

# FY 2017-2018 Recommended Budget Work Sessions

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MAKING IT HAPPEN





# Budget Work Session May 23, 2017

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# CONTINUATION = SAME SERVICES, SAME LEVELS (Page 38)

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**Salaries:** 3.6% increase comprises 3% market pay adjustment and positions added mid-year

**Other personnel/benefits:** 4% increase comprises pay-based benefits increases, +126,956 increase in health insurance, +\$3,760 Dental, + \$52,759 mandated increase in retirement contribution

**Debt:** 2% decrease due to no new debt in FY 2018

**Transfers:** 2% decrease

**Allocations:** 1% decrease due to change in daycare provider payments moving from local to state

**Operating:** 4% decrease [-\$454,851] 

## EXPANSION = WHAT'S NEW (PAGE 37)

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- 9.1 New positions (and 2 in contingency)
- Early voting site
- Elderly substandard housing
- CORA storage building
- Parks Master Plan
- UDO
- Domestic Violence support
- Adult health program divestiture
- FNS Employment training
- Siler City wastewater treatment upgrade

# BALANCE



Revenue = Recurring Expense

# Enterprise Funds

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FULLY FUNDED BUSINESS-LIKE ACTIVITIES



## ENTERPRISE FUNDS (PAGE 199 )

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### **Solid Waste & Recycling 3% increase**

- One-time spending for repair & maintenance of collection centers, [+369,910]

### **Southeast Water District 0% increase**

- Increase in interest revenue

### **Water 8% increase includes one-time spending**

- Siler City wastewater treatment plant upgrade [+750,000]
  - Hydro-excavator [+153,465]
  - Equipment maintenance [+145,000]
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# Other Funds

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FIRE DISTRICTS AND SPECIAL REVENUE FUNDS





## FIRE DISTRICTS (PAGE 213)

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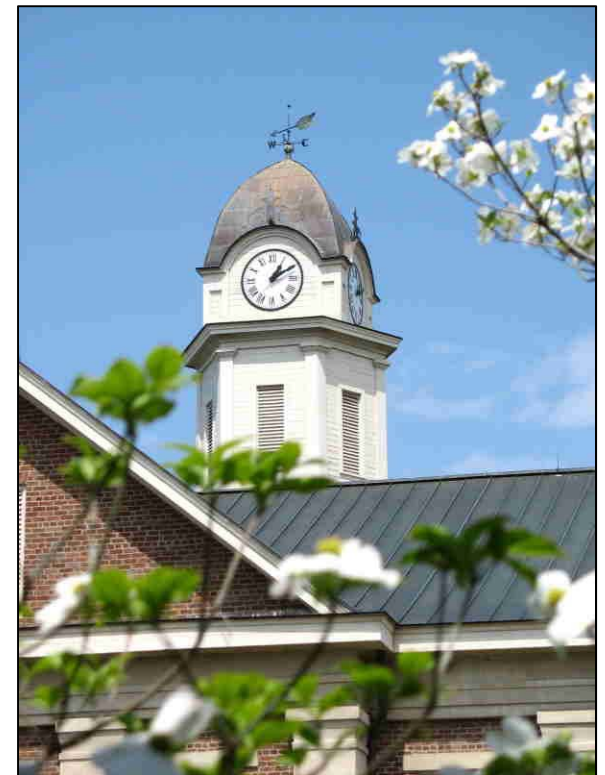
District	Requested, Recommended	Reason
Durham (Parkwood)	-1.1 cent	Match Durham County Rate

## SPECIAL REVENUE (PAGE 227)

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**Account for the proceeds of special revenue sources, including:**

- Non-major capital projects
- Internal service funds
- Trust funds
- Enterprise capital reserve
- Restricted revenue
- Coal Ash



## SPECIAL REVENUE FUNDS—FUND BALANCES (PAGE 227)

	Fund Balance Beginning FY 2017	Estimated Revenues	Estimated Expenditures	Estimated Fund Balance End of FY 2017
Canoe Access/Easement	19,880	88	153	19,815
Coal Ash Settlement	4,340,674	15,981	694,660	3,661,995
Courthouse Clock Trust	66,732	280	-	67,012
Emergency Telephone System	608,032	553,238	390,924	770,346
Emergency Vehicle Replacement	119,018	499	66,861	52,656
Equipment Capital Reserve	2,954,548	4,816,559	1,296,396	6,474,711
Facility (CIP) Reserve	28,056,403	10,193,804	6,739,321	31,510,886
Health Internal Service	4,016,003	6,029,600	4,964,096	5,081,507
Impact Fees	4,573,231	3,208,886	2,758,446	5,023,671
Law Enforcement Pension Trust	626,028	127,460	72,176	681,312
Library Foundation	11,455	261	-	11,716
Recreation Payment in Lieu	844,134	273,097	219,746	897,485
Sheriff Property Seizure	100,314	27,164	50,123	77,355
Utility Capital Reserve	16,449,258	1,122,670	39,897	17,532,031
Utility Equipment Reserve	451,493	1,895	-	453,388
Solid Waste & Recycling Reserve	935,665	3,927	-	939,592

