

Board of Commissioners Changes to the Manager's Recommended Budget

June 21, 2021

To the Catawba County Board of Commissioners and Citizens:

I am pleased to present to you the proposed budget for adoption. On June 1, 2021, I presented my recommended budget. Budget hearings were held on June 10, 2021, with a public hearing and wrap-up session on June 15, 2021. During deliberations the Board made changes to the budget as follows:

- Appropriated \$5,304,000 American Rescue Plan funds – \$5,209,000 to support water & sewer projects and \$95,000 towards a broadband study.
- Appropriated freed property and sales tax revenue from water & sewer toward future projects - \$2,075,000 or 5% contingency in the Schools Construction Projects Fund and \$789,500 in the General Capital Project Fund for EMS bases or ARC building replacement needs.
- Maintained all fire service protection district tax rates at Fiscal Year 2020/21 levels.

The final budget is \$308,353,378.

Sincerely,

A handwritten signature in black ink that reads "Mick w Berry". The signature is written in a cursive, flowing style.

Mick Berry
County Manager

Message from the County Manager

June 1, 2021

To the Catawba County Board of Commissioners and Citizens:

I am pleased to present to you the recommended Catawba County budget for Fiscal Year 2021/22 in the amount of \$303,965,260, which maintains a property tax rate of \$0.575 per \$100 of valuation and reflects a 25.9 percent increase in the total budget. (This increase is driven primarily by required transfers related to establishing the SECC Water and Sewer District and receipt of a state grant for school construction.) The General Fund budget is \$210,522,842 of this total, a 4.6 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.

The Fiscal Year 2021/22 Budget continues to invest in the Board of Commissioners' Strategic Plan, focused on creating jobs and growing the tax base while continuing to amplify the County's strong quality of life. Even in the face of the COVID-19 pandemic, Catawba County's deep-rooted tradition of fiscal stewardship has served the community well, positioning the Board of Commissioners to make strategic investments in services that protect community health and safety and reinforce the County's positive business climate, a critical component of the County's and region's post-pandemic economic recovery.

The attached Budget Highlights provides an executive summary of the coming year's financial plan. Details on each department's budget, school capital and current expense funding, longer term capital improvement plans and other future looking data and analysis round out this budget.

Sincerely,

A handwritten signature in black ink that reads "Mick w Berry". The signature is written in a cursive, flowing style.

