

Board of Commissioners Changes to the Manager's Recommended Budget

June 6, 2022

To the Catawba County Board of Commissioners and Citizens:

I am pleased to present to you the proposed budget for adoption. On May 16, 2022, I presented my recommended budget. Budget hearings were held on May 25, 2022, with a public hearing and wrap-up session on June 2, 2022. During deliberations the Board made changes to the budget as follows:

- Appropriated \$282,400 in non-local funds for the Streamflow Rehabilitation Assistance Program (StRAP) grant plus \$28,240 in matching funds for stream debris and blockage removal from General Fund Fund Balance.
- The recommended budget included funding for a potential countywide 2nd primary but only the City of Hickory will have an election in July, which it will fully fund. As a result, the Board of Elections expense budget was decreased by \$78,866 and revenue was increased by \$40,605 for a net reduction to General Fund Fund Balance of \$119,471.
- The new shift differential for EMS staff working night shift was decreased from \$2 per hour to \$1 per hour, reducing the budget by \$119,362.
- Shifted recommended funding from CREC renovations and awning installation projects at Arndt Middle (\$60,000), Blackburn Elementary (\$40,000) and Claremont Elementary (\$50,000).
- Appropriated \$50,000 in Schools' Capital Fund Balance to Newton-Conover City Schools for system-wide school safety and security enhancements for all sites.

The final budget is \$306,247,224.

Sincerely,

A handwritten signature in black ink that reads "Mick w Berry". The signature is fluid and cursive, with a large, stylized "B" at the end.

Mick Berry
County Manager



Message from the County Manager

May 16, 2022

To the Catawba County Board of Commissioners and Citizens:

I am pleased to present to you the recommended Catawba County budget for Fiscal Year 2022/23 in the amount of \$306,084,812, which maintains a property tax rate of \$0.575 per \$100 of valuation and reflects a 5.9 percent decrease in the total budget. (This decrease is driven primarily by appropriation American Rescue Act funds during Fiscal Year 2021/22 and receipt of a state grant for school construction.) The General Fund budget is \$227,622,247 of this total, an 8.1 percent increase over the current year driven by investment in competitive compensation for employees. 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.

The Fiscal Year 2022/23 Budget continues to invest in the Board of Commissioners' Strategic Plan, focused on creating jobs and growing the tax base while continuing to amplify the County's strong quality of life. Even in the face of the COVID-19 pandemic, Catawba County's deep-rooted tradition of fiscal stewardship has served the community well, positioning the Board of Commissioners to make strategic investments in services that protect community health and safety and reinforce the County's positive business climate, a critical component of the County's and region's post-pandemic economic recovery.

The attached Budget Highlights provides an executive summary of the coming year's financial plan. Details on each department's budget, school capital and current expense funding, longer term capital improvement plans and other future looking data and analysis round out this budget.

Sincerely,

A handwritten signature in black ink, reading "Mick w Berry". The signature is fluid and cursive, with a large, stylized "B" at the end.

