What This Budget Does (and does not) Accomplish (budget overview)

Revenues including COVID Assumptions & Impacts
• General Fund Revenues by Source
• Fire Districts Revenues & Tax Rates Overview
• Fee Schedule Recommended Changes & Updates

Budget Drivers
• Debt Repayment
• Education Overview
• Major Personnel Changes
• Major Operating Increases
• Multi-Year Plans, Facilities Maintenance, and Capital

Fire Districts, Internal Service Fund, and Economic Development
For the citizens, the recommended budget does:
• Maintain the property tax rate
• Maintain the level of services provided to residents

For the county, the recommended budget does:
• Maintain funding levels for Education
• Add 8 positions to accomplish the Board’s identified priorities for Healthy People (Mental Health, Infant Mortality) and Infrastructure (IT & Data Security)
• Retain all existing positions and employees
• Include a 3% merit pool for employees

For the county, the recommended budget also:
• Pauses the annual transfer for capital investment
• Postpones Phase 2 of the market pay plan implementation
• Reduces funding for vehicle replacement and facility maintenance
## BUDGET OVERVIEW: ALL FUNDS

<table>
<thead>
<tr>
<th>Fund</th>
<th>FY2020 Adopted</th>
<th>FY2021 Recomm</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$628,401,050</td>
<td>$633,225,520</td>
<td>$4,824,470 0.8%</td>
</tr>
<tr>
<td>County Building Construction</td>
<td>$1,011,000</td>
<td>$-</td>
<td>($1,011,000) -100.0%</td>
</tr>
<tr>
<td>Room Occupancy/Tourism</td>
<td>$7,500,000</td>
<td>$7,500,000</td>
<td>$- 0.0%</td>
</tr>
<tr>
<td>Fire Districts</td>
<td>$20,759,318</td>
<td>$19,909,638</td>
<td>($849,680) -4.1%</td>
</tr>
<tr>
<td></td>
<td>$657,671,368</td>
<td>$660,635,158</td>
<td>$2,963,790 0.5%</td>
</tr>
<tr>
<td>Less Transfers</td>
<td>($1,011,000)</td>
<td>$-</td>
<td>$1,011,000 -100.0%</td>
</tr>
<tr>
<td></td>
<td>$656,660,368</td>
<td>$660,635,158</td>
<td>$3,974,790 0.6%</td>
</tr>
<tr>
<td>Internal Service Fund Plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk Management</td>
<td>$3,302,411</td>
<td>$3,696,182</td>
<td>$393,771 11.9%</td>
</tr>
<tr>
<td>Health Care</td>
<td>$47,096,065</td>
<td>$51,791,675</td>
<td>$4,695,610 10.0%</td>
</tr>
<tr>
<td></td>
<td>$50,398,476</td>
<td>$55,487,857</td>
<td>$5,089,381 10.1%</td>
</tr>
</tbody>
</table>
13% average reduction of General Fund revenues for FY 2021

Based on:

• NCACC estimates & projections
• National sales data & trends
• 2008-2009 revenue trends
• Changes in retail activity & impacts of stay-at-home orders on movement as of mid-April
$33.5 million unassigned fund balance budgeted for FY 2021 in the General Fund, a $13 million increase. This will significantly influence the FY 2022 budget.

Based on:

- Prioritizing our people (staff and citizens), our services, and our infrastructure
- Prioritizing Board focus areas and priorities for FY 2021
- Reduced revenues in other areas

FY 2021 ending fund balance is based on the FY 2022 budget being about the same as the “Pre-COVID” FY 2021 expense budget of about $650M.
GENERAL FUND: What are we doing?

- Education & Education Debt: $307 million
- Human Services: $124 million
- Public Safety: $119 million
- General Government & Non-Education Debt: $49 million
- Support Services: $22 million
- Comm. Services: $12 million
GENERAL FUND: How are we paying for it?

