



FY2022 Budget Process Update

Budget Work Session

March 8th, 2021



For Today

FY 2022 Budget Process Update

- Base Budget Update
- Budget Enhancement Discussion
- Community Partner Funding
- Preliminary Revenue Projection
- Budget Process Calendar Review

BoCC Strategic Objectives

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.

FY 2022 Core Values

- Maintaining Fiscal Discipline
- Investing in Core Services
- Strategic Framework for Internal Business Process

Base Budget Update

Base Budget Instruction to Department

FY 2022 Base Budget = FY 2021 Adopted Budget (Less 1x, Natural Decreases) + Approved Adjustments

Approved Adjustments to Base Budget are:

- Total Compensation
- Fuel/Utilities
- Fleet Replacement
- One-Time Expenses

No Increases to Budget Unless there is:

- Offsetting Non-County Revenue,
- Efficiency Savings,
- Reprioritize Services (reduction in one area to reinforce another)

Departments Successfully **Submitted Flat Base Budgets** and Assigned **“3% Potential Manager’s Holdback”**

Base Budget Update

- Increase to FY 2022 General Fund Base Budget Expense Over FY 2021 is **4.43% or \$7.8M**
- Average Annual General Fund Increase (Pre-COVID) is between **2% - 5%**
- FY 2021 Increase was **1.0% or \$1.6M**

General Fund Operating Budget Drivers:

- Annualization of FY 2021 Frozen Positions (30 FTE's; +\$1.1M)
- Merit Pay (+\$3.2M)
- Health & Dental (+\$4.0M)
- Reintroduction of Other Post Employment Benefits (OPEB) (+\$3.9M)
- Planned Increases to State Pension Funds (3rd and final) (+\$1.3M)
- Increase to Sheriff Vehicle Replacement (+400k)
- Back Out FY 2021 Benefit to OPEB Holiday (-\$5.2M)

Budget Enhancement Discussion

FY 2021 Total General Fund Enhancement Budget:

- Requested - \$9.5M (43.5 FTE's)
- Approved - \$3.2M (20.0 FTE's)

FY 2022 Total General Fund Enhancement Request:

- Requested - \$14.2M (51.0 FTE's)
- Approved - \$___M (___ FTE's)

Enhancement Request by BoCC Strategic Objective:

- Public Safety - \$6.1M
- Community Consensus - \$350k
- Economic Development - \$580k
- Sustainability - \$1.8M
- Organizational Strengthening - \$5.4M

Community Partner Funding

Union County FY 2022 Community Partner Requests

450 Community Partners

Rank	Organization Name	Status	Documentation		FY21	FY22	FY22
			Not Submitted	Program Overview	Approved	Increase	Request
1	Turning Point	Existing	-	Domestic Violence/Sexual Assault Center	\$ 45,576	\$ 4,424	\$ 50,000
2	Community Shelter	Existing	-	Shelter Operating Support	\$ 25,000	\$ 5,000	\$ 30,000
3*	Common Heart	Existing	-	Food Pantry & Economic Empowerment Program	\$ 10,000	\$ 10,000	\$ 20,000
3*	Community Health Services	New Request	-	Free Clinic	\$ -	\$ 40,000	\$ 40,000
4	Council on Aging	New Request	-	Durable Medical Equipment & Supplies	\$ -	\$ 27,000	\$ 27,000
5*	Union County Community Action	Existing	-	Head Start/Early Head Start	\$ 69,263	\$ 5,737	\$ 75,000
5*	Union County Crisis Assistance Ministry	New Request	-	Crisis Intervention Program	\$ -	\$ 25,000	\$ 25,000
6	HealthQuest	Existing	-	Free Prescription Medication	\$ 22,784	\$ 5,216	\$ 28,000
7*	Bridge to Recovery	New Request	Audit	Drug/Alcohol Treatment Scholarships	\$ -	\$ 50,000	\$ 50,000
7*	Boys & Girls Clubs	New Request	-	Boys & Girls Clubs	\$ -	\$ 50,000	\$ 50,000
8	Union County Community Arts Council	Existing	-	Cultural Arts Programs & Services	\$ 52,018	\$ 2,982	\$ 55,000
9	Boy Scouts	New Request	501c3	ScoutReach-Targeting At-Risk Youth	\$ -	\$ 10,000	\$ 10,000
10	Safer Communities	Existing	501c3, 990, Audit	Life Skills Program in Jail	\$ 80,000	\$ -	\$ 80,000
11	Operation Reachout	New Request	Audit	Financial Assistance	\$ -	\$ 7,500	\$ 7,500
12	Ground 40	New Request	Audit	Transitional Housing for Substance Abuse/Homelessness	\$ -	\$ 50,000	\$ 50,000
13	Andrew Jackson Historical Foundation	Existing	IRS 990, Audit	Museum of the Waxhaws	\$ 4,100	\$ 5,900	\$ 10,000
-	<i>American Red Cross</i>	<i>Existing</i>	<i>Did Not Apply**</i>	<i>Disaster Assistance/Home Fire</i>	<i>\$ 5,000</i>	<i>\$ -</i>	<i>\$ -</i>
					\$ 313,741	\$ 298,759	\$ 607,500