Mick Berry
County Manager





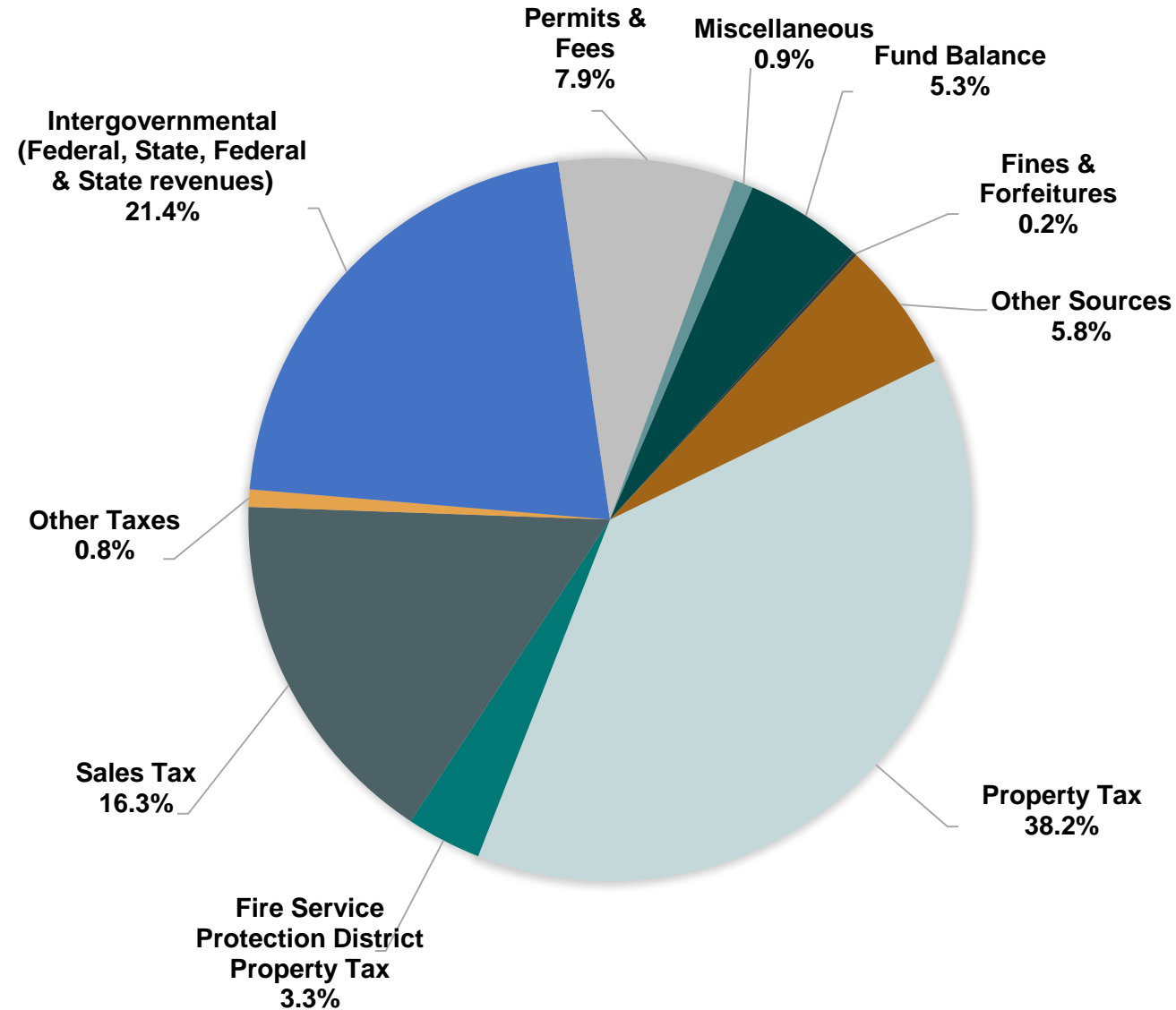
catawba county

MAKING. LIVING. BETTER.

