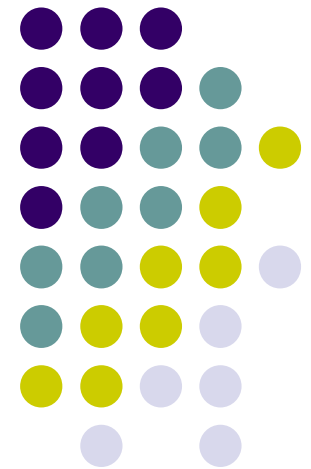
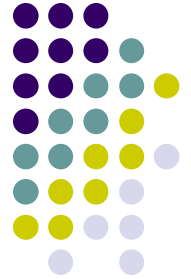


County Manager's Recommended 2009-10 Annual Operating Budget

*Public Hearing
Central Orange Senior Center, Hillsborough
Orange County, NC
May 21, 2009*

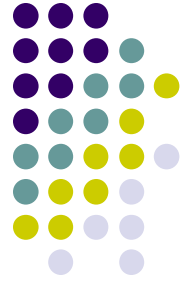


Milestones Achieved This Year



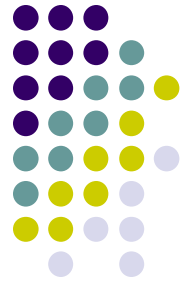
- Property and sales tax collections remain on target to meet budget
- County departments reduced budgets early in year to deal with anticipated State funding reductions and economic downturns
- School funding was not reduced as a result of revenue losses
 - School Construction Impact Fees
 - Public School Building Funds
 - Lottery Proceeds
- Completed eight new County facilities
 - Animal Services Facility located in Chapel Hill
 - Cedar Grove Park located at Northern Human Services Center in Hillsborough
 - Central Orange Senior Center and expansion of the SportsPlex in Hillsborough
 - Justice Facility, Main County Library, and Office Building located in downtown Hillsborough
 - Solid Waste Administration Building located in Chapel Hill
 - West 10 Park located in Efland/Buckhorn area
- Nearing completion of Main County Library and Office Building located in downtown Hillsborough
- Adopted the 2030 Comprehensive Plan which updates and expands the scope and policy direction of the 1981 County Land Use Plan

Guiding Principles



- Meets Board directives
 - Balances County's operating budget at revenue neutral tax rate
 - Funds local school districts at 48.1% of the County's General Fund
 - 2001 Commissioner approved funding target for Schools
- Allows for full year costs of operating new County facilities
- Addresses County priorities such as providing safety net and implementing comprehensive plan

Proposed Ad Valorem Tax Rate Effective July 1, 2009



- Recommended tax rate of 85.8 cents per \$100 of assessed valuation
 - This is the rate that produces the same amount of property tax levy as budgeted in current year
 - Commonly referred to as revenue neutral property tax rate
 - Current year tax rate is 99.8 cents per \$100 assessed valuation
- One cent on property tax estimated to generate \$1,505,352

How Will Revaluation and Recommended Tax Rate Impact Homeowners?



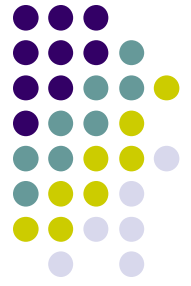
Example of Tax Bill Comparison

	Prior to Revaluation	After Revaluation (Value Increase of 24%)
Value of Property	\$241,000	\$298,840 ⁽²⁾
Tax Rate ⁽¹⁾	0.998	0.858
Equals Tax Bill	\$2,405	\$2,564
	Difference	\$159

⁽¹⁾ Current year Countywide tax rate is 99.8 cents per \$100 valuation. Recommended Countywide tax rate effective July 1, 2009 is 85.8 cents per \$100 valuation. This recommended rate reflects the County's revenue neutral ad valorem tax rate.

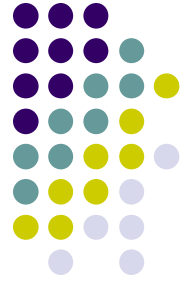
⁽²⁾ \$298,840 is the average value of all residential property in Orange County after the 2009 revaluation schedule of values is applied.

