

“A good process produces good results.”

Nick Saban

THE BUDGET PROCESS

Our Budget Approach



Trust

Why do we trust our process?

- Incorporates best practices
- Recognized by peer counties, School of Government
- Cited by rating agencies
- It works!

Trust is the glue of life. It's the most essential ingredient in effective communication. It's the foundational principle that holds all relationships. – Stephen Covey

The Role of the Budget

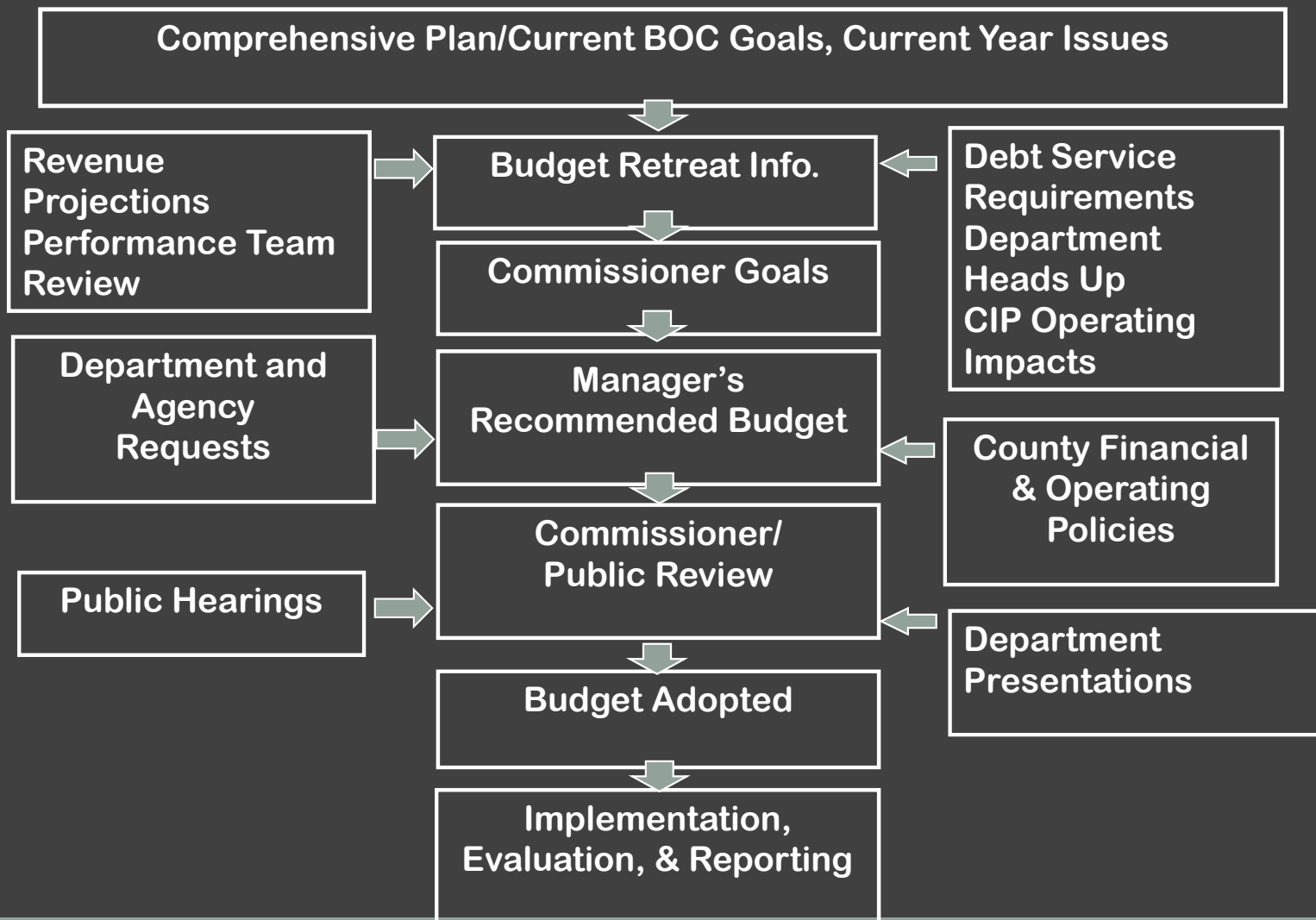


Service

The Role of the Budget

The budget is a policy and priority document, it decides:

- Will we continue current services?
- Will we expand services?
 - If so, what services? When? How?
- Will we reduce current services?
 - If so, what services? When? How?