CIP

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APPENDIX C PAGE 248




## CIP (PAGE 248)

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Funds \$836,903 transfer to capital reserve for non-school projects approved in CIP

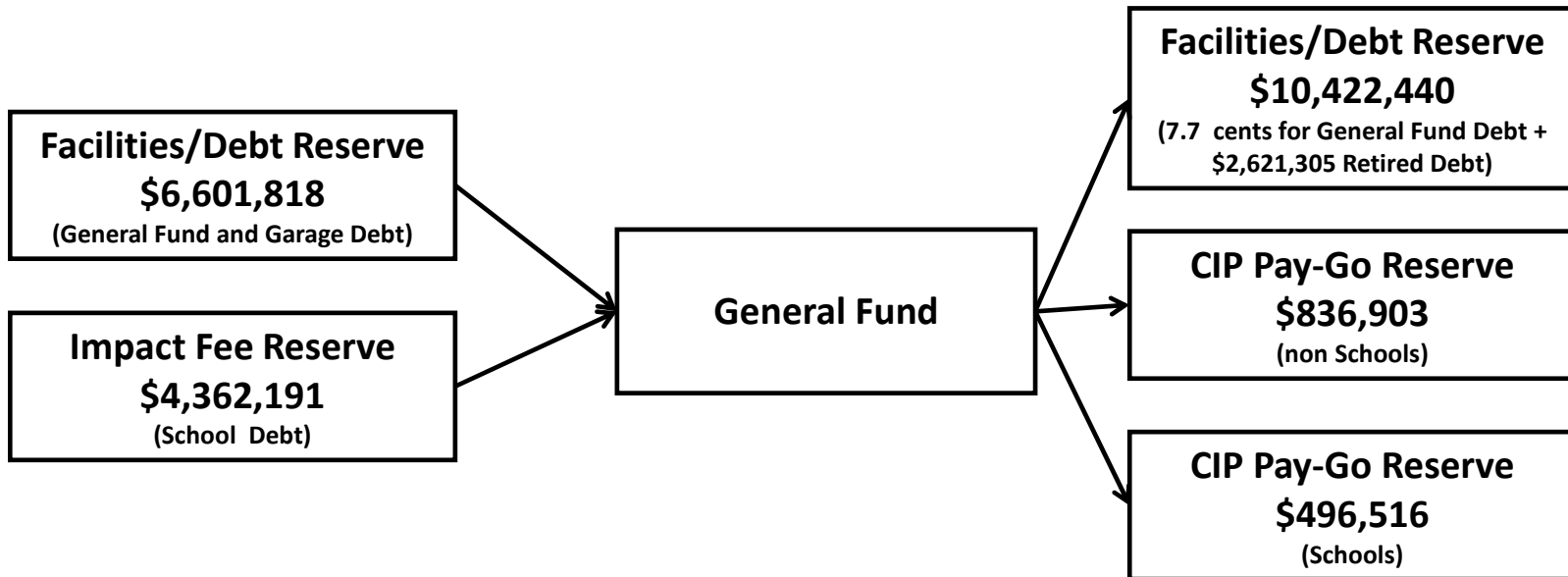
School projects \$496,516

Does not include future projects

- Radio system replacement
  - Jail renovation for Sheriff's Office
  - Assessment of old Agriculture building (on hold pending Annex Campus study)
  - Emergency Operations Center expansion
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# TRANSFERS TO/FROM SRFS (PAGE 32)

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CCS

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**2017-2018 BUDGET  
PRESENTATION TO THE  
CHATHAM COUNTY BOARD  
OF COMMISSIONERS**



