

County Manager's Proposed Operating & Capital Budget Overview

Fiscal Year 2024

Brian Matthews
County Manager
June 5th, 2023



UNIONCOUNTY
north carolina

Recommended Tax Rates

FY 2024 Recommended Tax Rates	
Union County General Fund	16.32
Union County Debt Fund	1.75
Education Operating Fund	37.42
Education Debt Fund	2.92
Economic Development	0.39
Total Tax Rate	58.80

- Bifurcated tax rate for transparency of funding for general County operations & Education funding
- Real property values to increase by 4.5% from FY 2023 actual values
- FY 2024 value of one penny is \$3,901,386
- FY 2024 proposed total tax rate is 58.80 cents per \$100 of assessed valuation
- FY 2024 Recommended Budget represents no tax rate increase

Union County FY 2024 Proposed Budget

Total Expenditure by Function		
Function	Proposed Budget FY 2024	% of Budget
Education	\$211,339,152	47.5%
Public Safety	\$69,299,458	15.6%
General Government	\$82,989,665	18.6%
Human Services	\$57,416,343	12.9%
Cultural & Recreational	\$10,641,701	2.4%
Economic & Physical Development	\$7,083,840	1.6%
Budgetary - Non-Departmental	\$6,227,625	1.4%
Total - All Functions	\$444,997,784	100%

**Budget numbers include debt service payments*

- Total FY 2024 County expense is \$444,997,784 million
- Proposed FY 2024 budget includes \$40,223,305 in appropriated fund balance for one-time uses to support County and Education CIP and Education debt service

FY 2024 Debt Service

Total Debt Service by Function		
Function	Proposed Budget FY 2024	% of Budget
Education	\$41,275,147	83.7%
Public Safety	\$3,911,743	7.9%
General Government	\$1,403,439	2.8%
Cultural & Recreational	\$1,109,741	2.2%
Economic & Physical Development	\$1,639,906	3.3%
Total - All Functions	\$49,339,976	100.0%

Public Health & Safety

- Additional funding for School Resource Officers
 - \$1.2 million for four (4) new School Resource Officers and two (2) Command staff
- Funding for implementation of hybrid deployment for EMS
 - \$1.2 million for operations and \$2.3 million for capital

Medicaid Expansion

- In March 2023, Medicaid expansion become law in NC with implementation expected in October 2023
- Estimate 10,000 more Medicaid-eligible individuals in Union County, an increase of over 20%
- Twelve (12) additional Medicaid eligibility staff needed in DSS
- Federal and state funding are projected to cover staff costs

New Library

- Additional funding of over \$1 million to open the new Southwest Regional Library in early 2024
 - 18 full- and part-time positions
 - Supplies, materials, and technology
 - Ongoing facility maintenance costs

Solid Waste

- New program that offers free disposal of bagged household waste for residents up to established bag limits
 - Additional \$550,000 in general fund dollars
- Increases to MSW and C&D tipping fees

	Tiers	Current Fees	FY2024 Fees
MSW	0-750 (per ton)	\$44.00	\$47.00
	751-1500 (per ton)	\$42.00	\$45.00
	1501-2500 (per ton)	\$40.00	\$43.00
	2501-2999 (per ton)	\$38.00	\$41.00
	> 3000 (per ton)	\$34.00	\$39.00
C&D	0-100 (per ton)	\$40.00	\$41.00
	101-300 (per ton)	\$38.00	\$39.00
	301-400 (per ton)	\$36.00	\$37.00
	> 400 (per ton)	\$34.00	\$35.00

Water & Sewer

- Transferring fund balance appropriation of \$19 million to the Water and Sewer Capital Fund for water and sewer capital projects
- Rate increase of 1.75% for 12-Mile Creek plant, FY22 and FY23 Short Line Water Extension Program and Renewal & Replacement projects
- Increase to system development fee for projects to help expand sewer capacity and recover costs for new development

