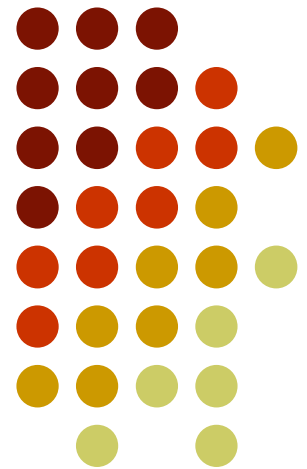


# County Manager's Recommended FY2011-12 Annual Operating Budget and Capital Investment Plan

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*Presentation  
Southern Human Services Center, Chapel Hill  
Orange County, NC  
May 17, 2011*



# Recommended General Fund Budget



- Totals \$177.3 million
  - Represents an increase of \$2.0 million from original current year budget of \$175.3 million, which is a 1.1 percent increase from previous year original budget.
  - Represents a \$3.9 million decrease in the current year's amended budget

# Guiding Principles



- Meets Board directives
  - **Balances County's operating budget without a property tax rate increase**
  - **Does not provide for a reduction in force**
  - **Funds local school districts at the same funding level for current expense, recurring and long range capital**

# Orange County Budget Previous Five Fiscal Years



<u>Fiscal Year Ending/Ended</u>	<u>Tax Increase</u>	<u>Approved</u>	<u>Amended</u>	<u>Difference</u>
2007	Yes	\$ 163,473,184	\$ 166,585,727	\$ 3,112,543
2008	Yes	\$ 173,624,351	\$ 177,228,766	\$ 3,604,415
2009*	Yes	\$ 183,005,580	\$ 191,754,758	\$ 8,749,178
2010	No	\$ 177,589,039	\$ 185,940,474	\$ 8,351,435
2011	No	\$ 175,313,920	\$ 181,143,619	\$ 5,829,699
2012 - Manager's Recommended	No	\$ 177,279,970	N/A	-
Difference in Budget Since Last Tax Increase/Revaluation		<u>2009-2012</u>	<u>2009-2011</u>	
		<u>\$ (5,725,610)</u>	<u>\$ (10,611,139)</u>	

