

# County Manager's Recommended FY 2013-14 Annual Operating Budget and Capital Investment Plan



*Presentation  
Southern Human Services Center, Chapel Hill  
Orange County, NC  
May 21, 2013*

# Guiding Principles

- Balances County's operating budget without a property tax rate increase – 5th Consecutive Year
- Provides funding for County services at current levels
- Funds local school districts enrollment growth, operational funding and debt service.

# Recommended General Fund Budget

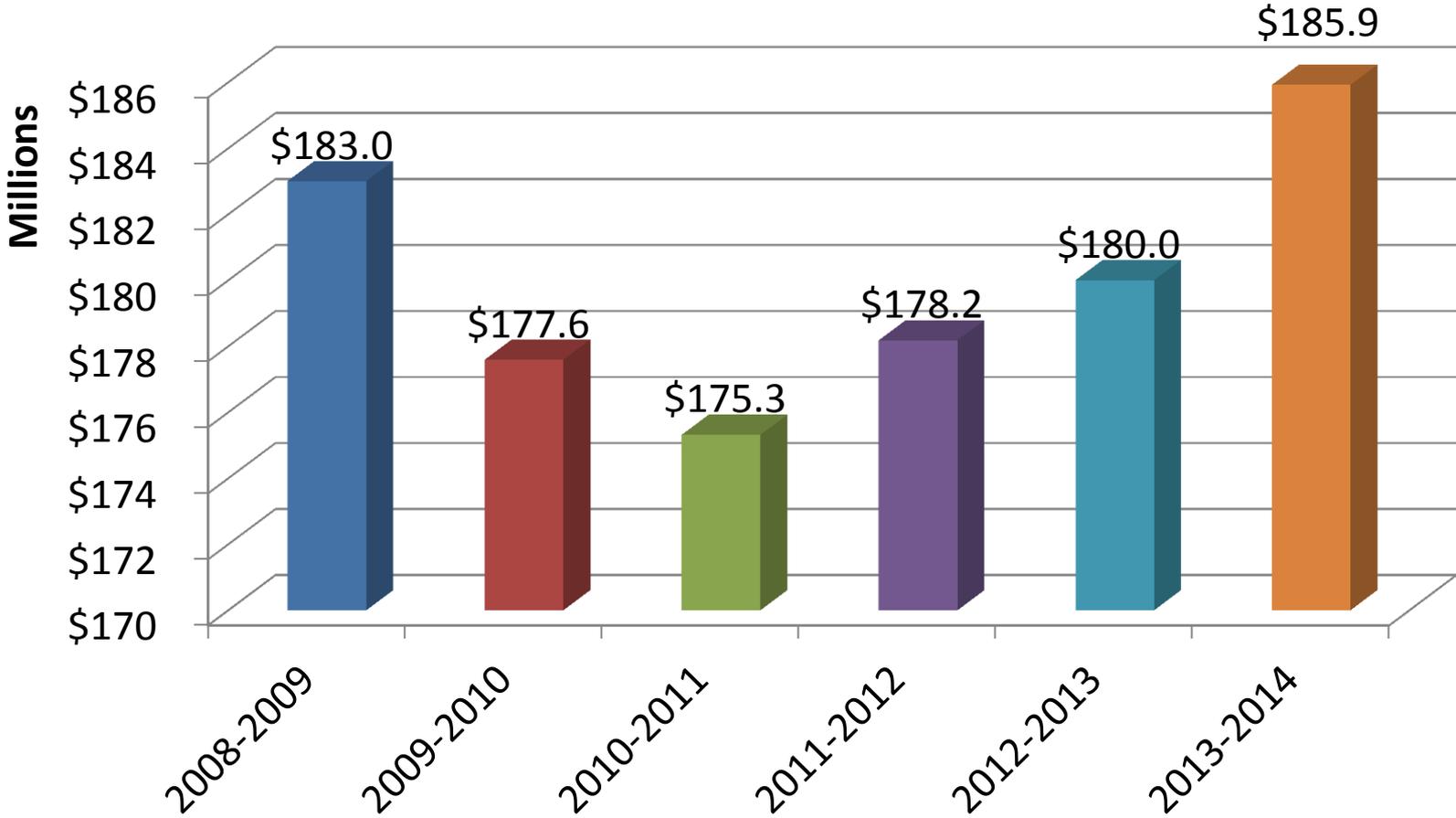
- Totals \$185.9 million
  - Represents an increase of \$5.9 million from original current year budget of \$180.0 million, which is a 3.29 percent increase from previous year original budget
  - Represents a \$6.2 million decrease in the current year's amended budget

