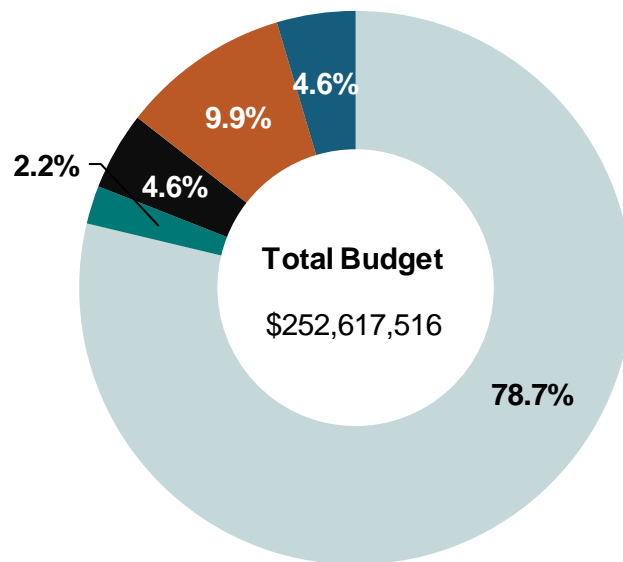


FISCAL YEAR 2019/20 BUDGET HIGHLIGHTS

The County's total Fiscal Year 2019/20 Budget is \$252,617,516. The County manages these funds using accounts—called funds—to track expenditures and revenue sources. The easiest way for most people to think about funds is to compare them to bank accounts. Money comes into a fund from a variety of sources and is then used to provide services to the public. Catawba County has 36 funds, with the largest being the General Fund. The General Fund is the primary operating fund composing \$198,890,051 or 78.8 percent of the budget. These funds are summarized in the budget into the following fund types:

TOTAL BUDGET



GENERAL FUND

Includes most County departments and services. It is often referred to as the operating Fund.

OTHER GENERAL FUND-LIKE FUNDS

Includes Self-Insurance, Reappraisal and Register of Deeds Automation Funds. These funds are largely funded by and/or tied to General Fund activities.

SPECIAL REVENUE FUNDS

Includes funds that restricted for specific uses and have dedicated revenue sources including: E-911, Sheriff's Narcotics, Fire Protection Service Districts, Rescue Squads, Library Endowment, Parks/Historic Preservation Trust, Community Development, and Hospital Reserve Funds.

CAPITAL PROJECT FUNDS

Includes General Capital, Schools' Capital, Schools' Construction, Water & Sewer, and Solid Waste Capital Funds. Expenses in these funds are budgeted in projects, which--unlike other expenses that lapse at the end of each fiscal year--remain authorized until the projects are completed or the projects are closed.

ENTERPRISE FUNDS

Includes Solid Waste and Water & Sewer Operating Funds.

REVENUES

Catawba County has multiple revenue sources that are summarized in the following categories in the budget:

PROPERTY TAX

Includes revenues from taxes based on the assessed value of real and personal property owned. The General Fund reflects revenue from the county-wide 57.5 cents per \$100 of assessed valuation. Fire Service Protection District property taxes are budgeted in Special Revenue Funds.

SALES TAX

Consumers pay a sales tax rate of 2.25%. This revenue is budgeted primarily in the General Fund but also in Schools' Capital based on statutory requirements and Water & Sewer based on designations by the Board of Commissioners for use of the ¼ cent sales tax.

OTHER TAXES

Includes privilege licenses, real estate excise tax, tire and white goods disposal taxes, and ABC per bottle taxes.

INTERGOVERNMENTAL FUNDS

Includes funds received from the State and Federal governments, generally restricted for specific uses, and heavily concentrated in Human Services.

PERMITS & FEES

Includes building permit and ambulance fees and certified copies in the General Fund and Landfill user fees in the Solid Waste Management Fund.

MISCELLANEOUS

Includes ABC profits, cable TV franchise fees, interest on investments, and donations.

FUND BALANCE

Reflects the use of County savings.

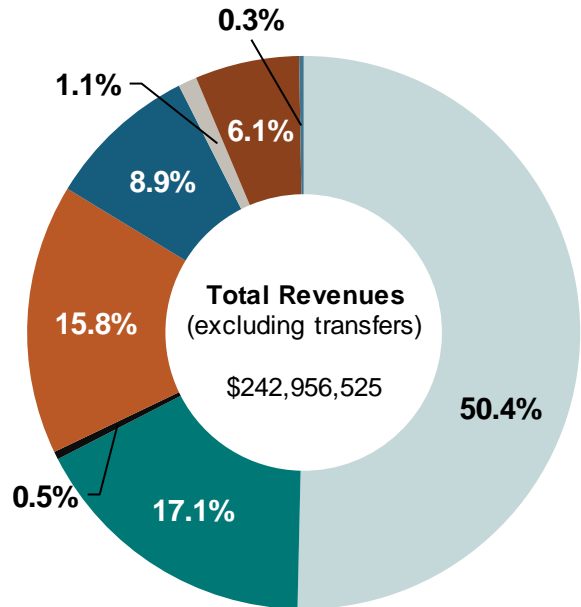
FINES & FORFEITURES

Fees collected by the Courts and entirely distributed to schools.

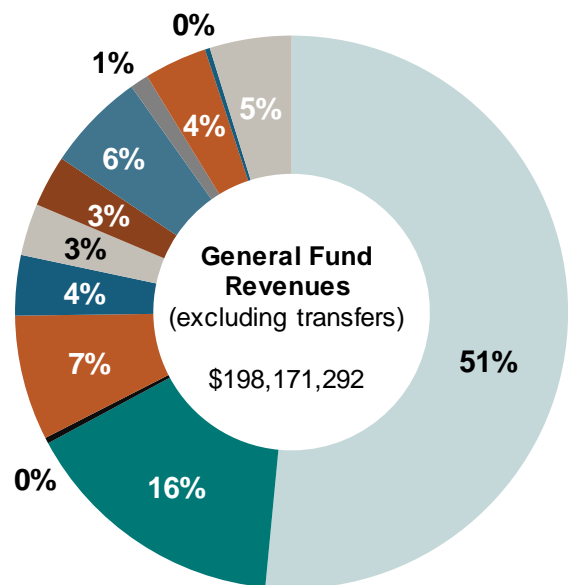
OTHER SOURCES

Includes debt proceeds, special contingency, and insurance premiums.

