



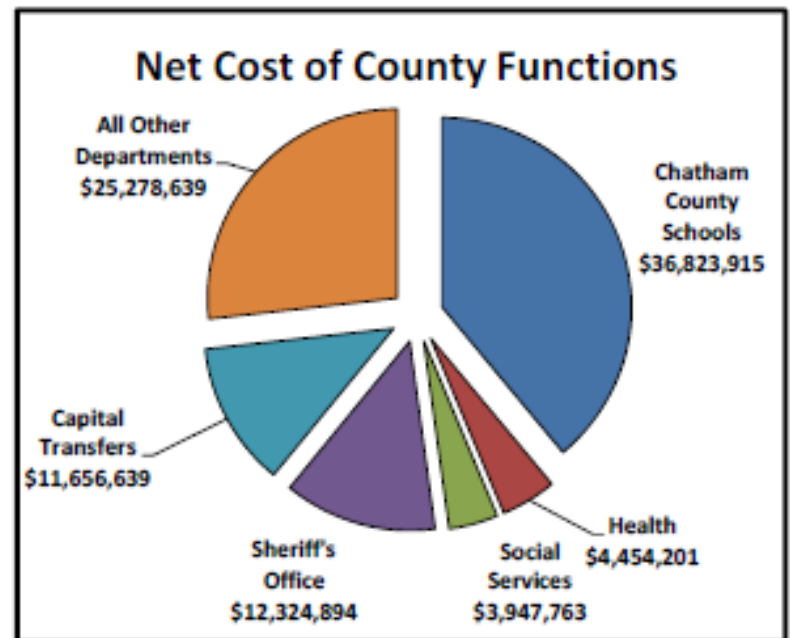
# Chatham County

**FY 17 Recommended Budget**

***“Our Future Begins Today”***

## Budget at a Glance

- ▶ Total Property Valuation: \$9.918 Billion
- ▶ One Penny Generates: \$990,630
- ▶ Tax Rate: 63.38 cents (+1.19 cents)
- ▶ Total Property Tax Revenue: \$62,290,000
- ▶ General Fund Fund Balance Appropriated: \$5,873,989



## Budget Summary

General Fund	
Administration	\$21,232,007
Culture/Education/Recreation	\$41,920,809
General Government	\$3,023,556
Human Services	\$19,028,852
Natural Resource Management	\$3,499,865
Public Safety	\$18,725,172
<b>Total General Fund</b>	<b>\$107,430,261</b>
Solid Waste and Recycling Fund	\$3,199,685
Southeast Water District	\$609,600
Water Fund	\$6,215,078

# Budget Process

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- ▶ Staff is presenting the Manager's Recommended Budget—*this is just the 1<sup>st</sup> step*
- ▶ Before the budget is finalized, commissioners will:
  - ▶ Hold 2 public hearings to hear from the public (May 16 and 17)
  - ▶ Hold work sessions: May 19, May 20, 3<sup>rd</sup> day TBD
  - ▶ Make changes based on public input, etc.
- ▶ Goal is to have the budget finalized on June 20  
— state law requires adoption by June 30

## **BOC goals adopted at retreat**

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- ▶ **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**

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## Goals:

- ▶ Demonstrate sound fiscal stewardship and economic support to ensure we can 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**

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## Goals:

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



# Revenue Highlights

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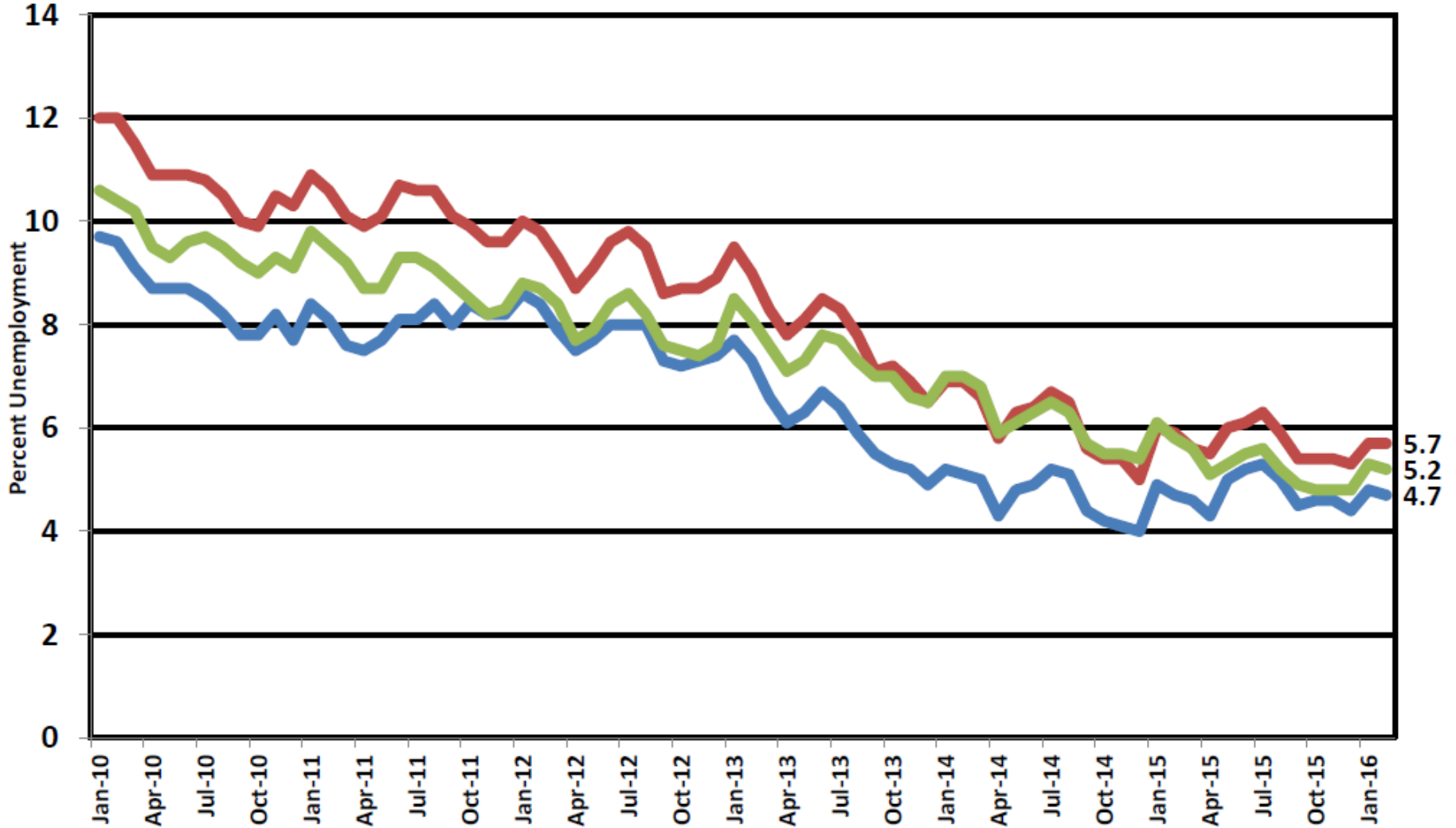
- ▶ Revenue growth is still robust
  - ▶ DMV vehicle tax up 8% over last year
  - ▶ Locally collected sales tax up 12% compared with 5% statewide
- ▶ Many indicators are trending favorably, some at or near pre-recession levels