# HIGHLIGHTS/ACCOMPLISHMENTS (NOT ALL INCLUSIVE)

- Chatham ranked 14th out of 115 school districts in the state by the Public School Forum of North Carolina in 2017 based on a variety of criteria.
- Opening of Chatham School of Science and Engineering (Early College)
- 2017 District Scholastic Cup State Champions awarded for excellence in academic competition
- Dual language programs received state and national recognition
- 5-year graduation cohort rate increased to 88.7% (4-year rate = 86.7%)
- English Language Learners' proficiency increased by 1.5% to a new district high of 64.3% and a new district high of 22% of students exiting. Both are about State expectations.
- Reading increases-CCR for grades 3, 5, 6, 7, and increases for GLP for grades 5, 6, 7
- Math increases-CCR and GLP in grades 3-7
- Science increases-CCR and GLP in grade 5
- 100% college acceptance for AVID students in class of 2017
- Over \$15 million in scholarships and grants awarded to class of 2017
- Met 95.9% of participation in AMOs



# STUDENT HIGHLIGHTS AND CELEBRATIONS (ONE PER ATTENDANCE ZONE)



Shane Conroy  
Chatham Middle School  
3rd Place State Science Fair



North Chatham Student Choir  
Performed for representatives from DPI as  
North Chatham was recognized for their  
leadership in school transformation



Lizzie Phillips, Sophie Phillips, John Thurman,  
Austin Hurley, & Joseph Tucker  
Bonlee School  
North Carolina Beta Club Winners  
1st Place - John Thurman - Recyclable Art  
1st Place - Sophie Phillips - Cross Stitch  
3rd Place - Technology - Lizzie Phillips  
3rd Place - Woodworking - Austin Hurley &  
Joseph Tucker  
Chapter Won Gold Key Award for Growth



# NATIONAL & STATE STAFF RECOGNITIONS



Mrs. Jane Hannah  
Northwood High School  
2016 NC FCCLA  
Master Advisor Award



Dr. Justin Bartholomew  
Northwood High School  
NCASA Principal of the Year  
2015-16



Mrs. Marguerite Fields  
Jordan-Matthews High School  
2016 Honorary FFA Degree



Mrs. Avajan Oldham  
J.S. Waters School  
2016-17 Lifechanger of the  
Year



# “ELEPHANTS IN THE ROOM”

- HB 13 (Changes to class size allotment requirements)
- HB 436 (Impact Fees restriction/loss)
- Potential elimination of funding for driver’s education
- Formula for grading of schools (tracks socio-economics)
- Teacher (and administrator) shortage
- Employee compensation (proposed changes to teacher and administrator pay schedules; salary study; percentage supplement; tradesmen/classified schedules)
- Decreased funding from State
- Growth in parts of the district and lack of growth in other parts
- Charter school fund sharing bill(s)



# A FEW OF THE FOCUS AREAS FOR 2017-2018

- Response to our AdvancEd Accreditation Report (grading in particular)
- Equity and Excellence for Everyone (E<sup>3</sup>)
- Teacher Recruitment and Retention
- Possible Expansion of AVID and CIS
- Digital Learning Initiatives (blended learning with Canvas)
- Planning for New High School (will continue through opening)
- Planning for New Elementary School (will continue through opening)



# FINANCIAL HIGHLIGHTS AS OF JUNE 30, 2016

- Local Current Expense Fund Balance totaled \$3,913,563  
(appropriate for a district of CCS size)
- Capital Outlay Fund Balance totaled \$570,283
- Child Nutrition Fund Balance totaled \$931,448
- Total Net Position = \$74,964,894
- Zero audit findings for 5 consecutive years
- Recognized for financial accountability and reporting at the state, national and international level for four consecutive years



# 2017-2018 EXPANSION BUDGET REQUESTS

- Local Current Expense increase of \$1,464,580
- Items to be addressed with increase:
  - \$110,000 2 school-based reading teachers
  - \$210,000 3.5 school-based instructional coach positions
  - \$165,000 3 teacher positions for growth/configuration needs
  - \$342,580 supplement shortfall
  - \$492,000 3%+?? supplement increase to current flat rate with a goal of transitioning to a % of salary approach.
  - \$145,000 charter school allocation
- Capital Outlay increase of 3%





# ADDITIONAL INSTRUCTIONAL COACHES

## **Area of Need:**

Chatham County Schools currently employs 11.5 school-based instructional coaches to serve 16 schools. The current allotment protocol for schools that serve elementary and/or middle school students does not account for average daily membership, even though enrollment varies significantly between schools. Given the wide array of critical duties coaches are required to perform, allotment increases at schools with 500 or more students would provide increased opportunities to achieve maximum instructional outcomes. An increase of 3.5 positions would allow schools with more than 500 students to have a full-time coach.

