



Proposed FY 2015 Operating and Capital Budget

UNION COUNTY

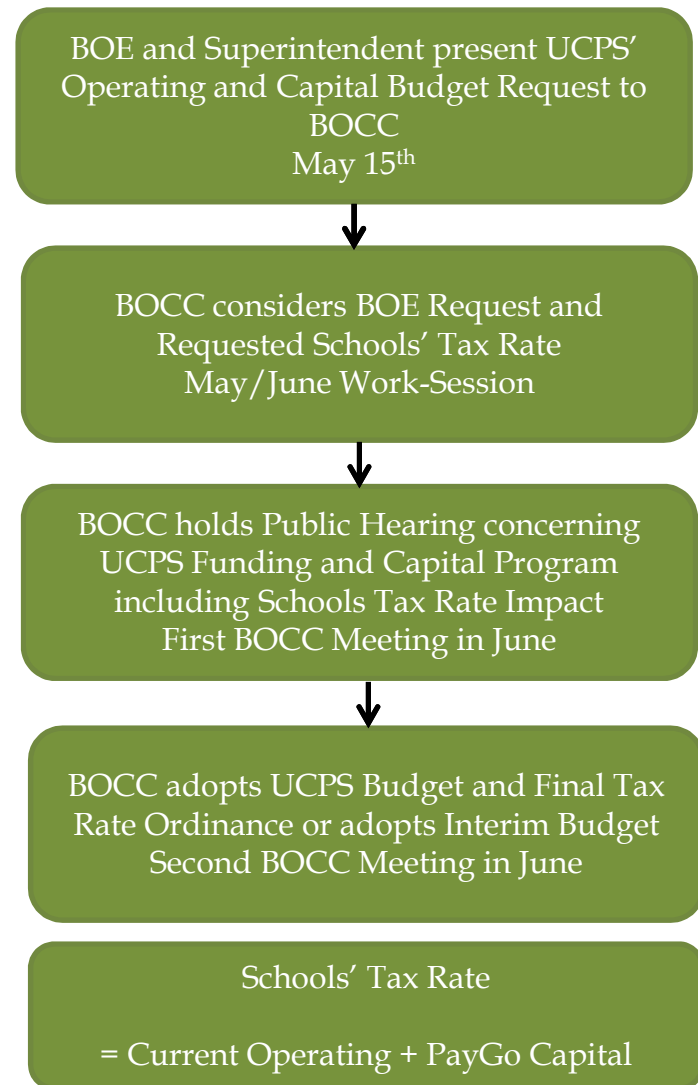
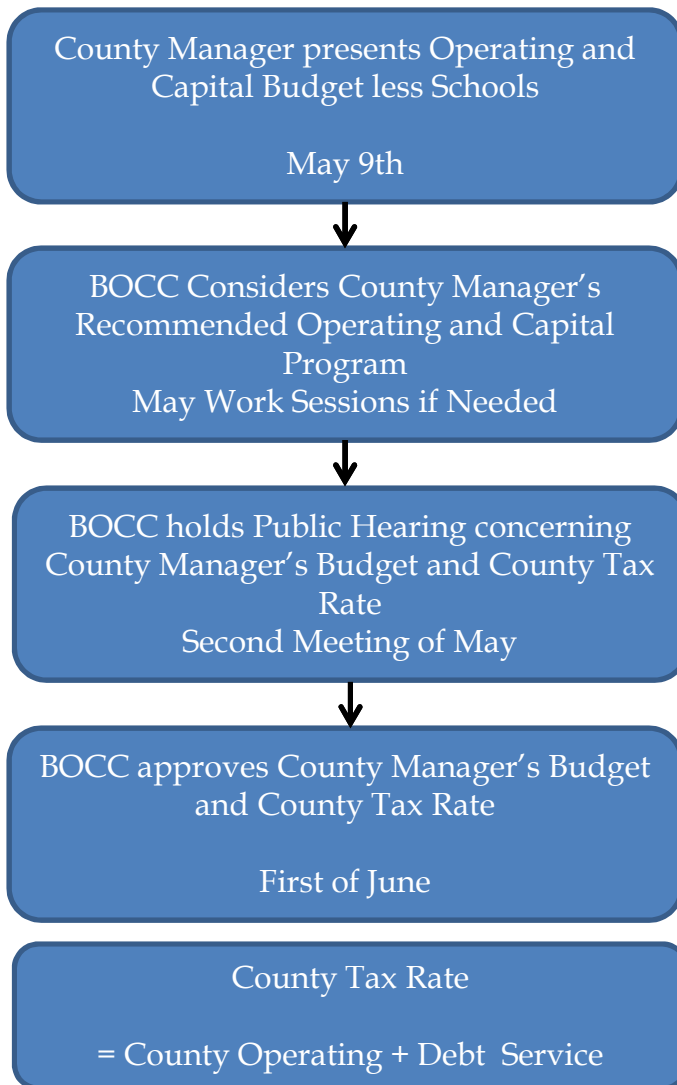
NORTH CAROLINA

Tonight's Meeting

- Public Hearing Concerning the Proposed FY 2015 Operating and Capital Budget for County Services
 - Including the proposed County Ad Valorem Tax Rate of 30.64
- Tentative Approval of the Proposed FY 2015 Operating and Capital Budget for County Services

This is not the final public hearing or adoption of the final budget.

Where are we in the Process?