# Chatham County Unemployment Rate

Chatham County      State Average      United States

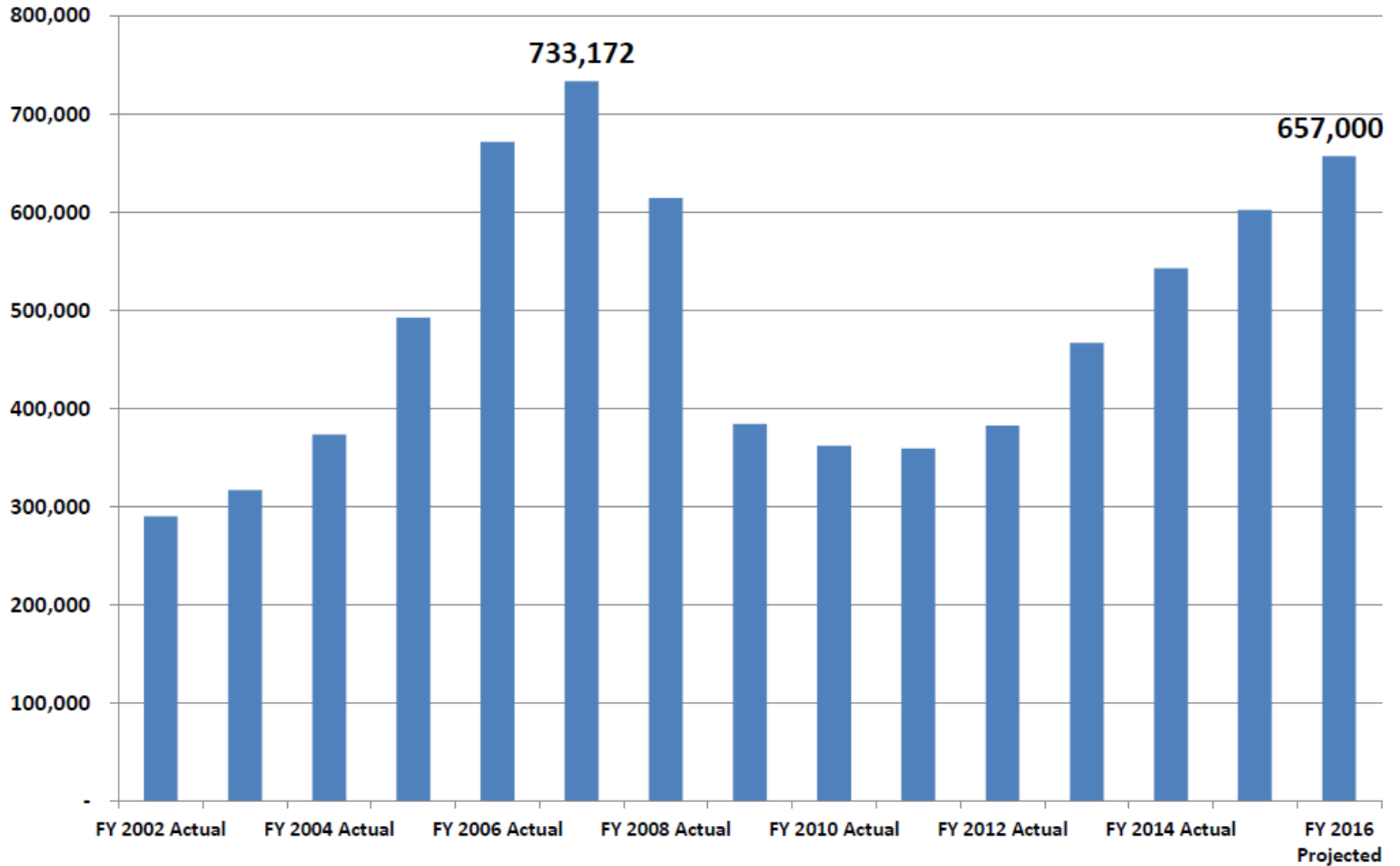
Source: NC Employment Security Commission



