



Chatham County

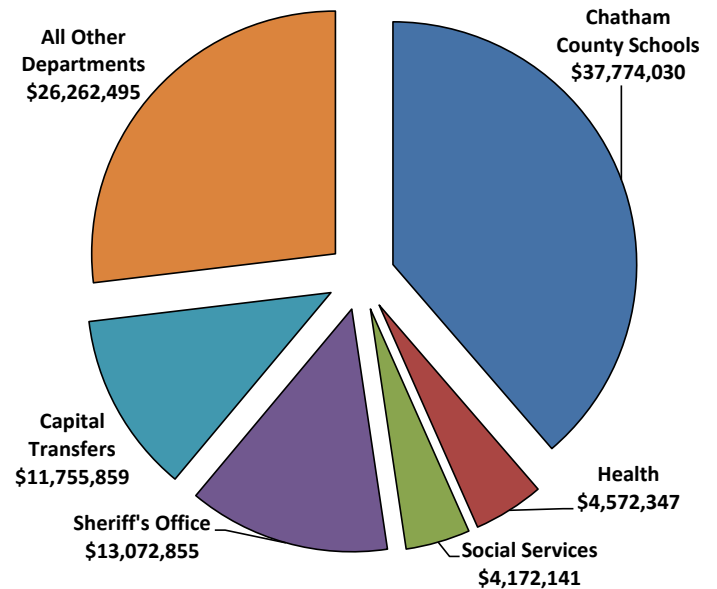
FY 18 Recommended Budget

“Making It Happen”

Budget at a Glance

- ▶ Total Property Valuation: \$10.47 Billion
- ▶ One Penny Generates: \$1,026,416
- ▶ Tax Rate: \$62.81cents (-0.57 cents)
- ▶ Total Property Tax Revenue: \$65,366,000
- ▶ General Fund Balance Appropriated: \$5,372,259

Net Cost of County Functions



Budget Summary

General Fund

Administration	\$21,853,100
Culture/Education/Recreation	\$43,450,755
General Government	\$2,824,491
Human Services	\$18,416,824
Natural Resource Management	\$3,887,776
Public Safety	\$19,622,591
Total General Fund	\$110,055,537
Solid Waste and Recycling Fund	\$3,297,125
Southeast Water District	\$610,000
Water Fund	\$6,936,638

Budget Process

- ▶ Before the budget is finalized, commissioners will:
 - ▶ Hold 2 public hearings to hear from the public (May 15 and 16)
 - ▶ Hold work sessions: May 23, May 24, and May 30 (if needed)
 - ▶ Make changes based on public input, etc.
- ▶ Goal is to have the budget adopted on June 19 — state law requires adoption by June 30



BOC goals adopted at retreat

- ▶ **Vision: We envision Chatham County as a thriving community of healthy people living in a safe environment that provides opportunities for prosperity for all.**



BOC goals adopted at retreat

Goals:

- ▶ Demonstrate sound fiscal stewardship and promote economic development to produce the revenue needed to meet the important service needs of our residents.
- ▶ Ensure effective, efficient government that is responsive to the needs and input of all residents.



BOC goals adopted at retreat

Goals:

- ▶ Be proactive in protecting natural resources and promoting responsible growth and land use, while balancing the differing needs of our county.
- ▶ Support Pre-K through 12 and the community college in providing a quality education for all students.



Revenue Highlights

- ▶ Revenue growth is steady
 - ▶ DMV vehicle tax up 8% over last year
 - ▶ Locally collected sales tax still increasing but not at the same rate as prior years
- ▶ Many indicators are trending favorably, some at or near pre-recession levels
 - ▶ Building inspections: March permits place us on track to exceed the FY 2016
 - ▶ Deed stamps: Projected FY 2017 total expected to be almost at the FY 2007 actual
- ▶ Unemployment rate is below the rate for the state and the country



