

Rockingham County Fiscal Year 2013-2014 Budget



MAY 15, 2013
LANCE METZLER, COUNTY MANAGER

FY 2013-2014 Budget



Budget Team Members

Kelly Burton, Deputy Finance Director

Lance Metzler, County Manager

Adam Lindsay, Director of Strategic Management

Pat Galloway, Chief Financial Officer

Justin Thacker, Accounting Technician III

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Guiding Principles:

- Do not expand services.
- Maintain the \$0.696 Tax Rate.
- Look for opportunities to increase efficiencies.

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Mission

Provide residents with the highest quality of life and the opportunities to achieve it.

Goals

- 1) Improve economic conditions
- 2) Proactively manage the risks and opportunities regarding regulatory and funding mandates
- 3) Effective citizen outreach and involvement

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- Every Agency/Department was asked to prepare a budget request and measurable outcomes to meet your goals.
- Over the next three days we will review budget requests.
- We will also review the results of work efforts or outcomes that have resulted from your investment in these services.

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- Nearly \$1 Million (20%) of the original \$5 Million we were out of balance was due to unfunded mandates and pass downs.
- The budget team met with every department and agency to discuss their requests. Eventually, between revenue increases and expenditure decreases, the remaining \$4 Million gap was closed.
- There are many legitimate needs that we simply cannot afford. We would rather know those needs and cut them versus be surprised mid-year by something unexpected.

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Revenues (1 of 4)

- Maintains Tax Rate at 69.6 cents
- One penny = \$670,050
- Sales Tax growth by 2%

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Revenues (2 of 4)

- The 3.7% increase in ad valorem growth is due to Duke Energy. Incentives begin next year.
- Vehicle Taxes will begin to be collected by NCDMV next year and this should increase collection rates. We are constrained to use prior year property tax collection rates and this one time infusion of revenue will be set aside to pay for major projects/capital needs.

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Revenues (3 of 4)

- Hold Harmless expires creating \$550,000 hole
- DSS loss of \$400,000 from State & Federal
 - We are plugging with some one time money to give them time to utilize Consolidated Agency
- EMS Fees continue to surpass expectations and increase conservatively at \$100,000.

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Revenues (4 of 4)

- Jail Bed Rentals are much closer to hitting projections this year but we revise down slightly now that we have a full year of experience.
- We continue but scale back the Workers' Compensation Fund payback to the General Fund to \$150,000. We have one more \$150,000 for next year.
- Fund Balance Appropriated increases to over \$3 Million due to DSS and Motor Vehicle Tax collection change.

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Positions

- Youth Services is moving a part-time position to full-time but no County money pays for this position.
- Additional staffing needs in 911, EMS, IT, Library, Public Health, and Sheriff are not funded.
- Funding for positions in Pretrial, Tax, Animal Shelter, Legal, Register of Deeds, and Public Health are eliminated.
- Only the Register of Deeds positions are currently filled.

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Employee Benefits and Compensation (1 of 2)

- Last year's 1.5% COLA took effect January 1, meaning only half of the budget impact was accounted for last year and the other half hits this year.
- This year's 1.5% COLA will take effect in July and not have the same impact.

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Employee Benefits and Compensation (2 of 2)

Why another COLA?

- Staff continues to be asked to do more with less
- Salary compression
- Federal actions to increase Social Security withholdings erased last year's small gains.
- Market competition. (4 out of 6 Rockingham County cities are requesting 2.5% to 3% COLAs)

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Capital

- Department requests exceeded \$2.08 Million.
- Sheriff given \$350,000 to purchase at least 10 vehicles.
- EMS given \$318,000 for 9 cardiac monitors and \$300,000 for two new ambulances.
- Water & Sewer given \$138,000 (General Fund continues to subsidize).

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Expenditures (1 of 4)

- Health Insurance Rate will be maintained.
- Fuel costs are unknown and may need to be covered by Contingency if they spike again.
- Public Schools did not ask for nor were they given any increase again this year.
 - Funding gap in Debt Service will hit FY 14-15. We should explore options including the 1/4 Cent sales tax option.

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Expenditures (2 of 4)

- Rockingham Community College capital funding restored to prior year levels. What we fund (\$225,000) is less than 10% of their capital request (\$1,995,000). A new $\frac{1}{4}$ Sales Tax might be an option for their needs, too.
- Water & Sewer Fund General Fund subsidy = \$976,241.

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Expenditures (3 of 4)

- Contingency funding remains at \$300,000.
- Three Fire Districts are requesting tax rate increases and have been asked to present their requests to you formally at the May 20 Regular Meeting under New Business.
- Some Major Project funding will be explored from one time revenue reserves.

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Expenditures (4 of 4)

- The full allocation \$215,000 is budget but will be restricted to half the year if satisfactory progress isn't made in overhauling the Economic Development approach.
- Business Technology and the Methane Gas Operations are fully funded with offsetting revenues from the same.

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Performance Management Program

- While it is critical that we prepare, present, and discuss the fiscal elements of the annual budget, it is just as important that everyone understands what these revenues and expenditures provide.
- We track and measure impact and outcomes because this is what matters to the citizen, elected official, and decision maker.

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Performance Management Program

- The money in a budget pays for services. As Commissioners, this is, in reality, the only control you have over operations. We think it is important that you understand the quality of services provided at the funding levels you've committed.
- For example...

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Performance Management Program

- In 2 years the euthanasia rate has lowered from 98% to 73%.
- 100% of Foster Care children are not abused or neglected.
- 13.5% of our citizens receive Medicaid medical assistance.
- 1.3 times per day only 1 EMS unit is available for dispatch (2 years ago it was 4.2 times per day)
- Arson property damage has already exceeded \$1.4 Million this year.
- Current year Inspection fees cover 65% of costs compared to a pre-recession high of 97%.
- Current recycling efforts serve 1% of the population.
- Only 9% of the County's eligible Medicaid children are Public Health clients.
- County Facebook Friends have increased 639% over the previous year.

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Summary

- Departments and Agency Heads were very accommodating in meeting deadlines and sharing information.
- We worked hard to present a balanced budget with no tax rate increase, despite the pass down costs of \$1 Million.
- This budget will ensure that County operations continue successfully meeting and exceeding performance targets.

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Summary

- The County unemployment rate is still 11.3%.
- Surrounding counties are all 2% - 3% lower.
- Economic Development will be one of our primary focuses next year.

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Summary

- Throughout the remainder of the this three day process, we will do our best to demonstrate that we are being responsible with managing the operating costs and tracking and reporting the outcomes we strive to achieve with the resources available.
- At the conclusion of these meetings we will ask for your input and guidance on any changes or information you would like from us as we finalize and prepare to present you with a balanced budget in need of your adoption.