## **Request Details:**

Position expansion 3.5 instructional coaches = \$210,000

## **Data to Support Need:**

Instructional coaching and quality feedback can increase teacher effectiveness and overall student achievement.



# ADDITIONAL READING TEACHERS

**Area** of **Need:**  
Last year we implemented a formula that utilizes school enrollment data and at-risk levels to establish equitable access to reading support for our most struggling students. In order to fully actualize that formula, we need 2 additional reading teachers.

## **Request Details:**

Position expansion 2 Reading Teachers = \$110,000

## **Data to Support Need:**

- Beginning-of-year assessments show that 60% of Chatham incoming kindergarten students do not have the necessary pre-requisite literacy skills for academic success.
- Research shows that at-risk students are more likely to struggle with early literacy skills. At-risk students hear 30 million fewer words by age 4.
- Through the support of reading teachers, Chatham saw an 11% increase in the number of K-5 students who were considered proficient on the state required mCLASS assessments and a 12% decrease in the number of students who were considered in the at-risk or below proficient level.



# GROWTH AND CONFIGURATION NEEDS

## **Area of Need:**

Several schools share staff across feeder patterns and grade spans. This causes difficulty in the instructional schedule for both arts, physical education courses, and core instructional courses. All schools are allotted based on student enrollment, so all schools receive equitable allocations. However, scheduling constraints minimize the equity and efficiency of these positions. For example, some K-8 schools are only offering band 1-2 times per week due to scheduling constraints, while other schools offer band 4-5 days per week. Additionally, other schools in the district continue to experience steady increases in enrollment. With the implementation of the Analysis of Student Work (ASW) process, there is a need to provide minimum instructional time for the arts and physical education courses. These additional positions will further our ongoing efforts to productively address unique configuration and growth issues.

## **Request Details:**

3 Teaching Positions = \$165,000



# FUNDING STRATEGIES IN LIGHT OF HB 13

With the passage of House Bill 13, we anticipate needing approximately 30 more teachers in K-3 in 2018-2019 when the more significant changes are scheduled to be implemented. If our enrollment continues to grow, that number will increase. To that end, the Board and I have worked together to identify the following four initial funding responses (in no particular order) to be used either individually or together to respond to the impending changes:

1. use a small portion of the district's fund balance (Note: The specific amount would be determined based on other budgetary variables and recommendations from the North Carolina Local Government Commission. This option could not be used in subsequent years.);
2. redirect \$485,000 from the 2017-2018 local expansion request **(Note: This option is contingent upon approval of the total amount requested and does not include the use of the funding needed to increase the employee supplement next year.)**;
3. request additional funding from County Commissioners; and/or
4. increase class-size maximums by two in grades 4-12.



# CAPITAL OUTLAY SUMMARY FOR FY17 & FY18

## **FY' 17 (2016-17)**

- \$2,294,050 allotted
- 31 projects
- Projects impact 100% of our Schools, Maintenance and Transportation

## **FY' 18 (2017-18)**

- November 2016 – Principals received preliminary Capital information
- December 2016 – Principals received request for Capital Outlay Proposals
- January 9, 2017 – Principals submitted new Capital Outlay Proposals
- January - February 2017 – (district staff) Maintenance Director/Construction Manager, Director of Technology, Chief Finance Officer, Chief Operations Officer, and the Superintendent reviewed all new Capital Outlay Requests
- Requested an increase in FY'18 Capital Outlay funds to meet increased instructional technology needs and school level facility projects



# QUESTIONS?



# Fees

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APPENDIX D PAGE 260

## NEW FEES/FEE INCREASES (PAGE 260)

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### Watershed Protection

- Riparian Buffer Confirmation (Major Subdivisions);
- Two new Express Reviews (voluntary)

### Health

- Health clinic—fees increased to recover full Medicaid reimbursement
- Environmental - In-office setback compliance review
- Environmental - Well camera; water sampling

### Library

- Inter-Library Loan fees

### Agriculture & Conference Center

- Reductions in fees to make center more competitive
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# Revenue