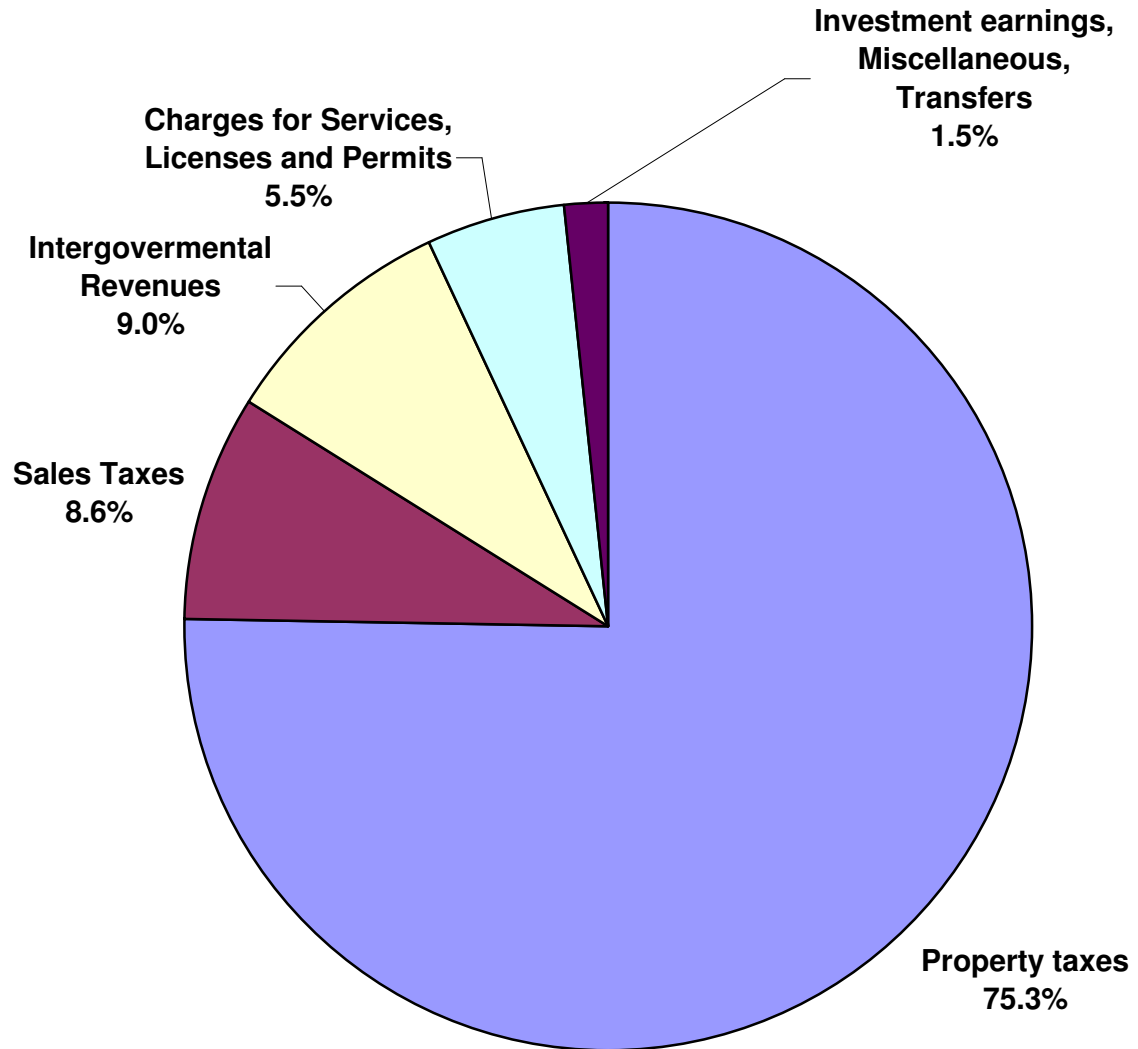
\* - Revaluation Year

# Proposed Ad Valorem Tax Rate Effective July 1, 2011



- Recommended tax rate of 85.8 cents per \$100 of assessed valuation
  - This rate produces \$133 million in property tax revenues for FY2011-12
  - Overall Property valuation increased 1.2%
- One cent on property tax estimated to generate \$1,537,967

# General Fund Revenues



# Property Taxes as a Percentage of General Fund Revenues



	<u>Property taxes</u>	<u>General Fund Revenues</u>	<u>Percentage</u>
2007	111,485,798	169,542,345	65.8%
2008	119,226,742	174,700,811	68.2%
2009	127,813,347	175,697,139	72.7%
2010	132,047,738	174,912,247	75.5%
2011	132,047,738	175,313,920	75.3%
2012	133,471,175	177,279,970	75.3%

# Sales Tax Revenues



- Recommended Sales Tax Revenues of \$15.3 million is 5.5% higher than the \$14.5 million budgeted in 2010-11
  - Actual sales tax revenues are down over 47% since the peak of \$22.5 million in fiscal 2007-08
  - The Medicaid - Sales Tax swap will continue to limit future growth of sales tax revenues
  - 2011-2012 Sales Tax Revenues estimated to grow by 1 to 2 percent next year.



# Proposed Chapel Hill Carrboro City Schools District Tax Rate Effective July 1, 2011



- 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 \$18.8 million for the Chapel Hill – Carrboro School District
  - This represents an additional \$1,605 per pupil above the County's allocation
- One cent on district tax estimated to generate \$987,247

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



- Total General Fund appropriation totals \$83.5 million
  - These funds will fund day-to-day operations, repayment of school related debt, and capital
  - Appropriation equals 47.1 percent of total General Fund Budget
  - Reflects \$620,954 decrease from current year General Fund appropriation due to a decrease in debt service.
  - Equates to \$3,102 per student for each of the 19,141 students in both districts for day-to-day operating funds