Capital Investments

- Capital investments funded through unassigned fund balance totaling \$20 million
 - UCPS capital needs
 - Design for jail expansion
 - EMS, Fire and 911 capital needs
 - IT enhancements
 - Judicial Center funding

Employees

- Maintaining pay for performance plan and Other Post Employment Benefits (OPEB) investment
- Funding for classification and compensation study of \$2 million
- Realignment of County security and risk management functions

Union County Public Schools

- Additional operating funding of \$6.2 million
- Reallocating .26 cents of County general fund tax rate to to compensate for \$1 million allocated to UCSO for school resource officers last fiscal year
- Charter school funding of \$11.5 million
- Fully funding operating capital request of \$23.7 million
- Use of general fund unassigned fund balance of \$2.7 million for design of East Union Middle

South Piedmont Community College

- Additional operating funding of \$125,341 to maintain tax rate of .97 cents
- Operational capital budget of \$375,000

Revenue – General Fund

Total Revenue - Union County General Fund							
	2020-21 Adopted Budget	2020-21 Actual	2021-22 Adopted Budget	2021-22 Actual	2022-23 Adopted Budget	2022-23 EOY Projected	2023-24 Proposed Budget
Ad Valorem Taxes & Fees	206,254,947	206,309,193	213,098,520	218,376,814	220,706,145	224,715,675	230,586,259
Local Option Sales Tax	46,556,839	56,259,871	53,540,363	66,386,686	67,669,664	74,686,336	81,081,605
Intergov, Unrestricted	15,061,998	15,398,472	15,458,382	17,976,764	20,277,278	19,744,290	22,440,769
Federal Grants	17,437,019	17,664,168	18,073,689	16,635,256	18,680,581	17,122,687	19,352,616
Non-Enterprise Charges	11,420,662	11,545,099	12,227,989	16,456,741	12,937,519	12,121,089	11,624,110
Fund Balance Appropriated	11,646,433	0	23,155,461	0	6,403,401	0	40,223,305
Interfund Transfers	535,018	606,847	0	1,475,557	0	27,356,838	20,000,000
Other Revenue	7,271,454	4,523,615	7,567,496	8,382,899	7,522,695	7,105,312	7,655,593
Debt Proceeds	0	48,324	0	190,830	0	0	-
Other Taxes	3,441,120	4,049,677	3,604,002	5,137,873	4,019,850	3,973,049	4,125,500
Intergov, Restricted	3,770,637	3,687,041	3,992,565	3,672,866	3,801,899	4,073,438	4,020,212
State Grants	2,873,181	3,619,157	2,816,749	3,858,327	2,600,193	3,316,562	2,674,315
Investment Revenue	1,106,332	-7,909	1,276,020	-1,136,557	653,744	1,200,000	1,213,500
Revenues Total	327,375,640	323,703,555	354,811,236	357,414,056	365,272,969	395,415,276	444,997,784

*Tabc includes the following funds: County General, County Debt, Education Operating, Education Debt, Economic Development

- Assessed Property Valuation expected to grow by 4.5%
- Reflects strong real estate market and increasing migration into Union County
- Intergovernmental Revenues increasing due to growth in Medicaid Hold Harmless payment from State
- Targeted use of Fund Balance Appropriated - \$14.7M to County CIP, \$5.3M to UCPS Capital, \$20M to UCPS Debt Service
- FY 2024 General Fund Revenues to grow by 7.2%, when adjusted for fund balance appropriated

