

**Union County
Government**

EST. 1842

Union County DSS Group Home Lease

FY2021



Ashley Lantz, DSS Director

Union County Group Home

- Established in 1986
- Created to assist with emergency foster care placements and foster children who were difficult to place.
- Currently, we contract with our local Juvenile Crime Prevention Council (JCPC) and NC Department of Juvenile Justice (DJJ) to house DJJ youth referred for treatment up to 90 days.
- DSS continues to use the facility for emergency foster care placements.

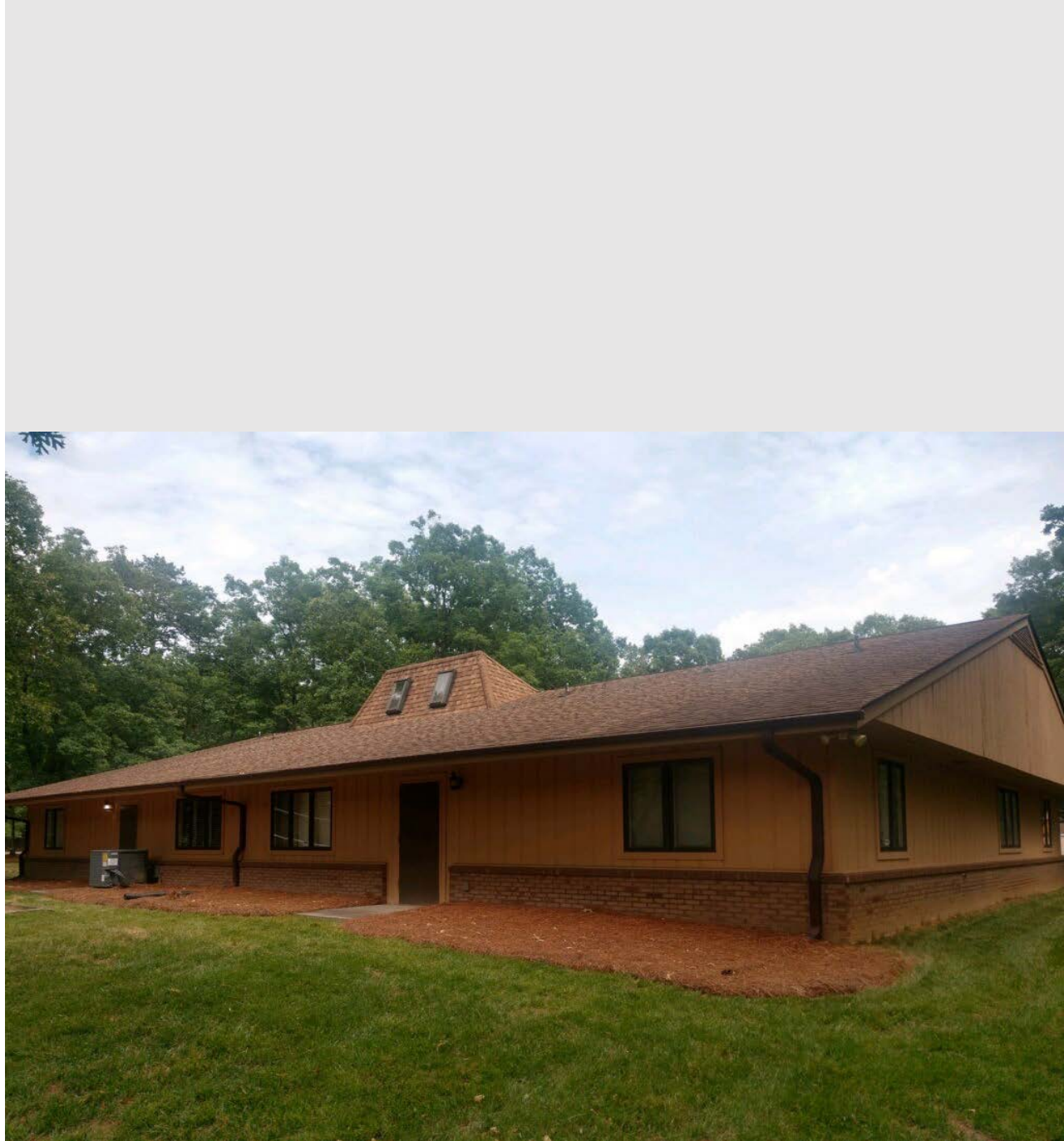


Lease objectives:

The Group Home serves a community need far greater than the need it meets for the Department of Social Services. This is a discretionary service for DSS. A partnership with the state allows county funding to be better aligned to DSS mandated programs that keep children, disabled, and elderly people safe, and provide a safety net for when the economy is impacted as it has been recently.

NC DJJ Lease

- To begin July 1, 2020 (tentative)
- \$1 per year lease with 1 bed dedicated to Union County emergency foster care placements at no cost to the county
- NCDJJ giving Union County \$107,000 to complete projects noted in the pre-lease inspection by 6/30
- Group Home budgeted expenses for FY21 that can be used for other mandated DSS programs & services = \$243,575





Union County Government

EST. 1842

FY2021 Budget Workshop

Budget Process Highlights



For Today

FY 2021 Budget Process Highlights

- Preview of FY 2021 Manager's Proposed Budget
- Community Partners Funding Process Overview/Recommendation
- UCPS Budget Request

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 2021 Core Values

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

Preview of Manager's Proposed Budget

FY 2021 Budget Assumptions Post COVID-19:

- Penny Value updated from \$2.786 (3%) to \$2.792 (3.2%) based on value
- Expected loss in sales tax from Pre COVID-19 projection of \$4.27M
- Local Sales Tax growth revised down from +4.5% above FY 2020 Adopted to -4.5% below (+ or - \$2.2M)
- Investment Income expected to decrease by ½ due to market conditions (-\$750k County General Fund)
- \$500k in sales tax redirected to fire departments per new VFD funding methodology (80%/20%)
- Target reductions of \$800k to start budget process (5% of operations, not counting SHF, Emergency. Comm.)
- Departments notified to expect a continuation budget (limited to no growth)
- Little to no opportunities for enhancement or service expansion

Preview of Manager's Proposed Budget

FY 2021 Budget Assumptions Post COVID-19 cont'd:

- Opportunity to fund contingencies not available
- Balancing the budget will require *tax rate/revenue realignments between funds and partners*
- Opportunities to access *unassigned fund balance is very limited*
- Looking for opportunities to maximize revenue options
- Extending current hiring freeze into first half of FY 2021
- Focus on supporting and maintaining critical services in FY 2021
- ***Difficult decisions will be required to balance the budget with no tax rate increase***

Maintain Fiscal Discipline

Category	FY 2020 Adopted	FY 2021 Working	Dollar Change	% Change
Real Property	22,391,421	23,017,914	626,493	2.8%
Personal Property	1,540,478	1,599,814	59,335	3.9%
Vehicles	2,777,116	2,969,729	192,613	6.9%
State Certifications	434,282	434,282	(0)	0.0%
Property Tax Base	27,143,297	28,021,738	878,442	3.2%
Property Tax Rate (Consolidated)*	73.09	73.09	-	0.0%
Value of Penny	2,706,032	2,792,654	86,622	3.2%

- FY 2021 Total Assessed value projected to grow by 3.2%
- FY 2020 Total Assessed value based on 3.6% growth
- Goal is to develop a budget within the parameters of the current total County Tax Rate (73.09)

Maintain Fiscal Discipline

Countywide Tax Rate	FY 2018	FY 2019	FY 2020	FY 2021 Working	Change
Schools Tax	44.50	44.50	44.50	44.50	-
General County Tax	26.84	21.84	21.63	21.63	-
Voter Approved Debt	3.09	3.09	3.30	3.30	-
Emergency Medical Service Tax	2.63	2.63	2.33	2.10	(0.23)
Countywide Fire Tax	1.04	1.03	1.33	1.56	0.23
Total Countywide Tax Rate	78.10	73.09	73.09	73.09	-