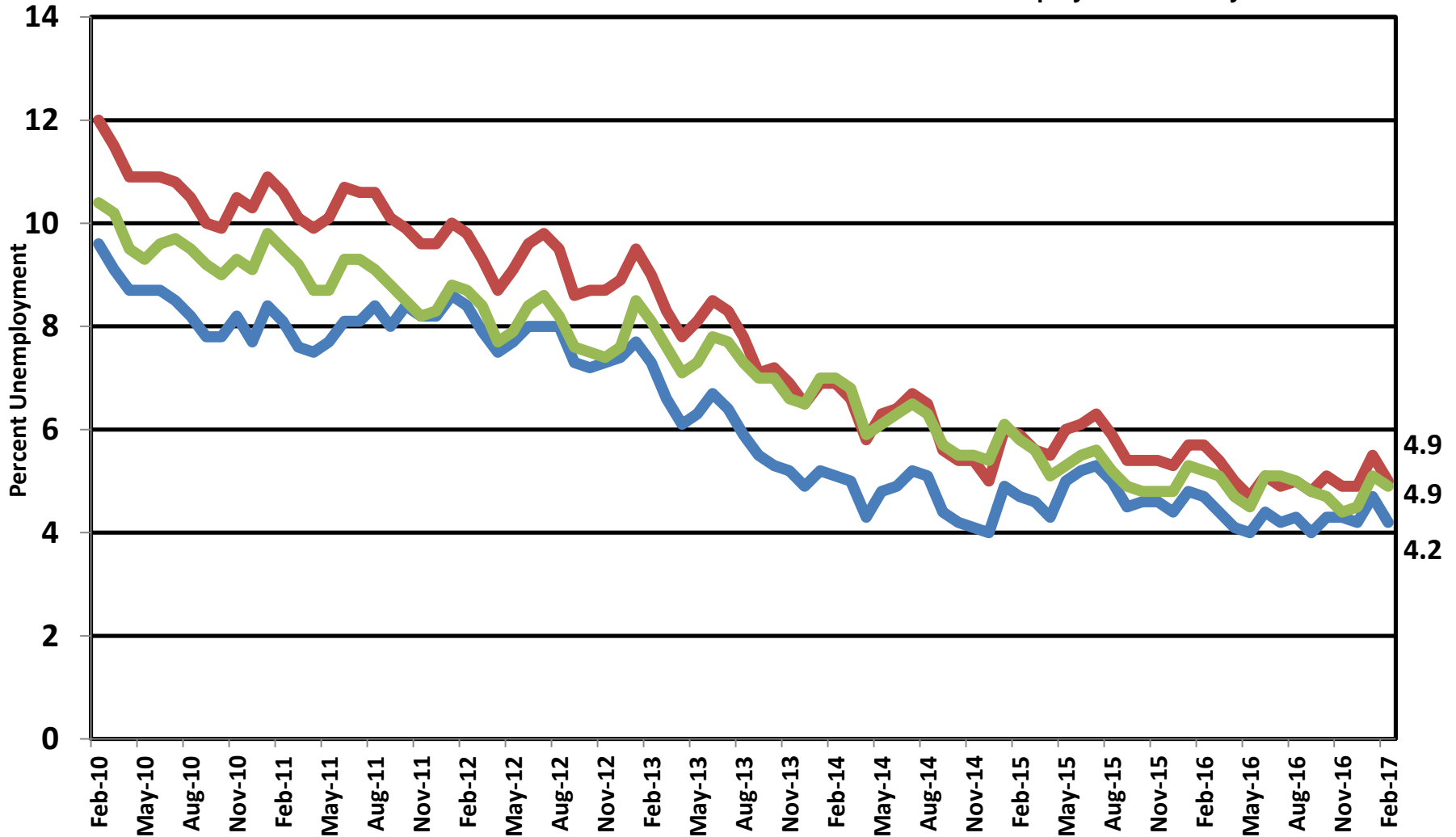
Chatham County Unemployment Rate

Chatham County

State Average

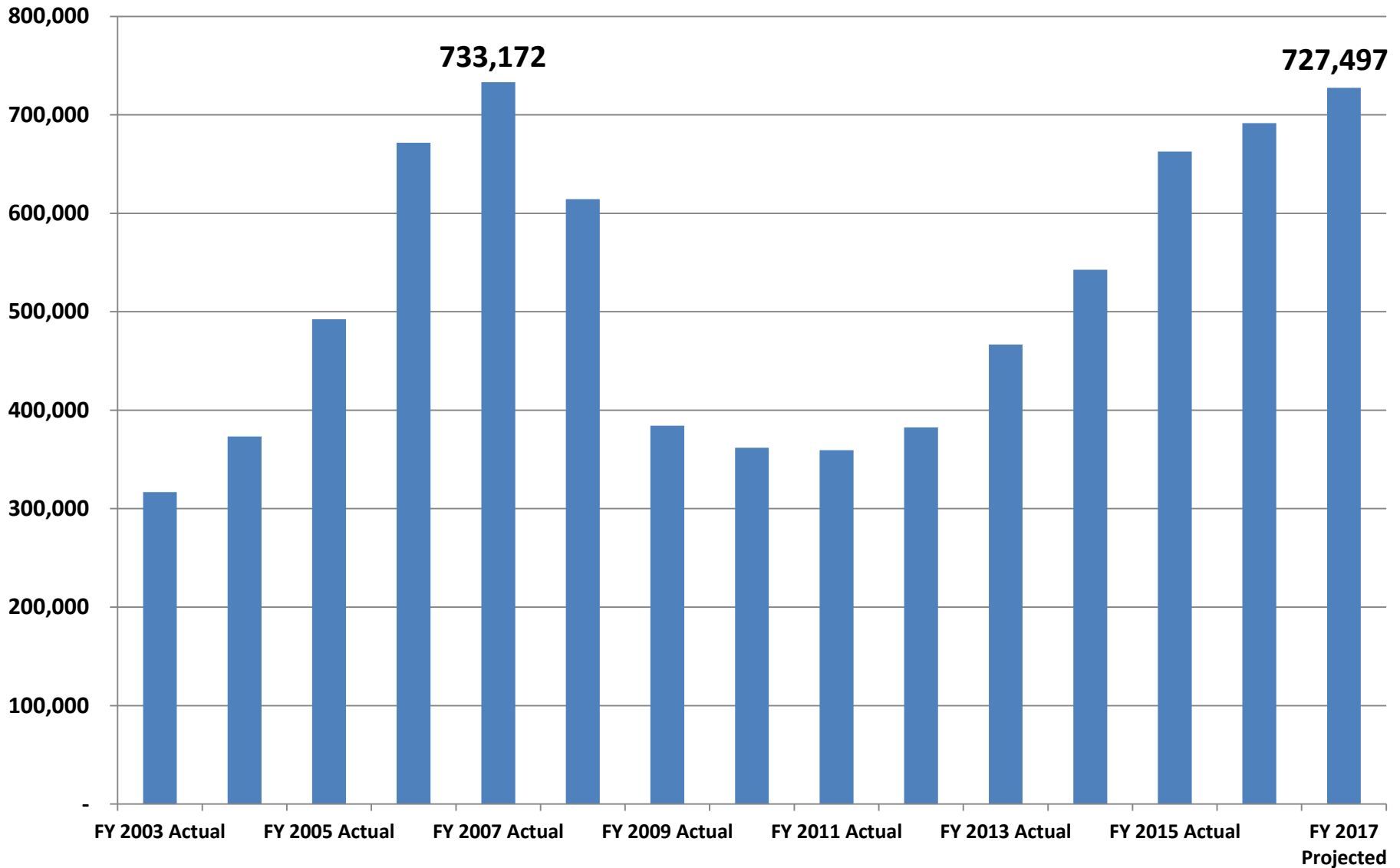
United States

Source: NC Employment Security Commission

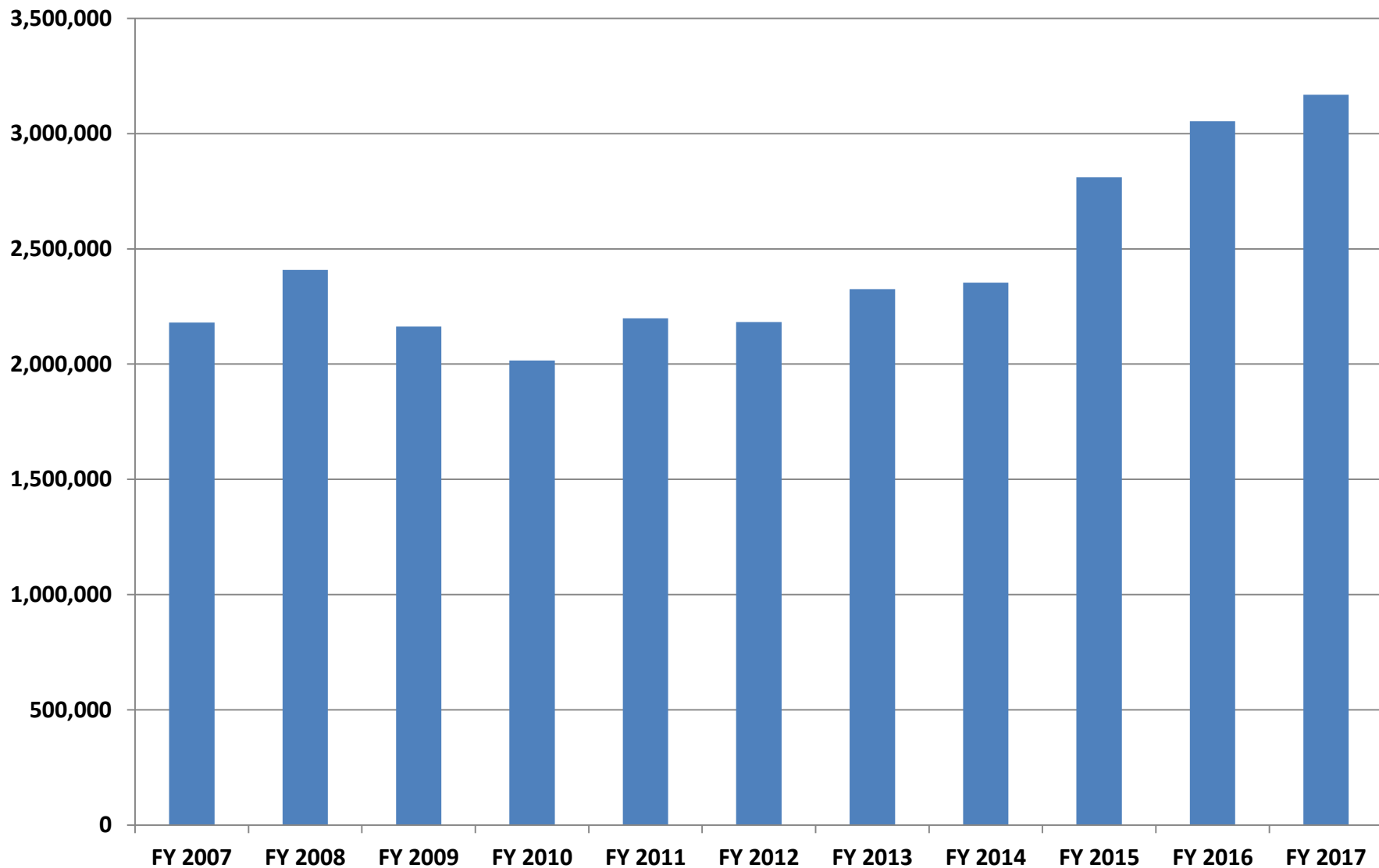


Actual and Projected Deeds Stamps Collections

Source: Chatham County CAFRs



First Seven Months of Article 39 Collections



FY 18 Budget Highlights

- ▶ Continuation expense decreased [-443,309]
- ▶ Total operating expenses grew by less than 1%
- ▶ Debt service obligations decreased by 2%
because we are not taking on new debt in FY18
- ▶ Recommended tax rate decreased 0.57 cents
- ▶ Except Parkwood, all fire tax rates recommended
to remain the same (Parkwood 1.1-cent tax
decrease)