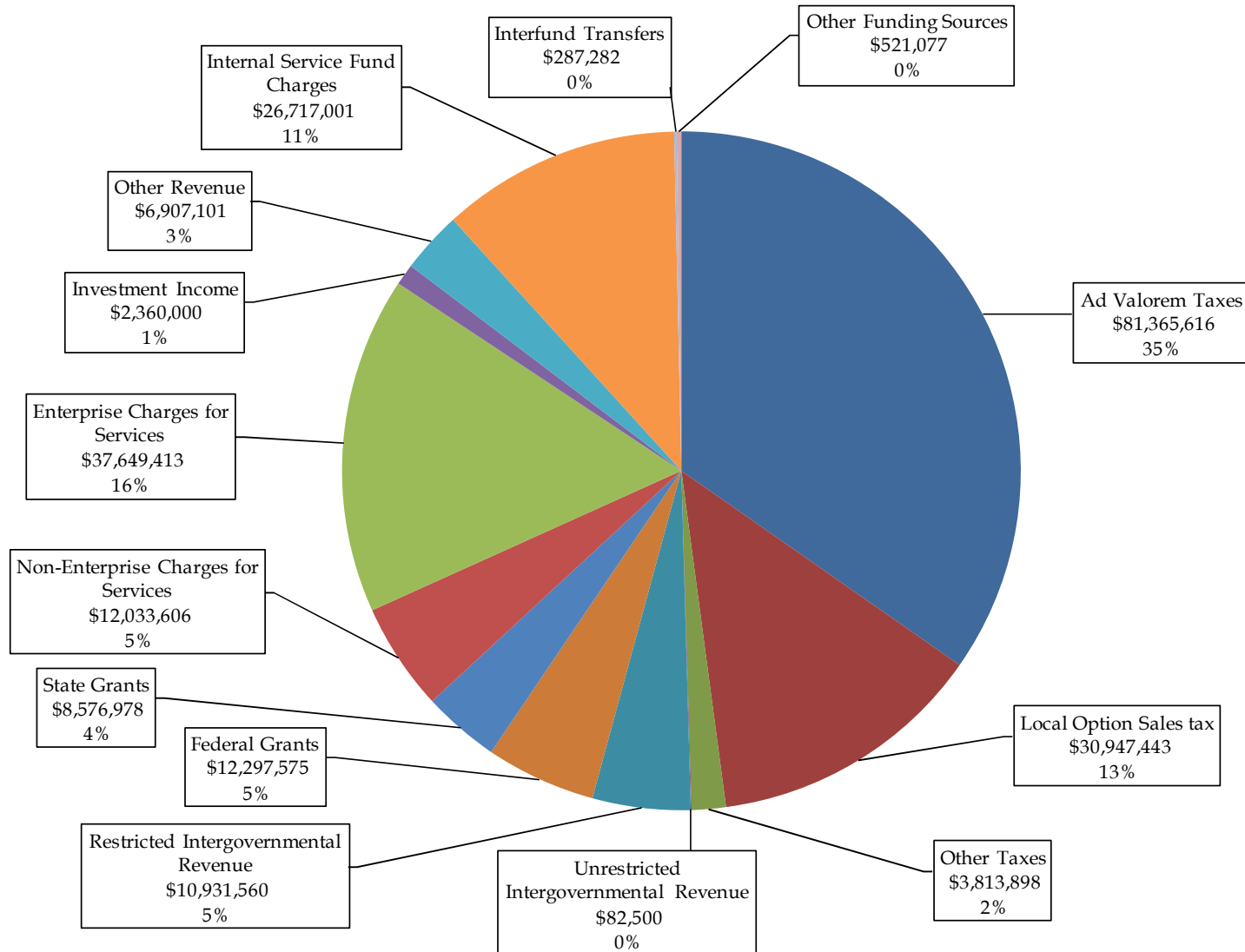
Operating Budget Principles & Process

- Fiscal Sustainability
- Transparency
- Stewardship
- Responsiveness
- Balanced

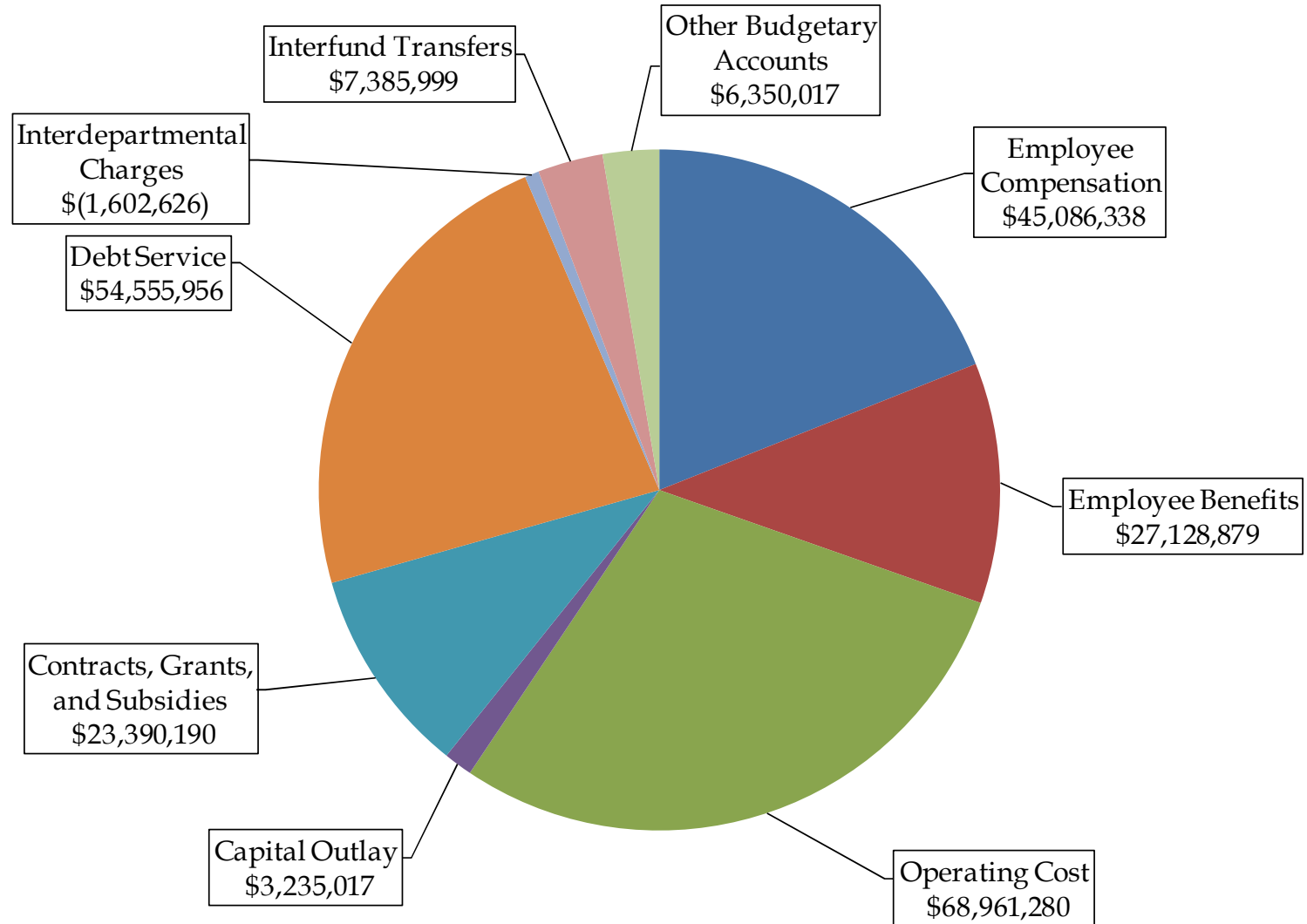
County Budget Process

- Development
 - Modified Zero-Base
 - Starting Over Each Year Building the Budget
 - Individual Meetings to Review Every Line Item
 - Included EMS, VFDs, and SPCC
 - Each Line Item was Individually Ranked as to Priority
 - Management Reduced Request to Balance the Budget within the Resources Available
 - The Outcome of the Zero-Base Process was then Modeled to Ensure Sustainability

