

Proposed FY 2018 Operating and Capital Budget

Presentation and
Worksession

Union County, North Carolina
Administrative Services
May 22, 2017

Union County Vision

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Through continuity of leadership and direction, and built upon the consensus of the community, we identify and implement strategies, programs, and services necessary to promote and sustain the quality of life and lifestyles unique to Union County.

For Today

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- Review of Budget Drivers
- Review of the BoCC Strategic Objectives
- How the FY 2018 Operating and Capital Budget addresses the Strategic Objectives
- Next Steps in the Process

Budget Drivers

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- Dynamic Demand for Services
- Revenue Growth
 - Adjusted for rate changes, property taxes grew by 3.83% or \$6.5 across all funds and automobile taxes grew by 7.14% or \$1.25 million across all funds.
 - Sales Taxes, across all funds, grew by 10.5% or \$4.3 million.
 - Intergovernmental Revenues grew by just .86% or \$303,998.

Service Indicators (for Index 2008=100.00)

Indicator	Demand Units						
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Building Permits per 10,000 Population	103.76	86.79	100.19	125.47	174.20	171.15	196.10
Index	60.84	50.89	58.75	73.57	102.14	100.35	114.99
Total County Average Daily Membership per 10,000 Population	2,075.16	2,053.88	2,003.92	1,989.54	2,019.20	1,997.95	1,983.76
Index	99.12	98.11	95.72	95.03	96.45	95.44	94.76
Wastewater and Well Permit Site Visits per 10,000 Population	27.05	25.34	20.51	22.53	26.33	27.18	37.00
Index	80.92	75.81	61.38	67.40	78.78	81.33	110.70
Non-Cancelled 911 Calls* per 1,000 Population	1,043.07	1,154.23	1,231.22	1,202.14	1,288.27	1,344.07	1,343.42
Index	125.59	138.97	148.24	144.74	155.11	161.83	161.75
EMS Transports per 1,000 Population	59.02	60.63	61.23	61.31	59.28	63.26	66.72
Index	98.86	101.74	103.64	104.97	105.23	99.00	112.70
Public Assistance Receipts per 1,000 Population	221.08	244.22	223.92	248.48	280.10	274.26	280.88
Index	120.91	133.56	122.46	135.90	153.19	150.00	153.62
Billed Daily Water Consumption in 000s Gal per Capita	0.24	0.25	0.23	0.22	0.22	0.24	0.23
Index	89.63	92.34	87.26	83.12	85.83	91.72	91.67
Library Visits	4.43	5.32	4.42	4.43	4.40	4.13	4.27
Physical and Virtual per Capita	88.54	106.15	88.27	88.54	87.89	82.45	85.25
Index	196.32	201.29	205.72	210.41	211.54	215.96	220.55
Population in 000s	196.32	201.29	205.72	210.41	211.54	215.96	220.55
Index	107.66	110.38	112.81	115.38	116.00	118.42	120.94
Demand Units	3,730.12	3,831.94	3,851.36	3,864.54	4,063.55	4,098.20	4,132.94
Index	104.85	107.71	108.26	108.63	114.22	115.20	116.17

Full-Time Equivalent Index

Indicator	Demand Units						
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
FTE*	984.54	971.10	958.41	970.55	1,002.97	1,022.82	1,065.43
FTE Index	94.53	93.24	92.02	93.18	96.30	98.20	102.29
Demand Units	3,730.12	3,831.94	3,851.36	3,864.54	4,063.55	4,098.20	4,132.94
Demand Units Per FTE	3.79	3.95	4.02	3.98	4.05	4.01	3.88
Demand Units Per FTE Index	110.92	115.52	117.65	116.57	118.61	117.30	113.57

Strategic Objectives

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- **Public Safety** – In concert with our community partners provide those essential services that protect the public’s health, safety, and welfare.
- **Community Consensus** – By developing relationships based on mutual trust and understanding, engage appropriate stakeholders to identify and successfully implement programs and initiatives that reflect the community priorities.
- **Economic Development** – Through common vision and direction become a more business friendly, economically vibrant and sustainable community by fostering development of a qualified workforce and infrastructure capacity to support future and current economic sustainability and growth.
- **Sustainability** – Through collaboration with community partners, foster an environment that promotes affordability of services, conservation of resources, and preservation of a high quality of life to support and enrich a diverse and productive population.
- **Organizational Strengthening** – Develop and maintain a highly engaged workforce through shared values and clarity of purpose, with the tools, training and resources that support skills development, knowledge sharing and retention, and employee investment.