- Property Tax: $389 million
- Sales Tax: $80 million
- Federal/State Funds: $71 million
- User Fees & Charges: $43 million
- Other
REVENUES: Changes by Source from FY 2020

- Property Tax: $8.4
- Fund Balance: $7.6
- Federal/State Funds: $2.9
- Other: $(0.6)
- User Charges: $(1.1)
- Investment Earnings: $(2.6)
- Sales Tax: $(11.0)
REVENUES: Changes by Source from FY 2020

<table>
<thead>
<tr>
<th>Source</th>
<th>Pre-COVID</th>
<th>Post-COVID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>$13.9</td>
<td>($11.0)</td>
</tr>
<tr>
<td>Fund Balance</td>
<td>$8.4</td>
<td>($1.5)</td>
</tr>
<tr>
<td>Federal/State Funds</td>
<td>$7.6</td>
<td>$2.9</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>$2.9</td>
<td>($0.4)</td>
</tr>
<tr>
<td>User Fees &amp; Charges</td>
<td>$1.6</td>
<td>($1.1)</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>$0.6</td>
<td>($0.0)</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>$5.0</td>
<td>($2.6)</td>
</tr>
</tbody>
</table>
REVENUES: Property Tax

In the budget:
• Same tax rate: 73.05 cents
• $389 million in revenue
• $53.5 billion in value (+0.98%)

COVID Impact:
• Real property reduced $2.3 million with more conservative valuation estimates
• Motor vehicles reduced $3.2 million based on recovery curve
REVENUES: Sales Tax

In the budget:

• $80 million
• Somewhat dependent on refunds – fewer in FY 2020 YTD than FY 2019

COVID Impact:

• Sales tax reduced $16 million because of lower retail activity & general economic halt
• Revenue impact based on recovery curve with most loss early in year
In the budget:

- $70.6 million, a $2.8 million increase from FY 2019-20
- Includes $4.8 million in Lottery Funds for school debt repayment
- Generally restricted revenues received on reimbursement basis

COVID Impact:

- No impact anticipated, though some payments may be delayed depending on state needs
**REVENUES: User Fees & Charges**

In the budget:

- $42.9 million, a $1.1 million decrease from FY 2019-20
- Minor changes to fee schedule recommended for FY 2020-21

**COVID Impact:**

- Reduced additional $645,000 from pre-COVID estimates with changes to building permits (-$89k), well monitoring (-$25k), register of deeds and passport fees (-$200k, -$65k) and sheriff special duty fees (-$160k)
- Revenue impact based on recovery curve with most loss early in year
REVENUES: Investment Earnings

In the budget:

- $1.8 million
- Earnings in capital fund recorded there since FY 2019-20

COVID Impact:

- Investment earnings reduced $2.6M from initial projections due to reduced interest rates

Other Revenues
(FY 2018 includes proceeds from issuing bonds)
REVENUES: Other Revenues

In the budget:

- $10.7 million, a $605,500 increase from FY 2019-20
- Includes all remaining revenues like excise tax, late payment penalties, and miscellaneous grants and donations from outside agencies

COVID Impact:

- Reduced $1.0 million with changes to excise tax (-$750,000) and reduced interest on late tax payments (-$220,600)
- Revenue impact based on recovery curve with most loss early in year

Other Revenues
(FY 2018 includes proceeds from issuing bonds)
In the budget:

- $38.0 million total
  - $33.5 million general use
  - $2.8 department uses other than debt
- This is an “emergency” use of fund balance and is unsustainable for FY 2021-22

COVID Impact:

- If all fund balance is spent, unassigned fund balance will be at or below 8% after FY 2020-21
FEE SCHEDULE: Recomm. Changes & Updates

Services with Proposed Fee Changes
• Emergency Services (emergency management plan review)
• Law Enforcement (firing range)
• Register of Deeds (shipping fees for document copies & passports)

Services with Fee Updates
• Juvenile Detention (increase in state per-day subsidy)
• Law Enforcement (pistol permits, not previously listed)
• Solid Waste (tire disposal fees, set per contract)
Emergency Services: Disaster Plan Review Fees for NC DHSR Regulated Facilities

