



Proposed FY 2015 Operating and Capital Budget

UNION COUNTY

NORTH CAROLINA

Operating Budget Principles & Process

- Fiscal Sustainability
- Transparency
- Stewardship
- Responsiveness
- Balanced

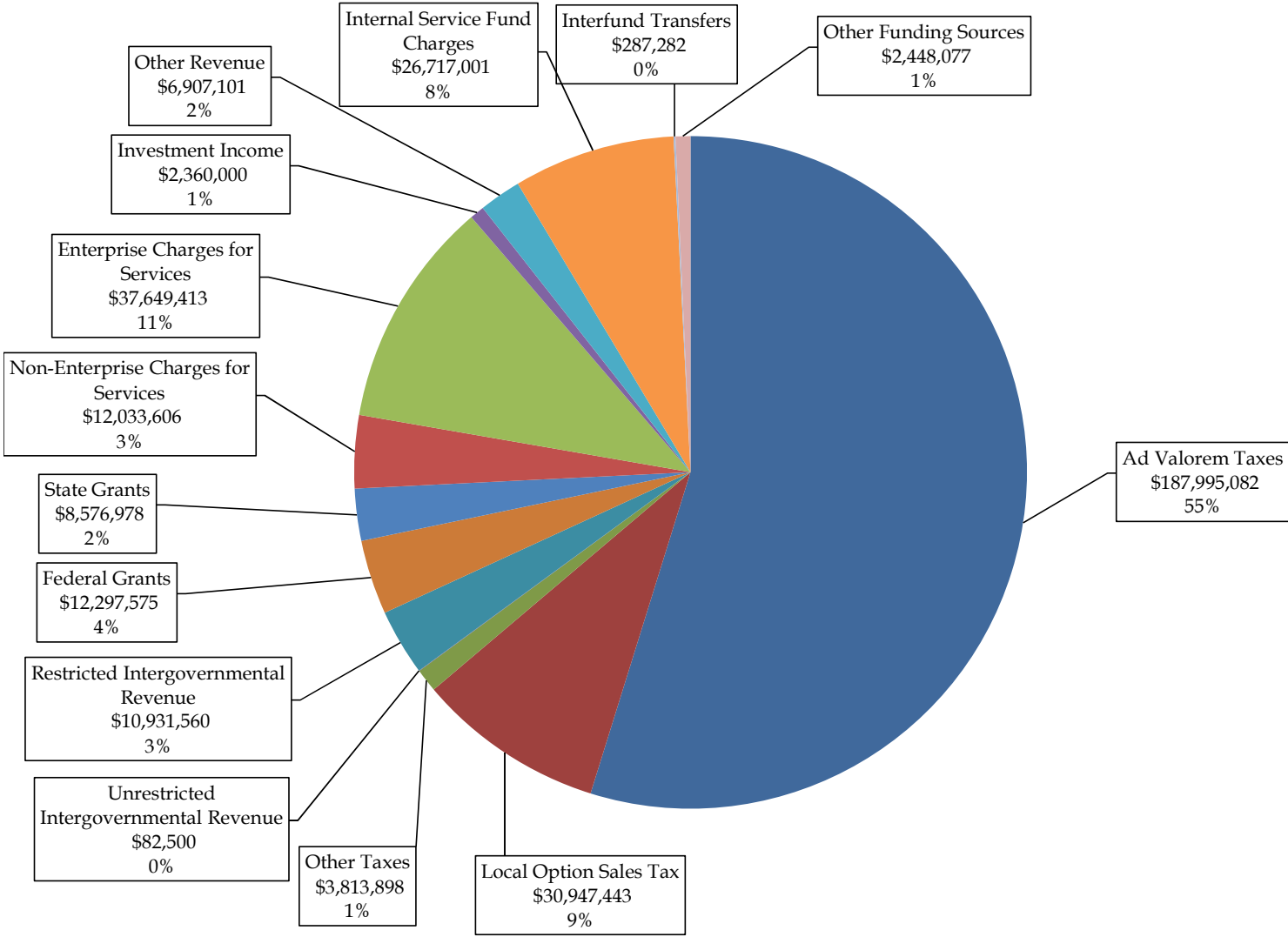
County Budget Process

- Development
 - Modified Zero-Base
 - Starting Over Each Year Building the Budget
 - Individual Meetings to Review Every Line Item
 - Included EMS, VFDs, and SPCC
 - Each Line Item was Individually Ranked as to Priority
 - Management Reduced Request to Balance the Budget within the Resources Available
 - The Outcome of the Zero-Base Process was then Modeled to Ensure Sustainability

