

Message from the County Manager

June 4, 2018

To the Catawba County Board of Commissioners and Citizens:

I am pleased to present to you the Catawba County budget for Fiscal Year 2018/19 in the amount of \$249,768,237, which maintains a property tax rate of \$0.575 per \$100 of valuation and reflects a 3.7 percent decrease in the total budget. The General Fund budget is \$199,549,536 of this total, a 2.2 percent increase over the current year. The budget is balanced and prepared in accordance with the Local Government Budget and Fiscal Control Act and Generally Accepted Accounting Principles, and is aligned with the priorities of and direction given by the Board of Commissioners.

In response to data indicating an ongoing gradual decline in Catawba County's working age population, the Board of Commissioners embarked on a collaborative strategic planning process to proactively drive local economic and population growth. Beginning in September 2016, the Commissioners quickly identified eight critical growth sectors that would bring focus to the strategic plan and its overarching goal:

- Economic Development
- Water & Sewer
- Education
- Healthy & Safe
- Arts & Culture
- Housing
- Parks
- Branding & Marketing

Over the course of the next 15 months, the Board examined each of these areas through a series of workshops and site visits that explored opportunities for the Board to catalyze action, either through their own leadership or through collaboration with other community partners.

All of this culminated in identification of key goals, strategies and tactics that, taken together, position Catawba County for growth that not only supports a strong economy but also enhances the County's existing quality of life. The plan is living and dynamic and resides on the county's website, <http://www.catawbacountync.gov/county-government/strategic-plan/>. The following presentation of the adopted budget demonstrates the implementation of the strategic plan throughout the 2018/19 Budget. The attached Budget Highlights provides an executive summary of the coming years financial plan. Details on each departments budget, school capital and current funding, longer term capital improvement plans and other future looking data and analysis round out this budget and provide a road map for the County's future. A future reflecting our new logo and tag line, **Making.Living.Better** for the people of Catawba County.

Sincerely,



Mick W. Berry

County Manager



catawba county

MAKING. LIVING. BETTER.

FISCAL YEAR 2018/19 ADOPTED BUDGET

Mick Berry

County Manager

June 4, 2018

FY2019 Budget Overview

- Total = \$249,768,237 (\$9.5M or 3.7% decrease)
- General Fund = \$199,549,536 (\$4.3M or 2.2% increase)
- Property Tax Rate = \$0.575 per \$100 valuation
- Implements the County's Strategic Plan