# Components of General Fund Budget

General Fund Revenues.....	\$ 182,554,881
General Fund Unassigned Fund Balance.....	\$ 3,366,309
General Fund Expenditures.....	<u>\$ (185,921,190)</u>
Net.....	<u><u>\$ -</u></u>

# Orange County Budget Past 6 Fiscal Years

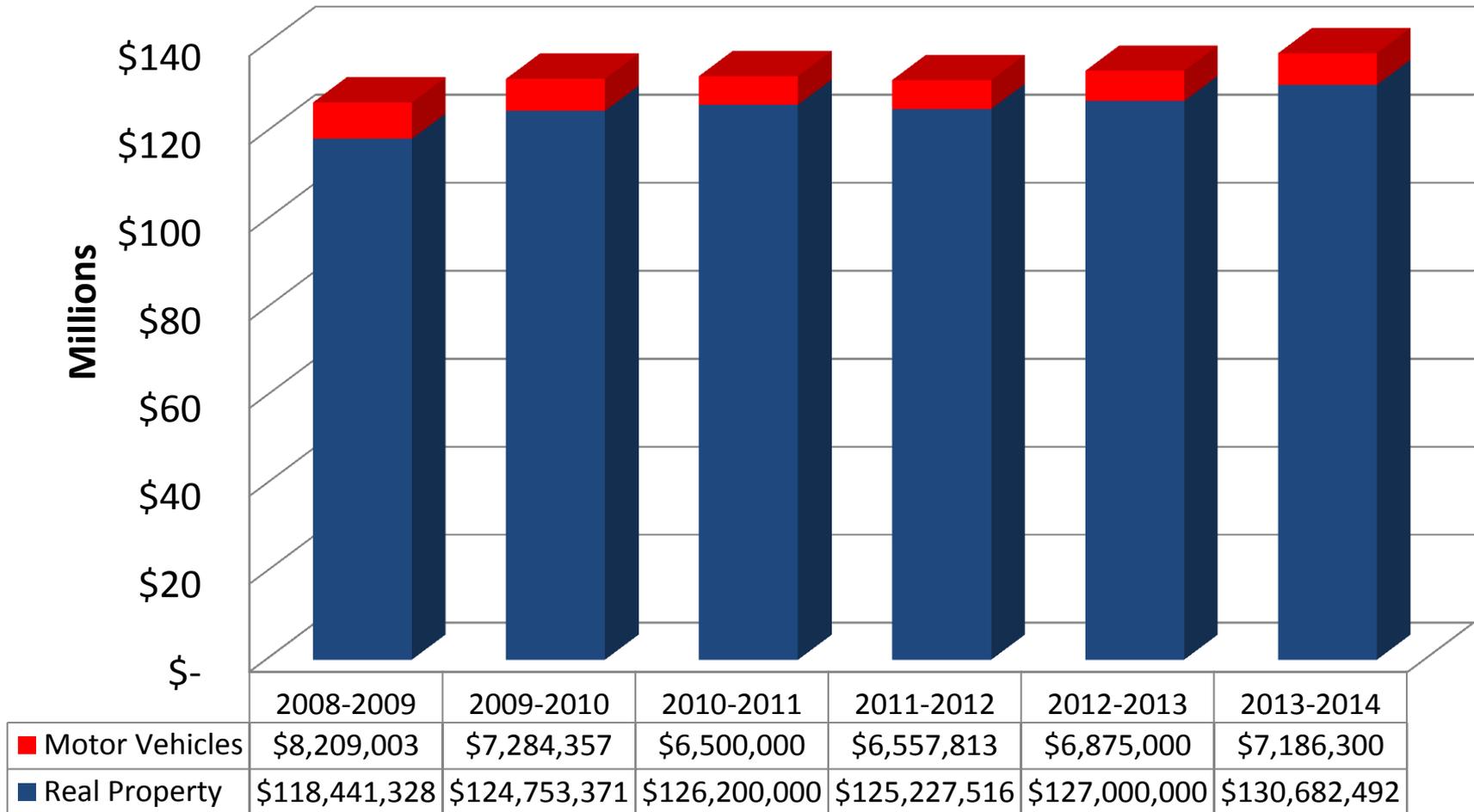
## Original Budget



# Proposed Ad Valorem Tax Rate Effective July 