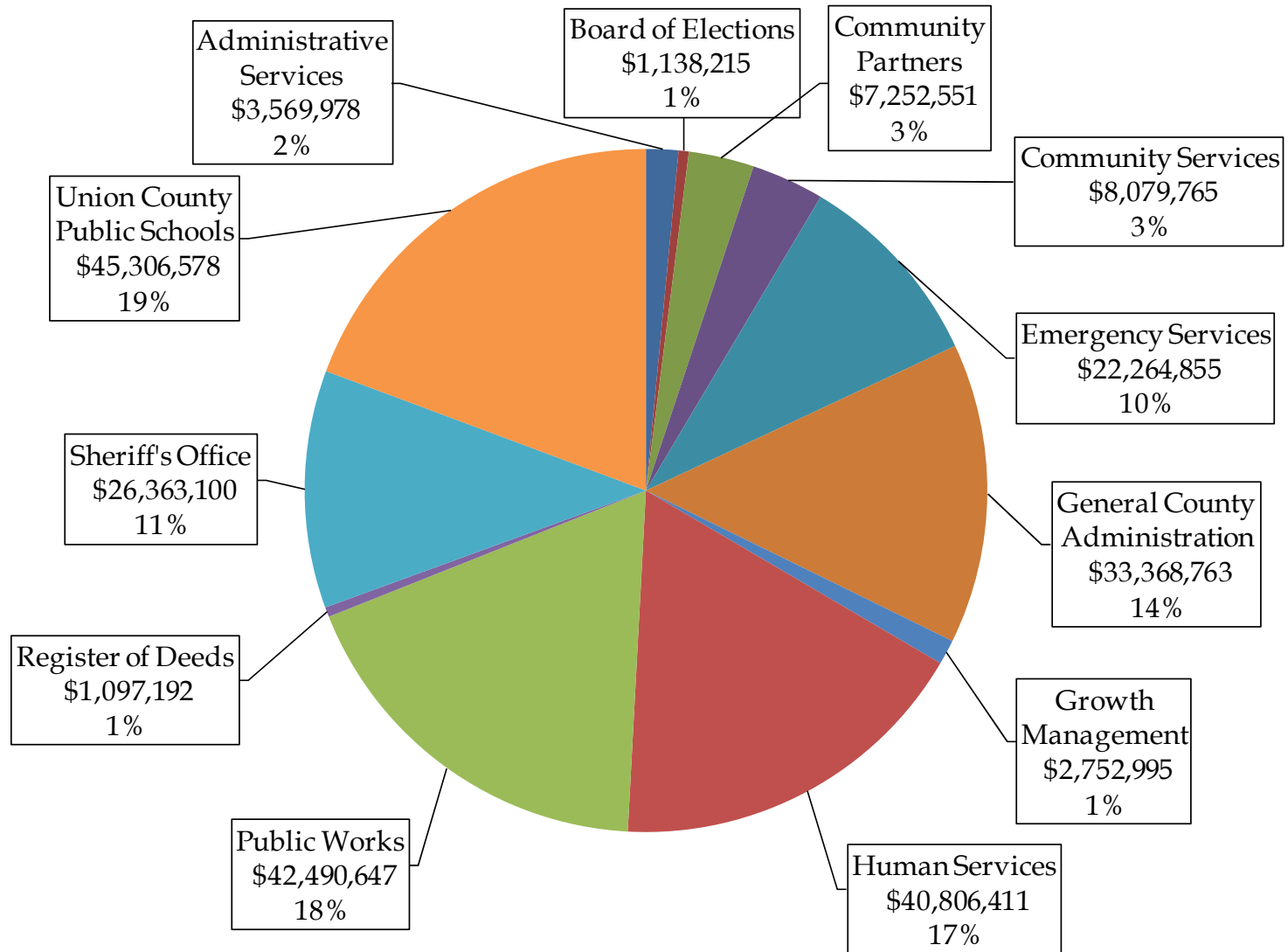
Countywide Revenues



Countywide Expenditures by Expenditure Category



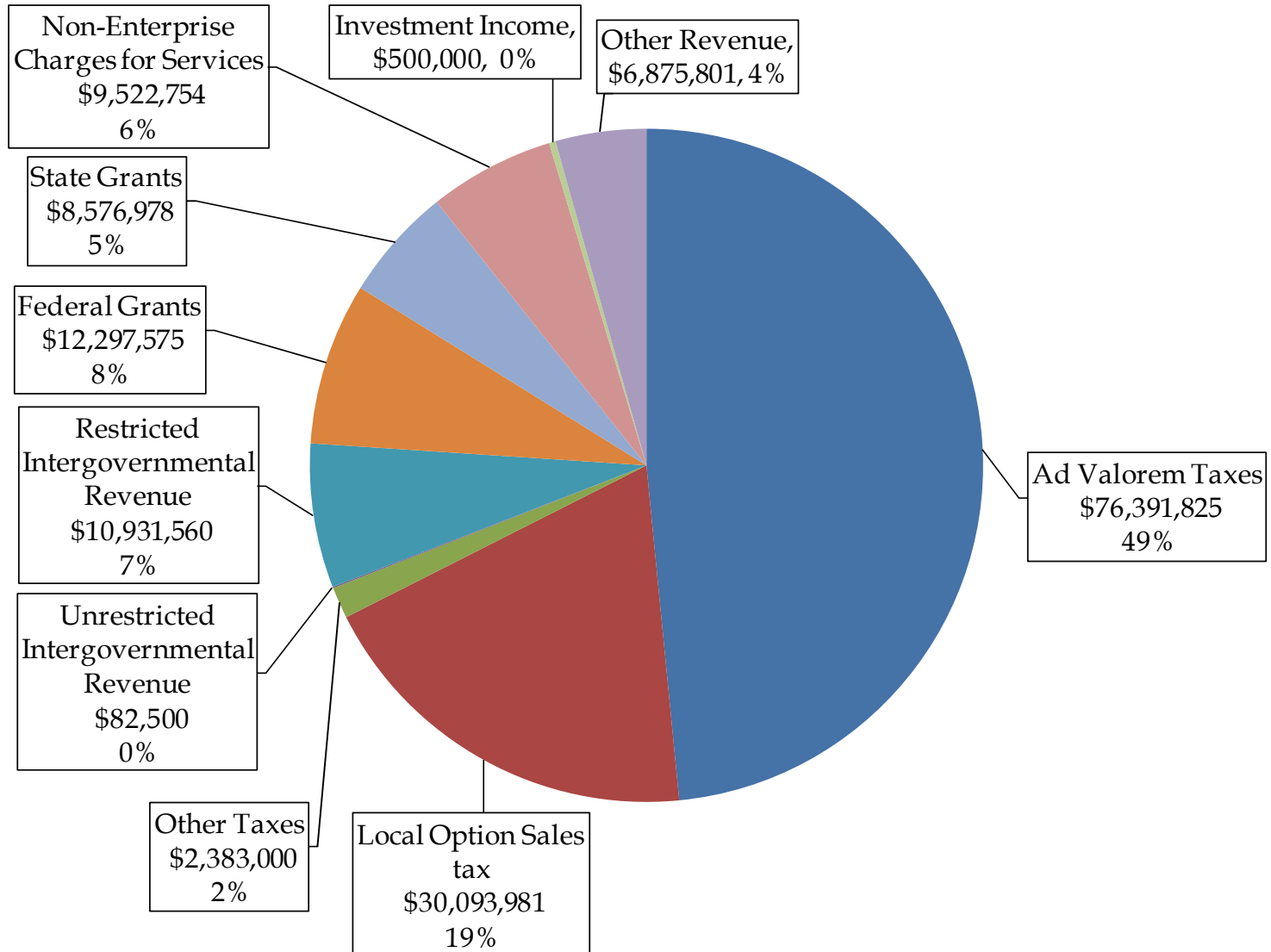
Countywide Expenditures by Service Area



General Fund Financial Projections								
	Actual FY 2013	Revised FY 2014	Proposed FY 2015	Projected FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020
Funding Sources								
Ad Valorem Taxes	\$ (157,703,452)	(156,081,812)	(76,391,825)	(75,759,113)	(76,753,679)	(77,765,990)	(78,796,511)	(79,845,727)
Local Option Sales Taxes	(26,834,776)	(26,948,400)	(30,093,981)	(30,846,331)	(31,617,489)	(32,407,926)	(33,218,124)	(34,048,577)
Other Taxes	(2,093,213)	(1,826,000)	(2,383,000)	(2,451,819)	(2,523,078)	(2,596,878)	(2,673,326)	(2,752,534)
Unrestricted Intergovernmental Revenue	(81,981)	(61,700)	(82,500)	(82,710)	(82,924)	(83,143)	(83,366)	(83,593)
Restricted Intergovernmental Revenue	(10,990,062)	(10,235,667)	(10,931,560)	(11,085,362)	(11,242,506)	(11,403,072)	(11,567,145)	(11,734,809)
Federal Grants	(15,859,114)	(11,653,596)	(12,297,575)	(12,297,575)	(12,297,575)	(12,297,575)	(12,297,575)	(12,297,575)
State Grants	(3,900,615)	(9,426,923)	(8,576,978)	(8,576,978)	(8,576,978)	(8,576,978)	(8,576,978)	(8,576,978)
Non-Enterprise Charges For Services	(8,451,001)	(8,775,563)	(9,522,754)	(9,660,567)	(9,801,745)	(9,946,377)	(10,094,553)	(10,246,368)
Debt Proceeds - Restricted Revenue	(80,474,253)	-	-	-	-	-	-	-
Investment Income	(116,820)	(500,000)	(500,000)	(505,000)	(510,050)	(515,151)	(520,302)	(525,505)
Other Revenue	(7,058,776)	(6,682,251)	(6,875,801)	(6,878,071)	(6,880,364)	(6,882,679)	(6,885,018)	(6,887,380)
Interfund Transfers	(20,023,787)	-	-	-	-	-	-	-
Planned Fund Balance Usage	-	(20,717,924)	-	-	-	-	-	-
Total Funding Sources	\$ (333,587,850)	(252,909,836)	(157,655,974)	(158,143,525)	(160,286,387)	(162,475,768)	(164,712,898)	(166,999,046)
Expenditures								
Employee Compensation	34,027,344	37,680,371	38,852,136	40,395,042	41,984,235	43,237,841	44,529,055	45,859,006
Employee Benefits	18,628,020	20,878,894	22,368,016	23,724,716	25,160,631	26,563,037	28,051,473	29,631,527
Operating Cost	27,620,869	33,967,728	32,429,916	33,250,208	34,094,127	34,962,462	35,856,035	36,775,696
Capital Outlay	946,691	2,220,500	1,294,786	1,347,579	1,402,772	1,460,482	1,520,828	1,583,938
Contracts, Grants, and Subsidies	8,992,335	10,066,554	12,562,933	12,823,606	13,080,079	13,341,680	13,608,514	13,880,684
UCPS Current Expense	81,504,155	83,021,859	-	-	-	-	-	-
General Debt Service	107,168,994	5,472,064	3,411,642	3,642,447	3,554,257	3,788,100	4,760,225	3,318,428
UCPS Related Debt Service	43,426,394	44,012,450	44,989,088	43,733,632	43,511,858	42,479,116	40,119,411	37,447,184
Interdepartmental Charges	(2,454,470)	(2,713,965)	(1,602,626)	(1,634,679)	(1,667,372)	(1,700,720)	(1,734,734)	(1,769,429)
Interfund Transfers	51,979	8,412	2,850,083	2,304,140	1,578,580	1,058,580	258,580	258,580
UCPS PayGo Capital Funding	-	17,936,454	-	-	-	-	-	-
Other Budgetary Accounts	-	358,515	500,000	500,000	500,000	500,000	500,000	500,000
Total Expenditures	\$ 319,912,311	252,909,836	157,655,974	160,086,691	163,199,166	165,690,579	167,469,388	167,485,615
Revenues (Over)/Under Expenditures	\$ (13,675,539)	-	-	1,943,166	2,912,779	3,214,811	2,756,490	486,568
Sensitivity (+/-2% Goal)	0.00%	0.00%	0.00%	1.21%	1.78%	1.94%	1.65%	0.29%

County Services budget as proposed, reflects a sustainable budget during the projection window.