TOTAL REVENUES



GENERAL FUND REVENUES



REVENUE SUMMARY

	2017/18 Actual	2018/19 Current	2019/20 Requested	2019/20 Adopted	Percent Change
GENERAL FUND					
Property Tax	\$96,118,691	\$95,785,817	\$102,095,631	\$102,095,631	6.6%
Sales Tax	30,915,495	30,645,516	30,953,657	30,953,657	1.0%
Other Taxes	887,700	734,925	645,000	680,000	-7.5%
Federal	14,438,107	14,697,475	14,393,535	14,493,535	-1.4%
State	6,986,043	8,120,302	7,006,722	6,989,773	-13.9%
Federal & State	6,418,561	11,348,811	6,017,073	6,017,073	-47.0%
Local	5,097,787	6,698,627	6,078,026	5,965,605	-10.9%
Permits & Fees	11,309,339	11,210,339	11,487,705	11,492,205	2.5%
Miscellaneous	2,060,814	2,208,268	2,235,172	2,148,672	-2.7%
Fund Balance	0	6,584,122	12,556,498	7,284,596	10.6%
Transfers Between Funds	562,500	550,000	550,000	718,759	30.7%
Fines & Forfeitures	490,348	590,350	569,508	579,200	-1.9%
Other Sources	66,176	10,374,984	9,471,345	9,471,345	-8.7%
	\$175,351,561	\$199,549,536	\$204,059,872	\$198,890,051	-0.3%
OTHER GENERAL FUND TYPES					
Local	\$253,000	\$268,100	\$281,300	\$281,300	4.9%
Permits & Fees	25,661	19,000	19,000	19,000	0.0%
Miscellaneous	130,305	79,000	79,000	75,500	-4.4%
Fund Balance	0	294,884	247,668	351,168	19.1%
Transfers Between Funds	2,210,700	2,292,136	2,537,863	2,383,667	4.0%
Other Sources	2,295,885	2,525,000	2,525,000	2,525,000	0.0%
	\$4,915,551	\$5,478,120	\$5,689,831	\$5,635,635	2.9%
SPECIAL REVENUE FUNDS					
Prior Year Tax	\$994,609	\$826,183	\$826,183	\$826,183	0.0%
Fire Protection Service District	6,915,554	7,009,108	8,216,356	8,191,737	16.9%
State	668,975	935,305	1,108,068	1,108,068	18.5%
Local	0	5,000	3,000	3,000	-40.00%
Miscellaneous	166,610	6,500	7,500	7,500	15.4%
Fund Balance	0	1,066,508	1,344,965	1,339,965	25.6%
Other Sources	0	5,000	5,000	5,000	0.0%
Transfers Between Funds	32,273	0	53,710	53,710	0.0%
	\$8,778,021	\$9,853,604	\$11,564,782	\$11,535,163	17.1%
CAPITAL PROJECT FUNDS					
Sales Tax	\$5,149,897	\$5,727,493	\$6,529,693	\$6,714,798	17.2%
Federal	172,910	0	0	0	0.0%
State	0	0	0	0	0.0%
Local	103,746	12,929	0	0	0.0%
Miscellaneous	898,563	0	0	0	0.0%
Fund Balance	0	1,364,095	14,323,700	1,455,848	6.7%
Transfers Between Funds	9,620,792	6,858,223	5,270,672	6,504,855	-5.2%
Other Sources	43,505,000	9,263,000	29,750,000	10,250,000	10.7%
	\$59,450,908	\$23,225,740	\$55,874,065	\$24,925,501	7.3%
ENTERPRISE FUNDS					
Sales Tax	\$848,925	\$318,061	\$185,105	\$0	0.0%
Other Taxes	425,298	315,000	342,000	342,000	8.6%
State	33,078	27,000	27,000	27,000	0.0%
Local	3,000	3,000	3,000	3,000	0.0%
Permits & Fees	8,459,059	7,633,645	8,017,500	8,017,500	5.0%
Miscellaneous	213,794	101,680	168,500	168,500	65.7%
Fund Balance	0	1,537,851	1,540,537	3,023,166	96.6%
Transfers Between Funds	3,489	1,675,000	1,750,000	0	0.0%
Other Sources	54,598	50,000	50,000	50,000	0.0%
	\$10,041,241	\$11,661,237	\$12,083,642	\$11,631,166	-0.3%
TOTAL	\$258,537,282	\$249,768,237	\$289,272,192	\$252,617,516	1.1%

EXPENDITURES

The budget uses Functions to break down expenditures. Functions are categories within funds that are descriptive of the departments and services budgeted within them. The charts reflect the amount of the total budget and General Fund budget dedicated to each function.

GENERAL GOVERNMENT

Provides administrative support for County government. Includes direct public services such as Board of Elections, Register of Deeds, and Tax as well as County Administration including the Board of Commissioners, County Manager, Human Resources, and Finance.

PUBLIC SAFETY

Work to provide a safe, secure community and provide emergency medical transportation. Includes the Sheriff's Office, Emergency Services, E-911 Communications Center, and other Public Safety activities.

ENVIRONMENTAL QUALITY

Includes Cooperative Extension Services, Soil and Water Conservation, and Forestry.

ECONOMIC & PHYSICAL DEVELOPMENT

Internal departments and external agencies focused on economic and physical development. Includes Technology, Planning, Parks, and Development, Utilities and Engineering, and other Economic Development. Total budget includes Solid Waste and Water and Sewer Funds.

HUMAN SERVICES

The Human Services' budget includes Social Services, Public Health, Partners Behavioral Health, and the Medical Examiner.

EDUCATION

Includes Catawba County Schools, Hickory Public Schools, and Newton-Conover City Schools and Catawba Valley Community College.

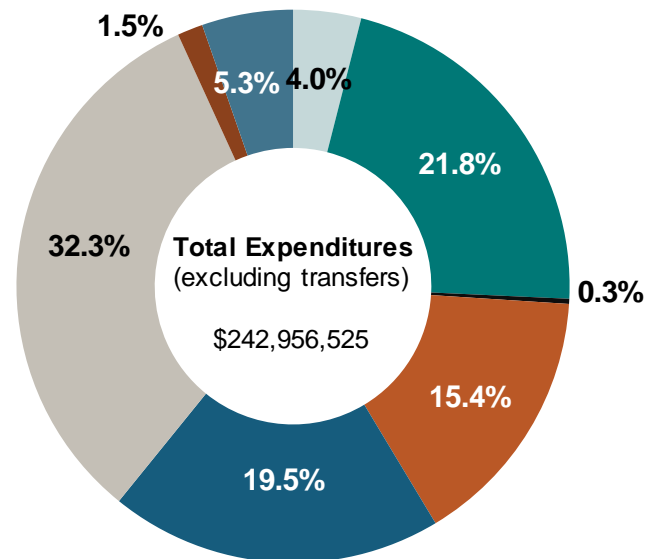
CULTURE

Includes the County Library system and outside organizations such as Catawba County Historical Association, United Arts Council of Catawba County, SALT Bock, Newton-Conover Auditorium, and the Hickory Public Library.

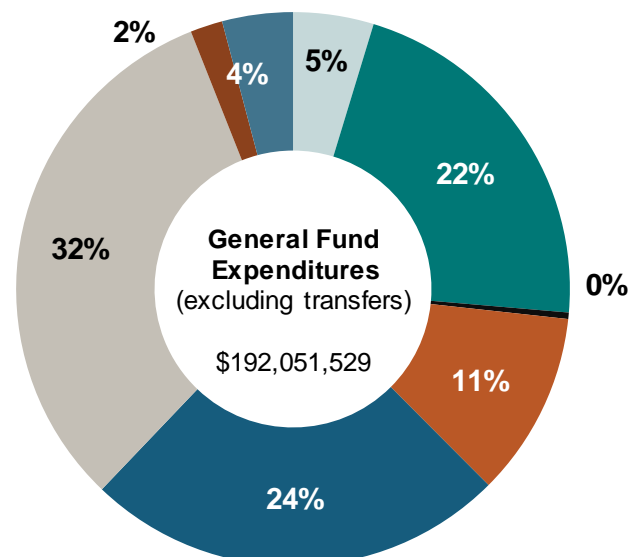
OTHER

Includes the Self-insurance fund and Catawba Valley Medical Center debt.