1, 2013

- Proposed tax rate of 85.8 cents per \$100 of assessed valuation
  - This rate produces \$137.8 million in property tax revenues for FY 2013-2014
  - Overall Real Property Valuation increased 2.7%
- One cent on property tax estimated to generate \$1,606,869

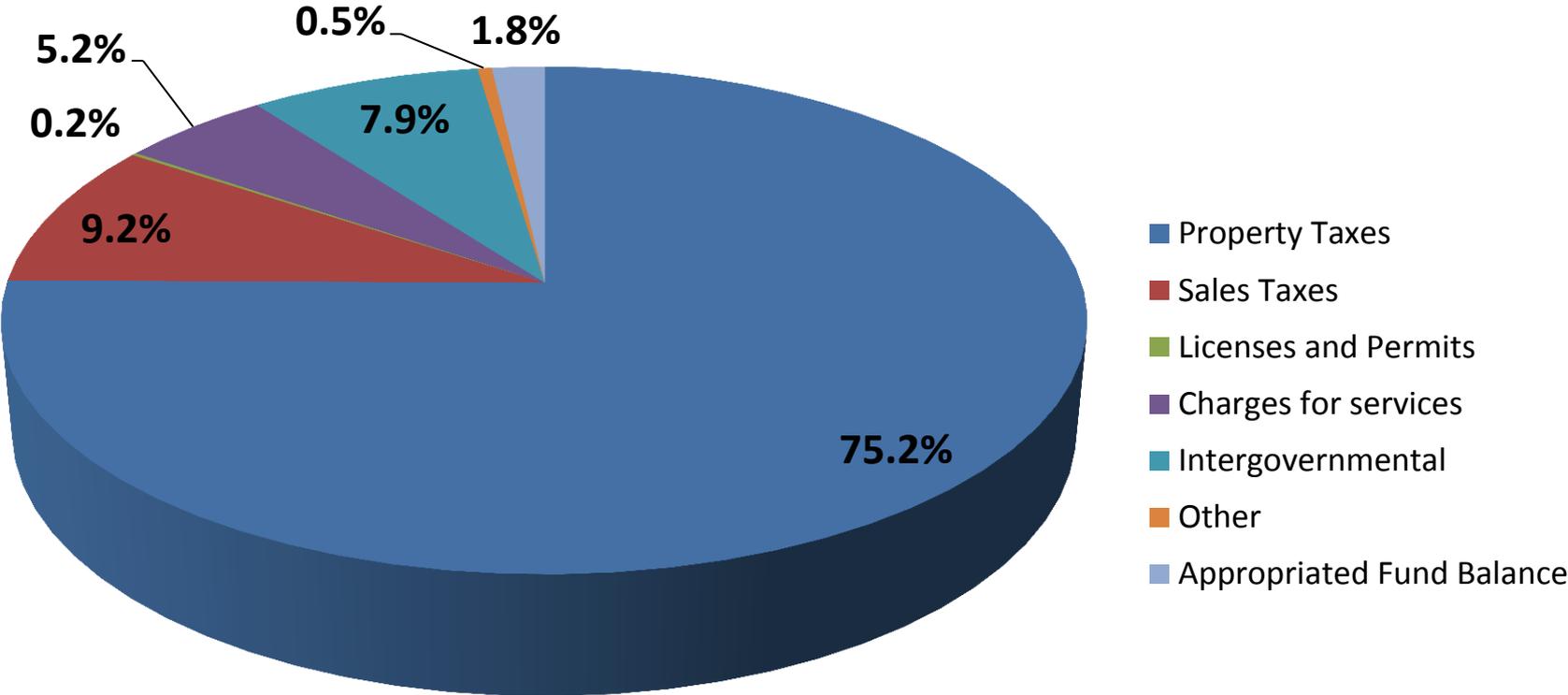
# Orange County Property Tax Revenues Past 5 Fiscal Years