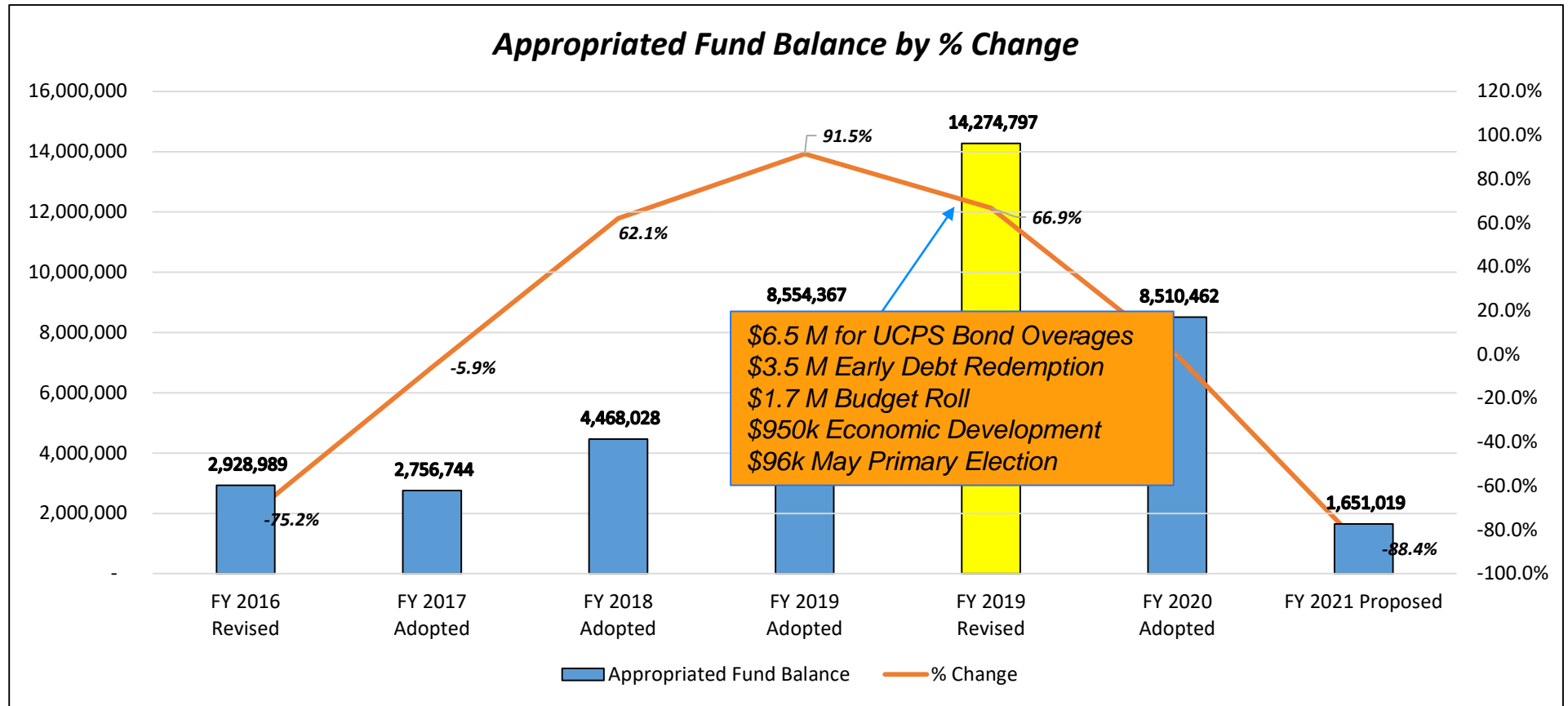
- Tax swap from EMS (.23) to offset increase to Countywide Fire fund (-.23), no net increase to total County rate
- Swap only possible if EMS uses available fund balance (\$1.8M) to purchase replacement ambulances & equipment
- Fire Fund increase of .23 pennies is required to establish the (80%/20%) Countywide fire funding model
- Consistent Countywide tax rate (73.09) for third fiscal year
- County general fund and EMS fund have absorbed increases to other County funds over three year history

