

# County Manager's Recommended FY 2012-13 Annual Operating Budget and Capital Investment Plan



*Presentation  
Southern Human Services Center  
Orange County, NC  
May 22, 2012*

# Guiding Principles

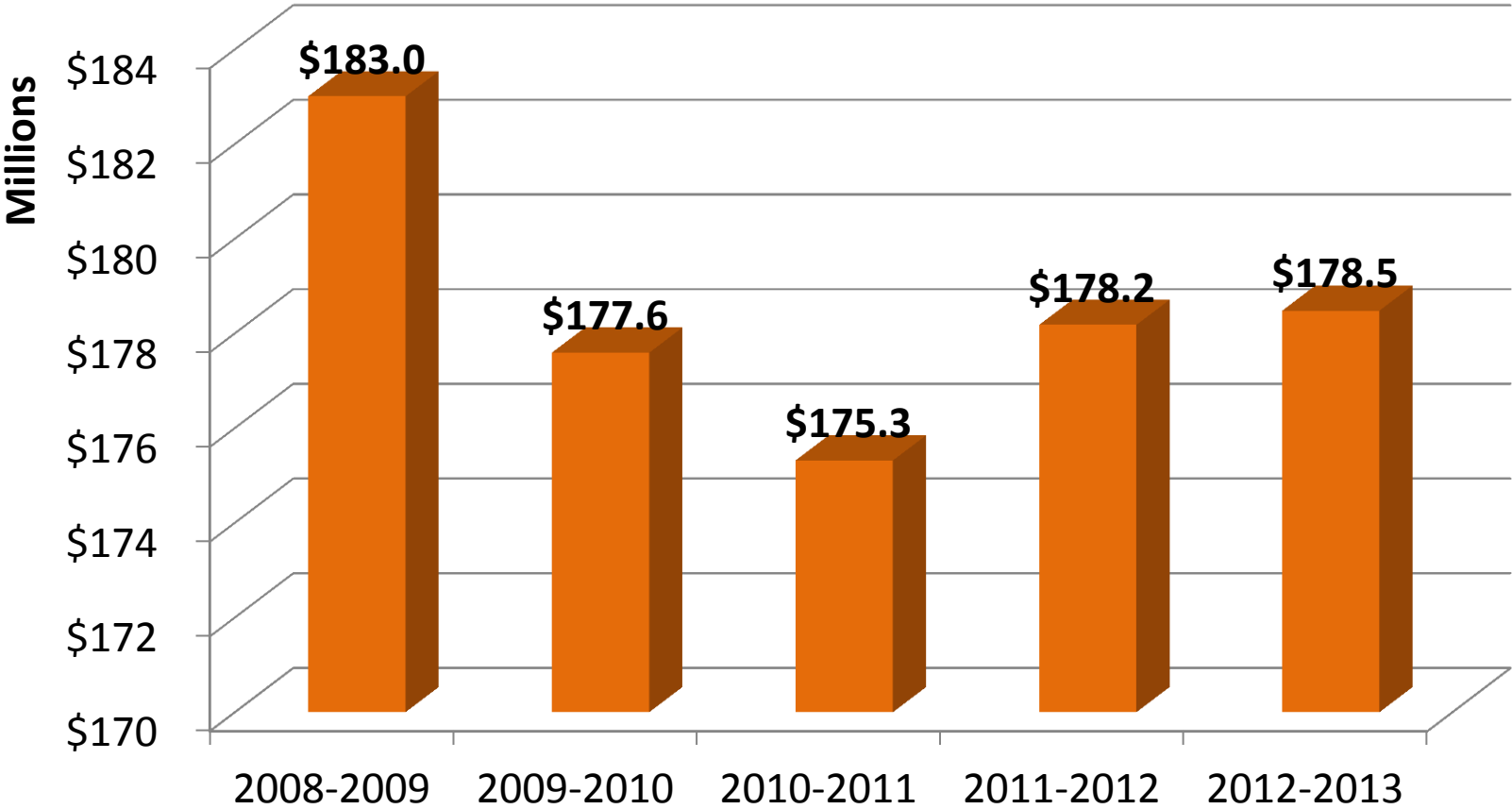
- Balances County's operating budget without a property tax rate increase – 4th Consecutive Year
- Provides funding for County services at current levels without a reduction in the workforce
- Funds local school districts enrollment growth and provides for increased funding for the long range capital needs for each school district.