Proposed Chapel Hill Carrboro City Schools District Tax Rate Effective July 1, 2009



- Recommended tax rate of 18.84 cents per \$100 of assessed valuation
 - Represents revenue neutral property tax rate for District
 - Current year tax rate is 23 cents per \$100 assessed valuation
- Recommended tax rate will generate \$18.7 million
 - In addition to monies district will receive from Countywide tax
- One cent on district tax estimated to generate \$993,725

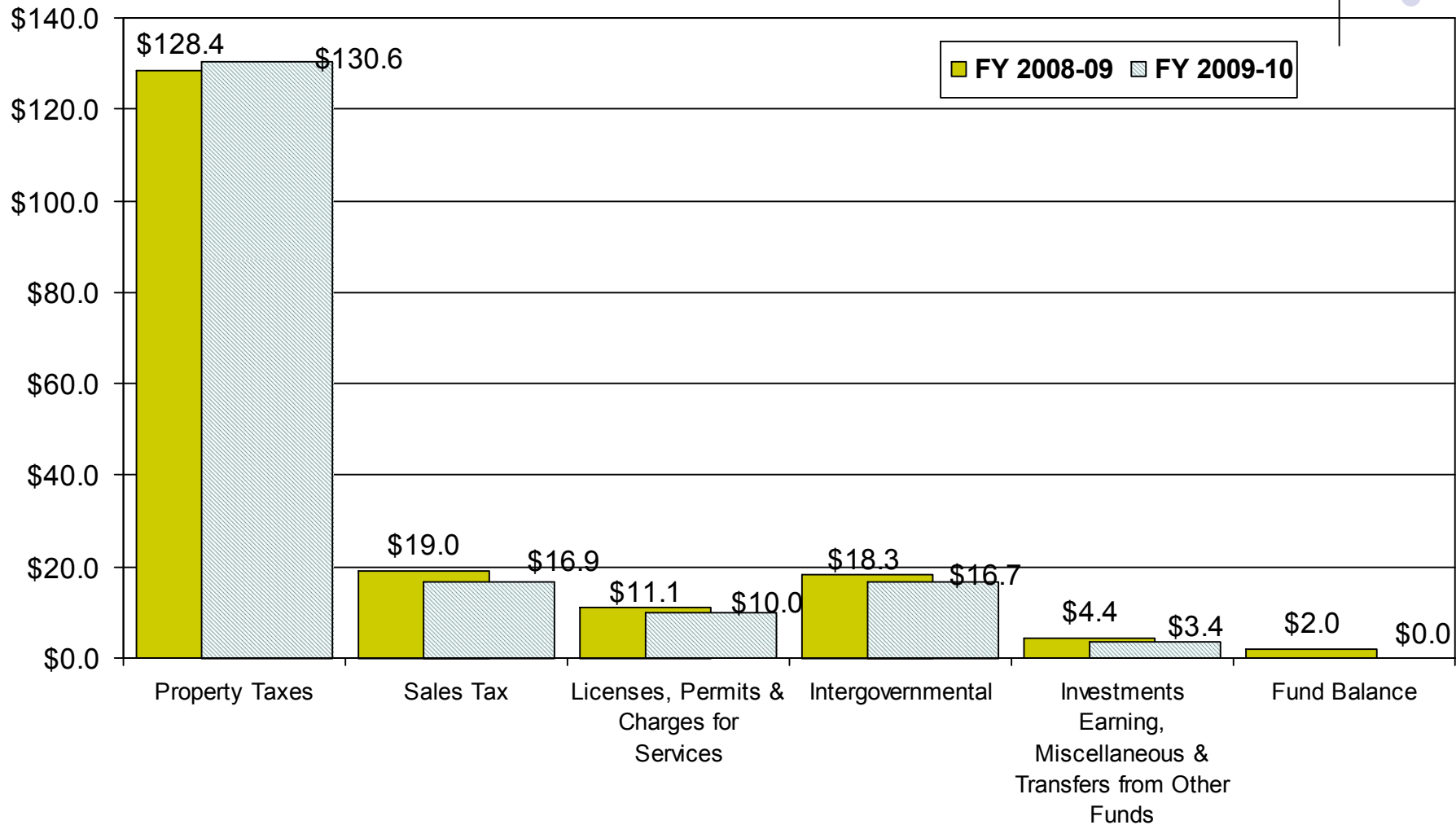
Recommended General Fund Budget



- Totals \$177.6 million
 - Decrease of \$5.4 million from original current year budget of \$183 million
 - Represents 3 percent decrease from previous year original budget
- Budget decreases mean everyone – schools, non-profit agencies, and county departments - receive less money next year than they received this year

