

Chatham County

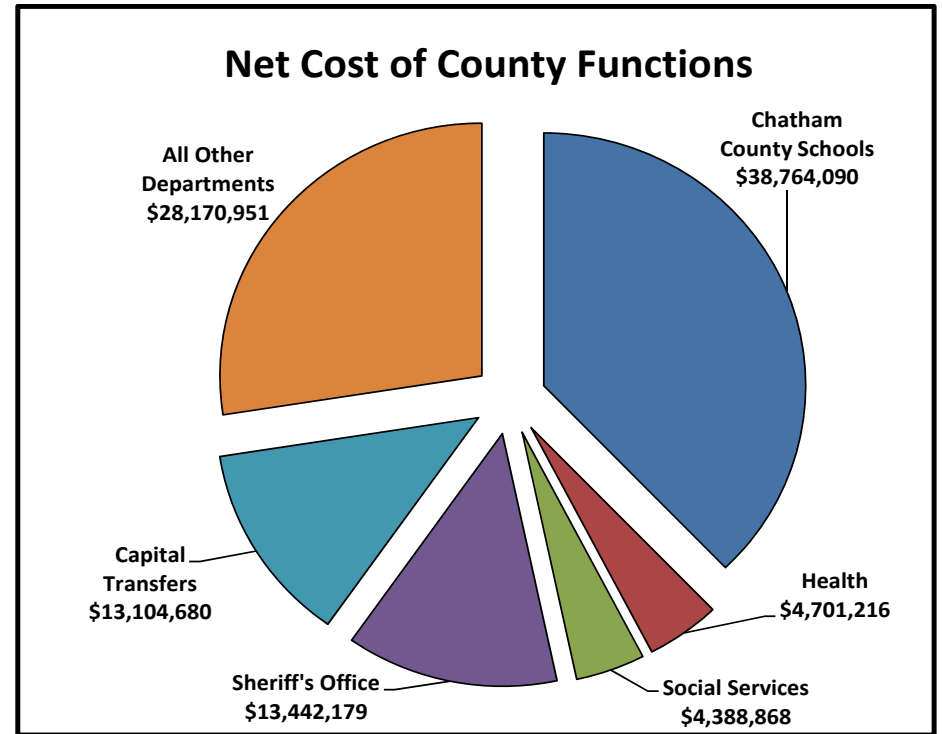


Fiscal Year 2018-2019 Recommended Budget
"Plan Chatham, Team Chatham"



Budget at a Glance

- ▶ Total Property Valuation: \$11.04 Billion
- ▶ One Penny Generates: \$1,083,371
- ▶ Tax Rate: \$62.81cents
- ▶ Total Property Tax Revenue: \$68,773,000
- ▶ General Fund Balance Appropriated: \$5,928,031



Budget Summary

General Fund	
Administration	\$23,801,033
Culture/Education/Recreation	\$45,238,097
General Government	\$2,931,848
Human Services	\$17,658,136
Natural Resource Management	\$4,060,516
Public Safety	\$20,298,670
Total General Fund	\$113,988,300
Solid Waste and Recycling Fund	\$3,472,615
Southeast Water District	\$635,000
Water Fund	\$7,376,416

Budget Process

- ▶ Before the budget is finalized, commissioners will:
 - ▶ Hold 2 public hearings to hear from the public (May 21 and 22)
 - ▶ Hold work sessions: May 24, May 29, and May 30 (if needed)
 - ▶ Make changes based on public input, etc.
- ▶ Goal is to have the budget adopted on June 18 — state law requires adoption by June 30



BOC goals adopted at retreat

▶ Plan Chatham

- 1. Preserve the rural character and lifestyle of Chatham County.**
 - 2. Preserve, protect, and enable agriculture and forestry.**
 - 3. Promote a compact growth pattern by developing in and near existing towns, communities, and in designated, well-planned, walkable mixed use centers.**
 - 4. Diversify the tax base and generate more high-quality, in-county jobs to reduce dependence on residential property taxes, create economic opportunity and reduce out-commuting.**
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Plan Chatham (continued)

- 5. Conserve natural resources.**
- 6. Provide recreational opportunities and access to open space.**
- 7. Provide infrastructure to support desired development and support economic and environmental objectives.**
- 8. Become more resilient by mitigating, responding, and adapting to emerging threats.**
- 9. Provide equitable access to high-quality education, housing and community options for all.**
- 10. Foster a healthy community.**



BOC goals adopted at retreat

- ▶ **Three additional goals were defined**
 - 1) **Demonstrate sound fiscal stewardship to ensure we can meet the important service needs of our residents.**



BOC goals adopted at retreat

▶ Three additional goals (continued)

2) Provide effective, efficient government that is responsive to the different needs of residents and varying circumstances across the county.