# Recommended General Fund Budget

- Totals \$178.5 million
  - Represents an increase of \$300,000 from original current year budget of \$178.2 million, which is a .17 percent increase from previous year original budget
  - Represents a \$4.8 million decrease in the current year's amended budget

# Orange County Budget Past 5 Fiscal Years

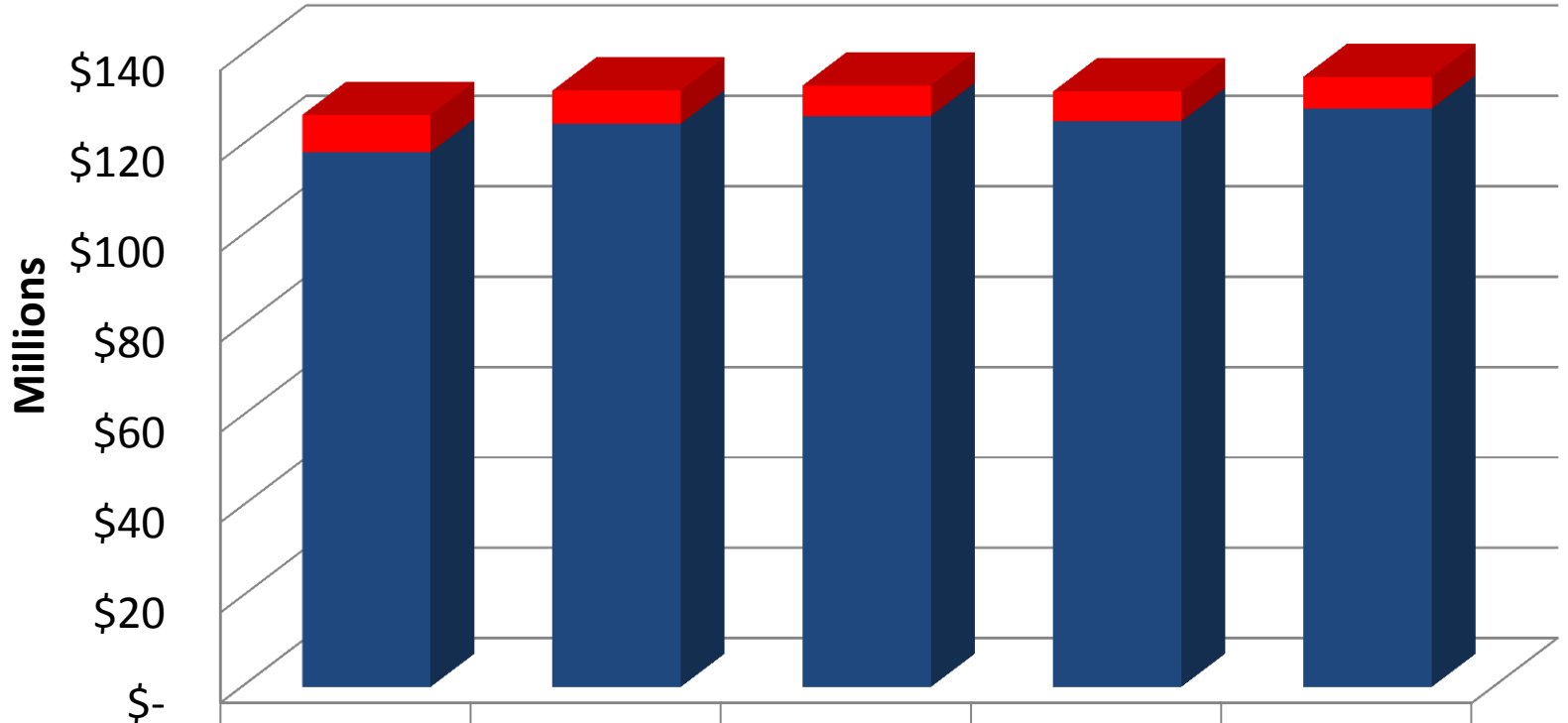
## Original Budget



# Proposed Ad Valorem Tax Rate Effective July 1, 2012

- Proposed tax rate of 85.8 cents per \$100 of assessed valuation
  - This rate produces \$136.9 million in property tax revenues for FY 2012-2013
  - Overall Real Property Valuation increased 1.1%
- One cent on property tax estimated to generate \$1,574,232