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BUDGET MESSAGE

## REVENUES (PAGE 22)

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	2017 Amended	2017 Estimated	2018 Recomendaded	% Increase/ Decrease
<b>Fees &amp; Permits</b>	1,555,429	1,810,863	1,908,231	23%
<b>Intergovernmental</b>	11,064,575	11,468,063	9,687,913	-12%
<b>Interest</b>	140,000	221,237	140,000	0%
<b>Grants/Donations</b>	419,951	480,420	348,626	-17%
<b>Miscellaneous</b>	257,924	394,905	308,776	20%
<b>Other Taxes/Licenses</b>	745,298	852,327	848,020	14%
<b>Property Tax</b>	62,290,000	64,086,940	65,366,000	5%
<b>Sales &amp; Service</b>	2,167,470	2,664,296	2,264,703	4%
<b>Sales Tax</b>	12,215,000	12,437,000	12,847,000	5%
<b>Transfers</b>	11,207,697	10,248,377	10,964,009	-2%
<b>Other Financing Sources</b>	0	0	0	0%
<b>Fund Balance</b>	6,806,172	0	5,873,989	-14%
<b>Total Revenues</b>	108,869,516	104,664,428	110,055,537	1%

## SALES TAX (PAGE 27)

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Locally collected (Articles 39 and 40) trending roughly 4% above FY 2016, compared with 8% for sales tax collected statewide (Article 40).

Spike in last few years may have been due to recovery with use of 9-digit zip code plus Amazon

Projections for next year are conservative

Curve balls:

**SB 126** would change distribution of Article 40 (lose 12%)

**SB 660** would change our tier status to attainment

# LUNCH BREAK

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[dreamstime.com](http://dreamstime.com)



# ADMINISTRATION

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DEPARTMENTS THAT PROVIDE SUPPORT FOR  
DEPARTMENTS THAT DELIVER SERVICES

# COUNTY ATTORNEY (PAGE 64)

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## ***CONTINUATION***

Decreased budget for other legal services

## ***EXPANSION***

None



# COUNTY MANAGER (PAGE 66)

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## ***CONTINUATION***

Increase reflects salaries & benefits

## ***EXPANSION***

Reclassification: [\$1,643]



# HUMAN RESOURCES & RISK MANAGEMENT (PAGE 70)

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## ***CONTINUATION***

Increase reflects salaries & benefits and one-time spending for training and commercial property appraisal of our larger buildings for insurance purposes.

## ***EXPANSION***

None





## COURT FACILITIES (PAGE 72)

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### ***CONTINUATION***

Increase in operating reflects additional phones and one-time spending in building maintenance and supplies.

9% decrease in revenues due to fewer cases

### ***EXPANSION***

None



# FACILITIES AGRICULTURE & CONFERENCE CENTER (PAGE 73)

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## ***CONTINUATION***

Increase largely attributed to full year of operating, the addition of the debt payment and additional supplies.

Revenue uncertain and may help offset some expenses

## ***EXPANSION***

None

## FACILITIES FLEET (PAGE 75)

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### ***CONTINUATION***

Increase reflects one-time vehicle replacement costs.

### ***EXPANSION***

None



## FACILITIES MANAGEMENT (PAGE 76)

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### ***CONTINUATION***

Decrease reflects moving Ag Center debt payments to Ag Center division

**\$29,455 inadvertently included for vehicle.**

### ***EXPANSION***

New storage building and roof repair for CORA [\$300,000]

Reclassification [\$1,869]

## FINANCE (PAGE 79)

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### ***CONTINUATION***

Increase reflects salaries & benefits and increase in contracted services for audits

**One staff salary and benefits was inadvertently omitted from the software [+ \$87,149]**

### ***EXPANSION***

Reclassification: [\$4,950]

## NON-DEPARTMENTAL (PAGE 82)

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Line Item Detail	2017 Amended	2017 Estimated	2018 Req Cont	2018 Req Exp	Total Requested	Percent Increase
CONTRACTED SERVICES	\$90,190	\$73,280	\$98,500	\$0	\$98,500	9%
INSURANCE - PROPERTY/GEN LIA	\$11,697	\$11,582	\$18,422	\$0	\$18,422	57%
SUPPLIES - COMPUTER	\$3,000	\$0	\$54,232	\$0	\$54,232	1,708%
SUPPLIES - VACCINES	\$0	\$0	\$0	\$0	\$0	0%
DUES AND SUBSCRIPTIONS	\$64,700	\$63,100	\$65,000	\$0	\$65,000	0%
EMPLOYEE PROG - WELLNESS	\$5,950	\$4,094	\$5,950	\$0	\$5,950	0%
EMPLOYEE PROG - UNEMPLOYMENT	\$60,000	\$7,917	\$17,261	\$0	\$17,261	-71%
PRG - 911 MEMORIAL	\$0	\$0	\$1,500	\$0	\$1,500	100%
PRG - AFFORDABLE HOUSING	\$0	\$93,000	\$0	\$0	\$0	0%
PRG - REFUND IMPACT FEE	\$21,000	\$13,500	\$21,000	\$0	\$21,000	0%
CONTINGENCY	\$515,101	\$0	\$610,616	\$0	\$610,616	19%
TRANSFER OUT - CAPITAL RESERVE	\$1,656,682	\$1,656,682	\$836,903	\$0	\$836,903	-49%
TRANSFERS OUT - CIP RESERVE	\$9,999,957	\$8,828,311	\$10,422,440	\$0	\$10,422,440	4%