Expense – General Fund

Total Expense - Union County General Fund							
	2020-21 Adopted Budget	2020-21 Actual	2021-22 Adopted Budget	2021-22 Actual	2022-23 Adopted Budget	2022-23 EOY Projected	2023-24 Proposed Budget
Payments to Outside Orgs	126,758,188	128,656,202	129,465,608	129,252,057	136,304,359	135,109,529	142,698,777
Employee Compensation	64,203,255	60,998,203	69,198,698	65,699,297	73,448,703	70,963,192	79,669,535
Debt Service	49,934,809	50,024,595	48,815,915	49,528,263	48,749,524	48,749,524	49,339,976
Employee Benefits	29,904,906	32,614,278	39,651,628	38,958,525	42,554,993	42,207,912	47,460,796
Interfund Transfers, Out	23,631,612	23,847,093	34,400,430	39,984,787	29,388,633	57,085,626	71,664,066
Operating Cost	28,592,091	27,373,219	31,925,116	28,689,495	35,083,246	34,156,188	35,388,024
Capital Outlay	2,495,871	3,925,521	5,269,923	2,582,362	3,281,437	5,480,848	4,055,569
Fund Balance Contribution	5,716,082	0	0	0	0	0	18,720,362
Interdepartmental Charges	-3,861,174	-4,168,802	-3,916,082	-3,872,329	-3,787,926	-3,834,336	(3,999,321)
Expenses Total	327,375,640	323,270,309	354,811,236	350,822,457	365,272,969	389,918,483	444,997,784

**Table includes the following funds: County General, County Debt, Education Operating, Education Debt, Economic Development*

- Employee Compensation – Merit (3%), Class & Comp (\$2 million), 25.42 FTE’s added (SHF -6, LIB – 12.28, Transportation – 4, TAX – 2)
- Employee Benefits – OPEB (Fully funded), Health Fund increase (\$1.1M), retirement contribution (12.1% to 12.9%), LEO 13.0% to 14.0%
- Open Southwest Regional Library (\$1.2 million),
- Use of Fund Balance as “Interfund Transfer Out” - \$14.7M to County CIP, \$5.3M to UCPS Capital, \$20M to UCPS Debt Service

Revenue – UC Water

Total Revenue - UC Water							
	2020-21 Adopted Budget	2020-21 Actual	2021-22 Adopted Budget	2021-22 Actual	2022-23 Adopted Budget	2022-23 EOY Projected	2023-24 Proposed Budget
Enterprise Charges	65,919,420	66,530,766	72,014,925	75,162,381	79,542,275	82,557,462	76,183,084
Interfund Transfers	11,040,275	14,600,600	12,647,786	24,296,797	22,268,784	22,268,784	-
Fund Balance Appropriated	0	0	9,358,271	0	4,679,135	7,637,847	19,042,826
Debt Proceeds	0	17,669,119	0	0	0		-
Investment Revenue	812,732	-101,914	676,980	-716,314	199,546	199,546	199,546
Other Revenue	139,033	32,042	136,695	274,001	136,695	141,693	136,695
Non-Enterprise Charges	50,000	53,998	0	64,610	0	-	-
Revenues Total	77,961,460	98,784,611	94,834,657	99,081,475	106,826,435	112,805,332	95,562,151

Expense – UC Water

Total Expense - UC Water							
	2020-21 Adopted Budget	2020-21 Actual	2021-22 Adopted Budget	2021-22 Actual	2022-23 Adopted Budget	2022-23 EOY Projected	2023-24 Proposed Budget
Operating Cost	57,664,381	52,824,448	61,547,601	51,812,384	67,455,957	66,005,604	28,597,211
Interfund Transfers, Out	30,561,110	32,125,550	34,236,376	42,609,387	36,587,439	36,587,439	21,431,631
Debt Service	10,361,000	13,924,554	19,703,321	19,684,371	25,772,122	25,792,122	25,737,424
Employee Compensation	8,805,814	8,163,810	9,678,137	8,437,189	10,986,782	9,363,122	11,603,407
Employee Benefits	4,023,545	3,984,979	5,513,864	5,235,798	6,152,407	5,743,218	6,732,712
Capital Outlay	679,275	517,327	2,302,736	1,299,286	1,175,797	1,756,967	827,550
Payments to Outside Orgs	481,968	557,897	444,846	390,807	1,987,008	1,987,008	632,216
Fund Balance Contribution	872,221	0	0	0	0	-	-
Interdepartmental Charges	-35,487,854	-32,006,314	-38,592,224	-33,304,029	-43,291,077	(43,291,077)	-
Expense Total	77,961,460	80,092,251	94,834,657	96,165,193	106,826,435	103,944,403	95,562,151