* Organizations that share the same rank received the same score by Review Panel; see next page for raw scores.

**New organization policies discourage small grants with contract & reporting requirements. Due to these updates, organization did not apply for FY 2022 funding.

Preliminary Revenue Projection

Revenue Assumptions:

- Ad Valorem Taxes – Base 3.0% Growth; Will Continue Refining with Reval Results and Revenue Neutral Tax Rate Review
- Local Sales Taxes – Base 7.0% Growth; Opportunity to Increase Based on FY 2021 Actuals and FY 2021 Reduction
- Non-County Taxes – Base 1.3% Growth Over FY 2021, Will Continue to Refine With More Information

Expected Economic Conditions:

- Federal Reserve Projects GDP Growth of 4.2% in 2021, Compared to -2.4% in 2020
- Unemployment Rate – U.S. - 6.3%; N.C. – 6.2%; Union – 5.0%
- NC Continued Unemployment Claims 66,221 (Feb 2021), Compared to High of 619,809 (May 2020); Initial 8,474 vs. 172,145
- Dow Jones 31,900 (Today), Compared to 18,591 (March 2020)
- Mortgage Rates Historic Lows (30-Year Fixed Rate - 2.375%)
- Overdue Rental Assistance Program Beginning; Third Federal Stimulus Payment Forthcoming
- Current Sales Tax Receipts are 15% Above Adopted Budget (six months of data)
- ***Vaccines Widely Available; COVID Infection Rates Trending Down; Optimistic for Return to Normalcy***

Budget Process Calendar Update

<i>FY 2022 Budget Process Working Calendar</i>		
	Date	Topic
√	11/18/2020	Community Partner Budget Process Kickoff Meeting <i>(Virtual)</i>
√	12/4/2020	Budget Kickoff (Virtual Meeting with Departments)
√	12/7/2019	Budget System Open for Departments to Begin Budget Development
√	1/15/2021	Community Partner Funding Request due to Budget Office
√	2/1/2021	All Budget Worksheets Due and Input in OpenGov <i>(SL1, 2&3 and CIP)</i>
√	2/26/2021	Executive Team/Depts Provided Working Documents
√	3/8/2021	BoCC Work Session - FY 2022 Budget Process Update
√	3/8 - 19/2021	County Manager Meetings to Discuss Specific Budget Topics
	3/18/2021	Joint Meeting with Union County Board of Education
	3/8-26/2021	Executive Team Working with CIP Group to Prioritize
	3/15/2021	Volunteer Fire Department Funding Requests due to Budget Office
	4/12/2021	BoCC Work Session - TBD
	5/10/2021	BoCC Work Session - TBD
	5/31/2021	MANAGER'S PROPOSED BUDGET PRESENTATION to BoCC
	6/7/2021	Public Hearing on the Budget
	6/14/2021	BUDGET ADOPTION

Thank You!

