



# **Chatham County FY 2025-2026 Recommended Budget**

May 5, 2025

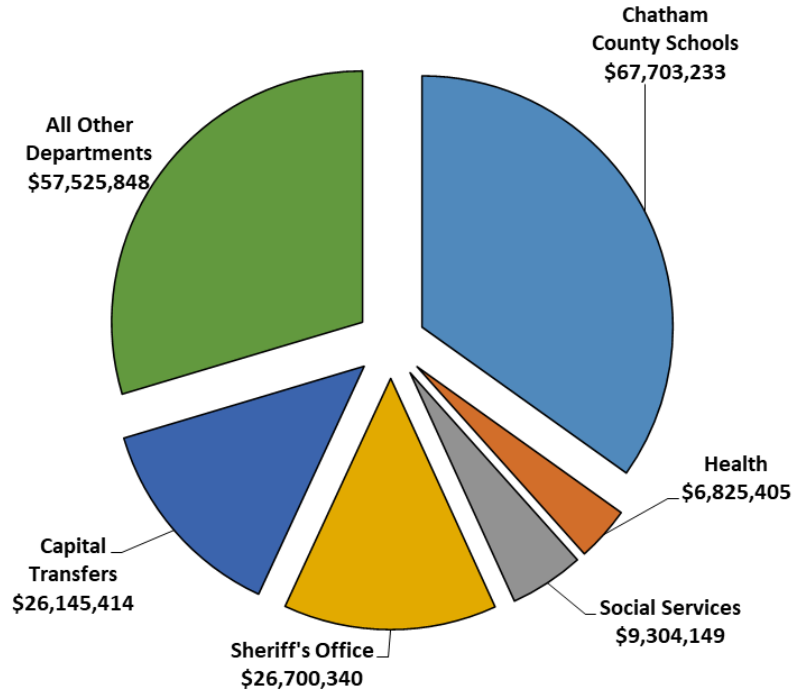
# Budget Process

**Before the budget is finalized Commissioners will:**

- Hold 2 public hearings: May 19, 20
- Hold work sessions: May 22, 23, and 28 (if needed)
- Make changes based on deliberations

Goal: **Finalize on June 16**, state requires adoption by June 30

## Net Cost of County Functions



## General Fund

Administration	\$42,486,576
Culture/Education/Recreation	\$78,824,015
General Government	\$5,868,589
Human Services	\$28,221,880
Natural Resource Management	\$11,513,064
Public Safety	\$44,886,107
<b>Total General Fund</b>	<b>\$211,800,231</b>

## Solid Waste & Recycling Fund

**\$5,579,623**

# Looking Back FY 2025

- Continued growth and development
  - Wolfspeed facility nearing completion
  - Other commercial/industrial growth occurring within the county
  - Continued slowdown in residential growth
- Minimal revenue growth
  - Sales tax collections are behind the same time period from FY 2024
  - For the first time in years, locally collected sales taxes (-4%) are trailing statewide articles (+3%)

# Accomplishments

**Emergency Communications, Emergency Management, Facilities & Construction, Public Health, Social Services, Building Inspections, Agriculture & Conference Center, and Soil & Water**

- Selflessly dedicated more than 1,200 hours to disaster relief and recovery, providing essential support to the affected communities in western North Carolina

## **Planning**

- Unified Development Ordinance (UDO), Recode Chatham, was adopted in November 2024

# Accomplishments

## **Manager's Office**

- Introduced the Recite Me toolbar on the County website, significantly enhancing language access and promoting inclusivity for all residents

## **Human Resources**

- Received Silver status level recognition on the American Heart Association Workforce Well-Being Scorecard for our County's wellness programming and initiatives

# Accomplishments

## **Sustainability**

- Filed for over \$218,000 in Inflation Reduction Act credits for the renewable and clean energy projects that the County has completed

## **Social Services**

- Implementing final two pieces of Medicaid transformation: Tailored Plans (for individuals with significant behavioral health, I/DD, or TBI diagnoses) and the Children and Families Specialty Plan (CFSP) for child welfare involved families