TOTAL EXPENDITURES



GENERAL FUND EXPENDITURES



EXPENDITURE SUMMARY

	2017/18 Actual	2018/19 Current	2019/20 Requested	2019/20 Adopted	Percent Change
General Fund					
General Government	\$8,080,990	\$8,762,301	\$9,038,163	\$9,034,383	3.1%
Public Safety	\$31,284,597	\$33,358,998	\$40,432,517	\$36,487,472	9.4%
Environmental Quality	\$581,572	\$661,106	\$722,247	\$722,247	9.2%
Economic & Physical Development	\$16,843,305	\$19,241,427	\$20,281,535	\$20,034,168	4.1%
Human Services	\$42,039,177	\$52,428,038	\$47,422,041	\$47,259,838	-9.9%
Schools Current Expense	\$43,821,455	\$45,182,608	\$46,292,463	\$46,076,976	2.0%
Libraries & Culture	\$3,397,644	\$3,537,903	\$3,624,686	\$3,623,760	2.4%
Debt Service	\$16,686,394	\$28,208,601	\$28,737,685	\$28,812,685	2.1%
Transfers to Other Funds	\$9,270,937	\$8,168,554	\$7,508,535	\$6,838,522	-16.3%
	\$172,006,071	\$199,549,536	\$204,059,872	\$198,890,051	-0.3%
Other General Fund Types					
Self Insurance Fund	\$3,466,962	\$4,912,404	\$5,021,400	\$5,021,400	2.2%
Reappraisal Fund	438,323	486,716	589,431	535,235	10.0%
Register of Deeds Auto. & Preserv.	50,600	79,000	79,000	79,000	0.0%
Capital Reserve Fund	0	406,805	0	0	0.0%
	\$3,955,885	\$5,884,925	\$5,689,831	\$5,635,635	-4.2%
Special Revenue Fund Types					
Emergency Telephone System Fund	\$552,595	\$935,305	\$1,163,995	\$1,158,995	23.9%
Narcotics Seized Fund	6,966	10,000	53,710	53,710	437.1%
State Unauthorized Substance Fund	30,000	70,000	70,000	70,000	0.0%
Narcotics Fed Seized Justice Fund	0	0	28,451	28,451	0.0%
Narcotics Fed Seized Treasury Fund	0	0	25,259	25,259	0.0%
Hospital Reserve Fund	500,000	500,000	500,000	500,000	0.0%
Rescue Squads Fund	891,152	826,183	841,692	841,692	1.9%
Library Endowment Fund	7,625	5,000	4,000	4,000	-20.0%
Gretchen Peed Scholarship Fund	0	1,500	1,500	1,500	0.0%
Parks/Historic Preserv.Trust Fund	0	10,500	5,000	5,000	-52.4%
Community Development Fund	77,851	0	0	0	0.0%
Fire Protection Service District Funds	6,957,854	7,088,311	8,871,175	8,846,556	24.8%
	\$9,024,043	\$9,446,799	\$11,564,782	\$11,535,163	22.1%
Capital Project Funds					
General Capital Projects	\$9,977,159	\$4,694,024	\$2,892,877	\$5,087,165	8.4%
Schools' Capital Fund	6,653,034	5,940,774	19,619,408	6,401,556	7.8%
Schools' Construction Fund	19,873,174	9,781,242	30,611,780	11,036,780	12.8%
Water & Sewer Capital Fund	1,865,167	559,700	700,000	350,000	-37.5%
Solid Waste Capital	1,960,818	2,250,000	2,050,000	2,050,000	-8.9%
	\$40,329,352	\$23,225,740	\$55,874,065	\$24,925,501	7.3%
Enterprise Funds					
Water and Sewer	\$423,939	\$2,996,061	\$3,011,738	\$2,559,262	-14.6%
Solid Waste	5,604,456	8,665,176	9,071,904	9,071,904	4.7%
	\$6,028,395	\$11,661,237	\$12,083,642	\$11,631,166	-0.3%
TOTAL	\$231,343,746	\$249,768,237	\$289,272,192	\$252,617,516	1.1%

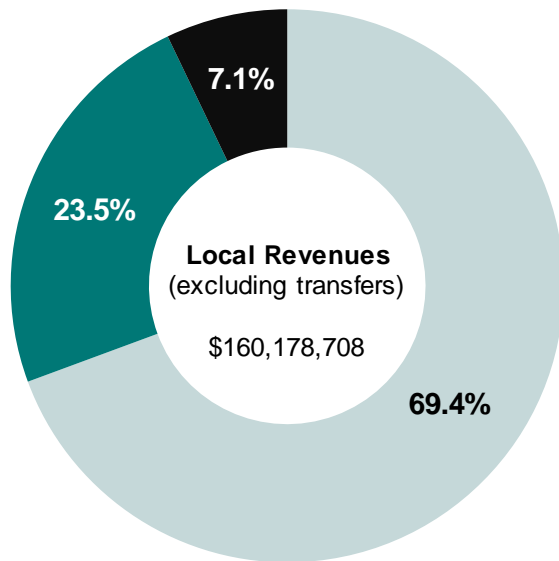
Local Funds

The County receives significant revenue from sources other than County, particularly in Human Services where County governments are often ordered by the State to carry out certain programs. These revenues are typically restricted to programs for which they are received and can't be used for other purposes. Because large amounts of restricted funds are received from the State, the term "County Share" has been created to identify how much County tax revenue is spent on programs.

Other services (such as Building Services) generate sufficient user charge and fee revenue to support itself. In these instances, by Statute excess revenue can't be used to support other services. Similarly, Solid Waste, as an Enterprise Fund, supports itself without County tax revenue.

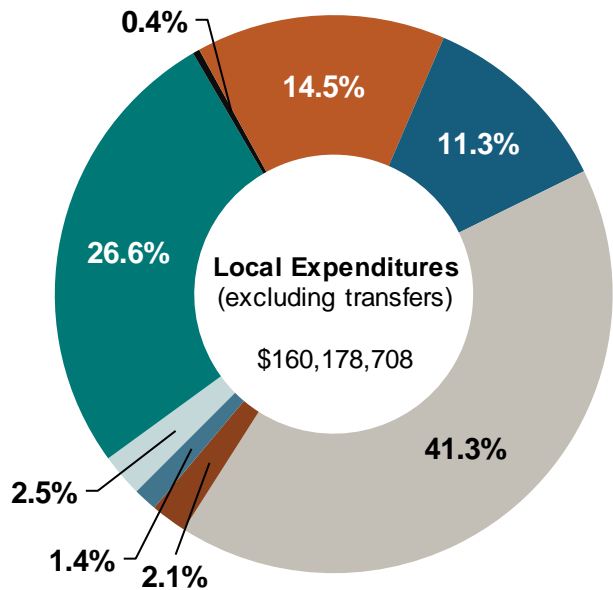
Many services provided by the County don't generate revenues at all, or the amount generated isn't sufficient to cover the cost of delivering the service such as Education, Public Safety, General Government Administration, and Libraries. The term Local Funds is used to refer to the portion of the budget supported by property tax, sales tax, and related fund balance dollars. When only local funds are considered, Education is clearly the largest portion of the County budget, followed by Public Safety.

LOCAL REVENUES



- Property Tax
- Sales Tax
- Fund Balance

LOCAL EXPENDITURES



- General Government
- Public Safety
- Environmental Quality
- Economic & Physical Development
- Human Services
- Education
- Culture
- Other

MAJOR CHANGES IN THE FISCAL YEAR 2019/20 BUDGET

REVENUE

Property Tax

Due to tax base growth and conservative budgeting in prior years, property tax revenue increased \$7.5 million budget to budget (\$6.3 million countywide property tax, \$1.2 million fire protection service districts' property tax).

Sales Tax

Sales tax revenues increased \$977,385 budget to budget due to growth in both the base and sales activity along with conservative budgeting the prior year.

General Fund Balance

Fund balance appropriated in the General Fund increased \$600,474 to balance the budget, although it is anticipated that most of the Fund Balance appropriated will not actually be spent.

EXPENSE

Public Safety

Sheriff

The Sheriff's Office budget reflects increases primarily driven by preparing for the jail expansion scheduled to open in July 2020 (46 positions phased in over the course of the year). Additional increases include implementing body worn cameras (50% grant-funded), adding a position in Records to assist with gun permit processing times, two additional vehicle replacements in addition to the routine replacements, a boat motor replacement, bulletproof vest replacements, and a contract with the City of Hickory to partner in the Safe Communities Initiative

Emergency Services

The budget includes the annualized costs of 6.0 FTEs added in EMS during the current year with reductions to part-time and overtime to minimize budget impact, and annualization of pay increases for employees who possess additional education and/or experience. The budget also includes four paramedics to expand the Conover base to 24/7 coverage. Capital investments include Animal Control vehicle replacement, ambulance purchases, and the final phase of power stretcher retrofits for the primary fleet. The budget also includes bulletproof vests for EMS staff.

911 Communications Center

The budget includes 911 Fund reimbursement for expenses associated with the Computer Aided Dispatch (CAD) upgrade.

Other Public Safety

The budget includes additional funding for jail diversion efforts in partnership with Court Services.

Environmental Quality

Cooperative Extension

The budget increase is associated with planned compensation changes at the state and county levels, and increase to part-time wages to fund an hourly grant writer position, with the initial goal of securing \$10,000 in grants during FY 2019/20.