Commissioner Guidance at Retreat

- ▶ No tax increase
 - ▶ Use enhanced revenue neutral rate
- ▶ Support Siler City Wastewater Treatment Plant upgrades



Revenue Neutral Tax Rate

▶ Statutory revenue neutral

- ▶ FY 17 values x average growth since last reval x current tax rate = FY 18 tax levy
- ▶ FY 18 tax levy/FY 18 revaluation values = FY 18 revenue neutral tax rate
- ▶ $9,985,082,525 \times 1.0236 \times .006338 = \mathbf{64,777,864}$
- ▶ $64,777,864 / 10,470,882,315 = 0.006186$
- ▶ **61.86**-cent tax rate

▶ “Enhanced” revenue neutral

- ▶ FY 18 values without reval x current tax rate = FY 18 tax levy
- ▶ FY 18 tax levy/FY 18 revaluation values = FY 18 enhanced revenue neutral rate
- ▶ $10,377,345,105 \times .006338 = \mathbf{65,771,613}$
- ▶ $65,771,613 / 10,470,882,315 = 0.006281$
- ▶ **62.81**-cent tax rate



School Funding

- ▶ Chatham County has provided steadfast support to the school system throughout the recession, with funding to offset state cuts and for enhancements
- ▶ The recommended budget continues this support, including:
 - ▶ \$630,000 (3% increase) in additional funding in current expense for additional reading teachers, teaching assistants, and growth/configuration needs
 - ▶ \$834,580 (19%) in additional funds for supplement
 - ▶ \$68,822 (3%) in additional funds for capital outlay
- ▶ Overall \$1.5M (5%) increase in operating funds



Making It Happen

- ▶ **Comprehensive plan**
 - ▶ Parks and Rec Master Plan [+30,000]
 - ▶ Begin Unified Development Ordinance [+100,000]
 - ▶ Water and sewer master plan with towns [+90,000]
 - ▶ Funding for Siler City wastewater treatment plant upgrade [+750,000]
 - ▶ Funding for megasites [+25,000 General Fund, + coal ash]
 - ▶ Funding for affordable housing (Triangle J and COA) [+138,500]
 - ▶ Watershed specialist [Offset by fees, +5,591]
 - ▶ Funds for planner in contingency [+42,894]
- ▶ **3% market adjustment [+769,000]**



Making It Happen

- ▶ **Domestic Violence [+237,936]**
 - ▶ 1.5 victims advocates in Family Visitation
 - ▶ 1.6 victims coordinators in Sheriff's Office
 - ▶ Pilot project with Chatham Housing Authority for “gap” housing
 - ▶ Moving school program in house (no budgetary impact)
 - ▶ Using one-time funding and redirecting nonprofit funding
- ▶ **Chatham Park fiscal impact analysis**



Hitting is about timing...

- ▶ What we need versus what we want
 - ▶ Additional positions that will take the initial impact from Chatham Park:
 - ▶ Building Inspections [+182,944]
 - ▶ Fire Inspections [+88,882]
 - ▶ Watershed Specialist [-5,591]
 - ▶ Land Records Specialist [+24,487]
 - ▶ GIS Application Specialist [+25,179]
 - ▶ Additional register of deeds in contingency [+24,488]
- ▶ Did not add new programs



Hitting is about timing...