# Sales Tax Revenues

- Recommended Sales Tax Revenues of \$17.2 million is \$1.5 million higher than the \$15.7 million budgeted in FY 2012-2013 due to an expected 2 to 3 increase in consumer spending , and current year projections
- Actual sales tax revenues are down over 31% since the peak of \$22.5 million in fiscal year 2007-2008

# Orange County General Fund FY 2013-14 Revenues



# Proposed Chapel Hill-Carrboro City Schools District Tax Rate Effective July 1, 2013

- Recommended tax rate of 18.84 cents per \$100 of assessed valuation
  - Represents no increase in the property tax rate for the District
- Recommended tax rate will generate \$19.4 million for the Chapel Hill – Carrboro School District
  - This represents an additional \$1,584 per pupil above the County's allocation
- One cent on district tax is estimated to generate \$1,029,085

# Recommended Funding for Chapel Hill - Carrboro City and Orange County Schools

- Total General Fund appropriation totals \$87.8 million
  - Funds day-to-day operations, repayment of school related debt, and capital
  - Equals an appropriation of 48.1 percent of total General Fund Revenues
  - Reflects \$2.4 million increase from current year General Fund appropriation
  - Equates to a current expense allocation of \$3,188 per student for each of the 19,908 students in both districts for day-to-day operating funds and projected enrollment growth.

# County Education Funding

<u>Fiscal Year</u>	<u>Original Budget</u>	<u>General Fund % of Revenues</u>
2008-2009	\$ 90,447,942	50.0%
2009-2010	\$ 86,378,040	48.6%
2010-2011	\$ 87,135,916	49.8%
2011-2012	\$ 84,175,033	47.5%
2012-2013	\$ 85,455,533	48.1%
2013-2014	\$ 87,812,103	48.1%

Current Expense, Recurring and Long – Range Capital, Fair Funding and Debt Service