Forestry

Contractually, Catawba County funds 40 percent of the total budget for Forestry, with the State of North Carolina funding the remaining 60 percent. The budget includes replacement of a Forestry vehicle.

Economic & Physical Development

Technology

The budget includes a new network engineer position to support growing IT needs in Public Safety as well as general support for cybersecurity maintenance and project management.

Planning, Parks, & Development

The budget includes funding for the scheduled replacement of a Parks tractor. This will support the Riverbend Park expansion.

Utilities & Engineering

Funds are included for planned compensation changes and the scheduled replacement of two high mileage vehicles. Additionally, the budget continues to set aside funds for the next permitting software upgrade, expected in four to five years.

Facilities

Funds are included for planned compensation changes and an adjustment to estimated Justice Center maintenance and utilities based on actual usage. There is also funding for 3 months of expenses for Jail utilities.

Human Services

Social Services

The Social Services budget decreased driven by federal and state revenue for daycare and Smart Start no longer passing through the County budget.

Public Health

The budget includes the addition of an Environmental Health Lead to provide overall program management and increase capacity for working supervisors in each program area, increases to cost settlement estimates, and applied restricted fund balance towards facility renovations.

Education

Current Expense

The budget includes increased current expense funding for public schools and Catawba Valley Community College (CVCC). The increase included for CVCC is primarily driven by annualizing operating costs for the Workforce Solutions Center, which opened in fall 2018. The budget also continues to provide \$1.3 million for the K-64 Initiative.

Culture

Library

The budget includes ongoing operations for the Pop-Up Library and continued support for the Wi-Fi Hotspot rental program.

Other Cultural

The budget generally maintains current year funding levels for arts agencies, including Hickory Public Libraries, United Arts Council, SALT Block Foundation, and Newton-Conover Auditorium Authority.

General Government

Tax

The budget includes funding for a Business/Personal Property Auditor position, as well as increased cost of accounting and banking services. Additionally, one existing position was shifted out of the General Fund budget into the Reappraisal Fund to better align staff with function.

Elections

The Board of Elections budget fluctuates annually based on the number of elections occurring during the fiscal year. The budget includes increases related to 2019 municipal elections and the 2020 primary elections.

Register of Deeds

Funds are included for planned compensation changes.

Finance

The budget includes planned compensation changes, increases to accounting services, and increases to auditing services driven by State Auditor requirements.

Contingency

The budget reduces contingency based on a one-time increase that occurred in FY 2018/19.

Other

Self-Insurance Fund

The budget increase is primarily due to increased property and liability premiums associated with cyber liability, builder's risk for the new jail, and regular premium increases. Worker's compensation premiums increased due largely to new positions, particularly in the jail. The contract with the CVMC to operate the employee health clinic also increased.

Reappraisal Fund

The budget for the Reappraisal Fund fluctuates annually based on the current stage of the four-year property tax revaluation cycle. The budget includes funding for an additional vehicle, which will support more fieldwork, and the addition of one FTE that was moved from the General Fund budget to better align staff with function.

Emergency Telephone System Fund

The budget includes additional Public Safety Answering Point (PSAP) funding from the State driven by expense increases in recent years for the Justice Public Safety Center and establishing a 911 back-up center, as well as funding for the Computer Aided Dispatch (CAD) upgrade.

Fire Service Protection Districts

The budget includes 7 districts remaining at their current rates, with 4 districts receiving tax increase beyond the current rate. Three districts remain at revenue neutral. Six districts will apply fund balance towards capital purchases.

Rescue Squads

The budget includes the purchase of a Quick Response Vehicle (QRV) for Catawba Rescue in line with the 10-year capital agreement.

General Capital Projects

General Capital Projects increased \$393,141. The budget includes funding for a CAD upgrade and court system AV upgrade. The budget continues to fund ongoing technology and facility improvements and reserves funds for current and future economic development projects.

Schools Capital

The budget increased \$460,782 to fund additional annual school capital projects for the three public school systems and CVCC.

Schools Construction

The budget increased \$1.26 million to fund the first year of a 4-year school construction cycle. Funds are included to renovate CVCC's Engineering Building for use by Challenger High School (\$3 million) and Maiden Middle School (\$7.25 million). Additionally, \$786,780 is reserved toward future school construction financing needs.

Water & Sewer Capital

The budget continues setting aside funds for a future expansion of the Hickory/Catawba County Waste Water Treatment Plan, but discontinues participation in the Sludge Consortium. One new project is funded: demolition of an old wastewater system at Sherrills Ford Elementary School, as the existing system is no longer needed since the school connected to the central SECC sewer system.

Water & Sewer Operating

The budget decreased due to the redirection of water and sewer revenues to support economic development-related infrastructure needs in Fiscal Year 19/20.

Solid Waste Capital

The budget funds improvements to the final landfill cap at the Bethany Church Road Landfill to eliminate the accumulation of surface water ponding. Funding for wetlands and streams mitigation on the Blackburn Resource Recovery Facility property is also included. Without this mitigation, the life of the landfill will be reduced by an estimated 25-40 percent.

Solid Waste Management

The budget increase is driven by regulatory requirements to maintain closed landfill cells and to replace landfill equipment that is at end of life. Planning for these and future costs requires a 2% per ton tipping fee increase for the sanitary landfill, as planned.

LONG-TERM FINANCIAL PLANNING

Catawba County's economy continues to grow as reflected in strong retail sales activity, increasing building permit activity, business investment, and the County's 3.8 percent unemployment rate (as of March 2019). The County is taking deliberate steps to accelerate and reinforce this economic growth. The Board of Commissioners began a strategic planning process in July 2016 aimed at enhancing and promoting the County's quality of life in order to attract working-age families and to grow the economy. Since that time, staff has been busy implementing key components of this plan and focusing on anticipating future service pressures and delivering responsive services to the community.

The Fiscal Year 2019/20 budget invests in services and infrastructure related to many of the 8 major focus areas of the strategic plan as well as general service needs. Highlights of investment include:

- *Economic Development:* The budget includes \$2.6 million toward the County's share of a joint venture with the City of Hickory in Trivium Corporate Center and reserves \$739,987 toward future economic development projects.
- *K-64 and Education:* \$1.3 million dedicated to K-64 for the third year of a 5-year commitment, \$60 or 3.6 percent per pupil current expense increase for the three public school systems, and a 5.7 percent increase in current expense funding to CVCC. Additionally, the budget funds \$6.4 million in schools' annual capital needs and \$10.25 million in construction projects in the first of a four-year schools' construction funding cycle (with an additional \$35.5 million planned over the following three years). Further, \$15.9 million is committed to current and future debt service for financed school projects.
- *Water & Sewer Infrastructure:* As part of the Strategic Plan, the County contracted for a comprehensive study of the Southeastern Catawba County water and sewer service area including development of a long-term capital improvement plan and a plan for financial sustainability. While the final report is not yet completed, the study identified capital infrastructure needs for the next 10 years, which the County is financially well-positioned to address with existing funds. Next steps involve establishment of a Water-Sewer governance structure and funding structure planned for Fall 2019. Work remaining includes boundary establishment, recalculation of system development fees, community outreach, and formal Board of Commissioners consideration.
- *Parks:* Work continues on Mountain Creek Park development, with operation of the initial phase anticipated in Fiscal Year 2020/21. A second phase is expected to begin development in Fiscal Year 2022/23. At Riverbend Park, improvements to land and structures purchased adjacent to the original park (to potentially include renovation of the principle structure, picnic shelters, additional trails, primitive camp sites, fishing pier, observation deck, parking, special event facilities, etc.) are planned beginning in Fiscal Year 2020/21. The County plans to apply for PARTF grants to assist with both parks and debt finance additional phases at Mountain Creek.
- *Healthy & Safe Community:* The County has reserved bed rental revenue since its last jail expansion in 2007 and dedicated 1.5 cents property tax since Fiscal Year 2015/16 toward the cost of future jail expansion. A 320-bed expansion began in the current year with total costs of \$33 million, \$22 million of which was debt financed with the rest coming from reserved

revenue. The Fiscal Year 2019/20 budget phases in funding for 46 positions to allow the necessary time to recruit and train the new staff prior to the planned opening in July 2020. With this expansion, the County's long-term agreement with Burke County for the operation of the Burke-Catawba District Confinement Facility will end, freeing operating funds for the expansion. Additionally, the County will have significant beds available to rent.