Maintain Fiscal Discipline

Revenue Category	2016-17 Adopted Budget	2017-18 Adopted Budget	2018-19 Adopted Budget	2019-20 Adopted Budget	2020-21 Working Budget	FY 20-21 % Change
Ad Valorem Taxes and Fees*	67,546,867	66,988,858	58,257,401	57,763,211	59,631,478	3.2%
Local Option Sales Tax	40,481,775	44,713,531	48,745,636	48,745,636	46,556,839	-4.5%
Other Taxes	2,473,000	2,804,415	2,992,485	3,326,120	3,441,120	3.5%
Intergovernmental Revenue, Unrestricted	8,818,447	9,005,477	12,175,946	13,277,055	15,061,998	13.4%
Intergovernmental Revenue, Restricted	3,244,903	3,488,476	3,682,141	3,752,332	3,770,637	0.5%
Intergovernmental Revenue, Federal Grants	14,629,947	14,932,099	15,366,785	16,430,214	17,130,589	4.3%
Intergovernmental Revenue, State Grants	8,588,880	7,975,327	6,865,478	3,591,406	2,873,027	-20.0%
Non-Enterprise Charges for Services	8,751,025	9,743,893	9,491,960	9,528,028	10,511,456	10.3%
Investment Revenue	822,138	810,287	1,526,601	1,525,000	762,500	-50.0%
Interfund Transfers	0	0	1,164,713	0	1,705,920	-
Other Revenue	6,832,635	6,862,771	6,875,156	7,012,802	7,091,454	1.1%
Fund Balance Appropriated	2,756,744	4,468,028	8,554,367	2,665,965	1,651,019	-38.1%
Total	164,946,361	171,793,162	175,698,669	167,617,769	170,188,037	1.5%

- Annual increase in total General Fund revenue of 1.5%
- Increase in Ad Valorem revenue includes 3.2% growth in penny value
- Decrease to Local Option Sales Tax is reflective of COVID-19 “Safer at Home” order of the Governor (-4.5% or \$2.2M)
- Unrestricted Intergovernmental Revenue increase driven by Medicaid Hold Harmless actual expense over several years
- Fund Balance appropriated decreasing in line with reduced unassigned fund balance available for appropriation

Maintain Fiscal Discipline



- FY 2021 Appropriated Fund balance includes \$1,151,019 to offset the Economic Incentive Grant payment
- Also includes \$500,000 in Appropriated Fund Balance to fund general County expenditure
- Reflective of significantly reduced amount of fund balance available for use

Investing in Core Services

County Wide Fire Funding Comparison - Working			
Category	FY 2020	FY 2021	Change
Countywide Fire Ad Valorem (20% or 40%)	3,599,021	4,326,892	727,871
Countywide Fire Tax	1.33	1.56	0.23
Countywide Penny Value*	2,706	2,793	86.62
Sample Tax Bill (Home Value \$150,000)	\$ 19.95	\$ 23.25	\$ 3.30
Individual Fire District Funding Comparison - Working			
Category	FY 2020	FY 2021	Change
Ad Valorem Property Tax to Individual VFD's (80% or 60%)	6,761,116	10,432,088	3,670,972
Transfers from other funds**	2,244,272	-	(2,244,272)
Fire Fee Collected	2,595,056	-	(2,595,056)
Fund Balance Appropriated	211,231	142,723	(68,508)
Individual Fire District Taxes	-	Various	-
Sales Tax Allocated to Existing Fire Districts	1,104,634	1,364,500	259,866
Sales Tax Allocated to Newly Formed Fire Districts	-	500,625	500,625
Investment Revenue	27,735	26,575	(1,160)
Total	\$ 16,543,065	\$ 16,793,403	\$ 250,338