# Current Year Revenue Highlights

## Property tax

- 100% of budget collected by end of March

## Register of Deeds

- Excise tax and fees at 72% of budget through March

## Motor Vehicles

- 73% of budget by end of March

## Development Services

- Overall revenues are way under the same time period last year



# Sales Tax

**Article 39 and 42** locally collected trending **4%** below prior year

**Article 40** - based on statewide collection - trending **3%** over prior year

**Article 46** – **66%** of budget collected (7 months of collections)

# Looking Ahead

Economic Indicators

Budget Highlights



# Economic Indicators

Unemployment

Labor Market

Inflation

Residential Development

Commercial/Industrial Development

# Revenue Highlights

Property tax budget is increased to \$135.9M

- Sets Property Tax rate at 60 cents per \$100 of valuation, revenue neutral rate is 52.96 cents per \$100 of valuation

Permitting budget is increased to \$3.2M

Excise tax budget is decreased to \$1.0M

Sales tax budget is decreased slightly to \$30.5M

Transfers-In budget is decreased to \$18.6M

# Revenue

	2023 Actual	2024 Actual	2025 Amended	2025 Estimated	2026 Total Req.	2026 Total Rec.	Variance	Total % Inc./Dec.
<b>Revenues</b>								
Permits and Fees	3,965,464	7,117,633	3,246,186	2,704,571	3,606,186	3,606,186	360,000	11%
Intergovernmental	16,422,717	16,617,304	14,630,544	13,908,960	13,575,653	13,552,038	(1,078,506)	(7%)
Interest	778,108	5,958,062	710,000	2,037,700	861,466	861,466	151,466	21%
Contributions from others	861,920	2,031,595	961,812	915,340	402,062	402,062	(559,750)	(58%)
Miscellaneous	494,717	1,346,612	400,310	407,746	302,992	302,992	(97,318)	(24%)
Lease Proceeds	410,410	174,085	0	170,000	65,126	65,126	65,126	0%
Other Taxes/Licenses	1,698,749	1,462,396	1,788,071	1,318,000	1,291,071	1,291,071	(497,000)	(28%)
Property Tax	96,757,366	104,557,482	113,155,908	115,604,500	120,031,988	135,893,720	22,737,812	20%
Charges for Services	2,614,664	2,970,070	2,973,494	2,936,889	2,728,285	2,861,147	(112,347)	(4%)
Sales Tax	28,513,274	31,538,819	30,555,483	31,184,000	30,455,000	30,455,000	(100,483)	(0%)
Transfers In	26,810,668	19,676,847	20,578,305	20,578,305	18,619,239	18,619,239	(1,959,066)	(10%)
Appropriated Fund Balance	0	0	17,041,889	0	0	3,500,000	(13,541,889)	(79%)
<b>Total Revenues</b>	179,328,058	193,450,906	206,042,002	191,766,011	191,939,068	211,410,047	5,368,045	3%

# Expense

	2023 Actual	2024 Actual	2025 Amended	2025 Estimated	2026 Total Req.	2026 Total Rec.	Variance	Total % Inc./Dec.
<b>Expenditures</b>								
Salaries	30,021,878	37,297,980	43,210,906	40,840,331	48,432,831	46,552,981	3,342,075	8%
Other Salaries and Benefits	14,743,061	17,417,820	20,191,148	19,190,711	22,917,840	22,030,305	1,839,157	9%
Operating	17,378,082	18,188,700	25,149,588	21,932,165	27,706,725	26,446,961	1,297,373	5%
Debt	25,061,517	24,241,541	23,950,145	23,954,637	23,063,490	23,063,490	(886,655)	(4%)
Lease	9,968	162,519	156,200	68,882	406,073	406,073	249,873	160%
Lease Subscription	746,220	688,995	738,995	560,455	876,429	876,429	137,434	19%
Transfers Out	30,260,650	23,236,864	23,305,398	23,305,398	26,222,435	26,145,414	2,840,016	12%
Allocations/Programs	49,052,383	56,264,510	66,932,799	60,016,859	64,521,709	64,431,109	(2,501,690)	(4%)
Capital Outlay	2,682,580	1,942,289	2,360,015	2,186,724	2,034,172	1,457,285	(902,730)	(38%)
<b>Total Expenditures</b>	169,956,339	179,441,220	205,995,194	192,056,163	216,181,704	211,410,047	5,414,853	3%