<table>
<thead>
<tr>
<th>Fee Information</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial Plan Submission</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mental Health Facility</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Day Treatment (Non-Residential)</td>
<td>$150.00</td>
<td>$150.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Residential 1-6 Beds</td>
<td>$175.00</td>
<td>$200.00</td>
<td>$25.00</td>
</tr>
<tr>
<td>Residential 7-24 Beds</td>
<td>$200.00</td>
<td>$200.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Residential 25+ Beds</td>
<td>$250.00</td>
<td>$200.00</td>
<td>$(50.00)</td>
</tr>
<tr>
<td>Adult Care Homes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Day Treatment (Non-Residential)</td>
<td>$125.00</td>
<td>$150.00</td>
<td>$25.00</td>
</tr>
<tr>
<td>Residential 1-6 Beds</td>
<td>$150.00</td>
<td>$200.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Residential 7-24 Beds</td>
<td>$175.00</td>
<td>$200.00</td>
<td>$25.00</td>
</tr>
<tr>
<td>Residential 25+ Beds</td>
<td>$200.00</td>
<td>$200.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Nursing Homes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential 1-6 Beds</td>
<td>$150.00</td>
<td>$200.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Residential 7-24 Beds</td>
<td>$200.00</td>
<td>$200.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Residential 25+ Beds</td>
<td>$400.00</td>
<td>$200.00</td>
<td>$(200.00)</td>
</tr>
<tr>
<td><strong>Annual Plan Submission</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adult Care Homes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Day Treatment (Non-Residential)</td>
<td>$50.00</td>
<td>$75.00</td>
<td>$25.00</td>
</tr>
<tr>
<td>Residential 1-6 Beds</td>
<td>$75.00</td>
<td>$75.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Residential 7-24 Beds</td>
<td>$75.00</td>
<td>$75.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Residential 25+ Beds</td>
<td>$75.00</td>
<td>$75.00</td>
<td>$ -</td>
</tr>
</tbody>
</table>
### Law Enforcement: Firing Range Use

<table>
<thead>
<tr>
<th>Fee Information</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Firing Range (authorized agencies only)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pistol &amp; Rifle Ranges (per officer)</td>
<td>new</td>
<td>$5.00</td>
<td>$5.00</td>
</tr>
<tr>
<td>Shoot House - Simunition (no live fire; per officer)</td>
<td>new</td>
<td>$5.00</td>
<td>$5.00</td>
</tr>
<tr>
<td>Shoot House - Live Fire (per range visit)</td>
<td>new</td>
<td>$150.00</td>
<td>$150.00</td>
</tr>
</tbody>
</table>

### Register of Deeds: Shipping Rates

<table>
<thead>
<tr>
<th>Fee Information</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passport Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overnight Delivery</td>
<td>$25.50</td>
<td>$26.35</td>
<td>$0.85</td>
</tr>
<tr>
<td>Standard Shipping</td>
<td>$7.35</td>
<td>$7.75</td>
<td>$0.40</td>
</tr>
<tr>
<td><strong>Vital Records</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overnight Delivery</td>
<td>$25.50</td>
<td>$26.35</td>
<td>$0.85</td>
</tr>
</tbody>
</table>
# FEE SCHEDULE: Updates

## Juvenile Detention: State In-County Youth Subsidy per Day

<table>
<thead>
<tr>
<th>Fee Information</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-County Youth Subsidy per Day</td>
<td>$122.00</td>
<td>$153.38</td>
<td>$31.38</td>
</tr>
</tbody>
</table>

## Law Enforcement: Pistol Permit Fees for Retired Law Enforcement

<table>
<thead>
<tr>
<th>Fee Information</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pistol Purchase &amp; Concealed Carry Permitting Fees</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concealed Carry Permit Fee - New Applicant - Retired Law Enforcement (Controlled by State Statute)</td>
<td>not prev. listed</td>
<td>$40.00</td>
<td>$40.00</td>
</tr>
<tr>
<td>Concealed Carry Permit Fee - Renewal Applicant - Retired Law Enforcement (Controlled by State Statute)</td>
<td>not prev. listed</td>
<td>$40.00</td>
<td>$40.00</td>
</tr>
</tbody>
</table>

## Solid Waste: Tire Disposal Rates (contract update)

<table>
<thead>
<tr>
<th>Fee Information</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger car tire disposal fee per tire</td>
<td>$0.85</td>
<td>$0.88</td>
<td>$0.03</td>
</tr>
<tr>
<td>Heavy truck tire disposal fee per tire</td>
<td>$4.36</td>
<td>$4.50</td>
<td>$0.14</td>
</tr>
<tr>
<td>Oversize tire per pound</td>
<td>$0.0379</td>
<td>$0.0391</td>
<td>$0.0012</td>
</tr>
</tbody>
</table>
GENERAL FUND: What are we doing?

- Education & Education Debt: $307 million
- General Government & Non-Education Debt: $49 million
- Human Services: $124 million
- Public Safety: $119 million
- Support Services: $22 million
- Comm. Services: $12 million
GENERAL FUND: How are we doing it?