- ▶ Did not add internal positions desperately needed:
 - ▶ Budget analyst in manager's office
 - ▶ Construction manager in Facilities
- ▶ What we would add if we could
 - ▶ School resource officer for Northwood [+102,363]
 - ▶ Pre-arrest program for 16 and 17 year olds [+27,185]
 - ▶ Part-time veterans services position [+18,742]
 - ▶ Health & wellness instructional program facilitator [+80,000]
 - ▶ Requires 0.19-cent increase from enhanced revenue neutral (tax rate would still decrease from 63.38 to 63.00)



...pitching is about upsetting timing

- ▶ Revaluation
- ▶ FVRC
- ▶ Intergovernmental volatility
 - ▶ Federal ??????????????????????????????
 - ▶ State:
 - ▶ H13 (K-3 class size)—passed
 - ▶ H406 (Orange County impact fee repeal)—made crossover
 - ▶ H436 (Impact fee repeal study bill)—amended version made crossover
 - ▶ S660 (economic tiers)—made crossover
 - ▶ S126 (sales tax redistribution)—made crossover
 - ▶ Possibility of special elections [+\$140K]



Non-profit Agencies

- ▶ Board approved keeping FY 18 awards to nonprofits at the same level of funding as FY 17 while staff makes revisions to the process
- ▶ Funds remaining from agencies that did not reapply will be directed to domestic violence



Highlights – Revenues

- ▶ Excluding fund balance, revenues are expected to increase 3% in FY 18, including:
 - ▶ 5% in property tax
 - ▶ 5% increase in sales tax
 - ▶ 23% increase in permits and fees
 - ▶ Building Inspections well above 2007 level



Highlights - Major Funds

- ▶ General Fund: \$110,055,537, 1% increase
- ▶ Water Fund: \$6.9M, 8% increase
 - ▶ Siler City Wastewater Plant [+750,000]
 - ▶ Hydroexcavator [+150,000]
- ▶ Solid Waste & Recycling: \$3.3M, 3% increase



General Fund Overview

- ▶ The recommended General Fund is \$1.2M (1%) more than the FY 2017 Amended Budget

	2017 Amended	2017 Estimated	2018 Recommended	Variance	%Inc./ (Dec.)
Administration	7,333,854	6,477,485	8,203,598	869,744	12%
Debt Service	11,522,210	11,522,211	11,276,266	-245,944	-2%
Debt/Capital Transfers	12,041,488	10,844,842	11,855,859	-185,629	-2%
Chatham County Schools	31,566,180	31,566,180	33,099,582	1,533,402	5%
Other Education & Culture	3,513,795	3,346,754	3,470,159	-43,636	-1%
General Government	2,950,752	2,921,401	2,824,491	-199,065	-7%
Human Services	18,817,966	17,739,696	17,876,209	-941,757	-5%
Natural Resource Management	3,340,342	3,064,753	3,212,007	-128,335	-4%
Public Safety	17,710,125	16,916,632	18,337,366	627,241	4%
Total	108,869,516	104,399,954	110,155,537	1,286,021	1%

Capital Improvements Program (Appendix D)

- ▶ No change from 2018-2024 Adopted CIP
- ▶ Funds transfers to capital reserve called for in CIP
- ▶ Debt model [\$10,422,420]
 - ▶ New High School
 - ▶ New Elementary School
 - ▶ CCCC Health Sciences Building
 - ▶ CCS Administration Building
- ▶ Pay-Go Capital Reserve [\$1,333,410]



Summary

- ▶ Tax decrease of .57 cents
- ▶ Parkwood fire district
 - ▶ Tax decrease 1.1 cent
- ▶ Other fire district taxes same as prior year
- ▶ Capital and one-time expenses funded by a \$5.3M fund balance appropriation



In Summary

- ▶ The recommended budget continues the past practice of good employee and financial stewardship and moves the county forward to take on new responsibilities and invest in its people and schools
- ▶ The recommended budget reflects increasing partnership with municipalities
 - ▶ Triangle J Affordable Housing
 - ▶ Water and sewer master plan
 - ▶ Siler City wastewater treatment plant



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Questions?