# Expense

## **Chatham County Schools**

- Additional \$2,415,000 to address compensation and fixed cost benefit adjustments from current year state budget and some operational cost increases
- Additional \$550,000 to provide a \$400 base increase to the local teacher salary supplement and \$100 to the classified staff supplement
- Additional \$250,000 in annual Capital Outlay

# Expense

## **Chatham County Sheriff's Office**

- Increase of ~\$2.3 million (9.4%) over FY2025 Revised Budget
- Additional approximately \$1.1 million in continuation increases – including the first full-year of the new body camera rollout, contractual increases, increased operating and capital outlay costs
- Additional \$1,229,11 in expansion items, including 7 additional staff



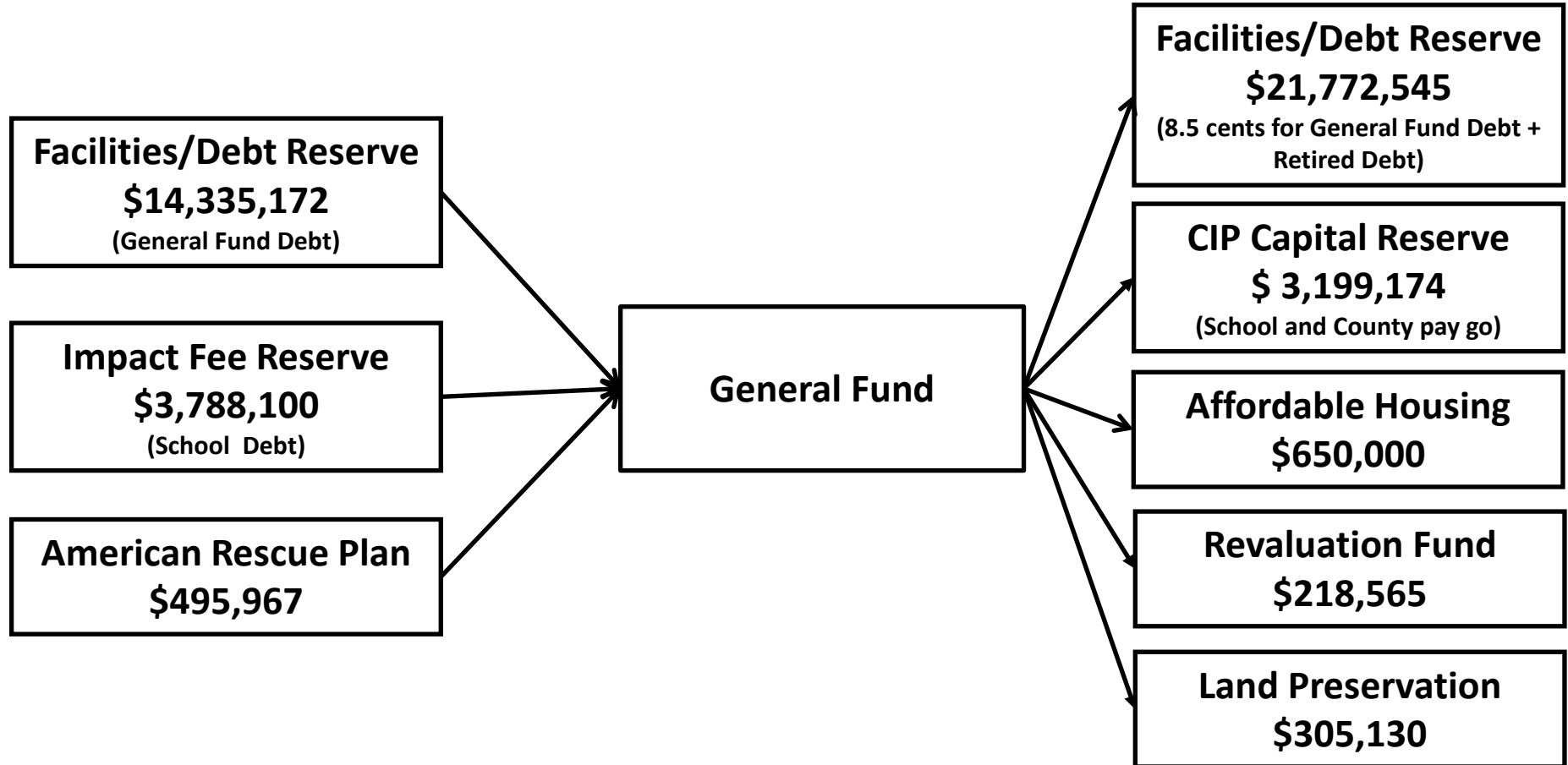
# Expense – CCSO continued

- 6 Deputy Sheriffs
- 1 Accreditation Support Analyst
- Enhanced mental health services
- Software/Technology to assist with investigations:
  - Berla
  - Cellebrite Premium
  - Penlink

# Expense - Transfers/Debt

Transfer-out	\$26,145,414
Debt	\$23,060,490

# General Fund Transfers In and Out



# Expense – 16 New Positions

- Sheriff's Office (7)
- Diversion & Advocacy Programs (0.5)
- Social Services (2)
- Human Resources (1)
- Aging Services (0.5)
- Ag & Conf Center (1)
- Emergency Management (1)
- Information Technology (1)
- Tax Administration (1)

# Expense – Other

Contractual Increases

Operational (inflation driven) Increases

Capital needs (equipment, vehicle replacements)

Cloud-based software

Full-year costs associated with 2/3 pay study  
implementation

Employee pay adjustment

# Highlights – Major Funds

	<b>Total</b>	<b>Change</b>
<b>General Fund</b>	\$211,410,047	+3%
<b>Solid Waste &amp; Recycling</b>	\$5,579,623	+6%

# New/Increased Fees

## Planning

- Significant changes to fee structure to increase equity and consistency of fee charges and to account for increasing cost of service provision