- ▶ Provide social services and support that seek to minimize the impacts to those in poverty and stabilize individuals and families in the community.**
- ▶ Ensure public safety through adequate resources, plans, and partnerships to keep people and property safe.**
- ▶ Strengthen relationships with other boards, municipalities, and regional entities to address common challenges and opportunities.**



BOC goals adopted at retreat

▶ Three additional goals (continued)

3) Support Pre-K through 12 and the community college in providing a quality education for all students.

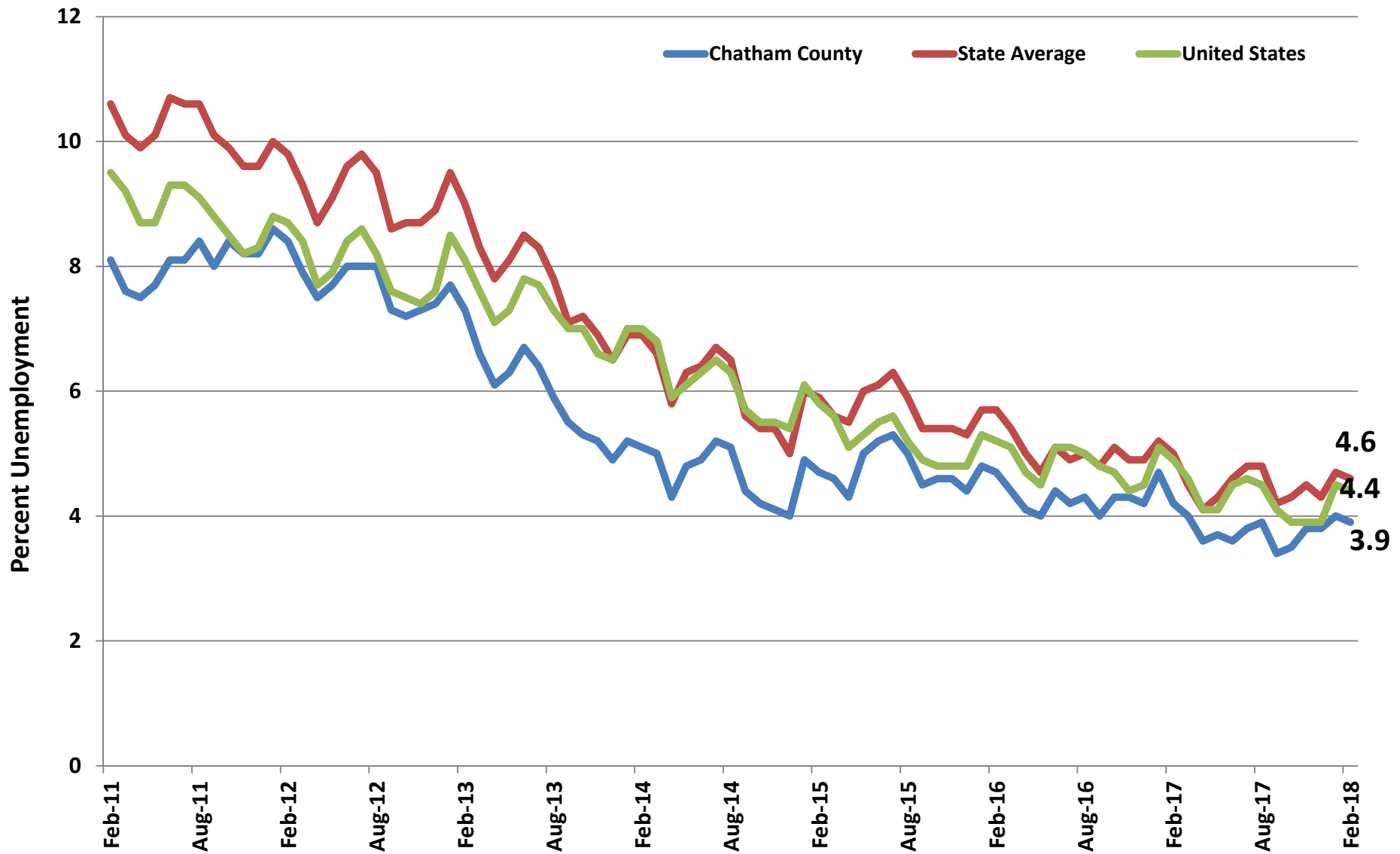


Revenue Highlights