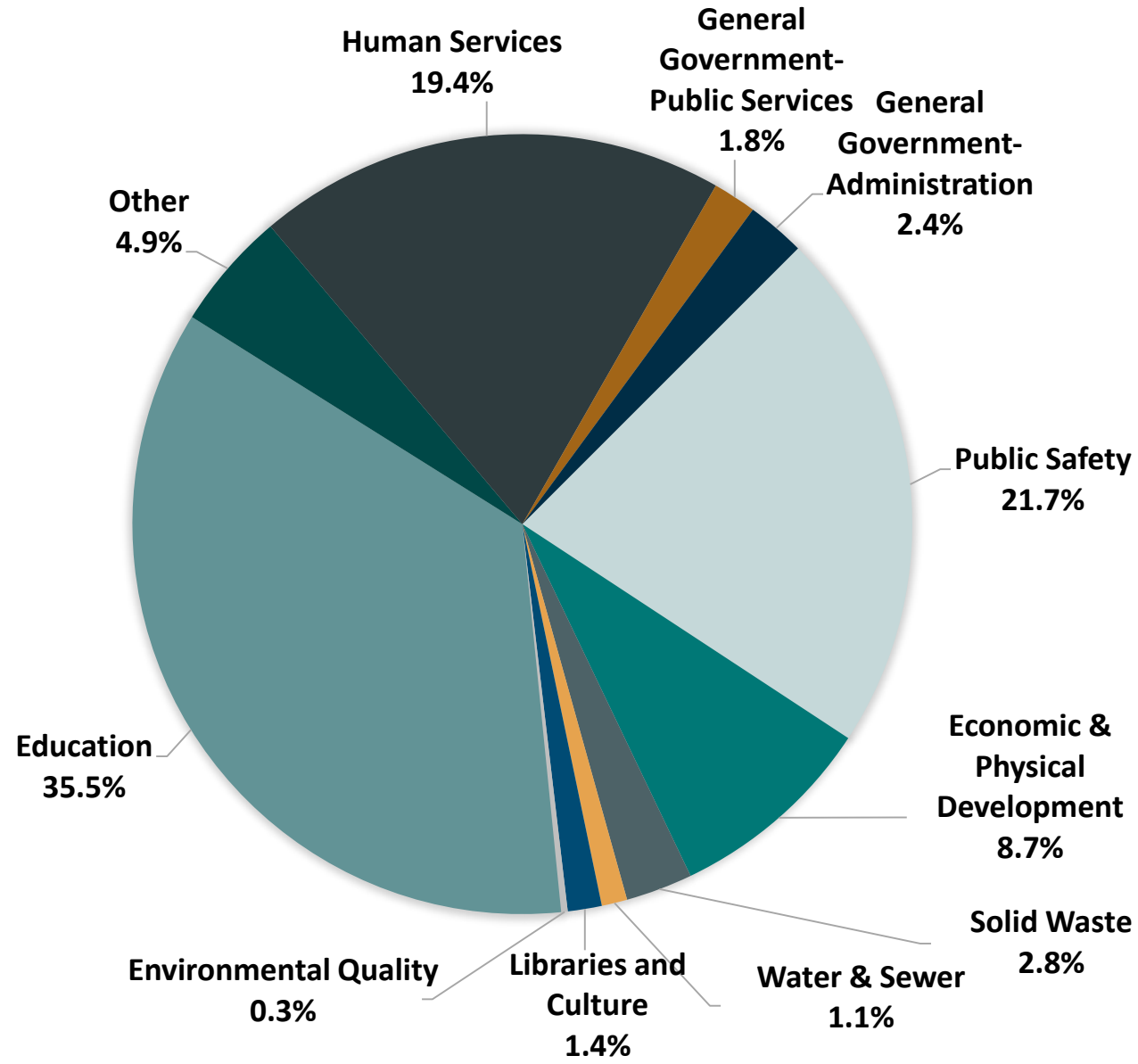
FY2022-23 Manager's Recommended Budget

May 16, 2022

Total Budget: Revenue by Function



Total Budget: Expense by Function



Reflecting ARPA in FY 21/22 = 6% Reduction

Revenue by Fund/Type	FY 2021/22 Budget	FY 2022/23 Recommended Budget	Rec \$ Change	Rec % Change
Property Tax	\$109,543,892	\$112,484,970	2,941,078	2.7%
Fire Prot. Service District	\$8,989,525	\$9,873,341	883,816	9.8%
Sales Tax	\$41,510,900	\$47,960,000	6,449,100	15.5%
Other taxes	\$1,130,500	\$2,283,000	1,152,500	101.9%
Federal	\$37,664,274	\$17,905,260	(19,759,014)	-52.5%
State	\$16,129,851	\$32,854,668	16,724,817	103.7%
Federal & State	\$6,891,767	\$6,887,564	(4,203)	-0.1%
Local	\$6,029,339	\$5,350,684	(678,655)	-11.3%
Permits & Fees	\$22,054,283	\$23,241,472	1,187,189	5.4%
Miscellaneous	\$2,554,810	\$2,559,068	4,258	0.2%
Fund Balance	\$12,395,012	\$15,647,286	3,252,274	26.2%
Transfers	\$15,106,778	\$11,330,578	(3,776,200)	-25.0%
Fines & Forfeitures	\$545,832	\$514,441	(31,391)	0.0%
Other Sources	\$44,813,915	\$17,192,480	(27,621,435)	-61.6%
Total Budget	\$325,360,678	\$306,084,812	(\$19,275,866)	-5.92%



Reflecting ARPA in FY 21/22 = 6% Reduction

Expenses by Department/Fund	FY 2021/22 Budget	FY 2022/23 Recommended Budget	Rec. \$ Change	Rec. % Change
General Government	11,027,845	\$12,474,418	1,446,573	13.12%
Public Safety	56,163,362	\$64,101,529	7,938,167	14.13%
Environmental Quality	727,476	\$793,912	66,436	9.13%
Economic & Physical Dev	41,534,170	\$36,791,901	(4,742,269)	-11.42%
Human Services	50,793,233	\$57,308,329	6,515,096	12.83%
Education	113,537,742	\$104,646,541	(8,891,201)	-7.83%
Culture	4,077,107	\$4,158,274	81,167	1.99%
Other	32,392,965	\$14,479,330	(17,913,635)	-55.30%
Transfers	15,106,778	11,330,578	(3,776,200)	-25.00%
Total Budget	325,360,678	306,084,812	(19,275,866)	-5.92%