Revenue – Solid Waste

Total Revenue - Solid Waste							
	2020-21 Adopted Budget	2020-21 Actual	2021-22 Adopted Budget	2021-22 Actual	2022-23 Adopted Budget	2022-23 EOY Projected	2023-24 Proposed Budget
Enterprise Charges	5,745,712	7,542,565	7,226,286	8,547,282	8,757,987	9,453,925	10,427,221
Fund Balance Appropriated	2,774,811	0	159,734	0	513,460	677,680	-
Other Taxes	426,100	412,607	462,200	475,431	375,600	422,098	415,600
Investment Revenue	100,000	-6,932	71,820	-74,429	23,624	23,624	23,624
Other Revenue	0	-5	0	154,722	0	-	-
Interfund Transfers	0	56,608	0	0	0	-	550,000
State Grants	0	0	0	14,888	0	-	-
Revenues Total	9,046,623	8,004,843	7,920,040	9,117,894	9,670,671	10,577,327	11,416,445

Expense – Solid Waste

Union County - Solid Waste							
	2020-21 Adopted Budget	2020-21 Actual	2021-22 Adopted Budget	2021-22 Actual	2022-23 Adopted Budget	2022-23 EOY Projected	2023-24 Proposed Budget
Operating Cost	4,211,568	4,696,737	4,388,705	5,398,513	6,158,497	6,580,890	7,475,582
Employee Compensation	1,393,545	1,239,431	1,481,094	1,361,221	1,461,341	1,362,719	1,699,847
Interfund Transfers, Out	2,500,000	2,500,000	550,000	550,000	700,000	700,000	750,000
Employee Benefits	608,929	592,115	811,088	791,621	908,725	881,131	1,041,144
Capital Outlay	201,541	343,257	689,153	705,876	442,108	615,177	162,000
Fund Balance Contribution	131,040	0	0	0	0	-	287,872
Revenues Total	9,046,623	9,371,540	7,920,040	8,807,231	9,670,671	10,139,917	11,416,445

Investing in Fire Protection

FY 2024 Proposed Fire Department Funding				
Fire Department	District Tax Rate Summary			
	Value of One Penny	FY 2022 Adopted Rate	FY 2023 Proposed Rate	Change
Allens Cross	\$ 24,203	6.89	6.89	-
Bakers	233,297	3.43	5.22	1.79
Beaver Lane	63,921	6.71	6.71	-
Fairview	74,675	5.03	5.03	-
Griffith Road	19,541	2.00	2.00	-
Hemby Bridge	430,419	4.41	4.41	-
Jackson	48,801	3.99	3.99	-
Lanes Creek	27,772	5.46	5.46	-
New Salem	88,566	3.84	3.84	-

FY 2024 Proposed Fire Department Funding				
Fire Department	District Tax Rate Summary			
	Value of One Penny	FY 2022 Adopted Rate	FY 2023 Proposed Rate	Change
Providence	\$ 8,836	3.75	3.75	-
Sandy Ridge	39,888	3.29	3.29	-
Springs	197,906	4.64	4.64	-
Stack Road	34,536	3.48	3.48	-
Stallings	364,474	4.78	4.78	-
Unionville	124,936	6.14	6.14	-
Waxhaw	401,097	4.19	4.19	-
Wesley Chapel	782,500	3.75	3.75	-
Wingate	62,242	6.70	6.70	-

* 552,000 in SCBA Replacement funds are dedicated to various districts and will be applied based on annual need