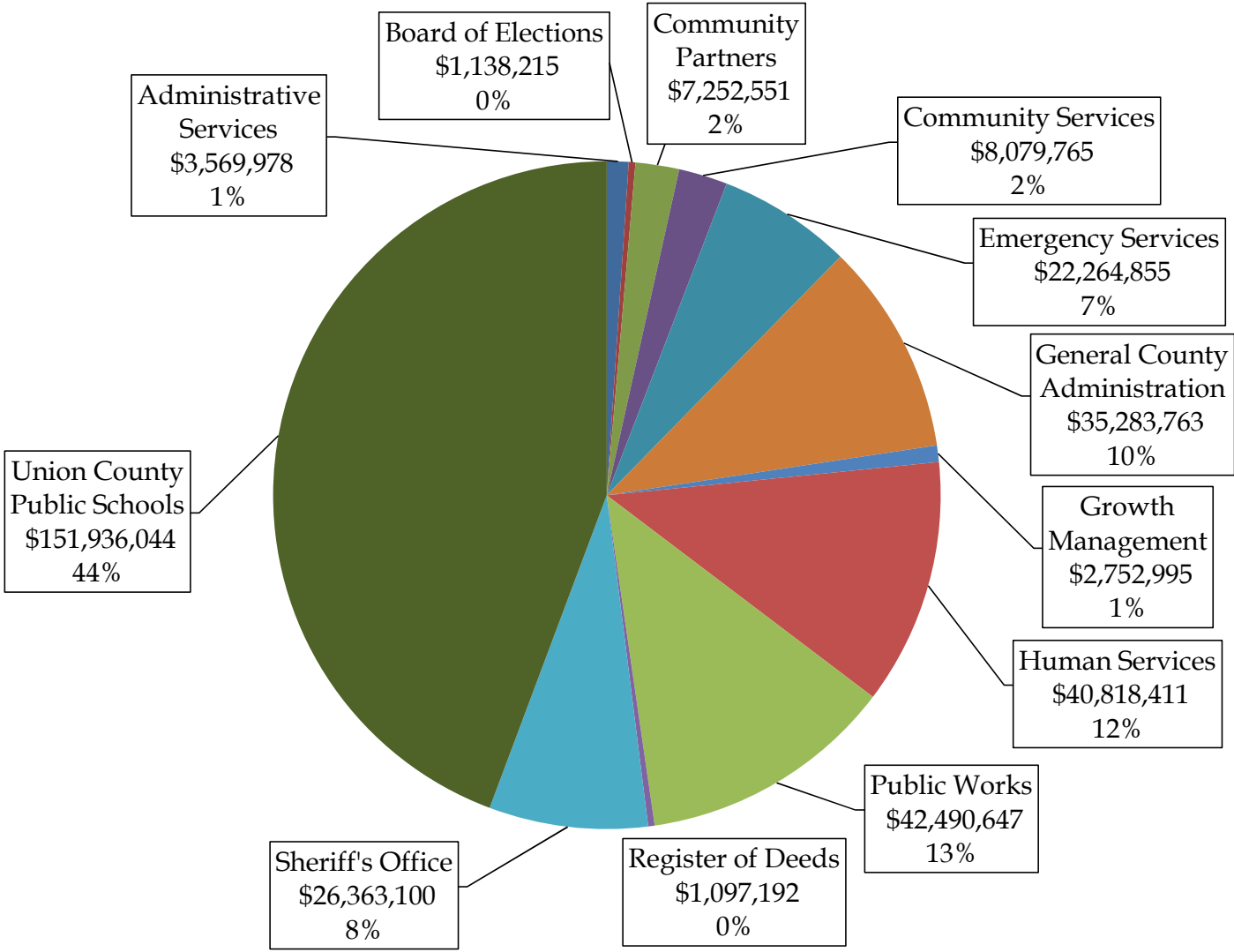
What about the verdict?