The budget implements recommendations of the recently completed EMS study including: annualizing the costs of 6 FTEs added during Fiscal Year 2018/19 to relieve overtime and part-time pressures, adding 4 FTEs to expand the Conover EMS crew from 84 hours/week to 168 hours /week to address a gap in core service during night hours, and investing in staff safety by retrofitting ambulances with power stretchers and equipping staff with bulletproof vests. The County has reserved savings from changes in Rescue Squads funding over the course of the past two years towards providing "right care, right place, right time" public safety services. The budget applies these savings from current and previous years toward these investments.

- *Solid Waste:* In Fiscal Year 2018/19, the BOC authorized expenditure of just over \$10 million in funds for the next landfill cell expected to begin accepting waste in 2021. Planning for this cell, closure/post closure costs of the existing cell, and future cell needs necessitated a \$2 per ton tipping fee increase in Fiscal Year 2018/19—the first in over 10 years—with scheduled annual increases over the next 10 years. Tipping fees will increase 2% in Fiscal Year 2019/20 and will be based on the consumer price index or 2 percent in future years, whichever is greater.

The County is able to make these investments within available revenues, maintaining the property tax rate of \$0.575 for every \$100 of valuation, thanks to growth in the tax base due to countywide property reappraisal, a strong tradition of fiscal stewardship, and conservative budgeting. Comprehensive long-range plans have been developed for critical service areas such as school construction, jail expansion, water and sewer infrastructure, parks, libraries, and solid waste.

The following pages provide 4-year revenue and expenditure projections that reflect the County's long-range plans.

4-YEAR REVENUE SUMMARY PROJECTION

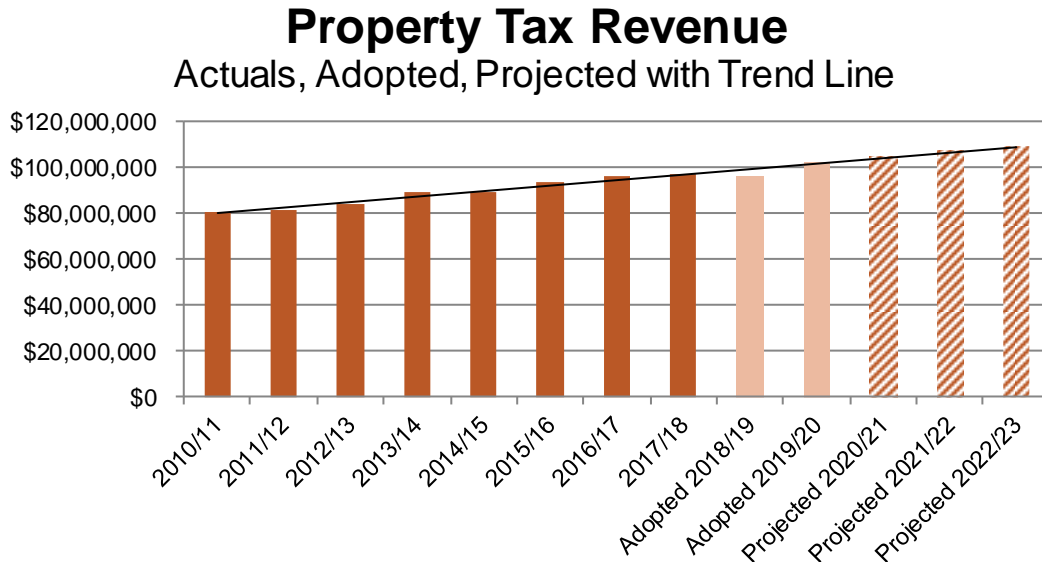
	2019/20 Adopted	2020/21 Projected	2021/22 Projected	2022/23 Projected
GENERAL FUND				
Property Tax	\$102,095,631	\$104,137,544	\$106,480,639	\$108,876,454
Sales Tax	30,953,657	31,572,730	32,283,117	33,009,487
Other Taxes	680,000	693,600	707,472	721,621
Federal	14,493,535	14,644,595	14,797,166	14,945,138
State	6,989,773	7,059,671	7,130,268	7,201,571
Federal & State	6,017,073	6,077,244	6,138,016	6,199,396
Local	5,965,605	6,725,261	6,792,514	6,860,439
Permits & Fees	11,492,205	11,722,049	11,956,490	12,195,620
Miscellaneous	2,148,672	2,191,645	2,235,478	2,280,188
Fund Balance	7,284,596	6,683,657	6,586,672	6,629,992
Transfers Between Funds	718,759	2,687,676	5,302,069	5,377,972
Fines & Forfeitures	579,200	590,784	602,600	614,652
Other Sources	9,471,345	10,374,984	9,471,345	9,348,772
	\$198,890,051	\$205,161,440	\$210,483,846	\$214,261,302
OTHER GENERAL FUND TYPES				
Local	\$281,300	\$284,113	\$286,954	\$289,824
Permits & Fees	19,000	19,380	19,768	20,163
Miscellaneous	75,500	77,010	78,550	80,121
Fund Balance	351,168	361,005	371,067	381,358
Transfers Between Funds	2,383,667	2,431,340	2,479,967	2,529,566
Other Sources	2,525,000	2,575,500	2,627,010	2,679,550
	\$5,635,635	\$5,748,348	\$5,863,316	\$5,980,582
SPECIAL REVENUE FUNDS				
Prior Year-Property Tax	\$826,183	\$826,183	\$826,183	\$826,183
Fire Protection Service District	8,191,737	8,355,572	8,522,683	8,693,137
State	1,108,068	1,108,068	1,108,068	1,108,068
Local	3,000	3,030	3,060	3,091
Miscellaneous	7,500	7,500	7,500	7,500
Fund Balance	1,339,965	1,307,205	1,297,588	1,287,384
Other Sources	58,710	5,000	5,000	5,000
	\$11,535,163	\$11,612,558	\$11,770,082	\$11,930,363
CAPITAL PROJECT FUNDS				
Sales Tax	\$6,714,798	\$6,849,094	\$7,236,076	\$7,630,798
State	\$0	250,000	250,000	250,000
Miscellaneous	\$0	43,162	43,162	43,162
Fund Balance	\$1,455,848	553,731	568,800	0
Transfers Between Funds	\$6,504,855	4,256,926	1,974,760	1,800,421
Other Sources	\$10,250,000	29,500,000	2,000,000	4,250,000
	\$24,925,501	\$41,452,913	\$12,072,798	\$13,974,381
ENTERPRISE FUNDS				
Sales Tax	\$0	\$0	\$670,775	\$698,398
Other Taxes	\$342,000	342,670	343,347	344,030
State	\$27,000	27,000	27,000	27,000
Local	\$3,000	3,000	3,000	3,000
Permits & Fees	\$8,017,500	8,204,710	8,397,152	8,594,979
Miscellaneous	\$168,500	170,550	172,621	174,712
Fund Balance	\$3,023,166	1,552,962	0	0
Transfers Between Funds	\$0	0	1,785,175	1,803,027
Other Sources	\$50,000	50,000	50,000	50,000
	\$11,631,166	\$10,350,892	\$11,449,070	\$11,695,146
TOTAL	\$252,617,516	\$274,326,151	\$251,639,112	\$257,841,774