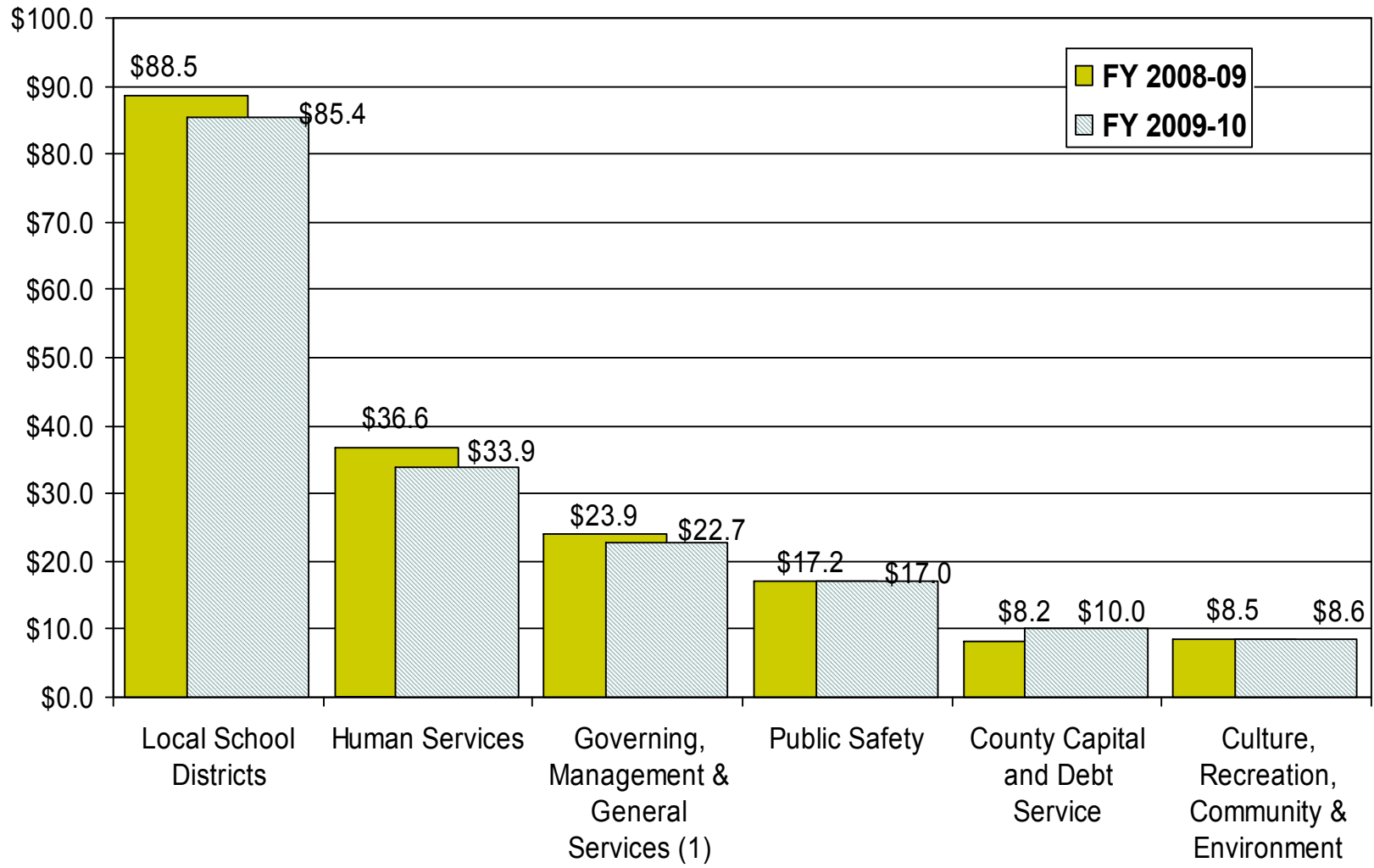
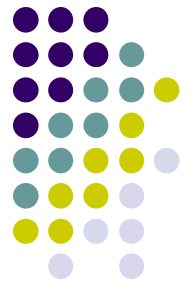
FY 2009-10 General Fund Revenues