***FY 2020 Transfer from Economic Development Fund \$1.48M, Transfer from General Fund \$769k and Tax Rate Swap from EMS Fund \$811k*

- Countywide Fire Tax increasing from 1.33 to 1.56 to initially fund new 80%/20% funding methodology
- Increase to Countywide Tax payer of \$3.30 per year if home valued at \$150,000
- Total Fire Funding increasing \$250k over FY 2020, or 1.5%
- No interfund transfers for 1x capital purchases in FY 2021 as was included in the FY 2020 Budget
- All districts will be funded by 1) Countywide fire tax rate, 2) Individual district tax rate and 3) Applicable sales tax

Strategic Framework

<i>Investing in Employees</i>	<i>FY 2019 Adopted</i>	<i>FY 2020 Adopted</i>	<i>FY 2021 Working</i>
Pay for performance 3% of Payroll	2,051,431	2,329,093	2,606,755
Health Insurance Fund (No increase to employees)	16,622,497	17,425,377	19,124,901
% Increase to Health Insurance Fund	6.85%	4.83%	9.75%
Dental Fund	705,000	705,000	725,000
% Increase to Dental Insurance Fund	2.17%	0.00%	2.84%

- Commitment to employees as organization's greatest asset
- Attract and retain a highly motivated and talented workforce
- Continue to offer standard benefit package to employees
- County priority to retain employees during pandemic recovery
- Demand for service in many county departments increases during economic decline

Strategic Framework

Facility Opening Costs	
71,648	1/2 Year Operations Funding for Special Events Center @ Jessie Helms <i>(1/4 is \$71,648)</i>
150,000	Basic Maintenance for Special Events Center @ Jessie Helms <i>(\$205,594)</i>
38,366	Basic Maintenance for Special Events Center @ Board of Elections <i>(\$55,866)</i>
20,000	Increased Energy for new Campsites Cane Creek (Park & Rec) <i>(\$20,000)</i>
280,014	Subtotal of list

- Two new buildings coming online in spring of 2021 (costs will quadruple in FY 2022)
 - Jessie Helms Special Events Center
 - Board of Elections Renovation
- Two Buildings coming on line in 2022 (Begin planning now for opening/operating expense)
 - Emergency Services Center
 - Sheriff Administration Building

Community Partner Funding

Impetus to Process Change:

- Same group of nine agencies perpetually funded at similar levels
- Goal to create an open and transparent process accessible for all agencies
- Grants provide opportunity for Union County to partner with complimentary agencies
 - *Must be local to Union County*
 - *100% of Union County funding must serve only Union County residents*
 - *Must deliver services aligned to County objectives, focused on areas County is not*
 - *No expectation of funding, subject to availability and BoCC approval*
- *Advertised using all County Social Media, Invited all groups to a process kickoff meeting*
- Budget staff reached out to peer counties with established programs to learn best practices
- *Updated funding request form to be more comprehensive with more thorough vetting, (IRS documentation, Financial Statements, Staff Salary disclosures, demonstrated results, etc.,)*

Community Partner Funding

Process Update

- 19 agencies submitted funding requests (nine historically funded, one no longer active)
- All Requests reviewed by panel of department directors (Human Services, Libraries, Sheriff's Office, etc.,)
- Panel reviewed each request, discussed as a group and provided a final ranking
- Final documents with panel ranking included in County Manager's Budget Workbook
- Agency ranking reviewed and considered by executive team
- Manager is finalizing funding proposal as part of the FY 2021 Proposed Budget
- No commitment from County to fund agencies, could be less, could be same, or could be more
- *Agencies with close alignment to department's mission will be realigned into the department budget*

