

# *Chatham County*

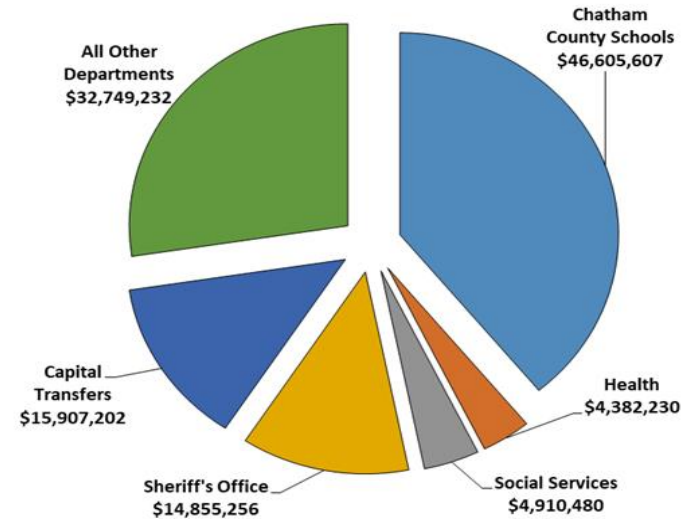


*Fiscal Year 2020-2021 Recommended Budget  
"Choices"*

# Budget at a Glance

- ▶ **Total Property Valuation: \$11.99 Billion**
- ▶ **One Penny Generates: \$1,180,106**
- ▶ **Tax Rate: 67 cents**
- ▶ **Total Property Tax Revenue: \$79,772,620**
- ▶ **General Fund Balance Appropriated: \$4,777,832**

**Net Cost of County Functions**



## Budget Summary

<b>General Fund</b>	
Administration	\$26,075,041
Culture/Education/Recreation	\$53,877,326
General Government	\$3,705,032
Human Services	\$18,943,584
Natural Resource Management	\$4,773,519
Public Safety	\$24,961,108
<b>Total General Fund</b>	<b>\$132,335,610</b>
Solid Waste and Recycling Fund	\$3,586,300
Southeast Water District	\$722,500
Water Fund	\$8,699,696

# Budget Process

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Before the budget is finalized, commissioners will:

- Hold a public hearing: May 18
- Hold work sessions: May 21, 22, and May 28 (if needed)
- Make changes based on public input, etc.

Goal is to have the budget finalized on June 15 — state law requires adoption by June 30

# Budgeting in troubled times

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*The current economic recession is unlike any other*

**Nobody knows ...**

- Timing and speed of recovery – National, State, Local
- Long and short term impact on the stock market
- Will there be another outbreak?

**We've tried to focus on what we do know**

- The economy goes through ups and downs
- Until the decline Chatham was exceeding revenue expectations
- This crisis has made us more resilient

# COVID-19

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Staff responded to the crisis by stepping up in collaborative and innovative service delivery

- Health Department
- Emergency Operations
- DSS
- Council on Aging
- Parks and Rec
- Library
- All staff pitched in to help other departments

# Current Year Revenue Highlights

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## To-date

- Building Inspections and Environmental Health revenue at 99% of budget as of May 1 (collections through April)
- Property tax collection slightly over budget
- Locally collected sales tax trending 13% over budget
  - We're \$1,030,000 over same time period last year
- Our excellent performance for most of the year will enable us to meet or exceed budgeted revenue for FY 2020

# Revenue – Economic Indicators

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## Unemployment

- Chatham unemployment rate is typically one of the lowest in the state and is below state and nation
- February
  - U.S.: 3.8%
  - State: 3.7%
  - Chatham: 3.2% (tied for 4<sup>th</sup> lowest)
- As of March (most recent data available)
  - U.S.: 4.5%
  - State: 4.2%
  - Chatham: 3.7% (tied for 3<sup>rd</sup> lowest)

# Revenue – Economic Indicators

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## Real estate market

- Excise tax revenue has increased steadily since 2010
- Between 2010 and 2019 revenue has more than doubled (131% growth)
- Through March 2020 revenue up 9% over same time period prior year
- Real estate market is slowing down but Triangle Business Journal reports that the Triangle Region market will be less vulnerable to impacts

The things that have made Chatham desirable in the past will continue to make us desirable during recovery.



# Revenue – Economic Indicators

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## Building Permits

- Exceeded expectations current year
- Activity slowed somewhat in early April but is picking up again
- Several commercial permits are about to be issued
- Mosaic and Chatham Park are continuing

# FY 21 Budget Highlights

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Projecting into an unknown future is risky

- There is a lot of speculation

- Time will prove whether projections are correct or incorrect

- Revenue projections are broadly conservative

Chatham County's excellent revenue outlook in current year will lessen the impact of the slowdown

- Many smaller counties will be harder hit

Local sales tax collection comprises necessary and discretionary spending but is not impacted by loss from sporting events, concerts, and conventions as do larger jurisdictions

As shown in the recovery from the Great Recession we expect Chatham to recover at a faster rate than many surrounding counties

# FY 21 Budget Highlights

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- Broadly conservative revenue projections mean difficult choices
- Our choices define us:
  - Maintain the debt model
  - Chatham County Schools
  - People = Service
- We are asking departments to contain spending in the first quarter

# FY 21 Budget Highlights (cont.)

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- Debt reserve:
  - The budget continues the 9.2 cent contribution to the debt reserve
  - Borrowing is in progress for the radio replacement project
- Chatham County Schools:
  - Additional \$2,230,000
  - \$1,261,889 to the general allocation to support the opening of Chatham Grove Elementary
  - \$968,111 to maintain the teacher supplement at the current level

# FY 21 Budget Highlights (cont.)

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- Six additional positions are recommended to meet the current rising workload demand and the continued demand expected by the current crisis
- 2 detention officers [\$106,013]
  - One begins July, one October
- 3 social workers, 50% reimbursement [\$74,313]
  - 2 begin October, one January
- 1 licensed substance abuse counselor [\$34,211]
  - Begin January

# FY 21 Budget Highlights (cont.)

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- Council on Aging
  - Family Caregiver Respite [\$35,000]
  - General allocation [\$25,000]
- Visit NC Farms [\$3,600]
- Market pay study [\$50,000]
- Capital outlay one-time spending
  - Portable bleachers [\$26,000]
  - Vehicle for health department [\$28,080]
  - Truck for Cooperative Extension [\$32,000]
  - Feasibility study for phase 2 of CCA&CC [\$45,000]
  - No-till drill for Soil & Water [\$23,495]

# Highlights - Major Funds

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General Fund: \$132,335,610 - 5% increase

Utility Fund: \$8,699,696 - 14% increase

- Continues to includes Siler City Wastewater Plant [\$750,000]
- Includes several large one-time maintenance projects [\$923,939]
- Includes payment to state for Jordan Lake allocation [\$270,000]

Solid Waste & Recycling: \$3,586,300 (-3%)

Southeast Water \$2,169,983 – 41% increase

# In Summary

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- Projecting into an unknown future is risky
- Until COVID-19 Chatham County was having an excellent year
- We expect Chatham to recover at a better rate than many other counties
- The budget addresses our top priorities
  - Maintain the debt model
  - Chatham County Schools
  - Provide critical service
- We will be monitoring revenue and expense closely



# Budget Process

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# Thank You

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