4-YEAR EXPENSE SUMMARY PROJECTION

	2019/20 Adopted	2020/2021 Projected	2021/22 Projected	2022/23 Projected
GENERAL FUND				
General Government	\$9,034,383	\$9,215,071	\$9,399,372	\$9,587,359
Public Safety	\$36,487,472	\$37,975,221	\$38,219,565	\$38,963,909
Environmental Quality	\$722,247	\$736,692	\$751,426	\$766,455
Economic & Physical Development	\$20,034,168	\$21,132,851	\$21,555,508	\$21,986,618
Human Services	\$47,259,838	\$48,205,035	\$49,169,136	\$50,152,519
Schools Current Expense	\$46,076,976	\$46,998,516	\$47,938,486	\$48,897,256
Libraries & Culture	\$3,623,760	\$3,696,235	\$3,770,160	\$3,845,563
Debt Service	\$28,812,685	\$31,497,241	\$33,867,732	\$34,183,266
Transfers to Other Funds	\$6,838,522	\$5,704,578	\$5,812,461	\$5,878,357
	\$198,890,051	\$205,161,440	\$210,483,846	\$214,261,302
OTHER GENERAL FUND TYPES				
Self Insurance Fund	\$5,021,400	\$5,121,828	\$5,224,265	\$5,328,750
Reappraisal Fund	\$535,235	\$545,940	\$556,859	\$567,996
Register of Deeds Auto. & Preserv.	\$79,000	\$80,580	\$82,192	\$83,836
	\$5,635,635	\$5,748,348	\$5,863,316	\$5,980,582
SPECIAL REVENUE FUNDS				
Emergency Telephone System Fund	\$1,158,995	\$1,158,995	\$1,158,995	\$1,158,995
Narcotics Seized Fund	\$53,710	\$0	\$0	\$0
State Unauthorized Substance Fund	\$70,000	\$70,000	\$70,000	\$70,000
Narcotics Fed Seized Justice Fund	\$28,451	\$15,000	\$15,000	\$15,000
Narcotics Fed Seized Treasury Fund	\$25,259	\$15,000	\$15,000	\$15,000
Hospital Reserve	\$500,000	\$500,000	\$500,000	\$500,000
Rescue Squads Fund	\$841,692	\$841,692	\$841,692	\$841,692
Gretchen Peed Scholarship Fund	\$1,500	\$1,500	\$1,500	\$1,500
Parks/Historic Preserv. Trust Fund	\$5,000	\$5,000	\$5,000	\$5,000
Fire Protection Service District Funds	\$8,846,556	\$9,001,371	\$9,158,895	\$9,319,176
	\$11,535,163	\$11,612,558	\$11,770,082	\$11,930,363
CAPITAL PROJECT FUNDS				
General Capital Projects	\$5,087,165	\$5,078,414	\$2,520,167	\$2,238,274
Schools' Capital Fund	\$6,401,556	\$6,574,499	\$6,752,631	\$6,936,107
Schools' Construction Fund	\$11,036,780	\$29,500,000	\$2,000,000	\$4,000,000
Water & Sewer Capital Fund	\$350,000	\$250,000	\$250,000	\$250,000
Solid Waste Capital	\$2,050,000	\$50,000	\$550,000	\$550,000
	\$24,925,501	\$41,452,913	\$12,072,798	\$13,974,381
ENTERPRISE FUND				
Water & Sewer	\$2,559,262	\$2,549,120	\$3,548,477	\$3,604,877
Solid Waste	\$9,071,904	\$7,801,772	\$7,900,593	\$8,090,269
	\$11,631,166	\$10,350,892	\$11,449,070	\$11,695,146
TOTAL	\$252,617,516	\$274,326,151	\$251,639,112	\$257,841,774

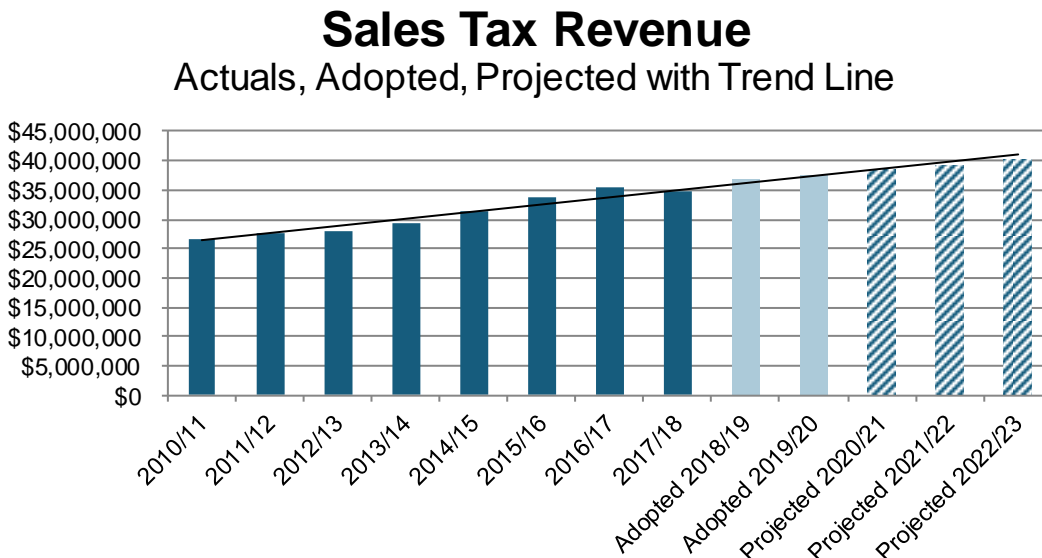
REVENUE TRENDS

MAJOR REVENUE SOURCES (ACTUALS & TRENDS)



Property Tax

A tax levied by the Board of Commissioners applicable to real and personal property. Once every four years, the County Tax Assessor must revalue the real property in the County. The County tax rate is \$0.575 per \$100 of valuation. Fiscal Year 2019/20 budgeted property tax is \$102,095,631.

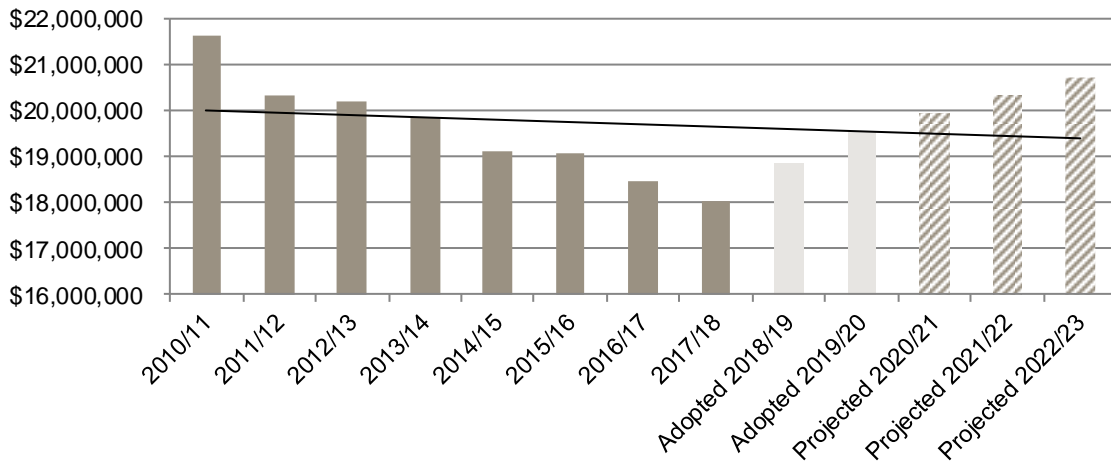


Sales Tax

Sales tax is levied by the County, collected by the State, and then returned to the County. Sales Tax revenue is directly related to an economy's growth or decline. Sales Tax estimates conservatively include a 2.7 percent increase for Fiscal Year 2019/20 compared to Fiscal Year 2018/19 budget.