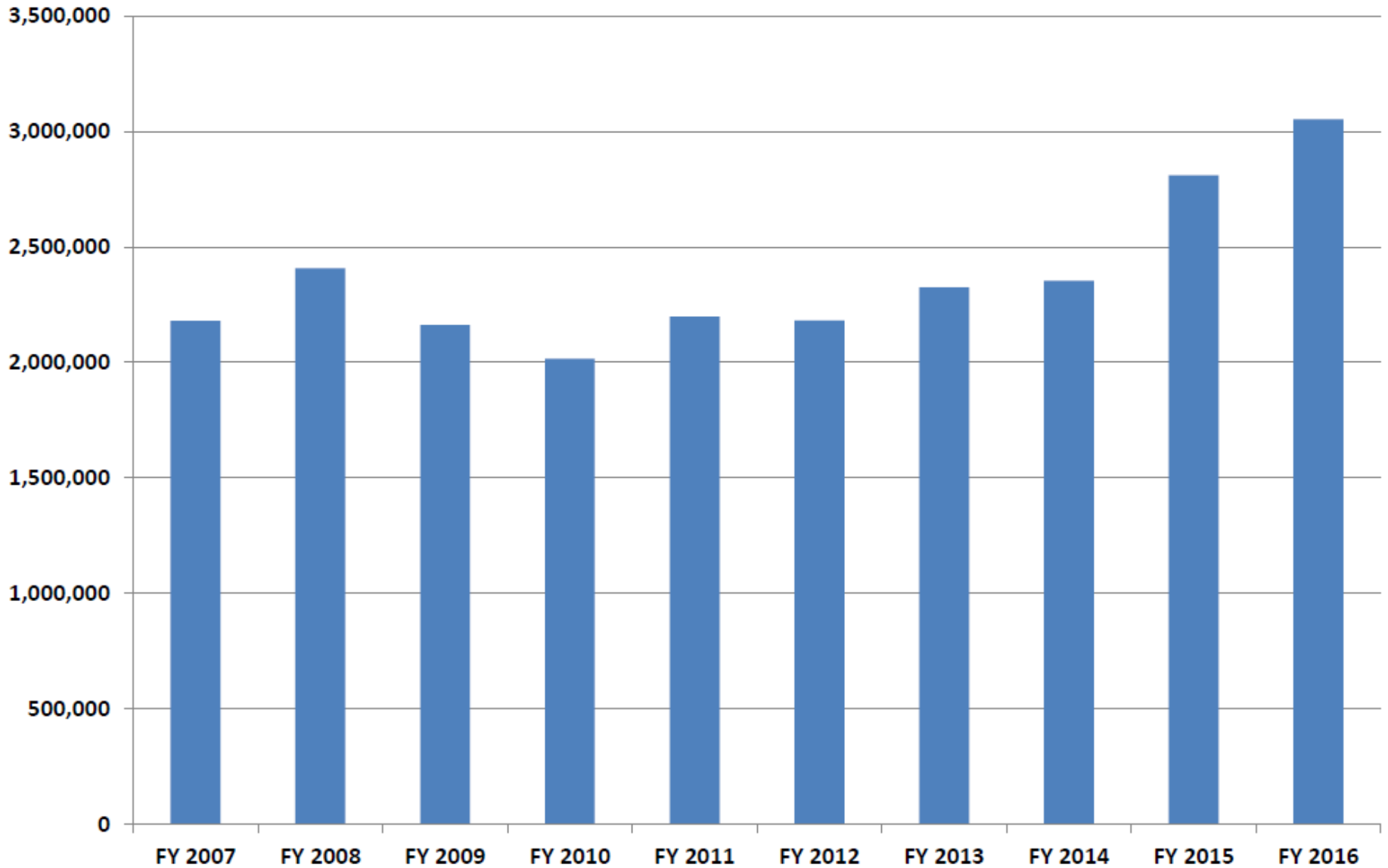


# Actual and Projected Deeds Stamps Collections

Source: Chatham County CAFRs



## First Seven Months of Article 39 Collections



# Additional Obligations in FY 17

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- ▶ Increase in debt service for the Agriculture & Conference Center and Joint School Bus/County garage [+907,577]
- ▶ Partial year of increased operating costs for the Agriculture and Conference Center [+93,419, including position] and Joint School Bus/County garage [+158,000]
- ▶ Increased transfer to the debt reserve to cover new CIP projects [+3,369,146]
- ▶ 15% Increase in health insurance costs [+593,775]



# School Funding

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- ▶ 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:
  - ▶ \$846,000 in additional funding in current expense for additional reading teachers, teaching assistants, and growth/configuration needs
  - ▶ \$383,342 in additional funds for capital outlay
  - ▶ \$300,000 contingency for potential State salary increases