- Operating (Education): $227 million
- Personnel: $212 million
- Debt Repayment: $91 million
- Operating (County): $85 million
- Human Services Assist.: $18 million
BUDGET DRIVERS

Education

Debt Repayment

Personnel & Compensation
• New Positions & FY 2019-20 Additions
• Merit Pool & Market Pay Plan (Phase 2)
• State Retirement Rate & Health Care Increases

Major Operating Increases
• Inmate Medical Services, Economic Dev. Incentives, Security, Scrap Tire Disposal costs

Other Changes
• Major Technology, Equipment & Vehicle Replacement
• Facility Maintenance & Capital Transfer
In the budget:

- $90.8 million, a $5.3 million decrease from FY 2019-20
- No debt leveling (-$2.6 million)
- $6.0 million reduction in debt premium so county funds needed for debt service increase $700,000
# BUDGET DRIVERS: Current Debt Portfolio

## General Obligation Bonds

<table>
<thead>
<tr>
<th>Series</th>
<th>Description</th>
<th>Par</th>
<th>Final Maturity</th>
<th>Call Provision</th>
<th>Average Coupon</th>
<th>Use of Proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 2010A</td>
<td>General Obligation Public Improvement Bonds</td>
<td>8,250,000</td>
<td>8/1/2020</td>
<td>Non-Callable</td>
<td>5.000%</td>
<td>New Money</td>
</tr>
<tr>
<td>Series 2010B</td>
<td>Taxable General Obligation Public Improvement Bonds (BABS)</td>
<td>82,500,000</td>
<td>8/1/2030</td>
<td>Make Whole Call</td>
<td>5.051%</td>
<td>New Money</td>
</tr>
<tr>
<td>Series 2010D</td>
<td>General Obligation Refunding Bonds</td>
<td>30,870,000</td>
<td>8/1/2022</td>
<td>Non-Callable</td>
<td>5.000%</td>
<td>Refunding</td>
</tr>
<tr>
<td>Series 2012A</td>
<td>General Obligation Public Improvement Bonds</td>
<td>25,700,000</td>
<td>3/1/2024</td>
<td>3/1/2022</td>
<td>4.122%</td>
<td>New Money</td>
</tr>
<tr>
<td>Series 2012B</td>
<td>Taxable General Obligation QSCBs</td>
<td>17,145,000</td>
<td>3/1/2032</td>
<td>3/1/2022</td>
<td>3.934%</td>
<td>New Money</td>
</tr>
<tr>
<td>Series 2012C</td>
<td>General Obligation Refunding Bonds</td>
<td>3,610,000</td>
<td>10/1/2020</td>
<td>Non-Callable</td>
<td>3.000%</td>
<td>Refunding</td>
</tr>
<tr>
<td>Series 2016</td>
<td>General Obligation Refunding Bonds</td>
<td>85,160,000</td>
<td>2/1/2029</td>
<td>2/1/2026</td>
<td>4.541%</td>
<td>Refunding</td>
</tr>
<tr>
<td>Series 2017A</td>
<td>General Obligation Bonds (2/3)</td>
<td>23,785,000</td>
<td>5/1/2037</td>
<td>5/1/2027</td>
<td>4.118%</td>
<td>New Money</td>
</tr>
<tr>
<td>Series 2017B</td>
<td>General Obligation Bonds (Referendum)</td>
<td>145,850,000</td>
<td>5/1/2037</td>
<td>5/1/2027</td>
<td>4.425%</td>
<td>New Money</td>
</tr>
<tr>
<td>Series 2017</td>
<td>General Obligation Refunding Bonds</td>
<td>161,585,000</td>
<td>3/1/2030</td>
<td>3/1/2027</td>
<td>4.633%</td>
<td>Refunding</td>
</tr>
<tr>
<td>Series 2019A</td>
<td>General Obligation Public Improvement Bonds</td>
<td>40,000,000</td>
<td>5/1/2039</td>
<td>5/1/2029</td>
<td>4.168%</td>
<td>New Money</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>624,455,000</strong></td>
<td></td>
<td></td>
<td><strong>4.551%</strong></td>
<td></td>
</tr>
</tbody>
</table>