Permits & Fees Revenue

Actuals, Adopted, Projected with Trend Line

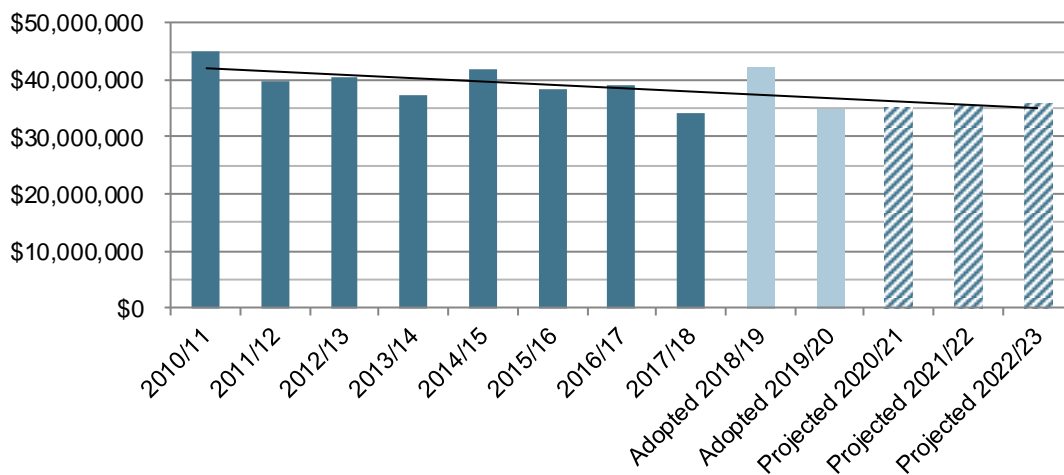


Permits & Fees

Revenue from permits and fees includes funds received from Medicaid reimbursement, user fees, and assessments to municipalities for items such as elections, GIS, or planning studies. The largest revenues in this category include Ambulance Charges (\$5,400,000), Landfill User Fees (\$5,600,000), and Building Permits (\$2,303,101).

Intergovernmental Revenue

Actuals, Adopted, Projected with Trend Line



Intergovernmental

Revenues received from the State and Federal government. Most of these revenues are tied to programs that the State or Federal Agency has ordered the County to implement, such as human service programs. Some of the largest revenues in this category include Medicaid Administration (\$3,285,402), Work First Grant (\$2,127,585), 911 Reimbursement (\$853,911), Duke Endowment (\$839,252), and WIC Grant (\$769,537).

FUND BALANCE

The County uses four basic fund types: General, Special Revenue, Capital, and Enterprise. Each of these fund types has its own specific legal and accounting requirements. Appropriations lapse at year end in the General, Special Revenue, and Enterprise Funds, for which annual budgets have been legally adopted. The Capital Projects Funds budgets are adopted on a project ordinance basis, spanning more than one year. Appropriations are carried over in these funds until the project is completed. Each fund also has its own fund balance. Fund balance represents monies that remain unspent after all budgeted expenditures have been made. These unspent monies serve as a working capital reserve to pay expenditures in the early part of the fiscal year before taxes are collected. The fund balances are also available for appropriation or may be saved for major capital expenditures. The Chief Financial Officer and the Budget and Management Director estimate fund balances for the current year and upcoming fiscal year based on expected revenue and expenditure occurrences throughout the year.

Fund balance is typically referred to in two ways: available fund balance and unassigned fund balance. The County's available fund balance refers to its total cash and investments minus liabilities, encumbrances, and deferred revenues at the end of each fiscal year. Unassigned fund balance is more conservative, referring to the amount of fund balance with no restrictions or designations that is freely available to be appropriated and spent at any time. It is calculated starting with the available fund balance and reducing it by things such as fund balance appropriated for subsequent year's expenses and Board of Commissioners' designations such as Reinventing Surplus (which may or may not be spent), and other reserves. The tables below reflect unassigned fund balance.

General Fund

The General Fund is the principal fund used to account for the provision of governmental services. This fund summarizes the financial transactions of functional services, based on departmental operations, except for those transactions that must be accounted for separately in other funds. The County had available fund balance of \$66.1 million or 38.25 percent, as defined by the Local Government Commission (LGC), at the end of Fiscal Year 2017/18. This is well above the LGC's 8 percent requirement and the Board of Commissioners' goal of 16 percent.

General Fund (and like Funds) Unassigned Fund Balance at the end of Fiscal Year 2018 was \$39.5 or 24 percent. The Fiscal Year 2019/20 budget appropriates \$7,284,596 in General Fund fund balance to help finance County operations and schools' annual capital projects. This is a \$700,474 increase from the amount budgeted in Fiscal Year 2018/19. Additionally, \$351,168 in fund balance is appropriated in the General Fund-Like Funds. Due to conservative revenue and expense budgeting, it is expected that most of this appropriation is simply a balancing number and will not be spent.

General Fund (and like Funds) Unassigned	Act. 6/30/2018	Est. 06/30/19	Appropriated	
			FY 2019/20	Est. 06/30/20
General Fund (110)	36,579,959	37,000,000	\$7,284,596	35,000,000
Self Insurance Fund (115)	2,849,391	2,400,000	321,600	2,100,000
Register of Deeds Autom. & Preserv (160)	30,500	31,000	3,500	27,500
Total	39,459,850	39,431,000	7,609,696	37,127,500

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for special purposes.

Special Revenue Fund Types Unassigned	Act. 6/30/2018	Est. 06/30/19	Appropriated	
			FY 2019/20	Est. 06/30/20
Emergency Telephone (202)	343,761	419,000	50,927	444,000
Narcotics Seized (205, 207, 208)	53,336	62,000	53,710	39,000
State Substance Abuse (206)	150,021	144,000	70,000	124,000
Rescue Squads (240)	387,189	300,000	15,509	284,000
Library Endowment (250)	193,303	194,000	0	194,000
Gretchen Peed Scholarship (260)	54,954	55,000	0	55,000
Parks Preservation (270)	5,335	0	0	0
Community Development (280)	25,764	15,000	0	15,000
Fire Districts (352-369)	1,487,252	1,450,000	654,819	800,000
Total	2,700,914	2,639,000	844,965	1,955,000

Capital Projects Funds

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The County maintains a separate Schools' Capital Projects Fund, General Capital Projects Fund, Hospital Construction and Operations Fund, Water and Sewer Construction Fund, and Capital Projects Reserve Fund for accounting and budgeting purposes.

Capital Projects Fund Types Unassigned	Act. 6/30/2018	Est. 06/30/19	Appropriated	
			FY 2019/20	Est. 06/30/20
General Capital Projects (410)	1,386,513	3,000,000	469,073	2,000,000
Schools' Capital Projects (420)	4,334,364	4,150,000	636,775	3,510,000
Schools' Construction (423)	15,563,311	16,081,553	(786,780)	16,868,000
Hospital Construction & Reserve (235)	3,609,986	3,145,000	500,000	2,680,000
Total	24,894,173	26,376,553	819,068	25,058,000

Enterprise Funds

Enterprise Funds are used to account for services that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs of providing service to the general public on a continuing basis be financed or recovered primarily through user charges. The County has two enterprise funds, the Solid Waste Management Fund and the Water and Sewer Fund.

Enterprise Fund Types Unassigned	Act. 6/30/2018	Est. 06/30/19	Appropriated	
			FY 2019/20	Est. 06/30/20
Water & Sewer (515 & 475)	18,964,263	17,475,000	1,838,262	15,640,000
Solid Waste (525 & 485)	15,868,768	13,950,000	1,534,904	12,420,000
Total	34,833,031	31,425,000	3,373,166	28,060,000

FEES UPDATES

Below are the fee changes/clarifications that are included as part of this budget. All fees are effective July 1, 2019, unless otherwise noted. The entire fee schedule is included in the appendix.