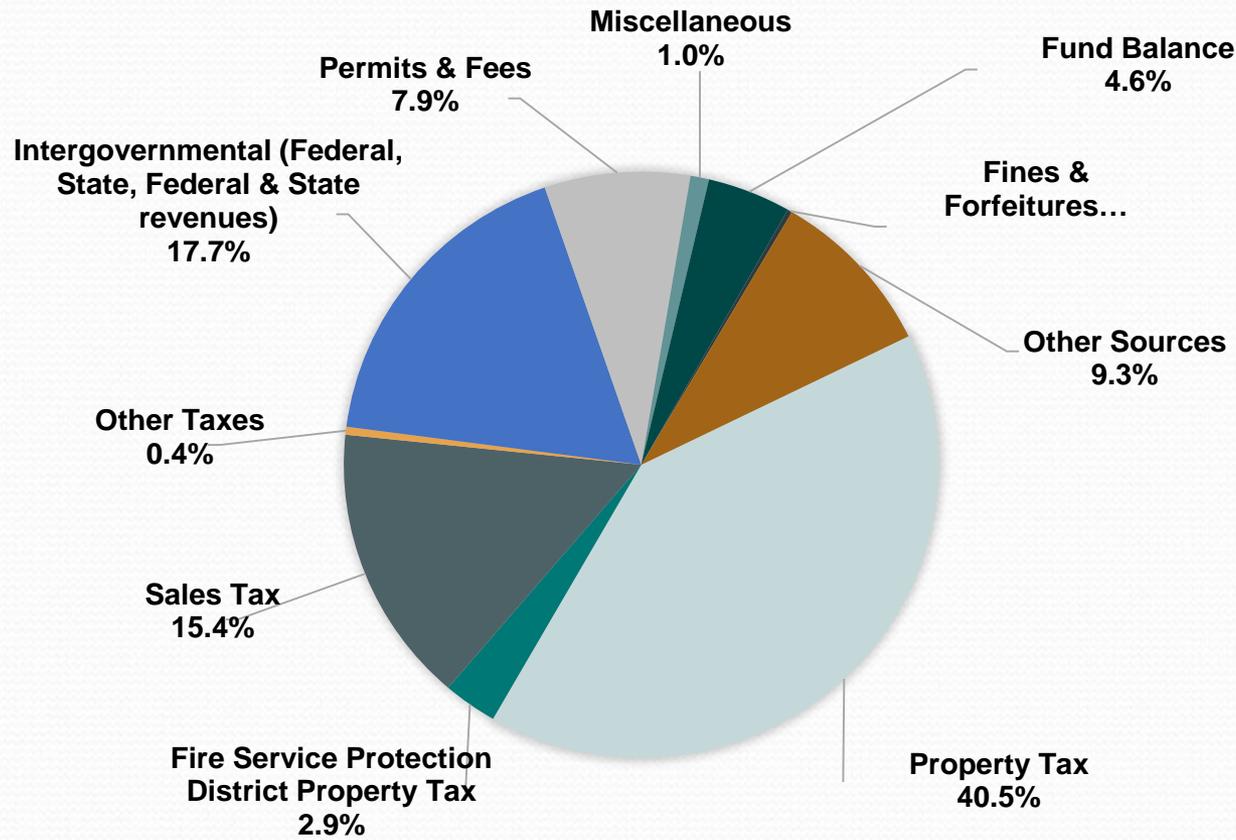


Economic Growth Evidenced by Revenue

- **Property Tax: 1.7% tax base growth (\$287M)= \$2M revenue**
- **Sales Tax = 5.9% growth on FY16/17 actuals = \$2M revenue**
- **Federal/State Loss just <\$1M, primarily impacting Social Services**
- **Fund Balance reflects prudent management of reserves and history of conservative projections:**
 - \$62.7M General Fund Available (35% of expenditures)
 - \$34.1M General Fund Unassigned (22% of expenditures)
 - Well above State-required 8% minimum and BOC policy of 16%