# AFFORDABLE HOUSING RECAP

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Contract with Triangle J to staff Affordable Housing Advisory Committee to develop a comprehensive affordable housing strategy [\$48,800]

Council on Aging one-time funds to complete project addressing substandard housing for the elderly [\$85,000]

**\$138,000**



## MIS (PAGE 83)

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### ***CONTINUATION***

Increase reflects salaries and benefits; increased equipment to upgrade wiring to Cat 6 at Dunlap, CCSO and SC Health (one time); increasing software maintenance and support costs

### ***EXPANSION***

GIS application specialist:  
[\$35,018]



# EDUCATION CULTURE RECREATION

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DEPARTMENTS THAT PROVIDE EDUCATION,  
LIBRARY SERVICES AND RECREATION

## CCCC (PAGE 88)

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6% increase in operating includes:

One-time repair request for upgrades to water reclamation [+20,000]

Increases to contracted services maintenance [+3,400] and equipment maintenance [+2,000]

\$21,650 local salaries included in contingency pending state budget decision

## SCHOOLS (PAGE 89)

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Overall \$1.5M 5% increase

\$630,000 increase to current expense

- Reading teachers
- Teaching assistants
- Growth/configuration positions (teachers)

\$834,580 increase to supplement to be competitive with surrounding regions

\$68,822 in additional funds for capital outlay

# COOPERATIVE EXTENSION (PAGE 90)

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## ***CONTINUATION***

No increase

\$10,730 in contingency for  
possible state salary increase

## ***EXPANSION***

None



## LIBRARIES (PAGE 95)

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### ***CONTINUATION***

Decrease due to reduction in debt payment and rollover of donations/grants, which are not budgeted.

### ***EXPANSION***

Part-time library assistant in Goldston branch [+\$3,359]

## PARKS & RECREATION (PAGE 98)

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### ***CONTINUATION***

Rollover of grant match was not budgeted.

Increase in per-capita payments to towns; salaries & benefits

### ***EXPANSION***

Parks and Recreation Master Plan [+30,000]

# PER-CAPITA PAYMENTS TO MUNICIPALITIES

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FY 2018 Distribution Total: **\$66,235**

- Goldston 280 (\$1,400)
- Pittsboro 4,415 (\$22,075)
- Siler City 8,552 (\$42,760)

FY 2017 Accomplishments:

- Goldston: Create a concrete walkway from parking lot to the backstop of the upper ball field and then to the bathrooms for handicap access.
- Pittsboro: Playground equipment, Park planning process
- Siler City: PARTF match for restoration of Bray Park swimming pool

# GENERAL GOVERNMENT

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DEPARTMENTS THAT CARRY OUT MANDATED  
FUNCTIONS AND SUPPORT OVERALL GOVERNANCE  
OF THE COUNTY





## ELECTIONS (PAGE 104)

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### ***CONTINUATION***

Reduction includes

- Decrease in one-time funds for computer replacements;
- Reduction in temporary salaries needed to cover the unexpected absence of the Director;
- No presidential election.

### ***EXPANSION***

Early voting site [\$24,993]

Contingency funds for additional board member and special elections [\$145,187]

**Additional board member approved after budget, + \$5,000**

# GOVERNING BOARD (PAGE 106)

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## ***CONTINUATION***

No change

## ***EXPANSION***

None



## REGISTER OF DEEDS (PAGE 107)

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### ***CONTINUATION***

Increase reflects salaries & benefits and increase in contracted services and supplies;

Expense more than offset by revenue.

### ***EXPANSION***

None

## TAX (PAGE 111)

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### ***CONTINUATION***

Overall reduction due to elimination of revaluation expenses

### ***EXPANSION***

Land records specialist [\$24,487]

# Other items

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BUDGET WORK SESSION CONTINUES TOMORROW