Library	Change	Proposed Fee
Large Format Printing/Copying	\$0.30 Increase (B/W) \$0.25 Increase (Color)	Black and White - \$0.60 / linear ft Color - \$1.00 / linear ft

Sheriff	Change	Proposed Fee
Inmate Bed Rental Rates	Set separate fee Federal vs. Local	\$65 Federal \$40 Local

Solid Waste	Change	Proposed Fee
Archive Research Fee (Landfill weighing transaction tickets after the end of the day for customers that want duplicate tickets or lose tickets)	New Fee FY 19/20	\$22 per request
Commercial Weighs	New Fee FY 19/20	\$15 per weigh
Municipal Solid Waste (MSW) Landfill Fee	2% or \$0.70 per ton increase	\$35.70
Municipal Water & Wastewater Sludge that meet Paint Filter Liquids Test	2% or \$2.00 per ton increase	\$103.00
Minimum Fees 1,000 lbs or less	Set fees at ½ the per ton rate unless otherwise specified	Various – Example \$17.85 MSW & \$12.50 C&D
Contaminated Waste	Increase to Triple Tipping Fee	\$107.10 per ton

Building Services	Change	Proposed Fee
Covered Porches Square Footage Multiplier	Fee Reduction	0.113
Permit Fees for Phased Construction - Footing/Foundation and Shell-in for all Trades	Reduce from 50%	25% of Building
Modular and Manufactured Homes Trade Permit Fee	Single up-front fee instead of per trade	\$270.00 Modular \$150.00 Manufact.
Demolition Permit Fee	Fee Reductions: \$75.00 Commercial \$35.00 Residential	\$75.00 Commercial \$40.00 Residential
Re-Roof Permit Fee	\$35 Reduction Residential	\$40.00
Permits for Signs, Cell Towers, Solar Arrays, Swimming Pools, and Piers (moved to Schedule C – Miscellaneous Fees with applicable schedules referenced by trade)	Instead of minimum fees applied, most result in fee reduction	Various
Permit Placard	Eliminate \$5 fee	\$0

Work Started without Permit (residential only)	Cap penalty portion of double fee	\$150.00 on residential projects
Plan Review, Contracted Service	\$25.00 Increase	\$100 per hour
Electrical Permit Fee (Existing Structures)	Eliminate amperage related fees	\$0
Electrical Wiring Per Tenant Space	New Fee FY 19/20	\$150.00 per Commercial Permit
Monthly Renewal for Temporary Electrical and Mechanical Agreements	Fee Reductions	Extend 1 st Renewal from 30 to 60 Days
Mechanical Permit Fee (Existing Structures)	Combine Mechanical and Electrical Permit Fee into single fee	No \$ Change
Exhaust Fan and Gas Line Only (Existing Structures Mechanical Permit)	Fee Reduction: \$21 Residential and \$11 Commercial	\$30.00 Residential \$50.00 Commercial
Multi-Family Mechanical and Plumbing Permits (includes all systems per dwelling)	Fee Reduction (most)	\$61.00 Per Dwelling/Per Trade

PERSONNEL SUMMARY

The Fiscal Year 2019/20 Budget includes a total of 1,140.80 authorized full-time equivalents (FTEs) in all funds. An FTE simply converts the hours worked by a position into a percentage of a full year's number of hours (2,080/year). Some FTEs may be filled with more than one person (multiple positions) and the work that is accomplished may equal more than 2,080 hours (reserve positions in the Sheriff's Office and EMS, respite position in Social Services). If so, the FTE may be 1.25 or 2,600 hours worked.

SUMMARY OF PERSONNEL CHANGES

New and increased FTEs included with the Fiscal Year 2019/20 Budget are as follows:

Position	Department	Total FTEs	Funding Source
Business/Personal Property Auditor	Tax (Assessor)	1.0	General Fund
EMT Paramedics	Emergency Services (EMS)	4.0	General Fund
Network Engineer	Technology (ITC)	1.0	General Fund
Administrative Assistant I	Sheriff (Records)	1.0	General Fund
Detention Officers	Sheriff (Jail)	39.0	General Fund
Deputy Sheriffs – Sergeant	Sheriff (Jail)	4.0	General Fund
Captain	Sheriff (Jail)	1.0	General Fund
Environmental Health Lead	Public Health (EH)	1.0	General Fund
Total Adopted FTEs		52.0	

Positions added/abolished by Board of Commissioners' action during Fiscal Year 2018/19 are as follows:

Position	Department	Total FTEs	Funding Source
EMT Paramedics	Emergency Services (EMS)	6.0	General Fund

FULL TIME EQUIVALENTS BY DEPARTMENT

	2017/18 Actual	2018/19 Current	2019/20 Requested	2019/20 Adopted
General Government				
County Manager				
Permanent	13.00	12.00	12.00	12.00
Hourly	0.28	0.28	0.47	0.47
Human Resources				
Permanent	11.00	11.00	11.00	11.00
Hourly	0.25	0.25	0.25	0.25
Tax Department				
Permanent	21.00	19.00	19.00	19.00
Hourly	0.00	0.00	0.00	0.00
Board of Elections				
Permanent	4.00	4.00	4.00	4.00
Hourly	0.65	0.42	0.77	0.77
Register of Deeds				
Permanent	10.00	10.00	10.00	10.00
Hourly	0.67	0.67	0.67	0.67
Finance				
Permanent	15.00	15.00	15.00	15.00
Hourly	1.12	0.77	0.77	0.77
Total General Government				
Permanent	74.00	71.00	71.00	71.00
Hourly	2.97	2.39	2.93	2.93
Public Safety				
Sheriff's Office				
Permanent	198.00	198.00	276.00	243.00
Hourly	11.50	12.20	11.69	10.51
Emergency Services				
Permanent	112.00	118.00	126.00	122.00
Hourly	13.00	13.60	11.08	11.08
Communications Center				
Permanent	32.00	33.00	33.00	33.00
Hourly	2.30	2.30	3.45	3.45
Total Public Safety				
Permanent	342.00	349.00	435.00	398.00
Hourly	26.80	28.10	26.22	25.04

	2017/18 Actual	2018/19 Current	2019/20 Requested	2019/20 Adopted
Environmental Quality				
Cooperative Extension				
Permanent	1.00	1.00	1.00	1.00
Hourly	0.30	0.95	1.09	1.09
Soil & Water Conservation				
Permanent	2.60	2.60	2.60	2.60
Hourly	0.00	0.00	0.00	0.00
Total Environmental Quality				
Permanent	3.60	3.60	3.60	3.60
Hourly	0.30	0.95	1.09	1.09
Economic & Physical Development				
Technology				
Permanent	27.00	30.15	32.15	31.15
Hourly	0.68	0.68	0.74	0.74
Planning, Parks, & Development				
Permanent	10.00	10.00	10.00	10.00
Hourly	2.42	2.42	2.42	2.42
Utilities & Engineering				
Permanent	29.40	29.40	29.40	29.40
Hourly	0.00	0.00	0.29	0.29
Facilities				
Permanent	17.00	17.00	17.00	17.00
Hourly	0.00	0.00	0.00	0.00
Total Economic & Physical Development				
Permanent	83.40	86.55	88.55	87.55
Hourly	3.10	3.10	3.45	3.45
Human Services				
Social Services				
Permanent	400.90	400.90	400.90	400.90
Hourly	8.50	8.50	8.51	8.51
Public Health				
Permanent	101.50	104.50	105.50	105.50
Hourly	1.26	1.26	1.26	1.26
Total Human Services				
Permanent	502.40	505.40	506.40	506.40
Hourly	9.76	9.76	9.77	9.77

	2017/18 Actual	2018/19 Current	2019/20 Requested	2019/20 Adopted
Culture				
Library				
Permanent	34.80	35.80	35.80	35.80
Hourly	2.20	2.20	2.30	2.30
Total Culture				
Permanent	34.80	35.80	35.80	35.80
Hourly	2.20	2.20	2.30	2.30
Other Funds				
Emergency Telephone System Fund				
Permanent	1.85	1.85	1.85	1.85
Hourly	0.00	0.00	0.00	0.00
Reappraisal Fund				
Permanent	6.00	6.00	8.00	7.00
Hourly	0.00	0.00	0.00	0.00
Solid Waste Management				
Permanent	28.60	28.60	28.60	28.60
Hourly	0.00	0.32	0.29	0.29
Water & Sewer				
Permanent	1.00	1.00	2.00	1.00
Hourly	0.00	0.32	0.29	0.29
Total Other Funds				
Permanent	37.45	37.45	40.45	38.45
Hourly	0.00	0.64	0.58	0.58
GRAND TOTAL				
Permanent	1,077.65	1,088.80	1,180.80	1,140.80
Hourly	45.13	47.14	46.34	45.15