Mick Berry
County Manager



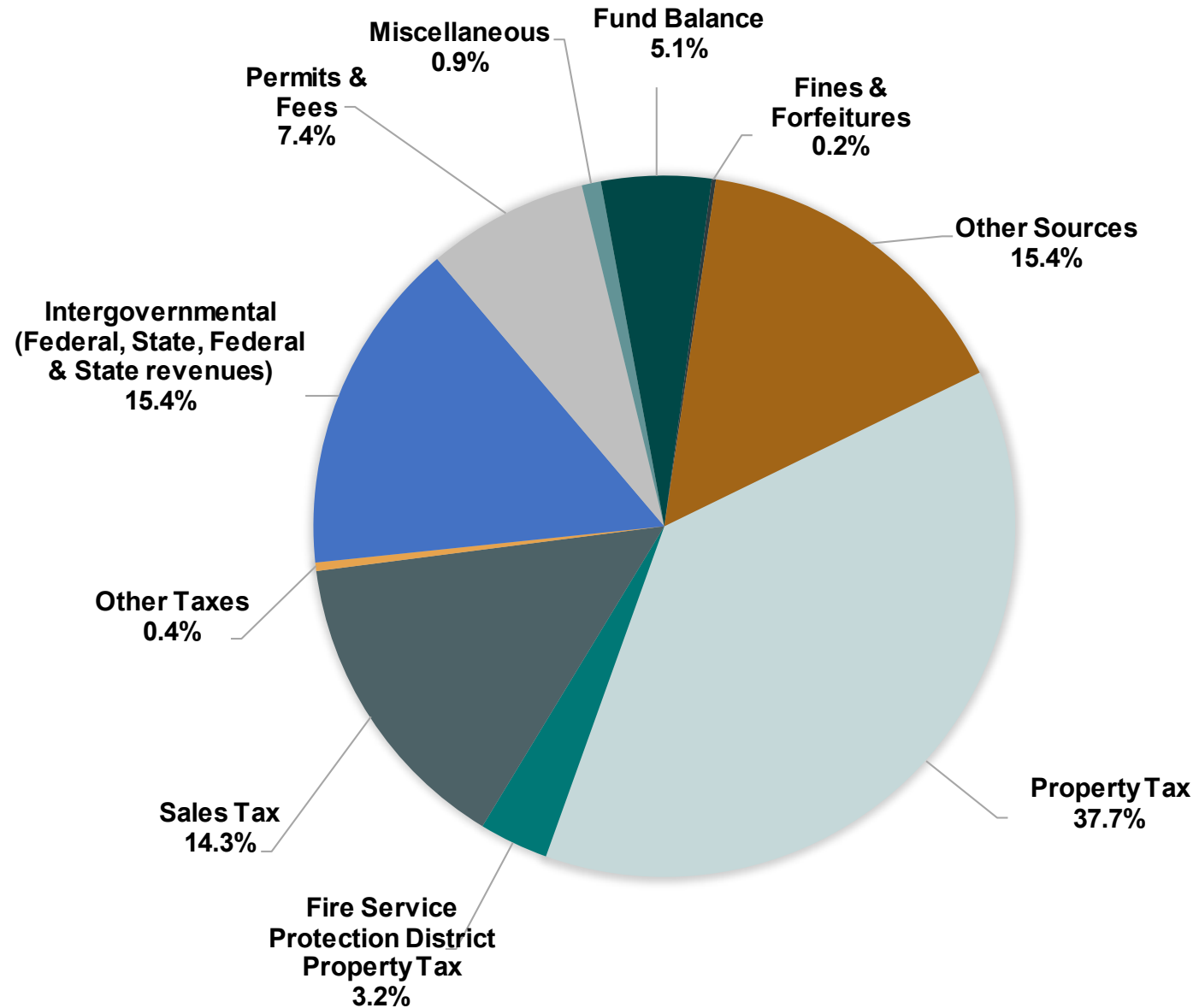
catawba county

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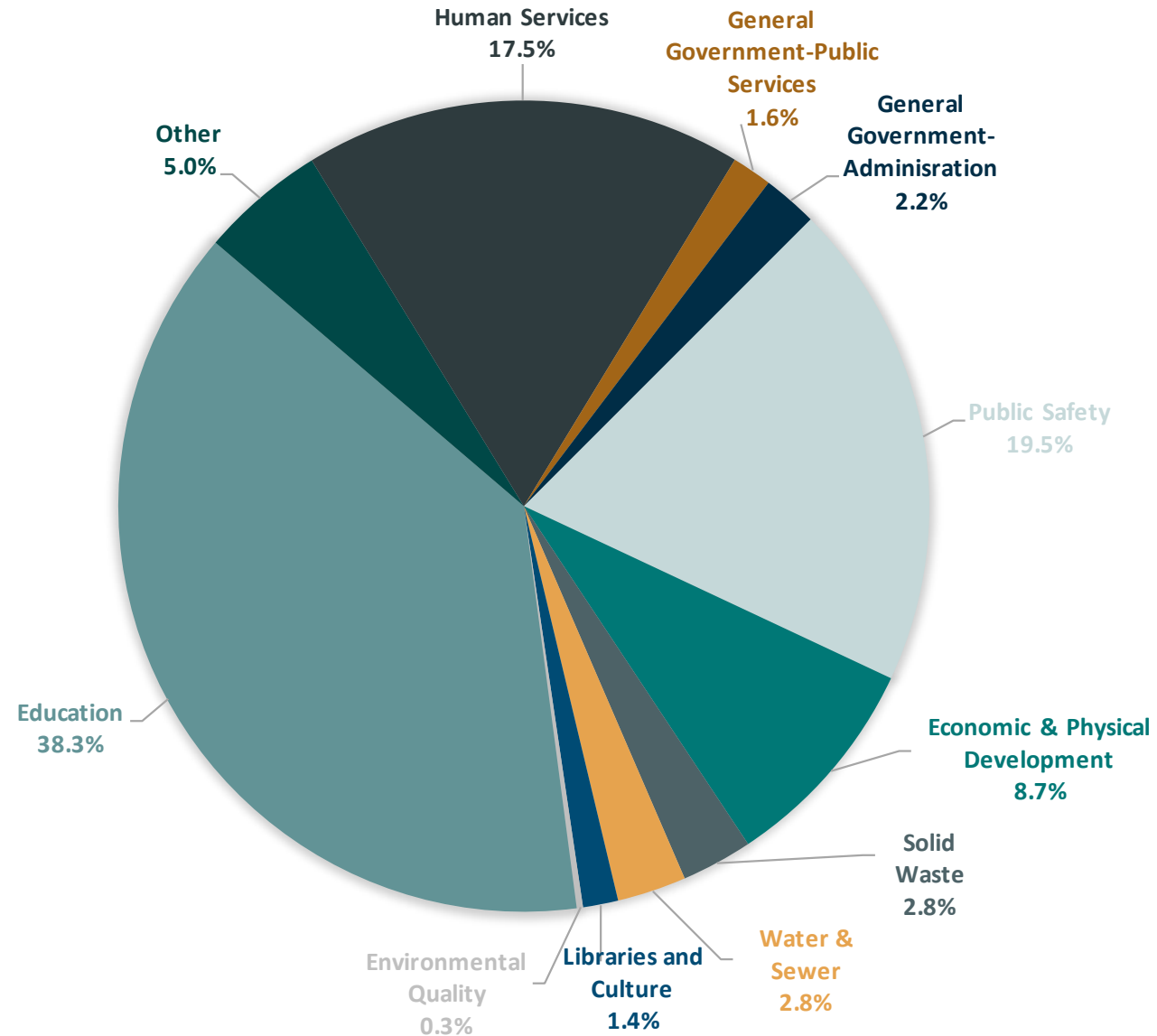
FY2021-22 Manager's Recommended Budget