Addressing Public Safety

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- 4 New Telecommunicators (4 FTE, \$255,176)
- Demand Monitoring System (\$125,100 first year, \$24,175 annually)
- Public Safety Radio Program:
 - \$1.4 million for Replacement Radios
 - \$217,610 for Radio Installation Staffing (2 FTE)
 - \$850,000 for Radio Installation Facility
 - \$450,000 for Bi-Directional Antennas at Schools
- New Fire Marshal (1 FTE, \$126,486)
- Emergency Services Administrative Support (1 FTE, \$60,853)

Addressing Public Safety

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- 5 New Environmental Health Specialist (5 FTE, \$406,645)
- Fire Funding Interim Solution
 - Countywide Fire Tax Increase of .0056 per \$100
 - Mineral Springs Fire Service District Increase of .0130 per \$100; Hemby Bridge Rural Fire Protection District Increase of .0018 per \$100, Waxhaw Fire Service District Increase of .0056 per \$100
 - All Fee Districts will be at \$100 (Increases for: Bakers - \$13.22, Griffith Road - \$28.09, Jackson - \$36.66, New Salem - \$11.00)
 - Staffing Cost Increase of \$1,558,190
 - Capital Funding From GF of \$995,505 for 1x Items
 - Capital Funding of \$373,209 in Apparatus Payments
 - Additional Station Requests were \$6,075,000
 - During FY 2018 a comprehensive station strategy will be developed to address future station construction

Fire Funding

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Recommended Fire Department Funding for FY 2018

Fire Department	Countywide Fire Tax	Local Fire Tax/Fee	Operating Appropriation	1x Capital GF Transfer*	FD Rev	Countywide Fire Tax Revenue	Localized Fire Tax/Fee Revenue	Sales Tax	Fund Balance	GF Fund Balance
Allens Crossroads	0.0104	100.00	\$ 236,634	-	(9,000)	(121,812)	(105,822)	-	-	-
Bakers	0.0104	100.00	765,110	-	-	(130,174)	(634,936)	-	-	-
Beaver Lane	0.0104	100.00	735,809	197,206	(38,000)	(447,450)	(250,359)	-	-	(197,206)
Fairview	0.0104	100.00	345,764	228,000	(23,000)	(149,428)	(173,336)	-	-	(228,000)
Griffith Road	0.0104	100.00	122,495	16,000	(32,940)	(18,696)	(70,859)	-	-	(16,000)
Hemby Bridge	0.0104	0.0503	1,650,163	-	-	-	(1,299,661)	(272,027)	(78,475)	-
Jackson	0.0104	100.00	275,690	-	(7,420)	(134,293)	(133,977)	-	-	-
Lanes Creek	0.0104	100.00	274,920	-	-	(159,405)	(115,515)	-	-	-
New Salem	0.0104	100.00	364,678	35,000	(25,770)	(82,660)	(256,248)	-	-	(35,000)
Providence	0.0104	100.00	39,275	-	-	(24,165)	(15,110)	-	-	-
Sandy Ridge	0.0104	100.00	388,319	-	(300)	(232,336)	(155,683)	-	-	-
Springs	0.0104	0.0567	832,485	-	(22,500)	-	(646,865)	(120,816)	(42,304)	-
Stack Road	0.0104	100.00	302,458	-	(7,300)	(165,927)	(129,231)	-	-	-
Stallings	0.0104	0.0503	1,461,681	425,000	-	-	(1,164,737)	(214,026)	(82,918)	(425,000)
Unionville	0.0104	100.00	641,220	-	(115)	(284,815)	(356,290)	-	-	-
Waxhaw	0.0104	0.0413	1,171,962	-	-	-	(923,745)	(180,818)	(67,399)	-
Wesley Chapel	0.0104	0.0293	1,945,068	-	(36,200)	-	(1,521,839)	(316,977)	(70,052)	-
Wingate	0.0104	100.00	516,268	35,000	(19,600)	(313,104)	(183,564)	-	-	(35,000)
Countywide Costs	0.0104	-	339,989	59,299	(1,221)	(307,299)	-	-	(31,469)	(59,299)
Total			\$12,409,988	995,505	(223,366)	(2,571,564)	(8,137,777)	(1,104,664)	(372,617)	(995,505)

*Note: 1x Capital Funding will be provided on actual basis for specifically approved items.