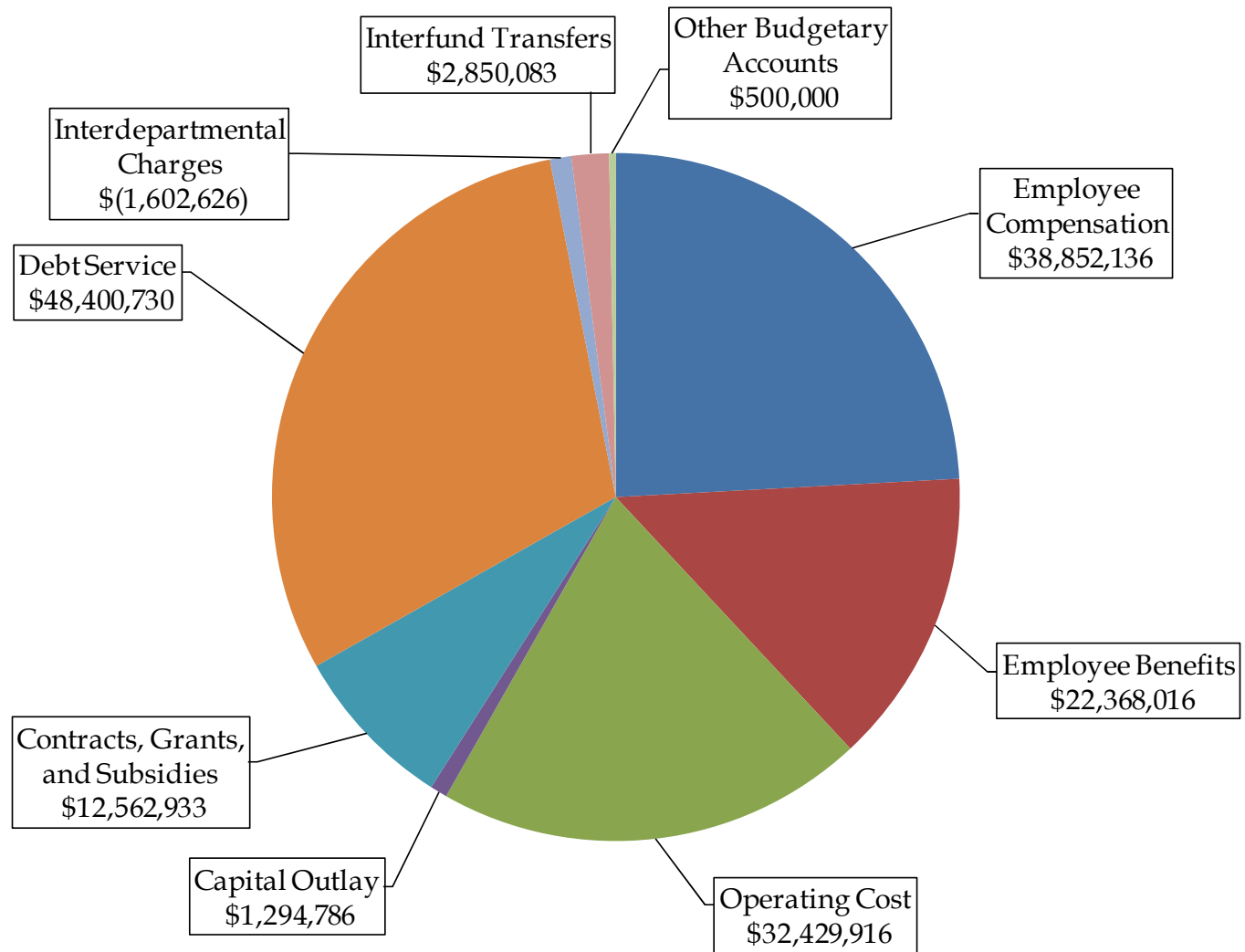
General Fund Revenue



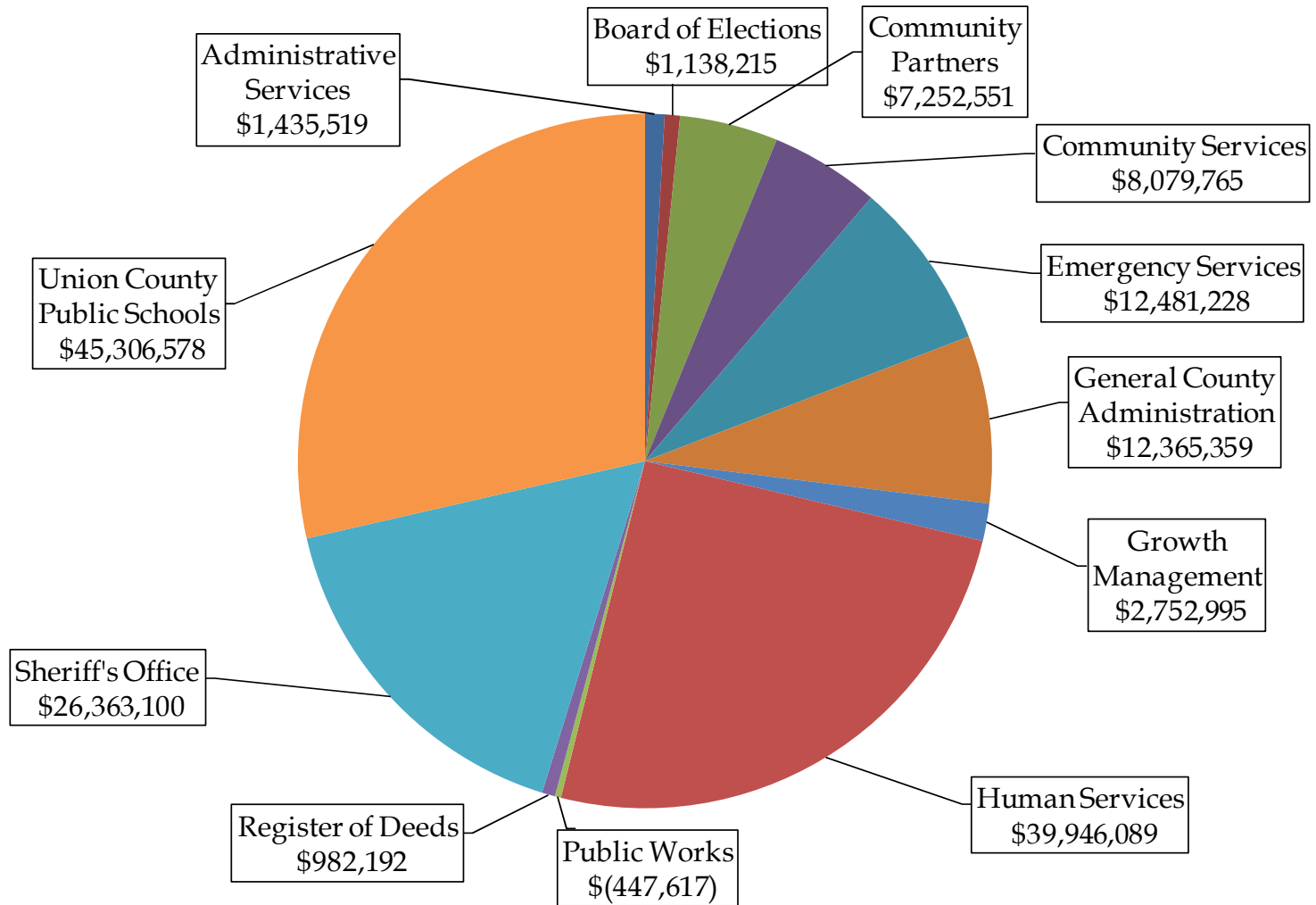
General Fund Significant Revenue Highlights

- Recommended Tax Rate For County Services is 30.64 cents
- Total adjusted revenue for the general fund increased by 5.5% or \$7.7 million.
 - Adjusted for Schools' Tax Rate and Fund Balance
- Ad Valorem tax revenue, in total, is anticipated to grow by 2.39% or \$1.7 million.
- Sales taxes are anticipated to grow at a total of 11.67% or \$3.15 million.
 - About 3% growth from estimated FY 2014 projection.
 - \$ 7 million of the total \$30 million, is dedicated to debt service for UCPS facilities.

General Fund Expenditures by Expenditure Category



General Fund Expenditures by Service Area



General Fund Expenditure Highlights

- No use of fund balance.
- Total Adjusted Growth in the General Fund is \$4.9 million or 3.24%, total of FY 2015 \$157.7 million.
- \$618,000 Increase for Year 1 of the 3 Year Pay Plan Adjustment in the Sheriff's Office for Sworn Personnel.
- \$1 million Increase in General Fund Subsidies to Volunteer Fire Departments
- \$948,000 Increase in Funding for the Emergency Medical Services
- \$524,000 Increase in Funding for SPCC
- \$1,364,118 Performance Pay Increase Pool of 3% of Compensation
- \$1.1 million Reduction in Debt Service
- \$125,000 for Economic Development Infrastructure Grant Program

General Fund Capital Projects

- Total \$2,841,503 of General Fund PayGo Capital Funding
 - \$200,000 for Monroe Library Chiller Replacement
 - \$2,000,000 Additional Funding for the Firearms Range
 - \$339,238 Additional Funding for Document Imaging
 - \$52,265 Additional Funding for DSS Business Automation
 - \$125,000 Ongoing Funding for Facilities Maintenance and Renewal
 - \$125,000 Ongoing Funding for Community Services Facilities Maintenance and Renewal