- For FY 2015 Budget Development it was not Considered.
- County cannot fund the remaining \$76.2 million of the verdict without a tax increase.
 - Cannot cut enough to fund the verdict.
 - Utility Funds should not be used for this purpose.
 - Projects are underway.
- Tax impact of remaining verdict = 32 cents

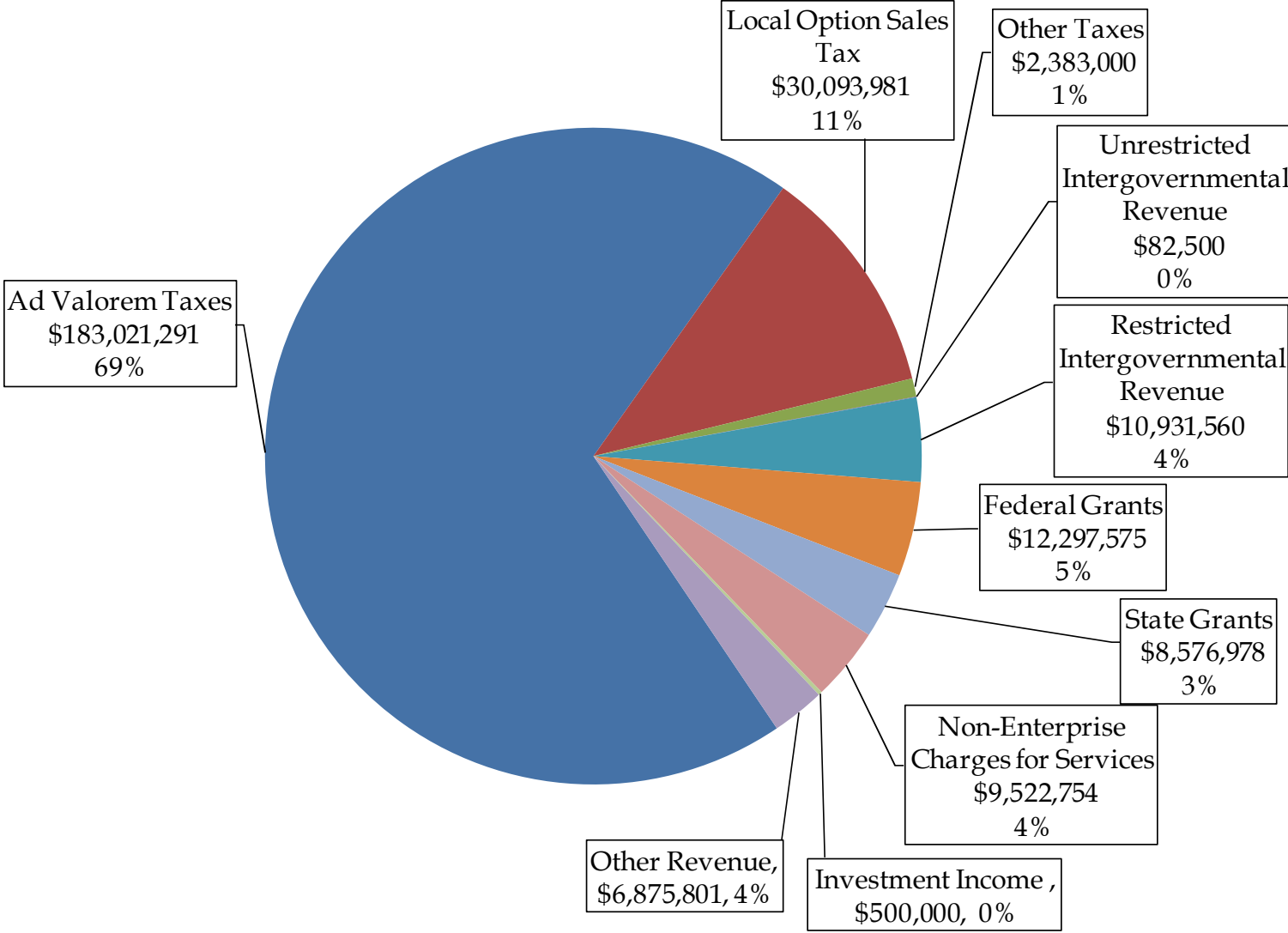