- ▶ Revenue growth is moderate
 - ▶ DMV vehicle tax only 2% over last year
 - ▶ Locally collected sales tax still increasing but not at the same rate as prior years
 - ▶ Some indicators are trending favorably, some not as anticipated.
 - ▶ Building inspections: March permits about 10% below same time period prior year. Chatham Park development has been slower than anticipated.
 - ▶ Deed stamps: Projected FY 2018 total expected to be above FY 2007 actual
 - ▶ Unemployment rate is below the rate for the state
 - ▶ and the nation
-

Chart 5: Chatham County Unemployment Rate

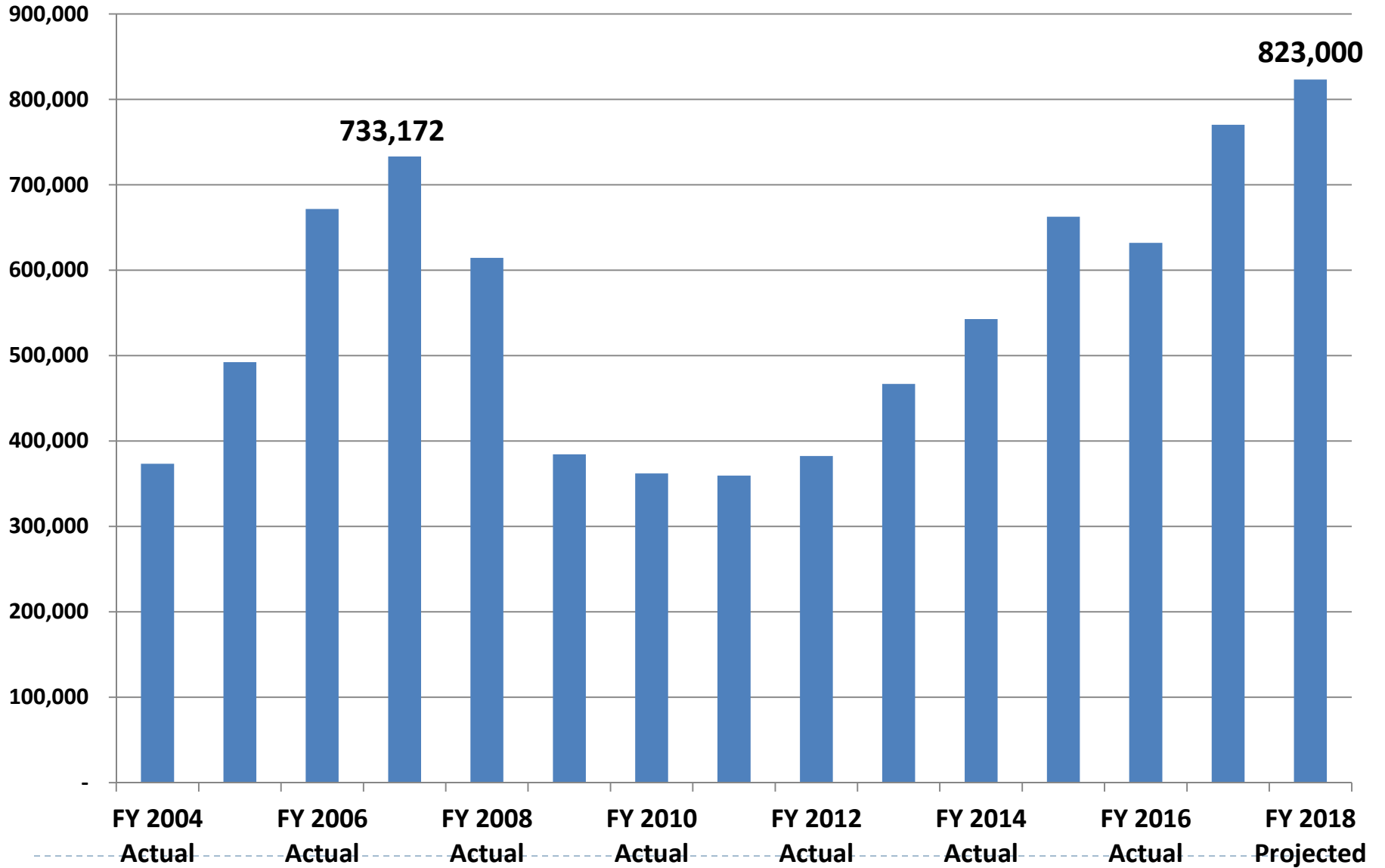
Source: NC Employment Security Commission