# Orange County Property Tax Revenues Past 5 Fiscal Years



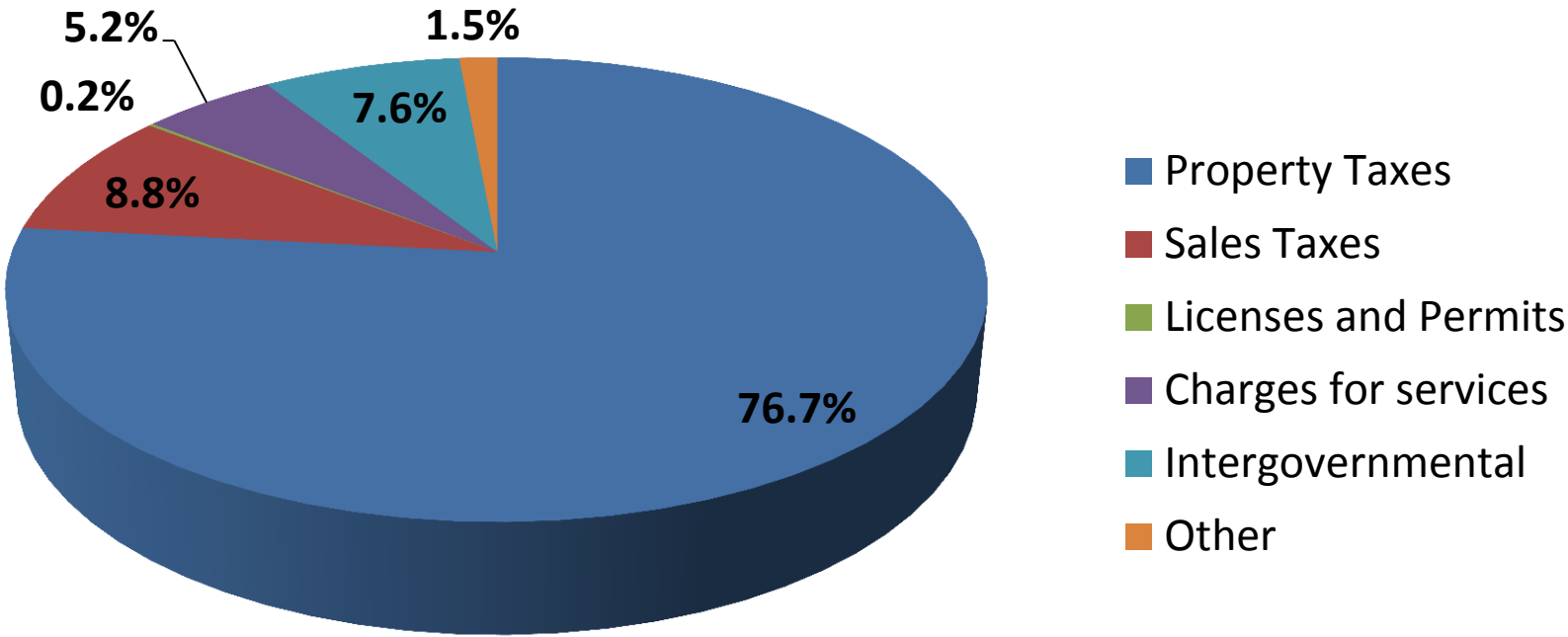
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Motor Vehicles	\$8,209,003	\$7,284,357	\$6,736,173	\$6,557,813	\$6,993,466
Real Property	\$118,441,328	\$124,753,371	\$126,425,348	\$125,227,516	\$128,074,997

# Sales Tax Revenues

- Recommended Sales Tax Revenues of \$15.7 million is 3% higher than the \$15.3 million budgeted in FY 2011-2012
- Actual sales tax revenues are down over 30% since the peak of \$22.5 million in fiscal year 2007-2008

# Orange County General Fund FY 2012-13 Revenues

## Revenues





# Proposed Chapel Hill-Carrboro City Schools District Tax Rate Effective July 1, 2012

- 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 \$19.1 million for the Chapel Hill – Carrboro School District
  - This represents an additional \$1,577 per pupil above the County's allocation
- One cent on district tax is estimated to generate \$1,013,877