Addressing Public Safety

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- 4 Social Services Positions (4 FTE, \$161,830)
- Human Services Senior Financial Analyst (\$91,332)
- 9.96 Positions in the Sheriff's Office (\$962,840)
 - 4 Patrol Deputies
 - 2 Detention Officers
 - Community Relations Manager
 - South Providence SRO
 - Fraud Investigator
 - .96 Other Support and Training Positions

Addressing Community Consensus

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- Community Services Librarian (\$68,381)
- Library Improvement (\$503,332)
- \$283,600 for Park Improvements
- \$575,000 for Historic Courthouse
- \$2.46 million for Board of Elections
- Ag Center Events Coordinator (\$62,332)
- Community Information Officer (\$120,445)

Addressing Economic Development

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- \$5.4 million for South Piedmont Community College
 - 2 ITS Support Positions (\$124,679)
 - \$475,000 IT Capital and Maintenance Agreements
 - \$171,500 Capital Maintenance
 - \$155,000 Safety and Security Improvements
 - \$40.2 Million Voter Approved GO Bonds, 59.43% Approval
- Public Works Utility Staffing
 - Instrumentation Control Technician (1 FTE, \$148,367)
 - Senior Utility Mechanic (\$132,805)
 - Utility Mechanic/Locator (\$101,468)
 - Utility Mechanic (\$68,248)
 - Customer Service Specialist (\$63,007)
 - Water & Wastewater Operations Manager (\$137,909)
 - Land Acquisition/Public Works Attorney (\$107,966)

Addressing Economic Development

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- \$162.2 million for UCPS and Related Costs
 - \$42 Million UCPS Related Debt Service
 - \$97.3 million Current Expense Funding
 - \$18.5 million Capital Funding
 - \$3.7 million debt reserve for GO Bond Debt Service,
 - \$54 million GO Bond, 70.94% Approval Rate

UCPS Current Expense Funding

Instruction	\$	38,407,260
Instructional Support		2,967,862
Operations		36,122,283
Leadership		12,736,396
Charter School Payments		7,442,658
Total UCPS Capital Program	\$	97,676,459

UCPS Capital Programs

ADA Program	\$	2,064,080
Building Systems and Components		3,359,000
Expansions and Renovations		7,618,149
Monroe Middle STEM LAB		1,975,000
Furniture, Equipment, & Technology		1,580,959
Safety and Security		958,000
Roofing Program		1,000,000
Total UCPS Capital Program	\$	18,555,188

Addressing Sustainability

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FY 2018 Recommended Tax Rates in Pennies

	FY 2017 Adopted	FY 2018 Recommended
Schools Tax	45.72	45.72
General Government Tax	27.82	27.82
Voter Approved GO Tax	-	3.09
EMS Tax Rate	2.63	2.63
Countywide Fire Tax	0.48	1.04

Three Year Financial Projection

Category	FY 2016 Actual	FY 2017 Revised Budget	FY 2018 Proposed	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected
Sources						
Ad Valorem Taxes	(70,686,849)	(67,546,867)	(69,405,827)	(71,277,001)	(72,200,286)	(73,137,983)
Local Option Sales Tax	(36,441,346)	(40,481,775)	(44,713,531)	(47,406,915)	(50,264,174)	(53,295,372)
Other Taxes	(2,622,316)	(2,473,000)	(2,804,415)	(2,957,519)	(3,119,389)	(3,290,563)
Unrestricted IGR	(129,338)	(96,806)	(387,100)	(392,394)	(398,061)	(404,131)
Restricted IGR	(12,264,981)	(11,632,375)	(12,106,853)	(12,108,704)	(12,110,718)	(12,112,910)
Federal Grants	(17,069,008)	(14,721,337)	(14,932,099)	(14,932,099)	(14,932,099)	(14,932,099)
State Grants	(4,139,129)	(8,646,864)	(7,975,327)	(7,975,327)	(7,975,327)	(7,975,327)
Non-Enterprise Charges for Services	(9,588,887)	(8,741,217)	(9,743,893)	(9,807,664)	(9,874,411)	(9,944,329)
Investment Income	(696,134)	(822,138)	(810,287)	(842,293)	(875,564)	(910,149)
Other Revenue*	(6,983,308)	(6,832,635)	(6,862,771)	(6,862,771)	(6,862,771)	(6,862,771)
Total Sources	(160,621,296)	(161,995,014)	(169,742,103)	(174,562,688)	(178,612,800)	(182,865,635)
Uses						
Employee Compensation	40,756,047	45,273,608	49,153,259	51,567,551	54,101,542	56,761,187
Employee Benefits	23,639,442	26,610,072	29,802,089	32,743,144	35,994,889	39,592,382
Operating Costs	31,521,518	35,313,726	35,022,062	36,586,326	38,239,144	39,986,546
Capital Outlay	1,869,748	2,632,590	1,879,902	2,581,583	2,742,293	2,916,957
Contracts, Grants, and Subsidies*	5,519,645	8,030,579	7,636,126	7,788,849	7,944,625	8,103,518
Debt Service*	47,814,441	45,940,354	44,974,118	43,532,946	40,427,706	35,189,025
Interdepartmental Charges	(1,908,430)	(1,891,948)	(2,234,847)	(2,279,544)	(2,325,135)	(2,371,638)
Interfund Transfers*	1,760,083	3,844,915	7,141,567	1,418,620	1,568,931	1,587,815
Contingency	-	471,298	1,858,164	500,000	500,000	500,000
Total Uses	150,972,494	166,225,194	175,232,440	174,439,475	179,193,995	182,265,793
<small>*Adjusted for UCPS, FD, EMS, and Debt Refundings</small>						
Sources (Over)/Under Uses	(9,648,802)	4,230,180	5,490,337	(123,213)	581,195	(599,841)
Sensitivity Analysis < +/- 3%	-6.39%	2.54%	3.13%	-0.07%	0.32%	-0.33%