- Additional funding for VFD's provides for additional staff, increased firefighter pay, increase fuel costs, dilapidated equipment and building replacement
- The SCBA replacement fund established in FY 2024 will increase from \$300,000 to \$552,000 in FY 2024
- All VFD tax rates are proposed to remain unchanged over FY 2023 levels, with the exception of Bakers VFD
- Bakers tax rate will increase from 3.43 cents to 5.22 cents (1.79 increase), Change to 80%/20% share, valuation over \$1 billion, correction from FY 2021
- Individual VFD changes are detailed in the "Fire Departments" section of the FY 2024 Proposed Budget Document

Funding Education

Union County Education Funding							
Education Partner	FY 2021 Adopted	FY 2022 Adopted	FY 2023 Adopted	FY 2024 Requested	FY 2024 Proposed	\$ Change	% Change
SPCC Direct Funding	2,726,709	3,076,709	3,231,467	10,748,691	3,356,808	125,341	3.9%
SPCC Capital Funding	375,000	375,000	375,000	375,000	375,000	-	0.0%
SPCC Debt Service Funding	3,396,013	3,296,985	3,633,958	3,435,920	3,435,920	(198,038)	-5.4%
UCPS Operational Funding*	106,046,045	111,546,045	116,450,057	130,142,484	122,690,414	6,240,357	5.4%**
UCPS Capital Funding***	18,475,663	18,475,663	19,122,311	23,735,818	25,255,168	6,132,857	32.1%
UCPS Debt Service Funding	38,524,246	37,250,957	36,263,939	56,225,842	56,225,842	19,961,903	55.0%
Total	169,543,676	174,021,359	179,076,732	224,663,755	211,339,152	32,262,420	18.0%

*\$1,000,000 moved from UCPS operational funding into Sheriff's Office to fund additional Student Resource Officers in various elementary schools

**Organic growth to UCPS is 4.5%, the additional \$1M makes annual increase 5.4%

***UCPS Capital Funding includes \$5.3M in one-time County Fund Balance appropriation

- SPCC FY 2024 budget request reflects 3.9% increase over FY 2023
- FY 2024 SPCC debt payments will be \$3.4 million, long-term needs projected at \$68.14 million through 2030
- UCPS FY 2024 proposed operating funding reflects 5.4% increase over FY 2024 Adopted Budget (\$6.2 million)
- UCPS Recommended Budget includes \$5.3 million in one-time county appropriated fund balance for capital projects
- FY 2024 UCPS debt payments will be \$37.8 million, long-term needs projected at \$757.38 million through 2030
- County applying \$10.0 million in ARPA funds and \$8.4 million in bond proceeds to maintain stable Education tax rate over time

Funding Education

FY 2024 UNION COUNTY PUBLIC SCHOOLS OPERATING REQUEST		
	Mandated	Additional Needs
2022-2023 BASE BUDGET	\$ 116,450,157	
I. REDIRECTS	\$ (460,000)	
II. SUSTAINING OPERATIONS		
A. Program Continuation	\$ 959,900	\$ 360,500
B. Board of Education		\$ 40,046
Total Sustaining Operations	\$ 959,900	\$ 400,546
III. INVESTING IN OUR EMPLOYEES		
A. Salaries and Benefits	\$ 2,887,124	
B. District Compensation Study		\$ 704,955
C. Organizational Changes	\$ 411,207	
D. Staff Recruitment and Retention		\$ 6,520,971
Total Investing in our Employees	\$ 3,298,331	\$ 7,225,926
IV. STUDENT GROWTH		
A. Student Enrollment Costs - Charter Schools	472,124	
Total Student Growth	\$ 472,124	\$ -
V. PROGRAM EXPANSION/NEW INITIATIVE		
A. Athletics	625,500	
B. Student Support		1,170,000
Total Program Expansion/New Initiative	\$ 625,500	\$ 1,170,000
TOTALS	\$ 4,895,855	\$ 8,796,472
2023-2024 UCPS REQUESTED COUNTY INCREASE	\$ 13,692,327	
2023-2024 REQUESTED COUNTY APPROPRIATION	\$ 130,142,484	