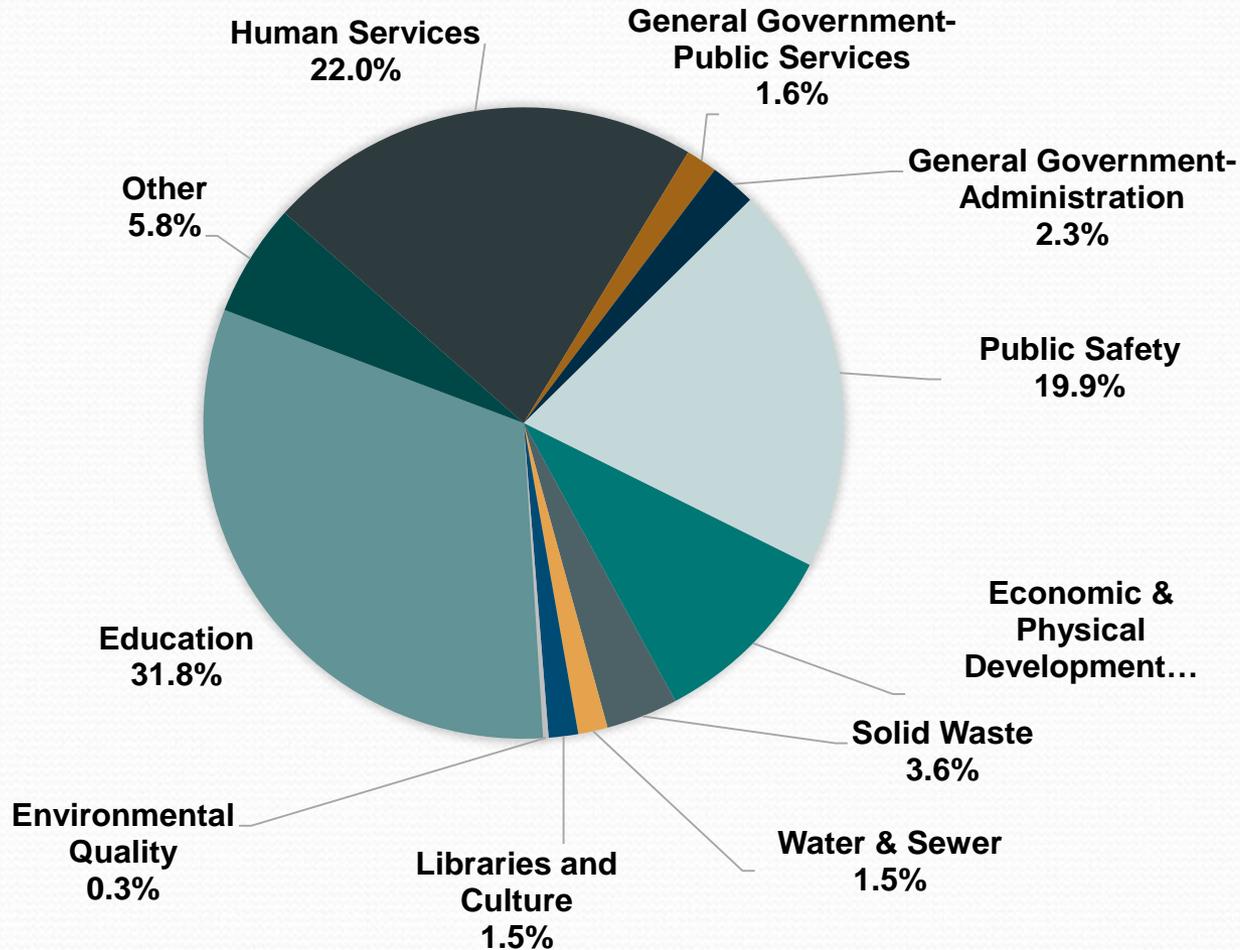
Economic Growth Evidenced by Revenue



*Of \$248.8M total budget, \$148.8M (59.8%) is truly locally controlled



Budget Implements Strategic Plan



Education, Public Safety, & Human Services comprise 79% of locally controlled expenditures



Budget Implements Strategic Plan

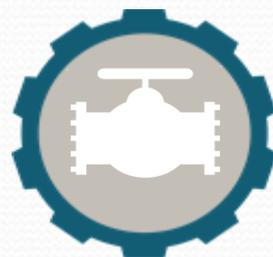
Success for Catawba County means driving economic and population growth through creating jobs and enhancing our strong quality of life