- The Proposed FY 2018 Operating and Capital Budget is sustainable
- The capital funding strategy keeps the General Government Tax Rate low

Addressing Sustainability

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General Fund Allocation of Current Property Taxes

Service Area	General Government Tax	Proposed FY 2018	Current Ad Valorem Taxes	Non-Current Ad Valorem Taxes	Local Option Sales Taxes	Other Taxes	Intergovernmental Revenue	Non-Enterprise Charges for Service	Investment Income	Other Revenue
Administrative Services	0.71	\$ 1,754,325	(1,753,925)	-	-	-	-	(400)	-	-
Board of County Commissioners	0.48	1,185,683	(1,185,683)	-	-	-	-	-	-	-
Board of Elections	0.51	1,404,235	(1,247,005)	-	-	-	(153,530)	(3,700)	-	-
Centralized Revenue & Expenditures	(6.43)	11,762,129	15,863,961	(592,000)	(5,242,413)	(2,804,415)	(6,274,810)	(828)	(810,287)	(11,901,337)
Community Partners	0.11	279,100	(279,100)	-	-	-	-	-	-	-
Community Services	3.33	9,446,541	(8,208,479)	-	-	-	(222,681)	(740,466)	-	(274,915)
County Manager's Office	0.36	888,653	(888,653)	-	-	-	-	-	-	-
Economic Development	0.48	1,834,973	(1,179,973)	-	-	-	(655,000)	-	-	-
Emergency Services	2.84	7,125,086	(7,006,038)	-	-	-	(76,000)	(43,048)	-	-
Growth Management Services	0.15	3,314,604	(376,304)	-	-	-	(64,000)	(2,874,300)	-	-
Human Resources	0.48	1,186,724	(1,186,724)	-	-	-	-	-	-	-
Human Services	8.62	46,207,088	(21,271,057)	-	-	-	(21,001,147)	(3,841,951)	-	(92,933)
Legal Services	0.23	563,698	(563,698)	-	-	-	-	-	-	-
Outside Agencies	1.55	4,595,746	(3,816,135)	-	-	-	(670,508)	(25,200)	-	(83,903)
Public Works	(0.15)	(376,254)	376,254	-	-	-	-	-	-	-
Register of Deeds	(0.12)	1,301,862	305,558	-	-	-	-	(1,607,400)	-	(20)
Sheriff's Office	11.77	32,920,773	(29,019,086)	-	-	-	(3,295,187)	(606,500)	-	-
South Piedmont Community College	0.93	2,290,104	(2,290,104)	-	-	-	-	-	-	-
Tax Administration	1.98	5,212,736	(4,886,136)	(201,500)	-	-	(125,000)	(100)	-	-
UCPS Debt Service	-	42,334,634	-	-	(39,471,118)	-	(2,863,516)	-	-	-
Total	27.82	\$175,232,440	(68,612,327)	(793,500)	(44,713,531)	(2,804,415)	(35,401,379)	(9,743,893)	(810,287)	(12,353,108)