Fund Balance

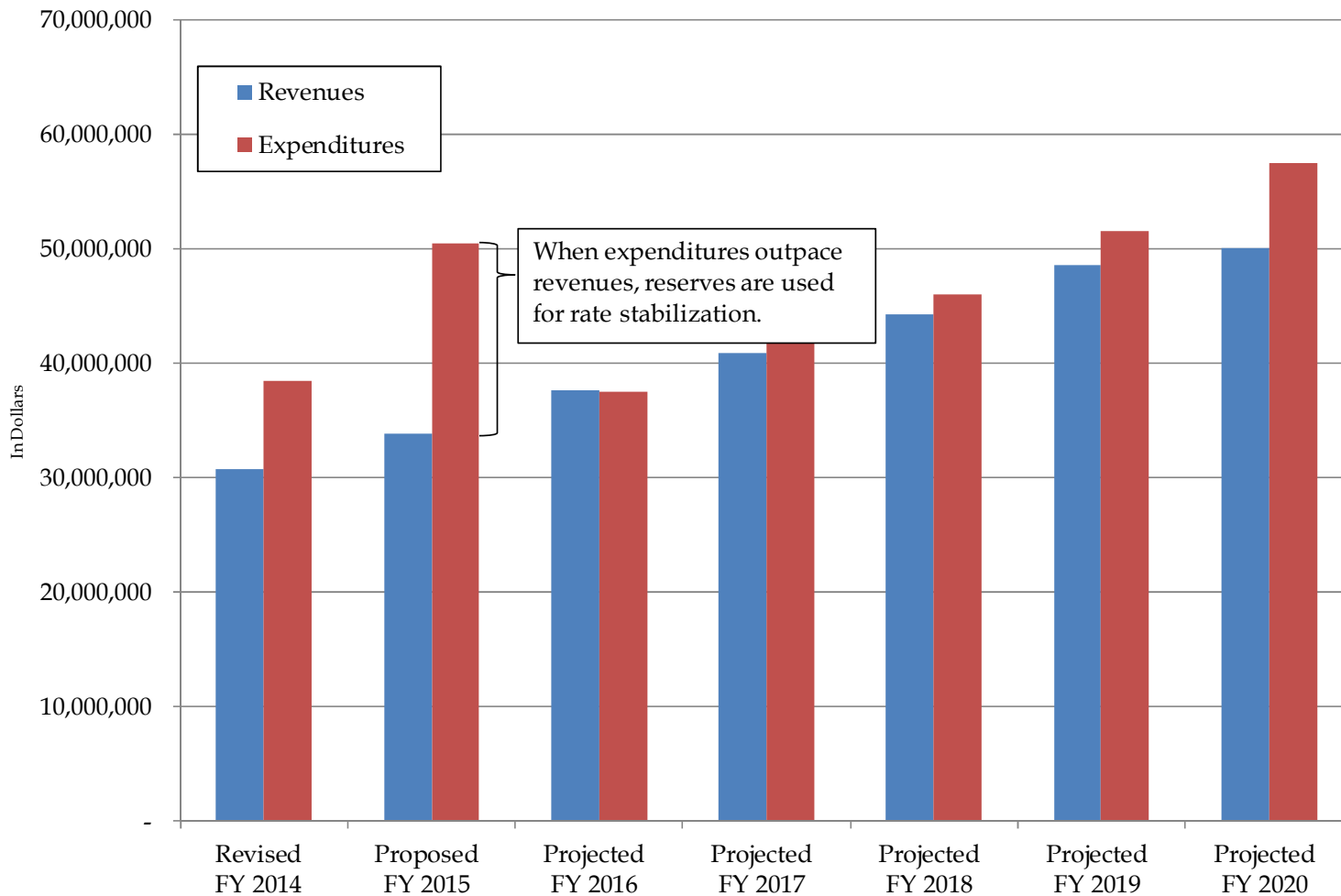
Anticipated General Fund Balance

June 30, 2013 Unassigned Fund Balance	\$ 62,284,839
FY 2014 Estimated Addition / (Use)	(14,125,117)
Estimated June 30, 2014 Unassigned Fund Bal.	\$ 48,159,722
FY 2015 Proposed Addition / (Use)	-
Proposed June 30, 2015 Unassigned Fund Bal.	<u>\$ 48,159,722</u>
Proposed FY 2015 Expenditures - County	\$ 157,655,974
Estimated June 30, 2015 Reserve Requirement (16%)	25,224,956
Unassigned 4% Rating Reserve Requirement	6,306,239
Amount in Excess of Reserve Requirements	16,628,527

Note: The June 30, 2014 estimated unassigned fund balance is based on the FY 2014 Revised Budget and does not reflect a projection of fund balance.

Water and Sewer Utility Fund

Water and Sewer Fund Revenue and Expenditures Projection



Water and Sewer Utility Fund Revenue Highlights

- Total revenue for the Water and Sewer Utility fund, excluding use of fund balance, is anticipated to increase by 3.86% or \$1.3 million to \$33.9 million in FY 2015.
- Charges for Services make up 98.9% of the revenue for the Water and Sewer Utility Fund.
- Revenue estimates include a 6.5% increase in rate revenues effective July 1st.
 - First Year of a Three Year Rate Ordinance

Water and Sewer Utility Fund Expenditure Highlights

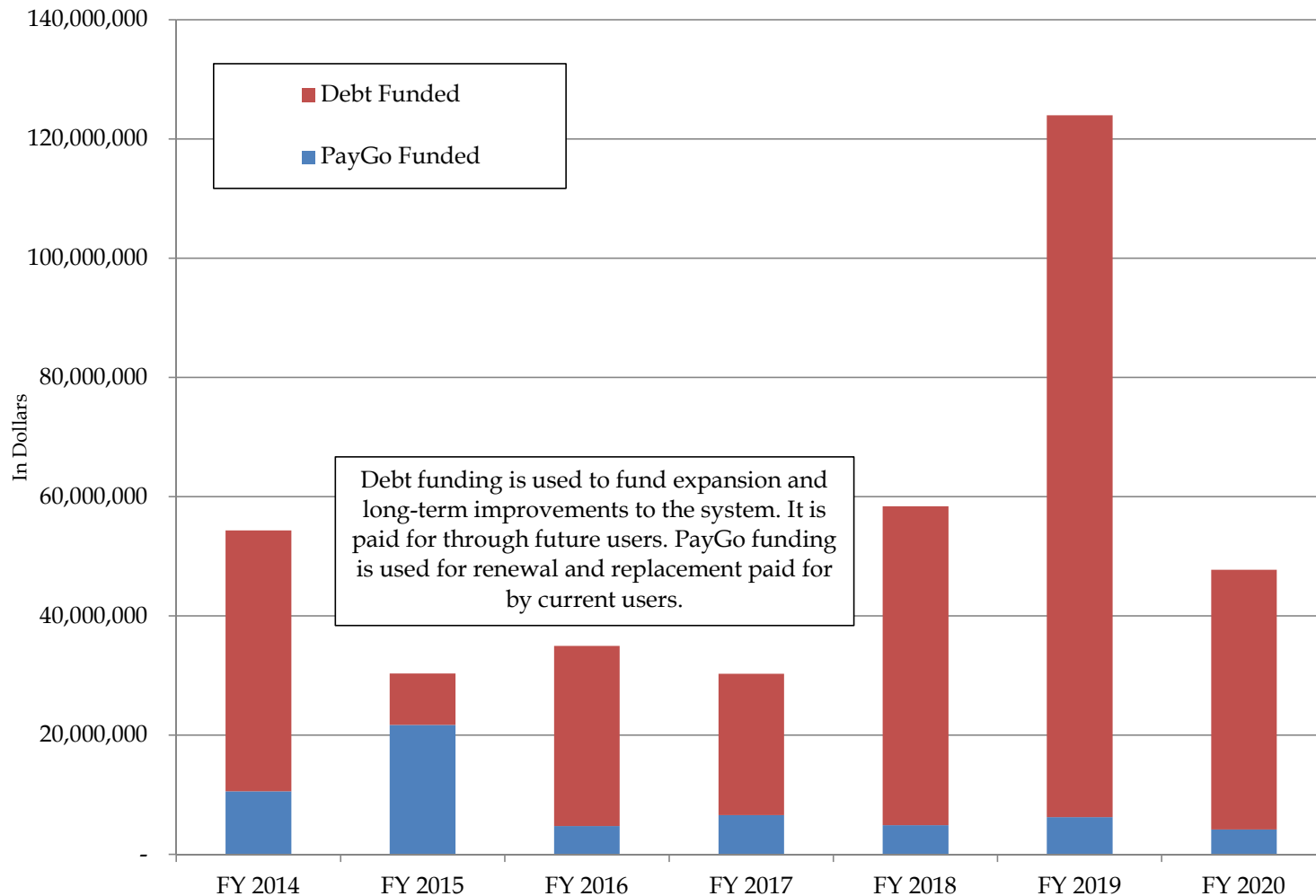
- Total expenditures for the Water and Sewer Utility fund is anticipated to increase by 2.41% or \$797,000 to \$33.9 million in FY 2015.
- Compensation is decreasing 7.46% or a net savings of \$343,838, to \$4.3 million.
- Employee benefits decrease of .42% or a net savings of \$10,054, to \$2.4 million.
- Operating Costs are decreasing .15% or a net savings of \$19,511 to \$13.3 million in FY 2015.
- Capital Outlay is decreasing 48.42% or a net savings of \$525,717, to \$560,000.
- Contracts, Grants, and Subsidies are increasing \$2.3 million, from \$295,092 to \$2.6 million.
- Debt Service is decreasing by 7.19% or \$477,148.
- Interfund Transfers are decreasing by 3.13% or \$146,447.