Economic Development



K-64 Education



Water & Sewer



Housing



Healthy & Safe



Parks & Environment



Arts & Culture

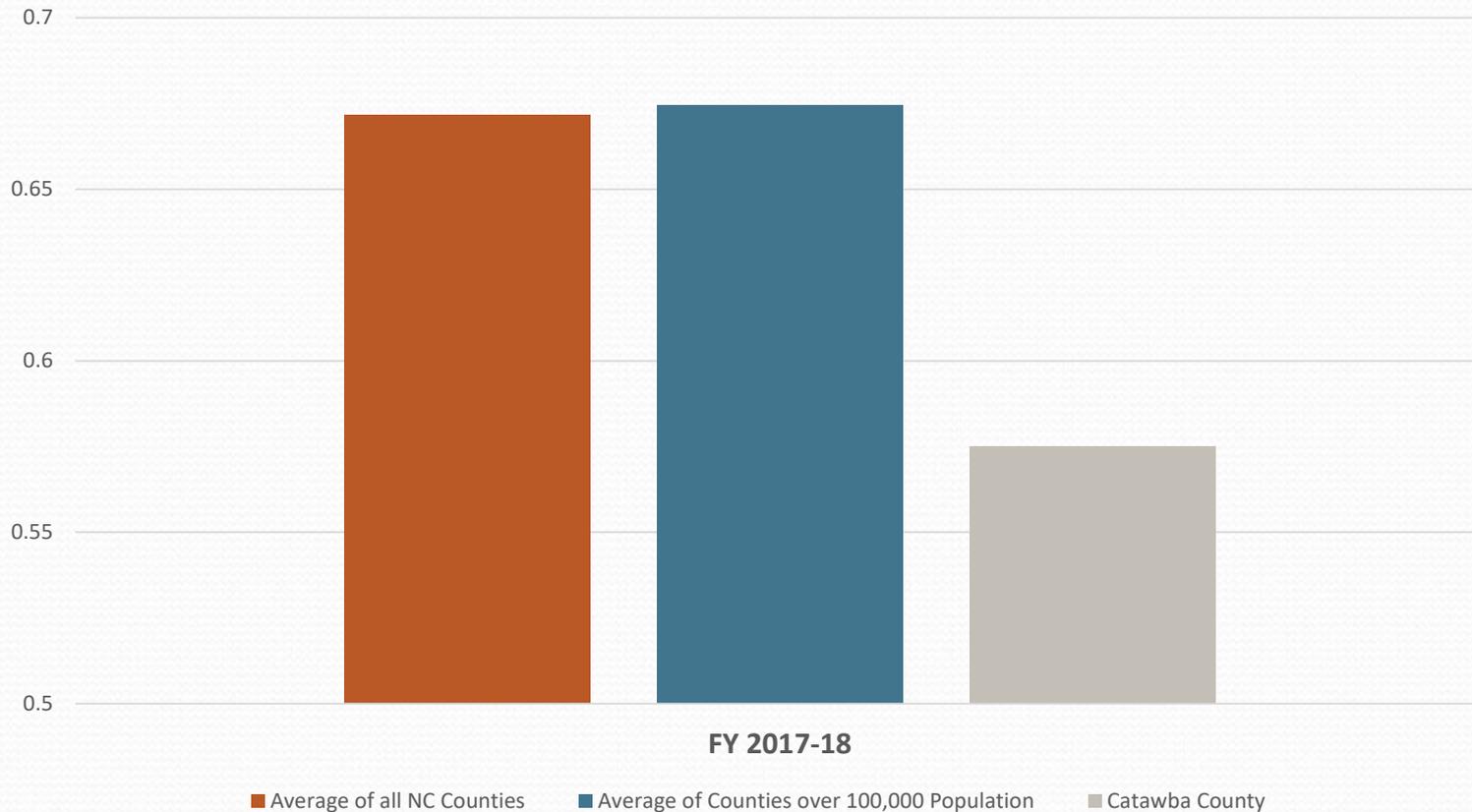


Branding & Marketing

Foster Positive Business Climate

Maintain low cost of government, competitive tax rate and development fees

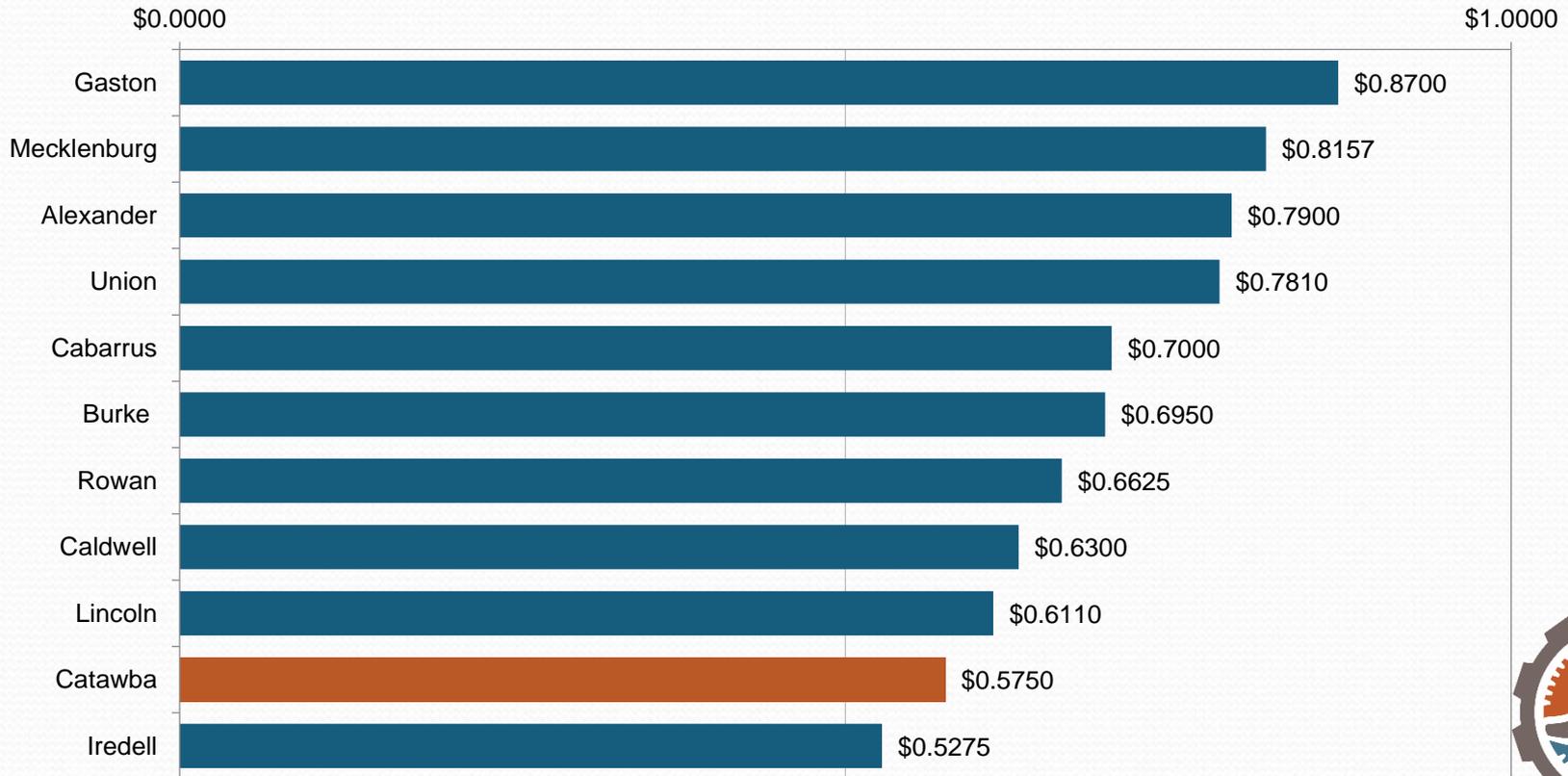
Catawba County's countywide property tax rate of \$0.575 per \$100 in assessed value is lower than the average of all counties in the State as well as counties over 100,000 in population, and is only 1/3 of the legally allowable tax rate.