# Additional Funding for Local Schools



- In addition to the \$83.5 million for operations, debt and capital, recommended budget allocates \$1.8 million to fund non-mandated safety net initiatives for both school districts. Some of these initiatives are:
  - School Health Nurses - \$634,332, an increase of \$23,603
  - School Resource Officers - \$529,410, a decrease of \$1,845.
  - School Social Workers - \$642,374, the same funding as the current fiscal year
- With these additional non-mandated funding initiatives, the total funding for the local school districts total 48.1% of the General Fund Budget

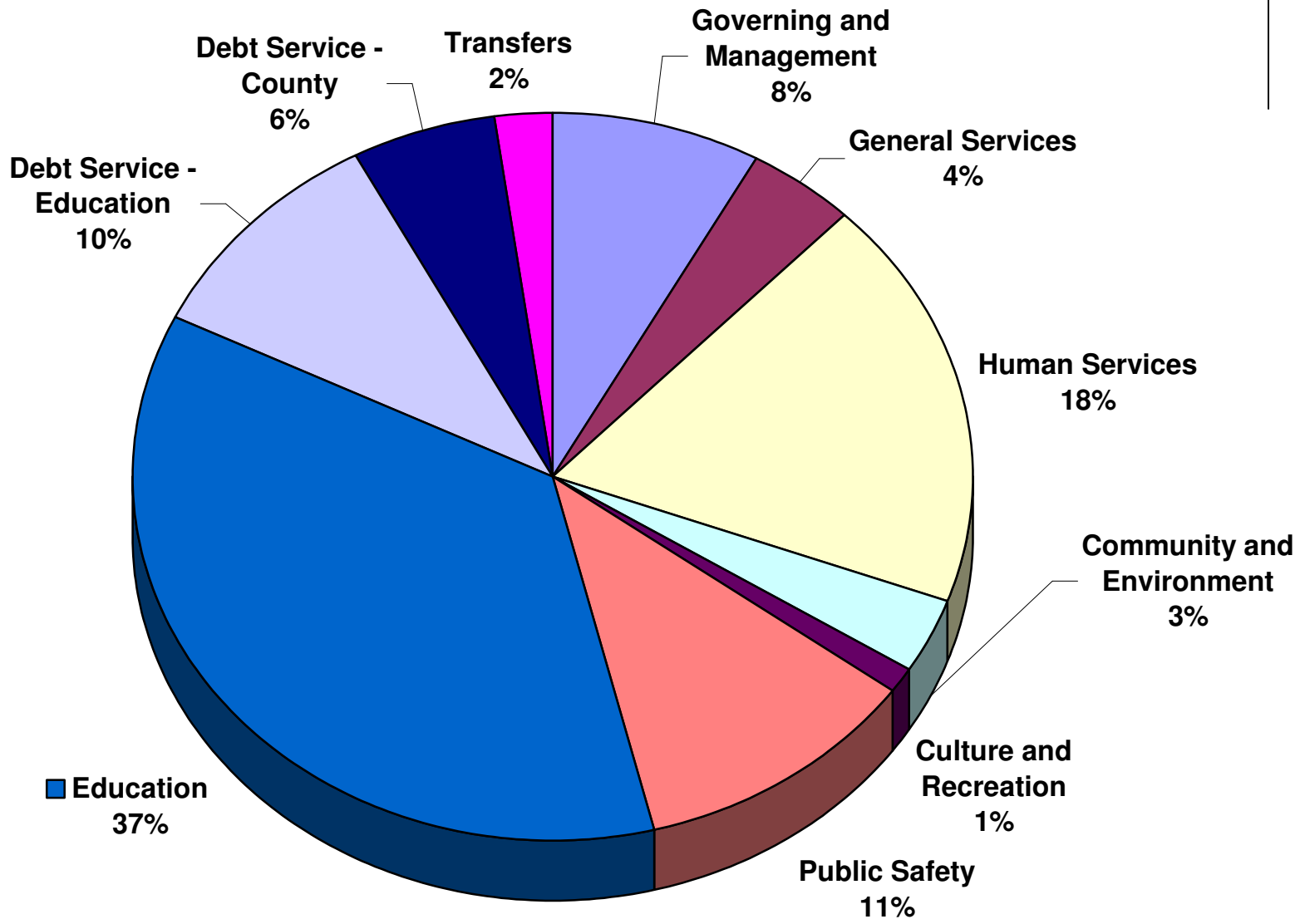
# Funded County Initiatives



- Maintains all County services at current levels
- Fund increases in medical insurance, retirement and 401(k)/457 for non-sworn employees
- Increases positions for EMS Communicators and EMTs
- Replaces two ambulances
- Provides the Sherriff with one transport vehicle and 4 additional patrol vehicles
- Recommends the purchase of a Bookmobile to service rural Orange County
- Funds Non Profits at a reduced level from FY2010-11
- Provides the issuance of \$2,152,000 in debt to fund County recurring and long range (pay-as-you go) capital



# General Fund Expenses





# Solid Waste Initiatives

- A new annual sanitation household fee to fund additional operating hours at the solid waste convenience centers and related improvements. The fee would provide approximately \$320,000 in FY 2011-12 to fund the extended hours and improvements.
- A new \$5 surcharge on the tipping fees and an appropriation of fund balance from the Solid Waste Enterprise Fund to establish a reserve to fund future remediation costs and improvements for the Rogers Road Community. Total revenues generated would be approximately \$240,000 for FY2011-12
- An appropriation of fund balance of \$750,000 would used to establish the reserve.

# Additional Funding Options



- Article 46 ¼ Cent Sales Tax