## Aging Services

- Senior Center Day Trips – new fee that will equal cost of venue/event admission, allows Aging Services to book at group rates and create savings for participants
- Senior Games – \$5 increase to early registration/registration costs, introduction of a lower fee to register and not receive a Senior Games t-shirt

# New/Increased Fees (continued)

## **Solid Waste & Recycling**

- Solid Waste Fee – \$20 Increase (from \$137 to \$157 annually), increase is necessary for the enterprise fund to continue to recoup costs generated to run the service
- Yard Waste Disposal Fee - \$5/ton increase (from \$20/ton to \$25/ton), increase is necessary due to the increasing amount of yard waste incoming and the additional handling costs associated with moving older mulch/waste to make room for additional disposal
- Land Clearing and Inert Debris Disposal Fee - \$15/ton increase (from \$20/ton to \$35/ton), increase is needed to fund the costs associated with the necessary permit and required maintenance costs of the LCID landfill – if not permitted, the LCID landfill will be required to cease operations



# Fire District Tax Rate Changes

- Bells Annex – from 12.8 to 10.2
- Circle City – from 14.25 to 11
- Goldston – from 11 to 10
- North Chatham – from 12.8 to 10.2
- Parkwood – from 11 to 8.44

All rates are in cents per \$100 of valuation

# Summary

- Significant financial pressures in the upcoming fiscal year – primarily around education and public safety
- Organization is positioned to address challenges around growth and development
- Planning for slower growth than in recent years
- Prepared to adjust based on changing economic circumstances

# Reminder - Key Dates

Public  
Hearings

May 19 + 20

Work  
Session

May 22, 23, 28

Finalize

June 16, 2025



# Thank you!

Comments/Questions?

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