Community Partner Funding

Union County FY 2021 Community Partner Requests

450 Community Partners

Rank	Organization Name	Status	Documentation		Program Overview	FY20	FY21	FY21
			Not Submitted			Approved	Increase	Request
1	Community Shelter	Existing	Audit		Shelter	\$ 11,906	\$ 13,094	\$ 25,000
2	Turning Point	Existing	-		Domestic Violence/Sexual Assault Center	\$ 45,576	\$ 924	\$ 46,500
3	Union County Community Action	Existing	-		Head Start	\$ 69,263	\$ 5,737	\$ 75,000
4	American Red Cross	Existing	-		Disaster Assistance/Home Fire	\$ 5,000	\$ 2,500	\$ 7,500
5	Common Heart	New Request	-		Economic Empowerment Program	\$ -	\$ 10,000	\$ 10,000
6*	Bridge to Recovery	New Request	Audit		Monroe Treatment Scholarships	\$ -	\$ 50,000	\$ 50,000
6*	Community Health Services	New Request	Audit		Free Clinic	\$ -	\$ 40,000	\$ 40,000
8	HealthQuest	Existing	Audit		Free Prescription Medication	\$ 22,784	\$ 2,516	\$ 25,300
9	Crisis Assistance Ministry	New Request	IRS 990		Crisis Intervention	\$ -	\$ 50,000	\$ 50,000
10	Community Arts Council	Existing	-		Cultural Arts Programming	\$ 52,018	\$ 3,982	\$ 56,000
11	Safer Communities	Existing	501c3, IRS 990		Life Skills Program in Jail	\$ 71,160	\$ 19,840	\$ 91,000
12	Delta Sigma Theta	New Request	501c3		Development of Middle/High School Aged Females	\$ -	\$ 5,000	\$ 5,000
13*	Arthritis Foundation	New Request	501c3, 990, Audit		Arthritis Education	\$ -	\$ 5,000	\$ 5,000
13*	Integrated Behavioral Management	New Request	Audit		Recovery/Mental Health Facility for Women	\$ -	\$ 100,000	\$ 100,000
15	Andrew Jackson Historical Found.	Existing	IRS 990, Audit		Museum of the Waxhaws	\$ 4,100	\$ 5,900	\$ 10,000
16	InReach	New Request	IRS 990, Audit		Internship - Intellectually/Developmentally Disabled	\$ -	\$ 15,000	\$ 15,000
17	Grace Foundation	New Request	-		Education/Awareness - Sickle Cell Disease	\$ -	\$ 10,000	\$ 10,000
18	Excel Enrichment	New Request	IRS 990, Audit		Tutoring Program for Elementary Aged Children	\$ -	\$ 5,000	\$ 5,000
-	Council on Aging	Existing	<i>Not Requested</i>		In-Home Aide (HCCBG) - Reduce waiting list by 18	\$ -	\$ 34,240	\$ 34,240
	<i>(Current Wait List - 160)</i>				In-Home Aide (HCCBG) - Reduce waiting list by 88	\$ -	\$ 136,960	\$ 136,960
					In-Home Aide (HCCBG) - Reduce waiting list by 179	\$ -	\$ 308,000	\$ 308,000
-	Literacy Council				No Longer in Existence	\$ 2,382		\$ -
						\$ 284,189	\$ 823,693	\$ 1,105,500

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

Strategic Framework

Education Funding					
South Piedmont Community College					
	FY 2017 Adopted	FY 2018 Adopted	FY 2019 Adopted	FY 2020 Adopted	FY 2021 Working
Direct Funding	1,846,163	1,978,269	2,074,386	2,226,709	2,226,709
Debt Service	322,980	311,835	430,859	412,174	-
Total	2,169,143	2,290,104	2,505,245	2,638,883	2,226,709
% Change in Total Funding	-	5.6%	9.4%	5.3%	-15.6%
SPCC Fund Debt	-	3,058,206	3,807,455	3,215,424	3,396,013
% Change in Total Debt	-	-	24.5%	-15.5%	5.6%
Union County Public Schools					
	FY 2017 Adopted	FY 2018 Adopted	FY 2019 Adopted	FY 2020 Adopted	FY 2021 Working
Operational Funding	94,950,401	97,257,459	100,602,231	103,297,093	-
Capital Funding	17,749,200	15,515,188	19,125,969	20,193,945	-
Total	112,699,601	112,772,647	119,728,200	123,491,038	-
% Change in Total Funding	-	0.1%	6.2%	3.1%	-
UCPS General Fund Debt Service	-	-	36,752,181	25,735,505	25,353,729
UCPS Total Debt Service	38,999,669	38,041,900	41,155,306	30,093,929	34,866,729
% Change in Total Debt	-	-2.5%	8.2%	-26.9%	15.9%