FY 2024 UNION PUBLIC SCHOOLS PROPOSED COUNTY CAPITAL BUDGET REQUEST	
2022-2023 BASE BUDGET	\$ 19,122,311
I. FACILITIES	Proposed
1. Identified Building Projects - ADA	\$ 144,900
2. Identified Building Projects - Building Systems	9,727,563
3. Identified Building Projects - Expansions/Renovations	4,719,548
4. Identified Building Projects - Safety/Security	505,943
5. Identified Facilities Landscapes Equipments/Vehicles	828,765
6. Classroom Furniture & Custodial/Warehouse Equipment	262,028
7. Painting	1,298,325
8. Roofing	2,307,976
Total Facilities	\$ 19,795,048
II. TRANSPORTATION	
1. Vehicles - Service Truck	\$ 65,000
2. Vehicles - Activity Vans (5)	200,000
3. Activity Bus (1)	130,000
4. Bus Cameras for 13 new buses	26,000
Total Facilities	\$ 421,000
III. Technology Services	
1. Laptop Lease Payment	
3-5 Students (6yr Lease)	\$ 795,000
6-12 Students	1,753,850
Teacher/Admin	920,920
Total Technology Services	\$ 3,469,770
IV. Co-Curricular Support	
1. Band Uniforms and Equipment - CATA	\$ 50,000
Total Co-Curricular Support	\$ 50,000
2023-2024 UCPS REQUESTED COUNTY INCREASE	4,613,507
2023-2024 REQUESTED COUNTY APPROPRIATION	\$ 23,735,818

Assessed Valuation

Union County Assessed Valuation						
	FY 2021	FY 2022*	FY 2023	FY 2024		
Category	Adopted	Adopted	Adopted	Proposed	\$ Change	% Change
Real Property	23,017,914	31,261,389	32,223,380	33,562,061	1,338,681	4.3%
Personal Property	1,599,814	1,443,672	1,488,098	1,549,928	61,830	4.3%
Vehicles	2,969,729	3,002,176	3,246,553	3,512,445	265,892	8.9%
State Certifications	434,282	479,014	493,755	514,270	20,515	4.3%
Total	28,021,738	36,186,251	37,451,785	39,138,704	1,686,919	4.5%
Net Yield of One Cent	2,792,654	3,602,863	3,728,931	3,901,386	172,455	4.5%
County Property Tax Rate	73.09¢	58.80¢	58.80¢	58.80¢	-	0.0%
Property Tax Base**	28,021,738	36,186,251	37,451,785	39,138,905	1,687,120	4.5%
Collection Rate***	99.6%	99.5%	99.5%	99.6%	0.1%	0.1%

*FY 2022 was a revaluation year

**Property valuations represented in thousands of dollars

***Collection rate is based on prior year actual collection rate per statutory requirement

- In total, real property values are expected to increase by **4.5%** from FY 2023 values
- FY 2024 value of one penny is **\$3,901,386**
- FY 2024 proposed tax rate is **58.80** cents per \$100 of assessed valuation
- Proposed property tax rate of **58.80** represents no tax rate increase

Next Steps

- Budget Public Hearing June 5th
- Budget Adoption June 19th

All FY 2024 Budget Information Available:

- On County Website: <http://www.co.union.nc.us/departments/budget-management>
- Follow on County Social Media Portals

Acknowledgements

Thank you for your partnership!

- County Tax Assessor's Office
- County Clerk's Office
- County Department Directors & Budget/Finance Staff
- Information Technology Team
- County Finance Director Beverly Liles & Staff
- County Manager & Executive Team

Budget Management Team:

- Blake Hart _ Budget Director
- Mary Namala – Sr. Budget Analyst
- Greg Artman – Sr. Budget Analyst
- Adrienne Rorie – Budget Analyst

Thanks for watching!



UNIONCOUNTY
north carolina