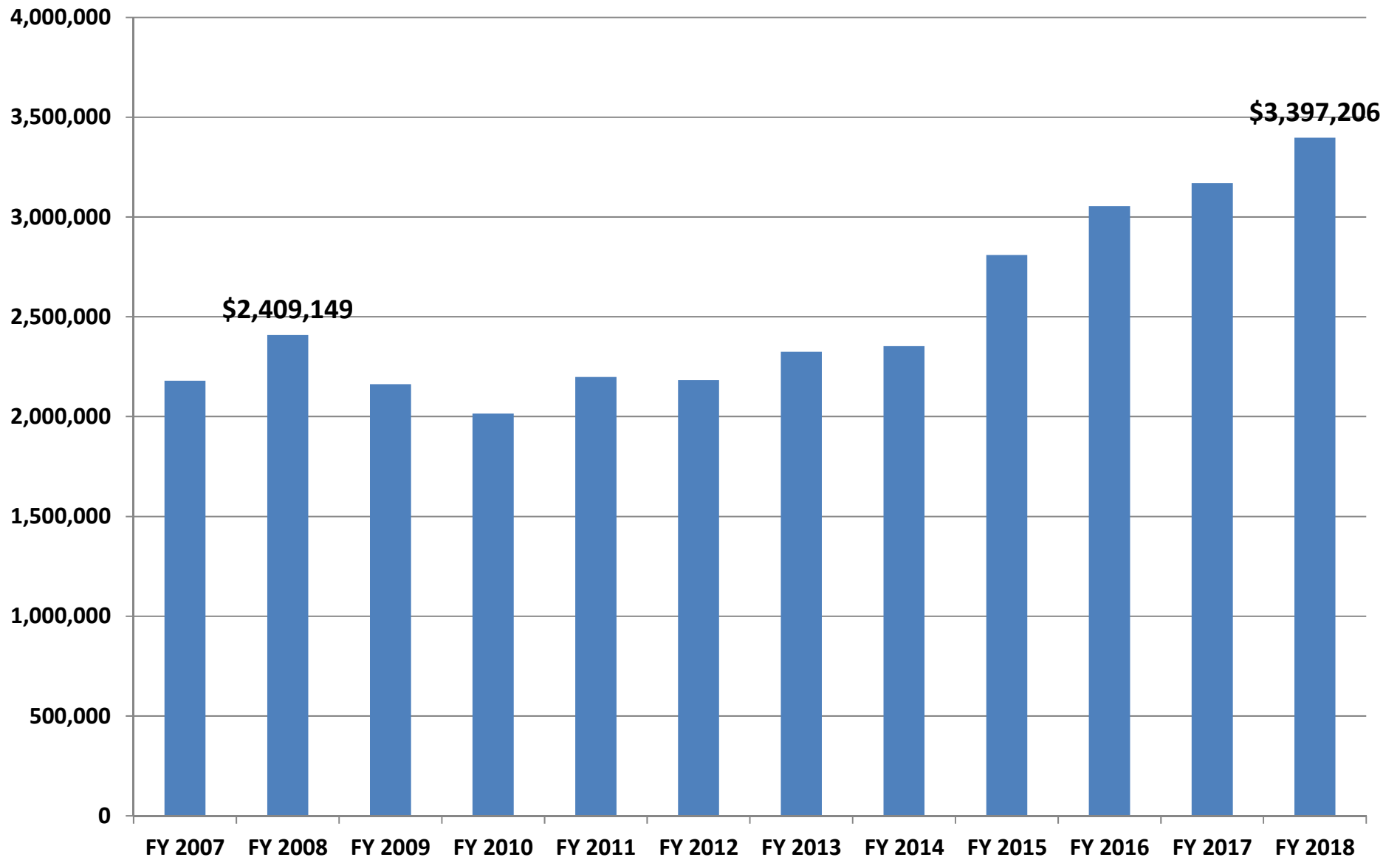
In February 2018, Chatham County was tied with 3 other counties for the 4th lowest unemployment rate in the state.