# Other New Initiatives

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- ▶ **Meeting BOC Goals for affordable housing**
  - ▶ Funding to contract with Triangle J for staffing/ recommendations on affordable housing work with towns
  - ▶ Funding to develop Henry Siler School for low-income senior or affordable rental housing
  - ▶ One-time funding to Council on Aging to supplement efforts underway on substandard housing
  - ▶ Funding for County portion of a collaborative housing grant in partnership with Triangle Community Foundation and United Way
- ▶ **Meeting BOC goals for improving effectiveness**
  - ▶ Technology improvements: Permitting, GIS, Electronic forms



# Other New Initiatives

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- ▶ Funds a 3% increase in employee pay
- ▶ Recommends several new positions:
  - ▶ 2.5 new positions for Department of Social Services for NC Fast
  - ▶ 5 new detention officers to begin phasing in compliance with the federal Prison Rape Elimination Act (PREA)
  - ▶ New position in Central Permitting will provide administrative support to the second largest department currently without it
  - ▶ New part-time nutritionist position in Health Department to handle increased workload
  - ▶ Expansion of time for Library Outreach Coordinator



# Non-profit Agencies

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- ▶ Nonprofits undergo an extensive application and review process
- ▶ 55% of funding earmarked for the basic needs of hunger, housing, and health care
- ▶ Written recommendations from panels have been provided
- ▶ The manager made minor changes from the panel recommendation



# Highlights – Revenues

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- ▶ Excluding fund balance, revenues are expected to increase 8% in FY 17, including:
  - ▶ 5% in property tax
  - ▶ 19% increase in sales tax
  - ▶ 1% decrease in permits and fees reflects a few unusually large projects in FY15.
    - ▶ Permits and fees revenue in FY 16 is up 15% from FY 2014





# Highlights - Major Funds

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- ▶ General Fund: \$107.4M, 7% increase
- ▶ Water Fund: \$6.2M, 11% increase
- ▶ Solid Waste & Recycling: \$3.2M, 3% increase



# General Fund Overview

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- ▶ The recommended General Fund is \$7.2M (7%) more than the FY 2016 Amended Budget

	2016 Amended	2016 Estimated	2017 Recommended	Variance	%Inc./ (Dec.)
<b>Administration</b>	6,734,789	5,971,278	7,300,877	566,088	8%
<b>Debt Service</b>	10,614,633	33,950,442	11,522,210	907,577	9%
<b>Debt/Capital Transfers</b>	8,056,974	8,056,974	12,041,488	3,984,514	49%
<b>Chatham County Schools</b>	30,037,838	30,037,838	31,566,180	1,528,342	5%
<b>Other Education &amp; Culture</b>	3,292,712	3,177,716	3,281,592	-11,120	0%
<b>General Government</b>	2,950,752	2,804,930	3,023,556	72,804	2%
<b>Human Services</b>	18,544,732	17,779,966	18,473,427	-71,305	0%
<b>Natural Resource Management</b>	2,826,075	2,585,437	2,805,584	-20,491	-1%
<b>Public Safety</b>	17,106,284	15,770,626	17,415,347	309,063	2%
<b>Total</b>	<b>100,164,789</b>	<b>120,135,207</b>	<b>107,430,261</b>	<b>7,265,472</b>	<b>7%</b>



# Capital Improvements Program (Appendix D)

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- ▶ Funds transfers to capital reserve called for in CIP;
  - ▶ Increase for expanded capacity of new high school from 800 to 1,000
  - ▶ New elementary school, CCCC Health Sciences Building
- ▶ Fund balance appropriation includes moving construction of the animal shelter up one year
- ▶ Redirecting \$161K from Pittsboro Elementary roof to mobile pod for Northwood



# Summary

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- ▶ Tax increase of 1.19 cents, first since 2011
  - ▶ As discussed during CIP, additional revenue needed to cover transfer to debt reserve for new projects
- ▶ Three fire districts are requesting tax increases, and one is requesting a tax decrease as follows:
  - ▶ Bennett, 1 cent; Goldston, 1 cent; Northview .30 cents; Durham County Fire & Rescue (Parkwood) -1 cent
- ▶ Capital and one-time expenses funded by a \$5.9M fund balance appropriation
  - ▶ Includes moving the animal shelter up one year



# In Summary

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- ▶ 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



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# Questions?

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# **We need to set the date for final budget work sessions**

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