Foster Positive Business Climate

Maintain low cost of government, competitive tax rate and development fees

Catawba County's tax rate is 2nd lowest among neighboring counties



Foster Positive Business Climate

Maintain low cost of government, competitive tax rate and development fees by aligning fees with costs

Solid Waste	Change	Fee
Sanitary Landfill Tipping Fees	\$2 per ton increase	\$35 per ton (most)
Municipal Water & Wastewater Sludge Meeting Paint Liquids Test	New Fee FY 18/19	\$101 per ton
Construction & Demolition Landfill Tipping Fees	\$2 per ton increase	\$25 per ton (most)
Compost (3 yard scoop/bucket)	\$15.50 or \$10 per ton decrease	\$30 or \$25 per ton
Scrap Tires (cost of vendor contract)	\$10 per ton increase	\$90 per ton

Water & Sewer	Change	Fee
Water & Sewer Connection Fees	Maintained as-is	See fee schedule
Septage Collection, Transportation & Disposal Fees	Maintained as-is	See fee schedule

Public Health	Change	Fee
Immunization Administration	\$2 increase	\$22 (most)
CPR Only Grades K-12	New Fee FY 18/19	Cost of completion card (currently \$8) plus \$10
Herpes Simplex Virus II IgG	New Fee FY 18/19	\$17
Herpes Simplex Virus I & II	New Fee FY 18/19	\$28
Human Papillomavirus Screening	New Fee FY 18/19	\$32



Support Stratified Approach to Product Development - ensuring market-ready product offerings that appeal to diverse prospects

- **Develop and aggressively market Trivium Corp Center**
 - \$2.7M (to cover County's commitment for land acquisition and site development)



Support Stratified Approach to Product Development - ensuring market-ready product offerings that appeal to diverse prospects

- **Spec Building #2**
 - \$45k annual carrying cost
- **EDC efforts resulted in \$1.45B increased investment & 361 jobs this year, yielding \$710K in increased incentives**
- **\$100K Permitting software upgrade set-aside (recurring)**



K-64 Education

Promote accountability and sound fiscal stewardship by supporting K-64 Board in developing tangible work plans with specific timelines and resource requirements for each priority area and in driving work plan implementation.