Water and Sewer Utility Fund Capital Improvement Program

PWCP Six-Year Program	Program Total
<i>System Improvements and Expansion Programs</i>	
853 South Zone Improvements	\$ 412,000
853 West Zone Improvements	27,128,000
935 Zone Improvements	418,000
Additional Anson Capacity	4,164,700
Crooked Creek Basin Improvements	24,283,400
CRWTP Improvements	35,760,820
Developer Funded Projects	38,412,000
Eastside Wastewater Improvements	16,047,957
New 880 Pressure Zone	10,900,245
New Lake Twitty Sewer Shed	361,000
Short Line Extensions	4,967,000
Town Center Sewer Development	2,007,440
Twelve Mile Creek WWTP System Imp.	65,518,615
UCPW Buildings and Improvements	10,915,376
Yadkin Water Supply	142,741,510
Total System I & E Programs	\$ 384,038,063
<i>System Rehabilitation and Renewal Programs</i>	
Wastewater Pump Station Improvements	\$ 4,758,000
Wastewater Rehabilitation and Replcement	11,948,960
Water & Wastewater Master Plan	681,000
Water Rehabilitation and Replcement	13,451,979
Water Tank Rehabilitation	1,302,000
Total System R & R Programs	\$ 32,141,939
Total PWCP Six Year Program	\$ 416,180,002