## Additional Funding for Local Schools

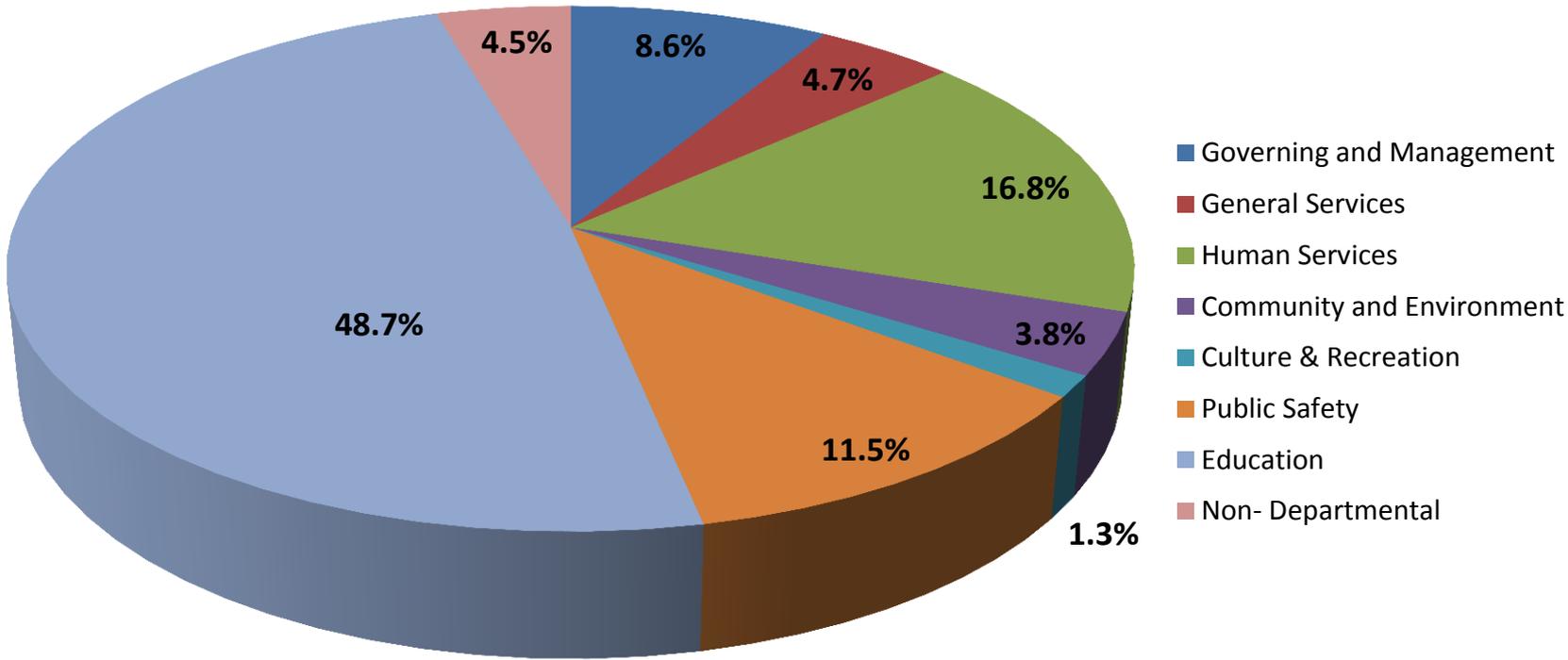
- In addition to the \$87.8 million for operations, debt and capital, recommended budget allocates \$1.9 million to fund non-mandated safety net initiatives for both school districts  
Some of these initiatives are:
  - School Health Nurses - \$683,706
  - School Resource Officers - \$545,514
  - School Social Workers - \$692,283
- With these additional non-mandated funding initiatives, the total funding for the local school districts total 49.2% of the General Fund Revenues

# Major Funded County Initiatives

- Maintains all County services at current levels
- Funds the increase in medical insurance and fully funds the 401(k)/457 plans for non-sworn employees
- A cost of living and in-range increase equating up to 3% in compensation for employees
- Provides for and increases in positions for EMS Communicators, a Quality Assurance Training Officer, EMS Assistant Supervisors staggered over the year to address the recommendations of the Emergency Services Study and Work Group
- Provides for six new positions in Information Technologies to address the recommendations included in the Information Technology Strategic Plan
- Provides funding to the Town of Chapel Hill Library totaling \$483,426
- Allocations provided to non-profit organizations total \$1,030,100 for FY 13-14.
- Long range/pay-as-you go County capital is \$620,000.
- Debt service for the General Fund will be \$25.6 million