ALL PROJECTS PASSED BY BOND REFERENDUM LIBRARY, SPCC & UCPS PROJECTS Projected Debt Service and Tax Impact									
Fiscal Year	Value of Penny	Tax Rate (in pennies)	Tax Revenue	Series 2018 Principal	Series 2018 Interest	Series 2019 Principal	Series 2019 Interest	Debt Service	Debt Service Reserve Account
FY 2018	2,446,295	3.090	\$ 7,559,052	-	-	-	-	-	7,559,052
FY 2019	2,489,105	3.090	7,691,335	2,943,356	2,943,356	-	-	5,886,712	9,363,674
FY 2020	2,532,665	3.090	7,825,933	2,943,356	2,796,188	2,277,611	2,277,611	10,294,766	6,894,841
FY 2021	2,576,986	3.090	7,962,887	2,943,356	2,649,021	2,277,611	2,163,730	10,033,718	4,824,011
FY 2022	2,622,083	3.090	8,102,238	2,943,356	2,501,853	2,277,611	2,049,850	9,772,670	3,153,579
FY 2023	2,667,970	3.090	8,244,027	2,943,356	2,354,685	2,277,611	1,935,969	9,511,621	1,885,984
FY 2024	2,714,659	3.090	8,388,297	2,943,356	2,207,517	2,277,611	1,822,089	9,250,573	1,023,709
FY 2025	2,762,166	3.040	8,396,984	2,943,356	2,060,349	2,277,611	1,708,208	8,989,524	431,169
FY 2026	2,810,504	2.998	8,424,766	2,943,356	1,913,182	2,277,611	1,594,328	8,728,476	127,459
FY 2027	2,859,688	2.961	8,467,428	2,943,356	1,766,014	2,277,611	1,480,447	8,467,428	127,459
FY 2028	2,909,732	2.820	8,206,379	2,943,356	1,618,846	2,277,611	1,366,566	8,206,379	127,459
FY 2029	2,960,652	2.684	7,945,331	2,943,356	1,471,678	2,277,611	1,252,686	7,945,331	127,459
FY 2030	3,012,464	2.551	7,684,283	2,943,356	1,324,510	2,277,611	1,138,805	7,684,283	127,459
FY 2031	3,065,182	2.422	7,423,234	2,943,356	1,177,342	2,277,611	1,024,925	7,423,234	127,459
FY 2032	3,118,823	2.296	7,162,186	2,943,356	1,030,175	2,277,611	911,044	7,162,186	127,459
FY 2033	3,173,402	2.175	6,901,138	2,943,356	883,007	2,277,611	797,164	6,901,138	127,459
FY 2034	3,228,937	2.056	6,640,089	2,943,356	735,839	2,277,611	683,283	6,640,089	127,459
FY 2035	3,285,443	1.942	6,379,041	2,943,356	588,671	2,277,611	569,403	6,379,041	127,459
FY 2036	3,342,938	1.830	6,117,993	2,943,356	441,503	2,277,611	455,522	6,117,993	127,459
FY 2037	3,401,440	1.722	5,856,944	2,943,356	294,336	2,277,611	341,642	5,856,944	127,459
FY 2038	3,460,965	1.617	5,595,896	2,943,356	147,168	2,277,611	227,761	5,595,896	127,459
FY 2039	3,521,532	0.643	2,264,033	-	-	2,277,611	113,881	2,391,491	-
Total				\$ 58,867,124	30,905,240	45,552,216	23,914,914	159,239,494	

- The ballot language stated, “ . . . providing that additional taxes may be levied in an amount sufficient to pay the principal and interest on the bonds be approved.”
- The BoCC has adopted a policy that states that “It is anticipated that new general obligation debt will be funded through increased tax rate, and that voter approval of general obligation debt represents a tacit approval of the accompanying tax rate.”

Addressing Organizational Strengthening

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- Commitment to Developing Our Employees
 - Customer Service Visioning and Training Initiative
 - Training and Tuition Reimbursement
 - Strategic Work Force Development
 - Compensation and Classification Study (\$1 million)
 - Performance Pay Pool (\$1.9 million)
- Other Post Employment Benefits (\$1.2 million)
- Health Insurance (\$1.7 million)

Questions or Direction?

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Process from here...

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- Document will be on website on Tuesday morning
 - Programmatic Budget
- Budget is submitted for your consideration
- Public Hearing on June 5th, 2017
- Planned Adoption on June 19th, 2017
- Worksessions