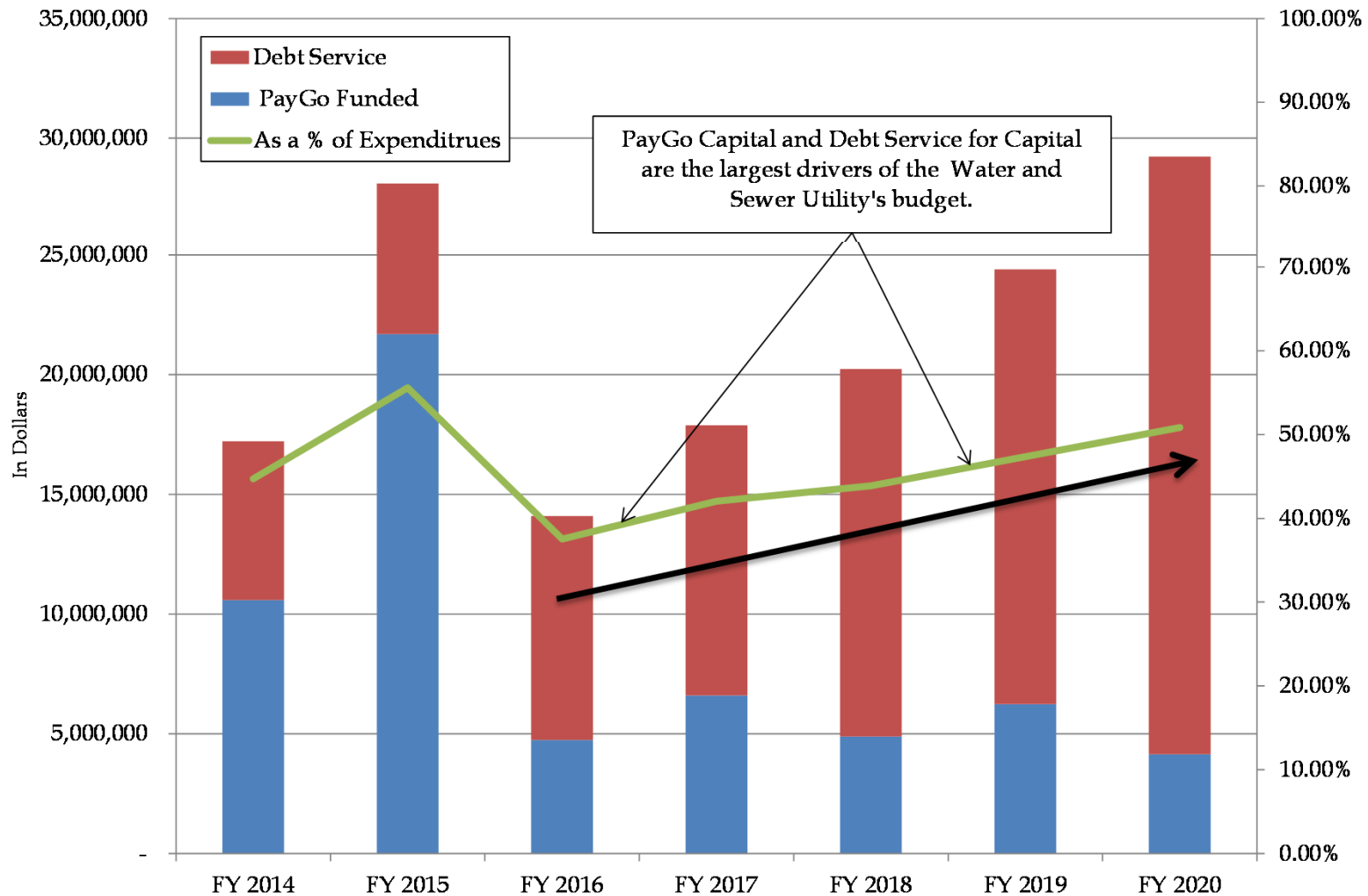
Capital Improvement Plan Funding

Water and Sewer System Capital Funding Mix



Capital Improvement Plan Funding

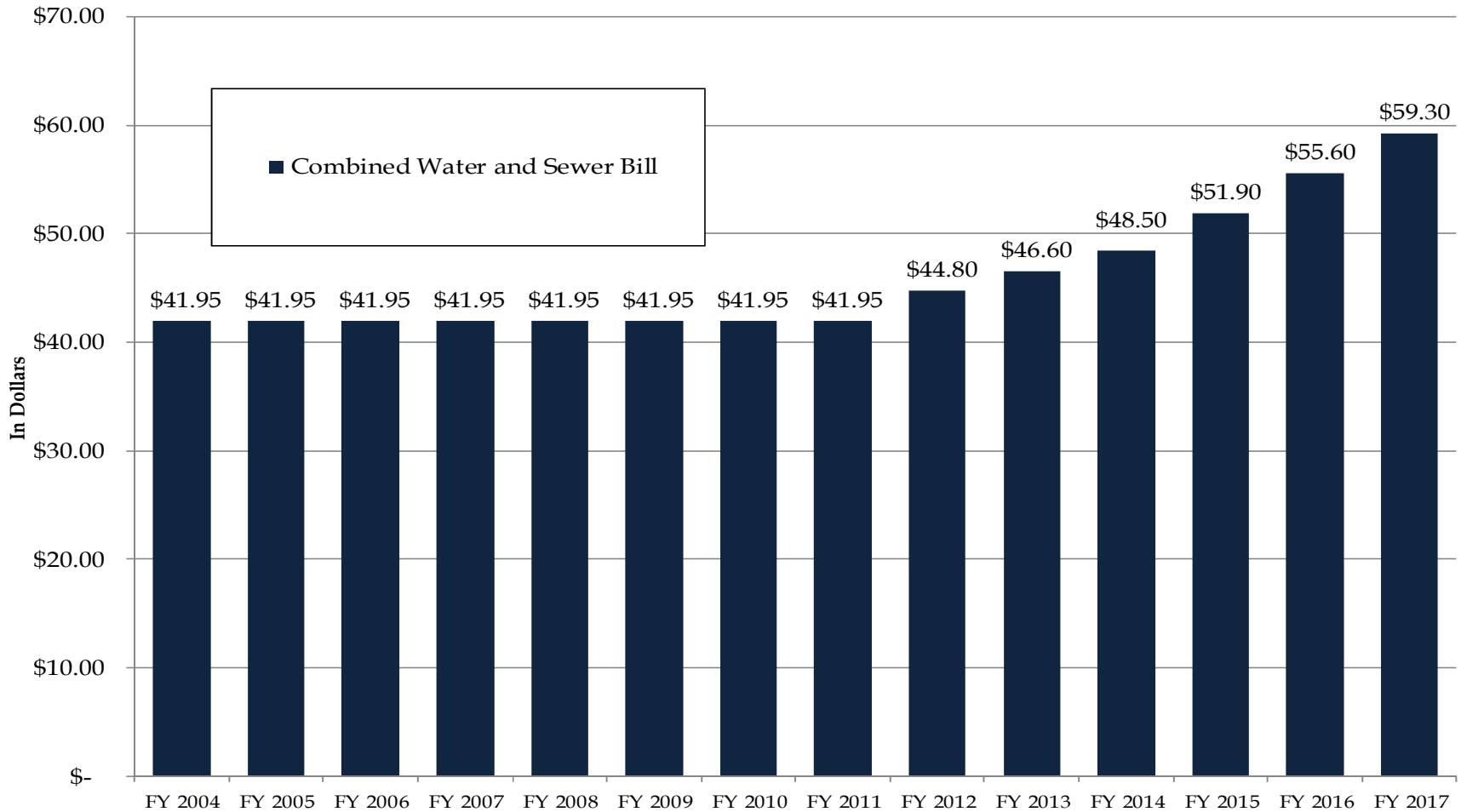
Water and Sewer System Capital Effort



Water and Sewer Utility Fund Financial Projections

	Actual FY 2013	Revised FY 2014	Proposed FY 2015	Projected FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020
Revenues								
Water and Sewer Rate Revenue	(26,521,908)	(28,238,551)	(29,497,367)	(32,279,419)	(35,326,497)	(38,992,013)	(43,246,512)	(47,682,828)
Water Tap Fees	(1,294,734)	(1,230,000)	(1,230,000)	(1,419,357)	(1,459,474)	(1,340,911)	(1,374,774)	(1,409,493)
Sewer Tap Fees	(1,631,920)	(2,016,225)	(2,016,230)	(2,262,576)	(2,326,526)	(2,137,525)	(2,191,507)	(2,246,852)
Water Miscellaneous Revenues	(9,875)	(12,157)	(10,200)	(10,506)	(10,821)	(11,146)	(11,480)	(11,825)
General Miscellaneous Revenues	(872,967)	(1,235,565)	(1,113,740)	(1,147,152)	(1,181,567)	(1,217,014)	(1,253,524)	(1,291,131)
Interest Income	78,920	(338,444)	-	(486,432)	(590,930)	(565,179)	(533,810)	(494,200)
Total Revenue	(30,252,483)	(33,070,942)	(33,867,537)	(37,605,442)	(40,895,816)	(44,263,787)	(48,611,608)	(53,136,329)
Expenditures								
Operating Expenses								
Personnel	6,033,161	7,030,684	6,676,792	7,196,032	7,743,087	8,319,294	8,926,049	9,356,144
Utilities	1,447,465	1,403,088	1,421,018	1,534,241	1,656,485	1,783,235	1,919,683	2,066,571
Water Purchased for Resale	3,057,865	3,374,232	3,427,786	3,556,983	3,713,025	3,849,231	3,990,945	4,138,407
Other Operating	7,785,391	8,567,392	8,476,397	8,730,689	8,992,610	9,262,388	9,540,260	9,826,467
Payments to Anson County	381,341	295,092	2,614,402	2,522,494	2,522,494	2,522,494	2,522,494	2,508,426
Capital Outlay	371,359	1,085,717	560,000	576,800	594,104	611,927	630,285	649,193
Transfer to Stormwater Fund	208,944	319,893	287,282	295,900	304,777	313,921	323,338	333,039