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

- Total General Fund appropriation totals \$84.2 million
  - Funds day-to-day operations, repayment of school related debt, and capital
  - Equals an appropriation of 47.16 percent of total General Fund Budget
  - Reflects \$101,278 net increase from current year General Fund appropriation due to a decrease in debt service and passing the debt service savings on to the school districts
  - Equates to \$3,102 per student for each of the 19,700 students in both districts for day-to-day operating funds

## Additional Funding for Local Schools

- In addition to the \$84.2 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, an increase of \$49,374
  - School Resource Officers - \$531,405, an increase of \$1,995
  - School Social Workers - \$692,283, an increase of \$49,909
- With these additional non-mandated funding initiatives, the total funding for the local school districts total 48.2% of the General Fund Budget

# County Education Funding

<b><u>Fiscal Year</u></b>	<b><u>Original Budget</u></b>	<b><u>General Fund % of Budget</u></b>
2008-2009	\$ 90,180,363	49.3%
2009-2010	\$ 87,114,600	49.1%
2010-2011	\$ 85,917,149	49.0%
2011-2012	\$ 85,981,149	48.3%
2012-2013	\$ 86,082,427	48.2%

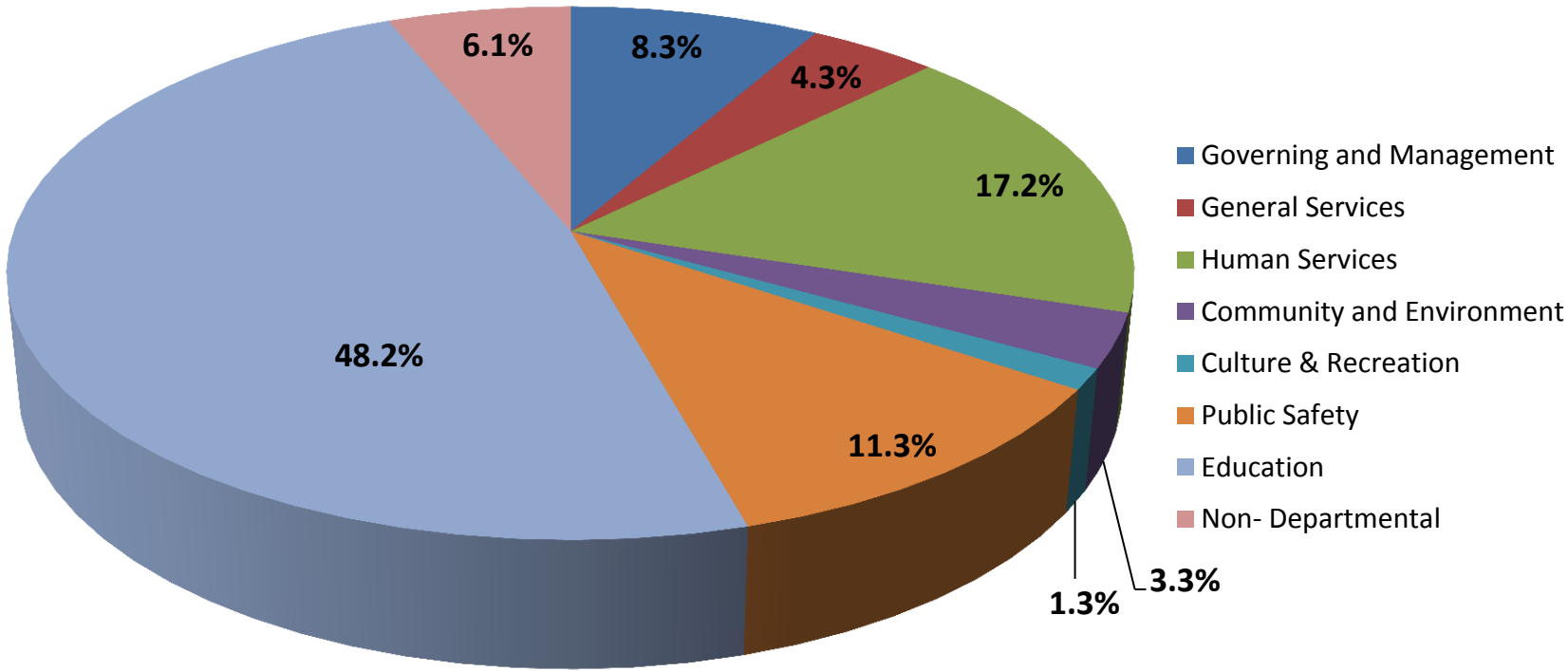
Total County Funding for Education

# 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 funding for a Public Information Officer and a Risk Management Position
- Increases positions for EMS Communicators, an Assistant Fire Marshal, and Paramedics which will be staggered throughout the year
- Adds one (EMS) ambulance and staffing, funded in an internal service fund, to continue to improve emergency response times
- Provides the Sheriff with six additional patrol vehicles, funded in an internal service fund
- Provides for the replacement of several County vehicles due for replacement with the establishment of a Vehicle Replacement Internal Service Fund
- Long range/pay-as-you go County capital is \$500,000.

# Orange County General Fund FY 2012-13 Expenditures

## Expenditures



# Solid Waste Initiatives

- The closure of the landfill with public education and other related planning efforts of the landfill in FY2012-13. It is expected closure cost in FY 2012-13 will be \$3.1 million
- The conversion to single stream in all recycling programs
- The reconstruction and expansion of Walnut Grove and High Rock solid waste convenience centers
- Proposed changes in the following landfill fee rates are as follows:
  - Construction and Demolition decrease from \$44.00 to \$40.00 per ton
  - Charges for the sale of mulch from \$22.00 to \$25.00 per 3 cubic yard scoop
- Proposed increases in the sanitation household fee to be charged per household are as follows:
  - Rural Residential from \$10.00 to \$20.00
  - Urban Household from \$ 5.00 to \$10.00

# Additional Funding Options

- Appropriate Fund Balance, if necessary; The Board may use up to \$555,000 without a negative impact on fund balance
- Delaying the Property Revaluation will provide \$350,000 in funds for other purposes directed by the Board
- Property tax increase



# Revenues Generated By Property Tax Increase

<b><u>Tax Increase</u></b>	<b><u>Property Tax Revenues Generated</u></b>	<b><u>Per Pupil Equivalency</u></b>
1 cent	\$1,574,232	\$79.91
1.5 cents	\$2,361,348	\$119.87
2 cents	\$3,148,464	\$159.82
2.5 cents	\$3,935,580	\$199.78
3 cents	\$4,722,696	\$239.73

# County Capital Investment Plan

Projects	Recommended Funding FY 2012-13
Emergency Services 510 Meadowlands	\$ 37,500
Northern Human Services Center (Deconstruction)	\$ 250,000
Seymour Senior Center	\$ 70,000
Southern Orange Campus (Future Planning)	\$ 300,000
Southwest Branch Library (Site Analysis)	\$ 50,000
Upfit of Link Government Services Center	\$ 25,000
HVAC Projects - Geothermal	\$ 1,759,200
Roofing Projects	\$ 165,000
Affordable Housing	\$ 170,000
Information Technology	\$ 950,000
Register of Deeds Automation	\$ 75,000
Whitted Building	\$ 295,000
Energy Bank	\$ 50,000
Viper Radio System	\$ 543,750
Communications System Improvements	\$ 748,000
Future EMS Stations	\$ 50,000
Blackwood Farm Park	\$ 50,000
Twin Creeks Park Campus Phase II	\$ 600,000
Joint Artificial Turf Soccer Fields - Town of Chapel Hill	\$ 934,500
<b>Total Projects</b>	<b>\$ 7,122,950</b>

# Concerns and Issues for FY 2013-2014

- Health Insurance
- Post-employment Insurance benefit for retirees
- 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 17</b>	<b>Department of Social Services, 113 Mayo Street, Hillsborough</b>
	<b>May 22</b>	<b>Southern Human Services Center, Homestead Road, Chapel Hill</b>
<b>Work Sessions</b>	<b>May 24</b>	<b>Department of Social Services, 113 Mayo Street, Hillsborough</b>
	<b>June 7</b>	<b>Southern Human Services Center, Homestead Road, Chapel Hill</b>
<b>Work Session/ Adoption</b>	<b>June 12</b>	<b>Southern Human Services Center, Homestead Road, Chapel Hill</b>
<b>Final Adoption</b>	<b>June 19</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)**