- \$1.3M commitment to K-64 initiative (2nd year)



Provide facilities in alignment with evolving educational instructional models & community needs

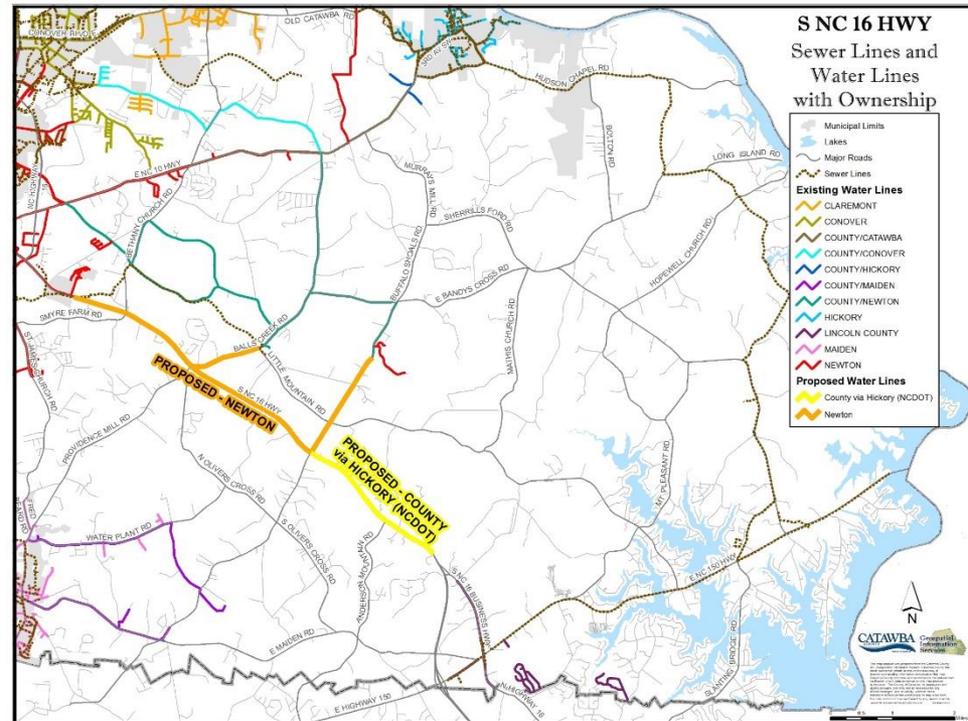
- **\$45.1M Schools Current Expense (\$1.1M increase)**
 - \$1,647 per pupil (2.6% increase total funding)
 - Statewide rank of 19th in total current expense funding; per pupil rank of 50th (up from 54th)
 - \$4.4M for CVCC (4.8% increase)
- **\$5.94M Schools Capital**
 - Catawba County Schools: \$3.72M
 - Hickory Public Schools: \$802,644
 - Newton-Conover City Schools: \$763,912
- **\$9.78M Schools Construction (final year of 4-year funding cycle)**
 - St. Stephens High School Renovations \$8M
 - Blackburn Elementary Renovations \$1.25M
- **\$15.5M in schools debt service (current and future)**



Lead growth through targeted water/sewer extensions

by maintaining infrastructure capable of balancing smart growth infill opportunities with fast growth expansion opportunities and maintaining quality of life

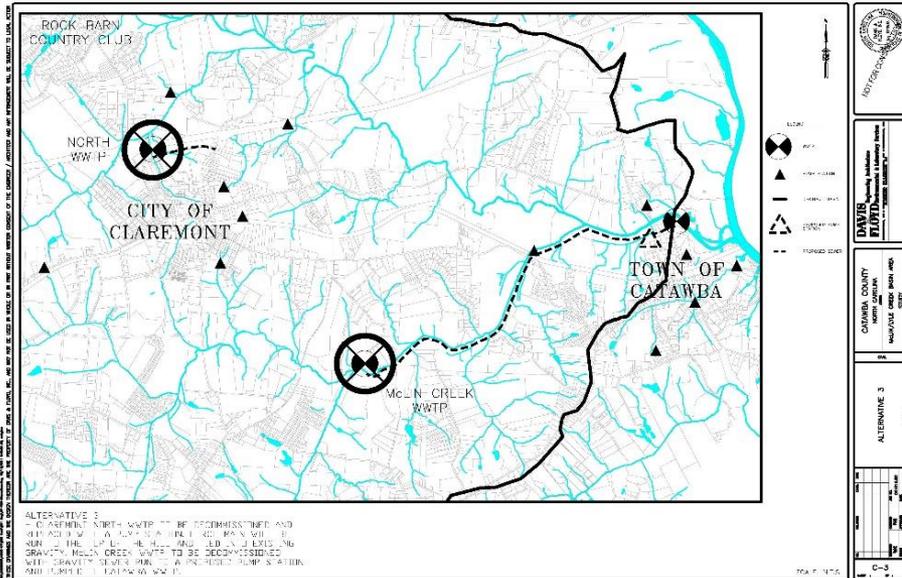
- \$5.8m loan (75% payback) to City of Newton for water down NC 16 South to Buffalo Shoals Rd