General Fund; \$.575 Tax Rate Maintained

Revenue by Fund/Type	FY 2021/22 Budget	FY 2022/23 Recommended Budget	Rec \$ Change	Rec % Change
Property Tax	\$108,699,000	\$111,361,000	2,662,000	2.4%
Sales Tax	\$33,706,181	\$38,625,581	4,919,400	14.6%
Other taxes	\$785,500	\$1,923,000	1,137,500	144.8%
Federal	\$15,352,974	\$16,986,160	1,633,186	10.6%
State	\$5,402,064	\$9,004,408	3,602,344	66.7%
Federal & State	\$6,491,767	\$6,487,564	(4,203)	-0.1%
Local	\$5,699,407	\$5,013,752	(685,655)	-12.0%
Permits & Fees	\$13,043,464	\$14,095,928	1,052,464	8.1%
Miscellaneous	\$2,265,663	\$2,358,048	92,385	4.1%
Fund Balance	\$7,998,416	\$10,855,226	2,856,810	35.7%
Transfers Between Funds	\$956,015	\$919,100	(36,915)	-3.9%
Other Sources	\$10,136,915	\$9,992,480	(144,435)	-1.4%
Total General Fund	\$210,537,366	\$227,622,247	\$17,084,881	8.1%



Budget Continues Strategic Plan Investments

Expenses by Department/Fund	FY 2021/22 Budget	FY 2022/23 Recommended Budget	Rec. \$ Change	Rec. % Change
General Government	10,237,699	11,463,556	1,225,857	11.97%
Public Safety	40,305,449	46,512,533	6,207,084	15.40%
Environmental Quality	727,476	793,912	66,436	9.13%
Economic & Physical Dev	21,769,901	23,226,812	1,456,911	6.69%
Human Services	50,391,733	56,906,829	6,515,096	12.93%
Education - Current Exp	47,029,774	48,647,916	1,618,142	3.44%
Culture	3,773,107	4,048,274	275,167	7.29%
Debt	29,010,970	29,949,025	938,055	3.23%
Transfer	7,291,257	6,073,390	(1,217,867)	-16.70%
Total General Fund	210,537,366	227,622,247	17,084,881	8.11%



FY23 Funded Investments



MAINTAINING OPERATIONS AND SERVICE:

- Pay Plan Market Adjustment 6%, larger targeted increases for hard to recruit positions
- Competitive Performance Pay
 - 3% for effective performance
 - 3.5% for top performers
- \$2,000 retention bonus, lump sum quarterly pmts
- Maintain Health and Dental Plans
 - 4.75% county premium increase
- Treasurer's mandatory LGERS/LEO increases: 1.0%/0.75%
- Maintain 401k, Longevity, and Service Award Programs



FY23 Funded Investments



- EDUCATION

- Current Expense: 3.5% increase to total funding - \$1,618,142
- K64:
 - \$200,000 matching funds for the CVCC Scholars program
 - \$1.1M set aside to maintain 1-to-1 technology
 - Annual Capital: \$10.1M dedicated to schools annual capital needs; submitted list of needs totals \$11.8M
- Construction:
 - \$32M grant + \$10M county - Newton-Conover High School Renovations (budget appropriates \$22M)
 - \$4M - Hickory High School Renovations
 - \$19.5M- Maiden Elementary (previously appropriated)



FY23 Funded Investments



SHERIFF:

- \$490,000 operating increases driven by jail medical, jail food services, other contractual services, & training
- Extra duty pay for special teams
- 20 equipped vehicle replacements

EMERGENCY SERVICES:

- Extra Duty Pay for shift differential
- Inflationary increases for supplies and fuel
- 4 ambulance replacements

911 COMMUNICATIONS CENTER:

- Transition most staff to 12 hour shifts instead of 8



FY23 Funded Investments



SOCIAL SERVICES:

- \$3.6M - Comp, vehicle/equipment replacements, and increases in programs supported by federal and state funds

PUBLIC HEALTH:

- Environmental Health Technician funded by EH revenue to address increased permitting
- 17 of 50 temporary, time-limited positions continued with State funds
 - 15 School Health Assistants
 - 2 Community Health Workers
- COVID response supplies funded with State funds
- School Charge Nurse initially funded with State funds to oversee temporary positions and increased nurses



FY23 Funded Investments



WATER AND SEWER:

- Operating - \$2,625,346
- Capital
 - Set Aside for Buffalo Shoals Road Water- \$500,000
 - Set Aside for Hickory-Catawba WWTP Future Expansion - \$250,000
 - Set Aside for Future Water Treatment Capacity Purchase- \$618,750



FY23 Funded Investments



UTILITIES & ENGINEERING:

- 2 Building Services Official IIIs – to address increased permitting needs, funded by building permit revenue
- Motor Fuel inflationary increase
- Tipping Fees increased per agreement (2%)
- \$464K reduced expenses from sale of co-generation engines

PLANNING, PARKS, & DEVELOPMENT

- Planner to address increased building activity
- Annualized costs of Mountain Creek Park and 7-day per week operations

LIBRARY:

- Future Main Library project - \$100,000 (Library Reinventing Surplus)



Continued Support for Outside Agencies

- Other Economic Development – \$553,582, plus incentives
- Other Public Safety – \$305,071
- Hickory Public Library - \$230,000
- Historical Association - \$125,000
- SALT Block - \$100,000
- United Arts Council \$1 per capita – \$160,610



Fire Service District Tax Rates

Fire District	FY23 Requested	FY22 Tax Rate	FY23 Recommended
Mtn. View	0.0900	0.0718	0.0900
Propst	0.0770	0.0620	0.0770
St. Stephens	0.1200	0.1200	0.1200
Conover	0.1150	0.1100	0.1150
Oxford	0.0650	0.0650	0.0650
Sherills Ford	0.1300	0.1300	0.1300
Bandys	0.1400	0.1150	0.1150
Maiden	0.1053	0.0753	0.1053
Claremont	0.1300	0.1100	0.1300
Catawba	0.1500	0.1300	0.1300
Long View	0.1130	0.0830	0.1130
Newton	0.1500	0.1300	0.1500
Cooksville	0.0750	0.0750	0.0750
Hickory	0.1500	0.1500	0.1500

Not Recommended: Requested increases for Bandys and Catawba



Recommended Personnel Changes – New Positions



Position	Department	Total FTEs	Funding Source
School Charge Nurse	Public Health	1.0	State Funds
Environmental Health Technician	Public Health	1.0	EH Revenue
Building Services Official III	Utilities & Engineering	2.0	Fee Revenue
Planner	Planning, Parks & Development	1.0	General Fund
ICMA Fellow	County Manager	1.0	Personnel Indirect Costs
Total Recommended FTEs		6.0	



Personnel Changes – Authorized During Fiscal Year 2021/22

Position	Department	Total FTEs	Funding Source
Grants Manager	Finance	1.0	ARP Funds
Narcotics Officer	Sherriff's Office	2.0	ARP Funds
EMS Shift Supervisor	Emergency Services	2.0	ARP Funds
Veteranarian	Animal Shelter	1.0	General Fund
Temp School Health Assistant (15 continued in School Health, 2 continued as Community Health Workers in Clinical)	Public Health	17.0	State Funds
Total FY21/22 Added FTEs		23.0	

33 State funded, temporary, time-limited school health assistants authorized during Fiscal Year 2021/22 to assist with COVID testing and contract tracing in schools will expire effective July 1, 2022.



Overview of Proposed Fee Changes

- **Utilities & Engineering:**
 - 11 fee revisions to streamline wording and pricing
 - New solar farms fee to differentiate from solar array
- **Solid Waste fee schedule:**
 - Increased tipping fees per plan
 - New tire disposal fees to recoup costs
 - Elimination one fee that was not being used.
- **Planning, Parks, & Development:**
 - New parks merchandise fee
 - 3 fee revisions to better match surrounding counties
- **Emergency Services:** New fee for cat carriers to recoup costs
- **Environmental Health:** New fee for display spa inspections
- **All Departments:** Revised returned check fee to capture county cost



FY2022-23 Budget: Next Steps

- May 25th BOC Hearings with Departments, Schools, and Outside Agencies
- June 2nd Public Hearing and Wrap-Up
- June 6th FY2022-23 Budget Adoption





MAKING

LIVING

BETTER