# Orange County General Fund FY 2013-14 Expenditures

## Expenditures



Education includes funding for local school districts and Durham Tech

# Solid Waste Initiatives

- The closure of the landfill with public education and other related planning efforts of the landfill in FY2013-14. We expect to incur \$3.2 million in closure cost in FY 2013-14.
- The planning and design for the Eubanks Solid Waste Convenience Center improvements
- New Landfill Mattress Fee of \$10.00 per mattress
- Recycling Fees - No additional 3-R Fee billings for the upcoming year, which results in a projected revenue loss of \$1.1 million, and propose an increase in the Basic 3-R Fee from \$37.00 of \$47.00 per household
- We propose increases in the sanitation household fee to be charged per household as follows:
  - Rural Residential Increase from \$20.00 to \$40.00
  - Urban Household Increase from \$10.00 to \$20.00
  - Multi – Family Increase from \$2.00 to \$4.00

# Additional Funding Options

- Appropriate Fund Balance, if necessary; The Board may use up to \$650,000 without a negative impact on fund balance
- Property tax increase
- Increase in CHCCS Special District Tax

# Revenues Generated By Property Tax Increase

<u>Tax Increase</u>	<u>Property Tax Revenues Generated</u>	<u>Per Pupil Equivalency</u>
1 cent	\$1,606,869	\$80.71
2 cents	\$3,213,738	\$161.43
2.4 cents	\$3,856,486	\$193.72
4 cents	\$6,427,476	\$322.86
5.5 cents	\$8,837,780	\$443.93

Based on 19,908 students

# Revenues Generated By Increase in CHCCS Special District Tax

<u>Tax Increase</u>	<u>Revenues Generated</u>	<u>Equivalency</u>
1 cent	\$1,029,085	\$84.06
2 cents	\$2,058,170	\$168.12
5.5 cents	\$5,659,968	\$462.34

Based on 12,242 projected students for the CHCCS School District

# County Capital Investment Plan

	<b>Fiscal Year 2013-14</b>
<b><i>Appropriations</i></b>	
<b><i>County Capital Projects</i></b>	5,895,268
<b><i>Special Revenue Fund (Article 46 Sales Tax)</i></b>	
<i>Economic Development.....</i>	1,319,500
<i>Chapel Hill Carrboro City Schools.....</i>	801,900
<i>Orange County Schools.....</i>	516,850
<b><i>Proprietary Capital Projects</i></b>	
<i>Water &amp; Sewer Utilities .....</i>	896,250
<i>Solid Waste .....</i>	3,513,936
<i>Sportsplex.....</i>	710,000
<b><i>Schools Capital Projects</i></b>	
<i>Chapel Hill Carrboro City Schools .....</i>	3,130,742
<i>Orange County Schools .....</i>	1,947,918
<b><i>Total</i></b>	<b><u>18,732,364</u></b>

Details of the Capital Investment Plan are included in the Budget

# Concerns and Issues for FY 2014-2015

- Federal Sequestration and State Budget Issues
- Debt Service
- County Capital Projects
- School Capital Projects
- Health Insurance
- Post-employment Insurance benefit for retirees
- Economic Development
- Economy

# Public Hearings and Work Sessions

*(All Meetings Begin at 7:00 p.m.)*

<b>Public Hearings</b>	<b>May 23</b>	<b>Department of Social Services, 113 Mayo Street, Hillsborough</b>
	<b>May 30</b>	<b>Southern Human Services Center, Homestead Road, Chapel Hill</b>
<b>Work Sessions</b>	<b>June 6</b>	<b>Southern Human Services Center, Homestead Road, Chapel Hill</b>
	<b>June 11</b>	<b>Southern Human Services Center, Homestead Road, Chapel Hill</b>
<b>Work Session/ Adoption</b>	<b>June 13</b>	<b>Southern Human Services Center, Homestead Road, Chapel Hill</b>
<b>Final Adoption</b>	<b>June 18</b>	<b>Southern Human Services Center, Homestead Road, Chapel Hill</b>

# Document Availability

- Clerk to Board of Commissioners
- County Finance & Administrative Services Office
- Orange County Library
- Chapel Hill Public Library
- Carrboro/McDougle Branch Library
- Cybrary, Carrboro
- Orange County Website
  - [www.orangecountync.gov/finance](http://www.orangecountync.gov/finance)