Lead growth through targeted water/sewer extensions

by maintaining infrastructure capable of balancing smart growth infill opportunities with fast growth expansion opportunities and maintaining quality of life

- **\$1.3M added to existing projects (\$767,982 from closing projects)**
 - McLin/Lyle Creek Sewer Outfall \$3M total (in partnership with Claremont)
 - Farmfield Acres \$484K total (in partnership with Conover)



Ensure Financial Sustainability of Water/Sewer Program

- **Maintain current capacity fees (validated through statutorily required analysis)**
- **Multi-year CIP for SECC under development through Utility Study**



Ensure Provision of *Right Care, Right Place, Right Time* Emergency/Public Safety Response to Citizens

Emergency Medical Response streamlined and improved:

- **City of Newton to Provide Service in Rural district**
 - Newton: 3 cent increase to support medical first response & rescue services
 - County loan to purchase crash truck for countywide use
- **Maiden Rescue to expand service in Mtn View, Propst and Vale community**

Improved Fire Service:

- **Conover: 2 cent increase to support fire apparatus replacement**
- **Cooksville: 1.3 cents towards future equipment replacement and facility renovation**

Funds set aside for future needs:

- **\$369,476 added to “Right care, right place, right time” public safety reserve (project balance: \$484,218)**



Ensure Provision of *Right Care, Right Place, Right Time* Emergency/Public Safety Response to Citizens

Healthy & Safe Community:

• Human Services:

- Environmental Health Inspectors approved in FY17/18 added to budget
- Grant-funded Public Health Nurse to assist with Pregnancy Care Mgmt
- Partners BHM funding maintained, while opioids/mental health/jail diversion study looks at future needs

• Public Safety:

- 911 Training/Quality Assurance Officer position added
- Emergency Services study currently underway
- \$50K reserved for future jail diversion efforts
- \$80K increased JPSC operating costs: court security, utilities, maintenance
- Jail debt interest-only payment: \$803,132



Quality of Life: Parks, Arts, Branding

Create synergy between the three major County parks by offering a distinct set of featured amenities at each location, taking into consideration complementary regional and local offerings.

- **FY17/18 \$8M in debt authorized for Mountain Creek Park Phase I build-out**
- **Mountain Creek Park interest-only payment: \$301,782**
- **Riverbend Park expansion activities underway**

Enhance awareness of cultural and arts assets and explore new opportunities and initiatives through partnership and collaboration.

- **Pop-Up Library & Outreach Specialist: \$93K in grant and matching funds for 2nd of 2-year grant**
- **Outcome driven Salt Block and Newton Auditorium funding: \$0.30 per visitor, budgeted at \$90K and \$12K (capped at \$100K & \$13K)**



Maintaining Infrastructure

Capital:

- \$1M existing jail and old Justice Center roof replacement
- \$708K Technology server & desktop applications and security enhancements, infrastructure upgrades (recurring)
- \$100K Permitting software upgrade set-aside (recurring)
- \$100K Facilities general renovations (recurring)
- Maintaining responsible capital replacement cycle (equipment, vehicles)



Maintaining Operations & Services

Recognizing employee customer service and productivity

- 2.5% to 3% performance pay based on evaluations

Competitive and cost effective employee benefits

- Joined NCHIP to control costs and spread risk (5% instead of 10%)
- Biweekly health insurance premiums increase:
 - County – \$7
 - Employee with dependent coverage – \$7 to \$20 (varies by tier)





MAKING

LIVING

BETTER

May 11-23: BOC Review of Manager's Recommendation

May 24: BOC Budget Hearings with Departments and funded agencies

May 31: BOC public hearing and wrap up

June 4: BOC Adoption of FY18-19 Budget