Recommended Budget Totals \$177,589,039



FY 2009-10 General Fund Appropriations

Recommended Budget Totals \$177,589,039



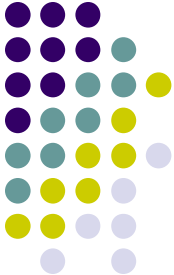
(1) Includes funding for Orange County Campus of Durham Technical Community College (\$771,600 in FY 2008-09 and \$743,000 in FY 2009-10)

Recommended Funding for Chapel Hill Carrboro City and Orange County Schools

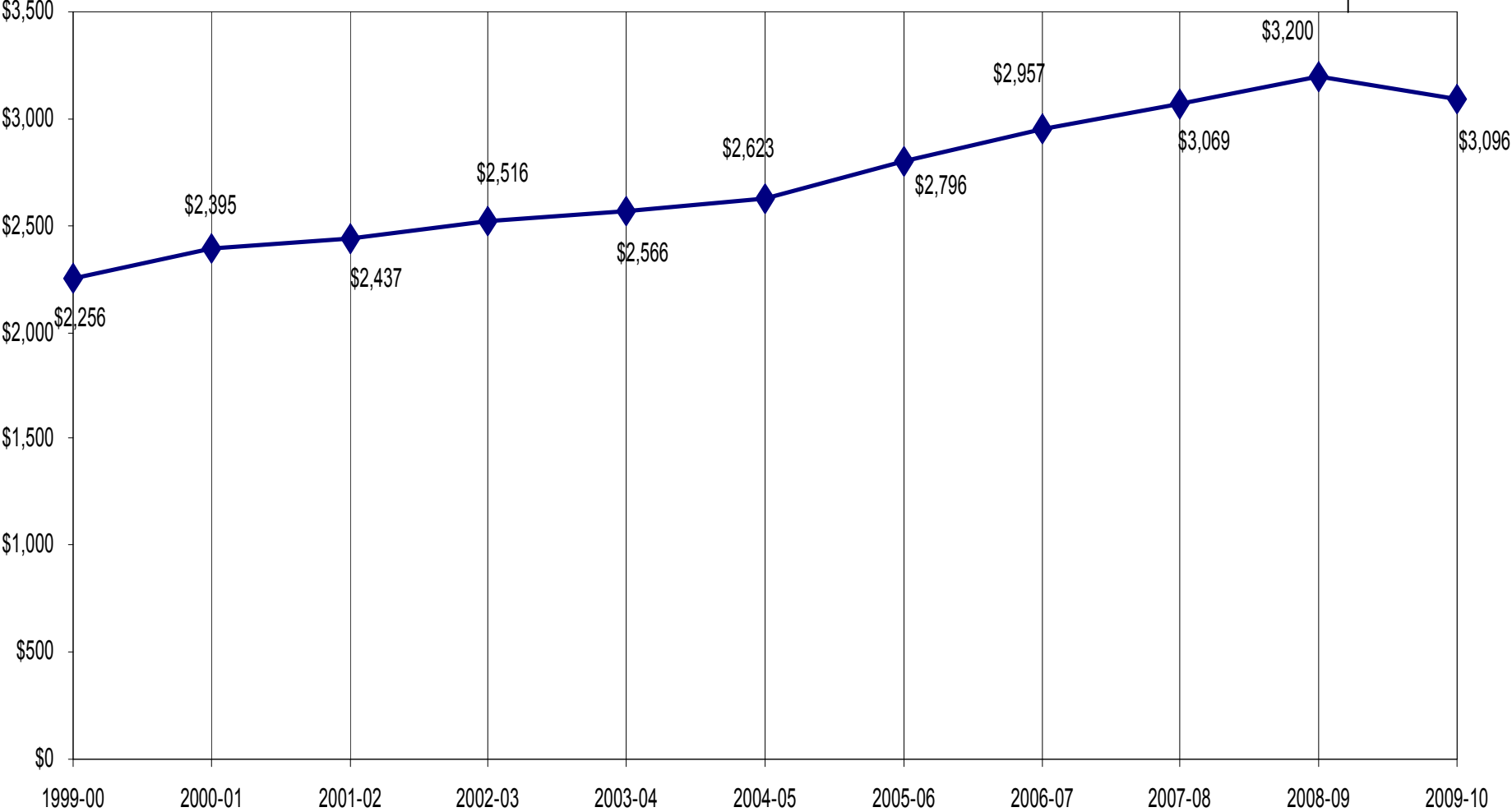


- Total General Fund appropriation totals \$85.4 million
 - These monies will fund day-to-day operations, fair funding, repayment of school related debt, and capital
 - Appropriation equals 48.1 percent of total General Fund
 - Reflects \$3.1 million decrease from current year General Fund appropriation
 - Equates to \$3,096 per student for each of the 18,898 students in both districts for day-to-day operating funds
 - Reflects decrease of \$104 per student compared to current year per pupil appropriation of \$3,200
- In addition, Chapel Hill Carrboro City Schools will receive additional \$18.7 million from special district tax