Actual and Projected Deeds Stamps Collections

Source: Chatham County CAFRs



First Seven Months of Article 39 Collections



FY 19 Budget Highlights

- ▶ Continuation expense increased [+1,530,606]
- ▶ Includes 11% increase in transfers out [+1,248,821]
- ▶ Total operating expenses increased [+549,407]
- ▶ Debt service obligations decreased by 2% but borrowing will occur in July
- ▶ Fees & Permits Revenue decreased [-125,931]
- ▶ No tax rate increase recommended
- ▶ Two fire tax rates recommended to increase
 - Parkwood +0.6 for fire equipment
 - Silk Hope +1 cent for personnel

Commissioner Guidance at Retreat

- ▶ Unified Development Ordinance
- ▶ Affordable housing
- ▶ Support spending that helps achieve Plan Chatham



School Funding

- ▶ FY 2019 budget fully funds Chatham County Schools' request for an additional \$1,075,000 in current expense.
- ▶ Working with CCS to increase supplements and convert from a flat-rate supplement for licensed employees to one based on a percent of salary
- ▶ Full implementation would require an additional \$1.3 million over three years
- ▶ Would move Chatham's supplement from fifth to third among surrounding counties.



Plan Chatham

- ▶ **Comprehensive plan**
 - ▶ Unified Development Ordinance [rollover \$115,000]
 - ▶ Parks and Rec Master Plan and Assistant Director [+148,000, 79,000 one-time]
 - ▶ Funding for Siler City wastewater treatment plant upgrade [+750,000]
 - ▶ Affordable housing trust fund [+200,000]
 - ▶ Substandard housing [+25,000]
 - ▶ Small grants to extend broadband [+20,000]
 - ▶ Chatham County Schools [+1,075,000]
 - ▶ Limited number of new positions [Telecommunications, Environmental Health, Elections, Water]



Team Chatham

- ▶ Employee pay increases [+812,000]
- ▶ Mandated increase in retirement [+56,379]
- ▶ Health insurance [+385,121]



Non-profit Agencies

- ▶ Board approved keeping FY 19 awards to currently funded nonprofit agencies.
- ▶ Accepted task force recommendation to develop a strategy to target the Community Assessment top needs by FY 2022.



Highlights – Revenues

- ▶ Excluding fund balance, revenues are expected to increase 2% in FY 19, including:
 - ▶ 4% in property tax
 - ▶ 6% increase in sales tax
 - ▶ 4% increase in charges for service
 - ▶ (7%) decrease in permits and fees



Highlights - Major Funds

- ▶ General Fund: \$113,988,3007, 2% increase
- ▶ Water Fund: \$7,376,416, slight decrease
 - ▶ Siler City Wastewater Plant [+750,000]
- ▶ Solid Waste & Recycling: \$3,472,615, 4% increase



General Fund Overview

- ▶ The recommended General Fund is \$2.3M (2%) more than the FY 2018 Amended Budget

	2018 Amended	2018 Estimated	2019 Recommended	Variance	%Inc./ (Dec.)
Administration	8,804,457	8,109,810	9,327,635	523,178	6%
Debt Service	11,276,266	11,273,064	11,042,596	-233,670	-2%
Debt/Capital Transfers	11,855,859	10,452,973	13,104,680	1,248,821	11%
Chatham County Schools	33,133,182	33,133,182	34,187,310	1,054,128	3%
Other Education & Culture	3,673,387	3,418,675	3,822,961	149,574	4%
General Government	2,909,615	2,643,564	2,931,848	22,233	1%
Human Services	18,090,161	16,429,530	17,131,280	-958,881	-5%
Natural Resource Management	3,351,639	3,103,871	3,401,945	50,306	2%
Public Safety	18,630,718	17,955,235	19,038,045	407,327	2%
Total	111,725,284	106,519,904	113,988,300	2,263,016	2%



Capital Improvements Program (Appendix D)

- ▶ No change from 2019-2025 Adopted CIP
- ▶ Funds transfers to capital reserve called for in CIP
- ▶ Debt model [\$10,771,259]
- ▶ Pay-Go Capital Reserve [\$2,308,421]



Summary

- ▶ No tax increase
- ▶ Parkwood fire district
 - ▶ Tax increase 0.6 cents
- ▶ Silk Hope fire district
 - ▶ Tax increase 1 cent
- ▶ Other fire district taxes same as prior year
- ▶ Capital and one-time expenses funded by a \$5.9M fund balance appropriation



In Summary

- ▶ The recommended budget continues the past practice of good employee and financial stewardship and moves the county forward to address Plan Chatham goals and invest in its people and schools
- ▶ The recommended budget reflects increasing teamwork between county departments, outside agencies, and municipalities



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Questions?