The Budget Process

Goals of the Process

- Commissioner leadership
- Plan Chatham focus
- Input from all agencies and departments receiving funding
- Community input
- Full information, including performance data

Commissioner Leadership

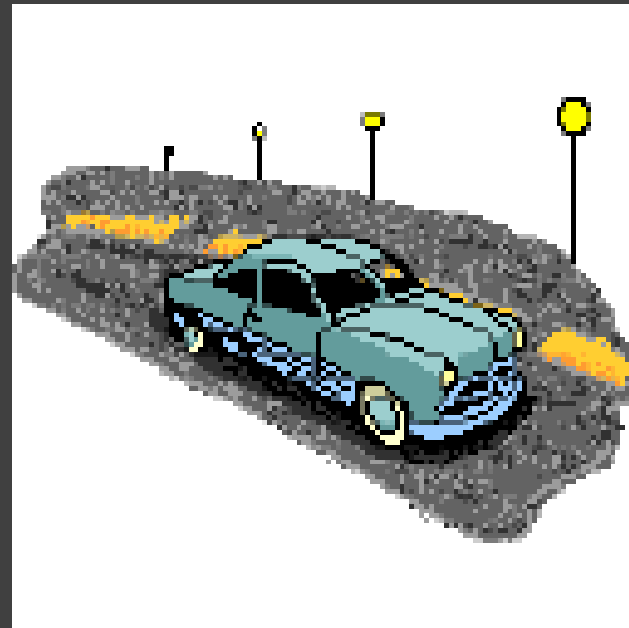
- Happens early, generally during the January Retreat
- What are your expenditure priorities for the upcoming year?
- What are the revenue constraints (property taxes, fees, etc.)? Staff presents estimates of revenue and expenditures
- What long-term goals for the county (such as debt loads and fund balance) do you want staff to follow?

Plan Chatham

- Adopted in November 2017
- Collaborative Impact Teams organized to develop strategies to address goals and objectives
- Agenda items are being tracked in Legistar

Financial Policy

- Based on the commissioners' long-term goals
- Covers areas such as capital reserves, fund balance, debt levels, bond ratings, enterprise funds, etc.
- The policy was noted by rating agencies in previous rating upgrade



Input from Agencies & Departments

- Occurs in December
- “Heads Up” document
- Lets you know what the problems and issues are from departments’ perspectives
- Gives you information for setting expenditure priorities



Expansion v. Continuation

- The budget is broken into continuation and expansion
- Continuation means the funding necessary to provide the same services as the previous year
- Expansion means additional funding to provide new, additional, or enhanced (etc.) services

Criteria for Ranking

Goals and Objectives

- Impact on achieving goals

Collaboration

- Is the request collaborative?

Safety

- Will a current safety hazard be eliminated?

Mandate

- Is the request mandated?

Timing/linkages

- What is the impact of delaying?

Improve Quality of Service

- Will quality of service be improved?

Additional Service

- Will a new high-priority service be added?

Maintain Service

- Is the request necessary to continue service?

Budget Impact

- Net impact on the budget?

Efficiencies

- Will the request save the county money or resources?

Special Review Processes

- Coordination of non-profit requests with United Way (joint application)
- Review of Fire Department budgets by the Fire Marshal and Finance Officer

Special Budgets

- **Enterprise funds** (water and waste management) – fees generated from operating these systems (plus other revenues) should pay the costs
- **Special revenue funds** – contain revenue which has been earmarked by law or policy for a special purpose

Community Input

- Recommended budget published well before the legal deadline of June 1
- Recommended budget is available on the web and in the county's libraries
- Public hearings held in Pittsboro and Siler City

Full Information

- Budget document includes performance data and a summary of all recommended expansion items
- Performance information included to help you make decisions about service levels
- Staff works to continuously improve the budget document to be a better communications tool

Expected Retreat Outcomes

- Give staff direction on revenues
- Give staff direction on expenditure priorities
- End this retreat looking forward to the next year and the 2020 retreat