Countywide Revenues



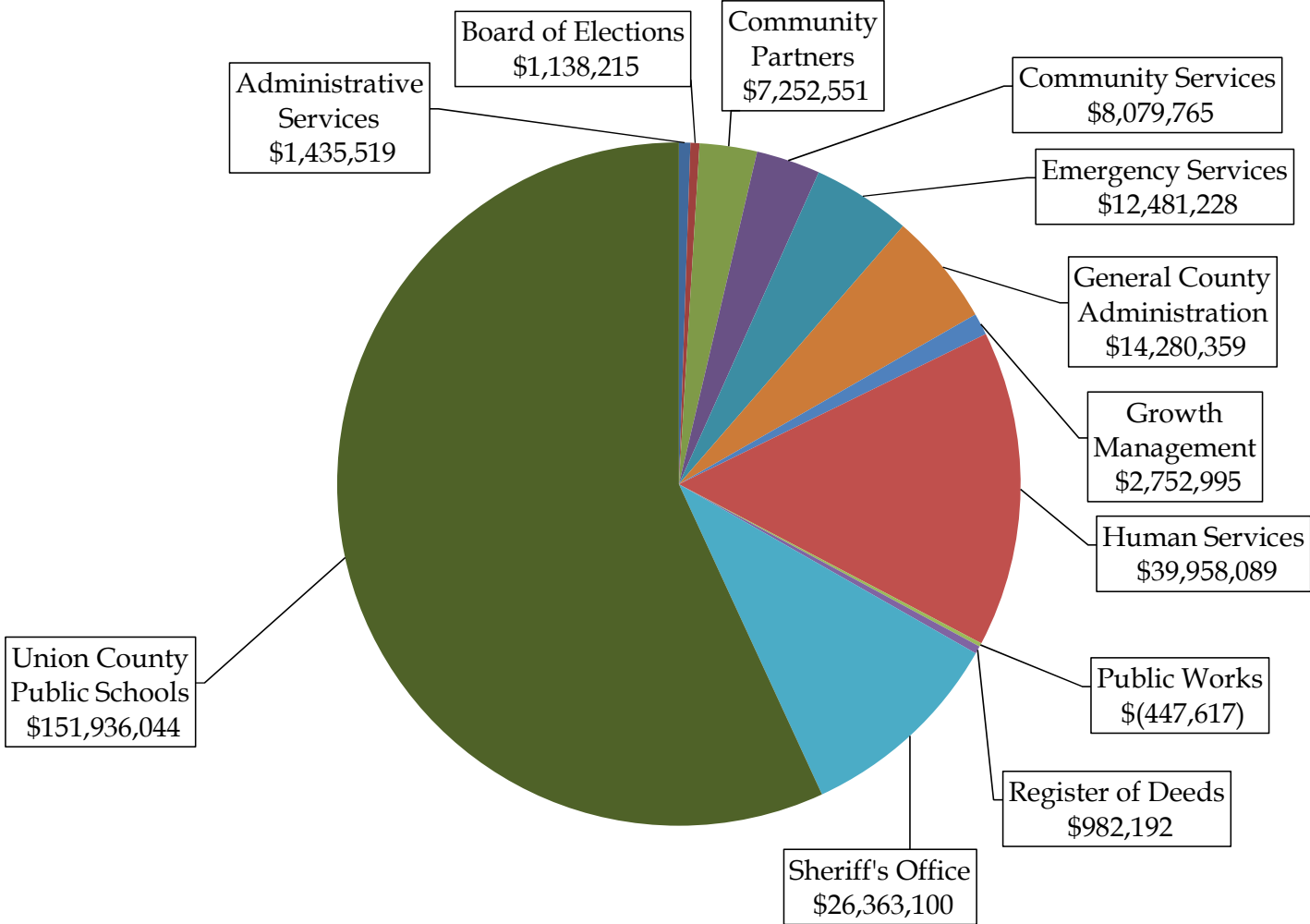
Countywide Expenditures by Service Area



General Fund Revenue



General Fund Expenditures by Service Area



Significant GF Increases

Other than these increases and the mandated schools' funding the remainder of the General Fund was reduced by 1.11% or \$1.7 million.