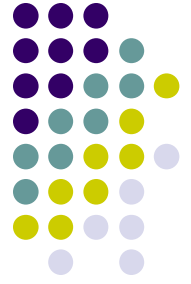
Annual General Fund Per Pupil Appropriations Based on Historical Averages (Chapel Hill Carrboro City Schools and Orange County Schools)



- ✓ Fiscal years 1999-00 through 2008-09 reflect actual per pupil appropriations approved by Commissioners
- ✓ Fiscal year 2009-10 reflects Manager's Recommended per pupil appropriation

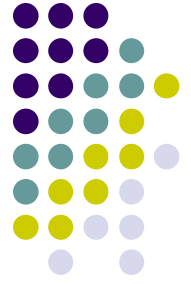


Additional Funding for Local Schools



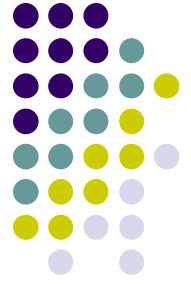
- In addition to the \$85.4 million for operations, debt and capital, recommended budget allocates \$1.7 million to fund non-mandated safety net initiatives for both school districts
 - School health nurses - \$617,782
 - School resource officers and social workers for Orange County Schools - \$1,072,000

Funded County Initiatives



- Funds full year operating costs of new facilities
 - Examples include parks, senior center, County Library, and Animal Services Facility
- Allows for Board priorities
 - Provides safety net to assist those facing economic challenges such as job loss
 - Food, shelter and medical services
- Covers increased costs of mandates such as additional elections and increases in workers compensation premiums
- Funds repayment of School and County related debt
 - Total debt payments for FY 2009-10 = \$25.7 million
 - Equivalent of 17.1 cents on tax rate
- Continues financial support for Orange County Campus of Durham Technical Community College

Examples of Recommended Changes in County Services



- Library Services
 - Reduce hours at Main Library in Hillsborough
 - Close Cedar Grove and Carrboro McDougle Library
 - Reassign staff from those libraries to new Main Library
- Solid Waste Convenience Centers
 - Reduce hours at all centers
 - Close Bradshaw Quarry Road center
- Other Discontinued Programs
 - Refugee Health Assessment
 - HIV Community Testing
 - Wheels to Work
 - Recreation programs such as Community Theatre, Jazz and Gospel Festivals, and instructional classes
 - No employee pay increases recommended
 - Discontinued 401(k) program and day care match for County employees
 - No funding recommended for County vehicles or equipment
- Organizational Changes
 - Staff reassignments
 - Leave vacant positions unfilled for 12 months
 - Discontinue employment of interns for special projects
 - Reduced travel, advertising and duplicating

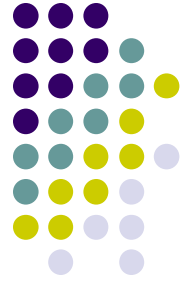
During June 4 and 9 work sessions, Commissioners will discuss operational impacts of reducing tax rate below revenue neutral rate

Public Hearings and Work Sessions

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



Public Hearings	May 21	Central Orange Senior Center, 203 Meadowlands Drive, Hillsborough
	May 26	Southern Human Services Center, Homestead Road, Chapel Hill
Work Sessions	May 28	Southern Human Services Center, Homestead Road, Chapel Hill
	June 4	Southern Human Services Center, Homestead Road, Chapel Hill
	June 9	Link Government Services Center, 200 South Cameron Street, Hillsborough
Work Session/ Adoption	June 11	Link Government Services Center, 200 South Cameron Street, Hillsborough
Final Adoption	June 16	Southern Human Services Center, Homestead Road, Chapel Hill



Document Availability

- Clerk to Board of Commissioners
- County Budget Office
- Orange County Library
- Chapel Hill Public Library
- Carrboro/McDougle Branch Library
- Cybrary, Carrboro
- Cedar Grove Branch Library
- Orange County Website
 - www.co.orange.nc.us