Existing Debt Service	6,888,131	6,632,374	6,155,226	6,294,377	6,220,760	5,953,573	5,934,172	5,917,811
New Debt Service	-	-	-	3,060,824	5,065,358	9,390,968	12,223,811	19,232,014
PayGo Capital Program	7,600,000	10,589,089	21,696,400	4,740,340	6,601,840	4,888,360	6,242,700	3,388,000
Total Expenditures	33,773,657	39,297,561	51,315,303	38,508,680	43,414,541	46,895,390	52,253,737	57,416,072
Revenue (Over)/Under Expenditures	3,521,175	6,226,619	17,447,766	903,238	2,518,725	2,631,603	3,642,129	4,279,743
Projected June 30, 20XX Fund Balance	84,931,611	78,704,992	61,257,226	60,353,988	57,835,263	55,203,660	51,561,531	47,281,788
Projected Reserve Target	17,316,914	32,799,713	35,812,998	35,340,028	37,178,116	39,629,657	43,619,597	44,858,508
Projected Rate Increases	3.50%	3.50%	6.50%	6.50%	6.50%	7.00%	7.50%	0.00%

Historical and Proposed Rate Increases



Note: Residential billed water consumption and sewer flows of 5,000 gallons per month were assumed.

Improving Transparency

- Document Improvements
- Budget Website at www.unioncountync.gov
 - Presentations and Historical Documents
- Email Address for Ask the County Manager
 - askthecountymanager@co.union.nc.us
- Email Address for Public Comments
 - publiccomments@co.union.nc.us
- Social Media

Upcoming Public Meetings

- May 22nd, Joint Meeting with the Board of Education
 - Local Funding Request for Current Expense
- May 27th, Joint Meeting with the Board of Education
 - FY 2014-2015 UCPS Capital Request and Long-Term Planning

Upcoming Public Hearings

- May 19th, Public Hearing Concerning Proposed FY 2015 Operating and Capital Budget for County Services Budget and Proposed County Tax Rate
- June 2nd, Public Hearing Concerning Proposed FY 2014-2015 UCPS Proposed Operating and Capital budget and Proposed Schools' Tax Rate
- June 16th, Public Hearing Concerning full Proposed FY 2015 Operating and Capital Budget including UCPS Funding and the Proposed County Tax Rate and Schools' Tax Rate