Significant Increases for FY 2015

1st Year of Sheriff's Office Sworn Pay Plan Adjustment	\$	618,695
Volunteer Fire Department Increase		1,009,128
Increased Funding for EMS		947,882
Increased Funding for SPCC		524,144
Economic Development Infrastructure Grant Program		125,000
Firearm's Training and Qualification Range PayGO		2,000,000
Performance Pay Pool		1,364,118
Significant Increases for FY 2015	\$	<u>6,588,967</u>

Legislative Update

- HB 292 »» Session Law 2014-8
- Eliminated the BOCC ability to appropriate funding by purpose, function, or project.
 - For FY 2015, requires the BOCC to appropriate \$87,097,884 for UCPS Current Expense.
 - For FY 2015, requires the BOCC to appropriate \$19,531,582 for UCPS Capital.
 - For FY 2016, requires the BOCC to appropriate \$87,097,884, plus ADM growth, plus CPI-U growth for UCPS Current Expense.
 - For FY 2016, requires the BOCC to appropriate \$19,786,024 for UCPS Capital.

Legislative Update

- Eliminates the ability of the BOE to take the residents to Court concerning funding.
- Requires the establishment of a joint working group to develop a multi-year plan to address UCPS' existing and ongoing capital needs.

Tax Rate Projection

Tax Rate Projection

Fiscal Year	County Tax Rate	Schools' Tax Rate	Total Tax Rate
FY 2014	30.64	35.36	66.00
FY 2015	30.64	44.77	75.41
FY 2016	30.64	45.90	76.54
FY 2017	30.64	47.06	77.70
FY 2018	30.64	48.25	78.89
FY 2019	30.64	49.48	80.12
FY 2020	30.64	50.75	81.39

Note: For the Purposes of Projection, Reval=Revenue Neutral

Fiscal Impact of Legislation

Union County Public Schools Funding Projection

Fiscal Year	UCPS Current Exp.	UCPS PayGo	Total	Schools' Tax Rate
FY 2014	\$ 83,021,859	17,936,454	100,958,313	35.36
FY 2015	87,097,884	19,531,582	106,629,466	44.77
FY 2016	90,956,308	19,786,024	110,742,332	45.90
FY 2017	94,985,673	20,044,847	115,030,520	47.06
FY 2018	99,193,538	20,308,165	119,501,703	48.25
FY 2019	103,587,812	20,576,093	124,163,905	49.48
FY 2020	108,176,752	20,848,749	129,025,501	50.75

Note: CPI Assumption = 2%, ADM Growth Assumption = 2.43%

Based on this projection, UCPS will receive \$139 million for Capital through FY 2020, and \$667 million for current expense.

UCPS Funding

Amended FY 2015 Proposed UCPS Funding

FY 2014 Current Expense Funding	\$ 83,021,859
Increases in "State" Benefits	161,654
Increase Teacher Supplements	1,923,110
Reserve For State Budget Impact	791,261
Identified Efficiencies	(500,000)
Total	\$ 85,397,884

Additional FY 2015 Proposed UCPS Funding based on Legislation

Increase Teacher Supplements at High Priority Schools	\$ 340,778
Local Merit	1,359,222
Total	\$ 1,700,000

Total Current expense funding of \$87,097,784.

UCPS Capital Funding

	Original Request	UCPS Prioritization	County Rec. Prioritization
Student Safety and Security	\$ 1,185,850	674,950	1,185,850
Roofing, Structure, HVAC	35,092,474	2,246,919	17,192,511
Structural ADA Improvements	2,439,362	580,657	1,068,777
Other Facilities Projects	29,400,333	14,044,610	-
Buses	84,444	84,444	84,444
Kitchen/Cafeteria Projects	8,489,077	37,400	-
Technology	1,252,924	519,059	-
Improvements to Athletic Fields and Facilities	3,797,530	511,942	-
New or Expansion Facilities	15,974,327	831,600	-
Total	\$ 97,716,321	19,531,581	19,531,582

Total Capital funding of \$19,531,582.

Improving Transparency

- Document Improvements
- Budget Website at www.unioncountync.gov
 - Presentations and Historical Documents
- Email Address for Ask the County Manager
 - askthecountymanager@co.union.nc.us
- Email Address for Public Comments
 - publiccomments@co.union.nc.us
- Social Media

Questions?