- SPCC partnered with County to reduce their operational request given COVID-19 impact on revenues
- County obligated to apply 30% of sales tax receipts to UCPS debt service
- UCPS debt makes up 96.5% of the general fund's debt service obligation
- UCPS debt makes up 53.9% of the County's debt service fund debt

UCPS Budget Request

2020-2021 Projected County Appropriation

Ad Valorem Value and Penny Estimate

Adj. Penny Value	Current Penny Value
\$2,792,654	44.5
	\$ 124,273,103
True -Up Funding	\$ 1,238,000
2020-21 Projected County Appropriation	\$ 125,511,103

UCPS Budget Request

SUMMARY: PROPOSED COUNTY APPROPRIATION REQUEST

	FY20 Adopted Appropriation	Change	FY21 Proposed Appropriation
County Operating Budget	\$102,942,093	\$7,952,569	\$110,894,662
County Capital Budget	\$20,193,945	(\$480,285)	\$19,713,660
Total County Appropriation	\$123,136,038	\$7,472,284	\$130,608,322
FY21 Projected Penny Value and True-Up Funding			\$125,511,103
		Balance	(\$5,097,219)

UCPS Budget Request

Growth Areas

- Regular Instructional – Local Teachers Supplement (\$3.3M), Local Teaching 31 Positions (\$1.78M)
- Compensation Market Adjustment – Transportation Drivers (\$655k)
- Local Supplement Increase – Classroom Teachers (\$850k)
- Special Populations – Increased Students Needs for Exceptional Children (\$600k)
- Operational Support – Operational Supplies, Utility Increases, (\$1.5M)
- Financial and Human Resource Services – State Mandated HR/Finance Software (\$340k)
- Charter School Funds – Increase to Charter School Payments (\$450k)

Preview of Manager's Proposed Budget

Working Budget Summary:

- Total general fund expense increase of 1.5%
- Decrease in use of unassigned balance from \$2.67M to \$1.65M (max currently available for use)
- Increase funding to SPCC by \$500k (operating costs for new Administration center and Tyson's building)
- Maintain County commitment to Invest in employees (merit Pay 3% of payroll \$2.6M, no increase to employee health benefits)
- Transition to long-term and sustainable funding model for the county fire departments (80%/20% urban or 60%/40% rural)
- Maintain funding for County public safety agencies (Sheriff, Fire Marshal, Emergency Services, Emergency Communications)
- Fully fund County capital needs and facility replacement & renewal schedule
- Redesign of the community partner program to open process to all County non-profit agencies
- Modest service enhancements targeted to areas of strategic importance
- Manager carefully considering UCPS funding request and preparing clarifying questions
- ***Maintain flat tax rate for county services at 73.09 for third consecutive year***

Follow Up Meetings

<i>FY 2021 Budget Process Working Calendar</i>	
Date	Topic
<u>5/20/2020</u>	<u>BoCC Budget Workshop</u>
5/22/2020	Draft County Manager's Proposed Document to Leadership Team for Review
5/29/2020	County Manager's Proposed Document to BoCC
<u>6/1/2020</u>	<u>Manager's Proposed Presentation to BOCC</u>
6/15/2020	Public Hearing on the Budget
6/15/2020	Budget Adoption
7/31/2020	Adopted Budget Book Printed

Thank You!