June 1, 2021

Total Budget: Revenue by Function



Total Budget: Expense by Function



Strong Revenue Picture; \$.575 Tax Rate Maintained

Revenue by Fund /Type	FY 2020/21 Approved Budget	FY 2021/22 Recommended Budget	Rec \$ Change	Rec % Change
Property Tax	\$105,547,711	\$108,699,000	\$3,151,289	3.0%
Sales Tax	\$29,608,821	\$33,706,181	\$4,097,360	13.8%
Other Taxes	\$680,500	\$785,500	\$105,000	15.4%
Federal	\$14,808,250	\$15,352,974	\$544,724	3.7%
State	\$6,928,605	\$5,402,064	(\$1,526,541)	-22.0%
Federal & State	\$6,832,229	\$6,491,767	(\$340,462)	-5.0%
Local	\$5,989,443	\$5,699,407	(\$290,036)	-4.8%
Permits & Fees	\$11,981,335	\$13,043,464	\$1,062,129	8.9%
Miscellaneous	\$2,296,343	\$2,265,663	(\$30,680)	-1.3%
Fund Balance	\$5,871,853	\$7,983,892	\$2,112,039	36.0%
Transfers Between Funds	\$550,000	\$956,015	\$406,015	73.8%
Fines & Forfeitures	\$0	\$0	\$0	0%
Other Sources	\$9,548,775	\$10,136,915	\$588,140	6.2%
Total General Fund	\$200,643,865	\$210,522,842	\$9,878,977	4.9%



Budget Continues Strategic Plan Investments

Expenses by Department/Fund	FY 2020/21 Approved Budget	FY 2021/22 Recommended Budget	Rec. \$ Change	Rec. % Change
General Government	\$9,528,488	\$10,223,175	\$694,687	7.29%
Public Safety	\$37,541,310	\$40,305,449	\$2,764,139	7.36%
Environmental Quality	\$712,263	\$727,476	\$15,213	2.14%
Economic & Physical Dev	\$21,106,166	\$21,769,901	\$663,735	3.14%
Human Services	\$48,374,227	\$50,391,733	\$2,017,506	4.17%
Education - Current Exp	\$46,134,748	\$47,029,774	\$895,026	1.94%
Culture	\$3,703,424	\$3,773,107	\$69,683	1.88%
Debt	\$28,188,100	\$29,010,970	\$822,870	2.92%
Transfers	\$5,355,139	\$7,291,257	\$1,936,118	36.15%
Total General Fund	\$200,643,865	\$210,522,842	\$9,878,977	4.92%



FY22 Funded Investments



EDUCATION:

- Current Expense: 2% increase to total funding (\$895,026)
- K64: 5th of 5-year \$1.3M funding commitment
- Annual Capital: \$7.8M dedicated to schools annual capital needs; submitted list of needs totals \$14M+
- Construction: \$19.5M New Maiden Elementary, \$18M NCCHS Renovations, \$4M HPS Elementary School Renovations

ECONOMIC DEVELOPMENT:

- Trivium & SECC Business Parks - invests \$1.2M towards creation of jobs and tax base



FY22 Funded Investments

SHERIFF:

- \$589,000 in operating increases driven by jail medical, contractual services, and training
- 18 equipped vehicle replacements
- Mandated retirement contribution increase and annualizing 3 School Resource Officers approved in FY21

EMERGENCY SERVICES:

- EMS operating investments - \$234,000 in powerlift stretcher contract, medical supplies, part-time and over-time wages, and patient satisfaction survey
- Animal Shelter - improved veterinary services, and medical supplies; offset by increased municipal revenue
- Ambulances – 4 replacements

911 COMMUNICATIONS CENTER:

- Intermediate and Advanced Telecommunicator Certification incentives - \$15,000



FY22 Funded Investments



PLANNING & PARKS:

- Comprehensive Plan – \$109,000 to update the County’s Comprehensive Plan
- Truck and trailer – replacement of end-of-life truck and trailer (\$45,580)
- Annualize Mountain Creek & 7-Day Operations

PUBLIC HEALTH:

- School Nurses
 - 2 new positions focused on highest acuity students; supported by COVID relief funds (\$155,000)
 - 3 positions added in FY21 – using COVID relief for County share (\$31,257)
- Environmental Health Specialist (1 FTE) –to address increased permitting needs (\$64,556), funded primarily by EH revenue
- Clinical Services Administrative Assistant II (1 FTE) – using COVID relief to address increased workload and provide dedicated program support (\$57,000)



FY22 Funded Investments



WATER AND SEWER:

- Budget establishes SECC Water & Sewer District Enterprise Funds for newly established district (May 9, 2021)
 - Operating - \$679,163
 - Capital
 - Hickory-Catawba WWTP Future Expansion - \$250,000
 - S NC 16 Water - \$2.5M
 - Village Center Pump Station Upgrade - \$2,709,000
- County Water & Sewer Enterprise Fund maintained



FY22 Funded Investments

UTILITIES & ENGINEERING:

- Building Services Official III (1 FTE) –to address increased permitting needs (\$89,000), funded by building permit revenue
- Permit Center Specialist (1 FTE) – to address increased permitting needs (\$56,500)
- 4 Vehicles – 3 replacements and 1 new

LIBRARY:

- Late Fee Elimination – \$17,000 revenue reduction
- Future Main Library project - \$300,000 (Library Reinventing Surplus)



FY22 Funded Investments

MAINTAINING OPERATIONS AND SERVICE:

- Competitive Performance Pay
 - 3% for effective performance
 - 3.5% for top performers
- Maintain Health and Dental Plans
 - 6.25% premium increase
- Treasurer's mandatory LGERS/LEO increases: 1.2%
- 401k Contribution Increase: 1%
- Annual 1/3 Pay Study Implementation
- Maintain Longevity and Service Award Programs



Continued Support for Outside Agencies

- Other Economic Development – \$566,428, plus incentives
- Other Public Safety – \$989,229
- Hickory Public Library - \$225,289
- Historical Association - \$125,000
- SALT Block - \$100,000
- United Arts Council \$1 per NCOMB population – \$159,621



Changes to Fire Service District Tax Rates

Fire District	FY22 Requested	FY21 Tax Rate	FY22 Recommended
Mountain View	0.0900	0.0718	0.0900
Conover	0.1250	0.1100	0.1100
Claremont	0.1300	0.1100	0.1200
Catawba	0.1500	0.1300	0.1300
Newton	0.1500	0.1300	0.1500

Mountain View: \$148,216 revenue increase to fund pumper and tanker debt, set-aside for future land acquisition, and support operations.

Claremont: \$74,653 increase requested. \$35,643 increase recommended to fund medical first response in rural district 12 hours per day, Monday through Friday.

Newton: \$125,889 increase in revenue to support 6 positions previously funded through SAFER grant (to enhance rural service) and to address capital replacement pressures.

Not Recommended: Requested increases for Conover and Catawba not recommended.



Recommended Personnel Changes: 6 New Positions, 6.5 Eliminated

Position	Department	Total FTEs	Funding Source
School Nurse	Public Health	2.0	COVID Relief
Administrative Assistant II	Public Health	1.0	COVID Relief
Environmental Health Specialist	Public Health	1.0	EH Fees
Building Services Official III	Utilities & Engineering	1.0	General Fund
Permit Center Specialist	Utilities & Engineering	1.0	General Fund
Total New FTEs		6.0	

Position	Department	Total FTEs
Foster Cottage Parent	Social Services	-5.0
Outpatient Therapist	Social Services	-0.5
Attorney	County Manager's Office	-1.0
Total Recommended FTEs		-6.5



Overview of Proposed Fee Changes

- **Animal Shelter:** 5 new fees to capture costs; 4 decreased animal adoption fees; 2 revised fees to better clarify costs
- **Emergency Services:** Revising 10 fees for relevancy and to better reflect actual costs; 2 new fees to better recover costs
- **Human Resources:** Eliminating 3 fees for services that are not used
- **Library:** Elimination of late fees; revising large format printing/copying fee to capture actual costs; verbiage update for 3D printing fee
- **Environmental Health:** Eliminating 3 fees; revising one fee's verbiage for services no longer offered; new Authorization to Construct – Septic Tank Only fee
- **Utilities & Engineering:** Overhaul of Building Permits to improve simplicity and transparency, elimination of Green Building Incentives
- **Solid Waste fee schedule:** Increase tipping fees per plan, new fee to discourage by-passing exit scales, new fee for visitor safety vests, decrease mulch compost, increase in scrap tire disposal fee



FY2021-22 Budget: Next Steps

- June 10th BOC Hearings with Departments, Schools, and Outside Agencies
- June 15th Public Hearing and Wrap-Up
- June 21st FY2021-22 Budget Adoption





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