- Appropriated Fund Balance, if necessary

# County Capital Investment Plan



Projects	Recommended Projects FY 2011-12
Information Technology.....	\$ 500,000
Affordable Housing.....	\$ 170,000
Register of Deeds.....	\$ 150,000
Roofing Projects.....	\$ 55,000
HVAC Geothermal - Link Government Services Center.....	\$ 618,000
Southwest Branch Library.....	\$ 650,000
Southern Human Services Center.....	\$ 280,000
Building Improvements - 112 N. Churton Street.....	\$ 152,000
Building Improvements - 129 King Street.....	\$ 145,000
Lake Orange Capital Maintenance.....	\$ 112,000
New Hope Preserve/Hollow Rock Access Area.....	\$ 25,000
<b>Total Capital Investment Projects.....</b>	<b>\$ 2,857,000</b>

More detailed information is provided in the FY 2011-12 Capital Investment Plan





# Concerns and Issues for FY2012-13

- Health Insurance
- Retirement contribution rate increases
- Debt Service
- County Capital Projects
- School Capital Projects
- Economic Development
- Revaluation
- State or Federal Budget Issues
- Inflation
- Economy

# Public Hearings and Work Sessions

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



<b>Public Hearings</b>	<b>May 19</b>	<b>Department of Social Services, 113 Mayo Street, Hillsborough</b>
	<b>May 24</b>	<b>Southern Human Services Center, Homestead Road, Chapel Hill</b>
<b>Work Sessions</b>	<b>May 26</b>	<b>Southern Human Services Center, Homestead Road, Chapel Hill</b>
	<b>June 9</b>	<b>Southern Human Services Center, Homestead Road, Chapel Hill</b>
<b>Work Session/ Adoption</b>	<b>June 14</b>	<b>Southern Human Services Center, Homestead Road, Chapel Hill</b>
<b>Final Adoption</b>	<b>June 21</b>	<b>Southern Human Services Center, Homestead Road, Chapel Hill</b>



# Document Availability

- Clerk to Board of Commissioners
- County Financial Services Office
- Orange County Library
- Chapel Hill Public Library
- Carrboro/McDougle Branch Library
- Cybrary, Carrboro
- Orange County Website
  - **[www.co.orange.nc.us](http://www.co.orange.nc.us)**