## Limited Obligation Bonds

<table>
<thead>
<tr>
<th>Series</th>
<th>Description</th>
<th>Par</th>
<th>Final Maturity</th>
<th>Call Provision</th>
<th>Average Coupon</th>
<th>Use of Proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 2012</td>
<td>Taxable Limited Obligation Bonds (QSCBs)</td>
<td>16,145,000</td>
<td>4/1/2032</td>
<td>4/1/2022</td>
<td>4.564%</td>
<td>New Money</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>16,145,000</strong></td>
<td></td>
<td></td>
<td><strong>4.564%</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td><strong>640,600,000</strong></td>
<td></td>
<td></td>
<td><strong>4.551%</strong></td>
<td></td>
</tr>
</tbody>
</table>
BUDGET DRIVERS: Current Debt Portfolio
BUDGET DRIVERS: Current Debt Portfolio with Proposed Bonds
### BUDGET DRIVERS: Debt Service for School Bonds

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Existing Debt Service</th>
<th>Proposed Debt Service</th>
<th>Total Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>63,527,623</td>
<td>-</td>
<td>63,527,623</td>
</tr>
<tr>
<td>2021</td>
<td>65,759,128</td>
<td>-</td>
<td>65,759,128</td>
</tr>
<tr>
<td>2022</td>
<td>66,445,848</td>
<td>-</td>
<td>66,445,848</td>
</tr>
<tr>
<td>2023</td>
<td>67,040,735</td>
<td>-</td>
<td>67,040,735</td>
</tr>
<tr>
<td>2024</td>
<td>61,021,144</td>
<td>17,388,755</td>
<td>78,409,900</td>
</tr>
<tr>
<td>2025</td>
<td>59,115,787</td>
<td>27,711,131</td>
<td>86,826,919</td>
</tr>
<tr>
<td>2026</td>
<td>41,844,122</td>
<td>26,921,631</td>
<td>68,765,754</td>
</tr>
<tr>
<td>2027</td>
<td>40,414,697</td>
<td>26,132,131</td>
<td>66,546,828</td>
</tr>
<tr>
<td>2028</td>
<td>26,053,254</td>
<td>25,342,631</td>
<td>51,395,885</td>
</tr>
<tr>
<td>2029</td>
<td>23,372,506</td>
<td>24,553,131</td>
<td>47,925,637</td>
</tr>
<tr>
<td>2030</td>
<td>16,530,644</td>
<td>23,763,631</td>
<td>40,294,276</td>
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<tr>
<td>2031</td>
<td>15,806,555</td>
<td>22,974,131</td>
<td>38,780,686</td>
</tr>
<tr>
<td>2032</td>
<td>29,979,141</td>
<td>22,184,631</td>
<td>52,163,772</td>
</tr>
<tr>
<td>2033</td>
<td>8,252,263</td>
<td>21,395,131</td>
<td>29,647,394</td>
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<tr>
<td>2034</td>
<td>7,970,162</td>
<td>20,763,531</td>
<td>28,733,693</td>
</tr>
<tr>
<td>2035</td>
<td>7,753,036</td>
<td>20,131,931</td>
<td>27,884,968</td>
</tr>
<tr>
<td>2036</td>
<td>7,533,339</td>
<td>19,500,331</td>
<td>27,033,670</td>
</tr>
<tr>
<td>2037</td>
<td>7,313,641</td>
<td>18,868,731</td>
<td>26,182,372</td>
</tr>
<tr>
<td>2038</td>
<td>588,300</td>
<td>18,237,131</td>
<td>18,825,431</td>
</tr>
<tr>
<td>2039</td>
<td>571,650</td>
<td>17,763,431</td>
<td>18,335,081</td>
</tr>
<tr>
<td>2040</td>
<td>-</td>
<td>17,289,731</td>
<td>17,289,731</td>
</tr>
<tr>
<td>2041</td>
<td>-</td>
<td>16,791,294</td>
<td>16,791,294</td>
</tr>
<tr>
<td>2042</td>
<td>-</td>
<td>16,298,013</td>
<td>16,298,013</td>
</tr>
</tbody>
</table>
BUDGET DRIVERS: Proposed School Bonds

Annual Debt Service Requirements For Schools $300,000,000

Existing D/S (School) | Proposed D/S (School)
In the budget:

- $209.6 million operating, an increase of $3 million from FY 2019-20
- $3.1 million for capital maintenance and repair, a decrease of $3 million
- Estimated per pupil funding increases from $2,554 to $2,611 (based on NC DPI ADM estimate for FY 2020-21)

**COVID Impact:**

- No net increase in overall GCS allocation
- GCS requested an additional $7.5 million for operating and $13.9 million for capital
### Budget Drivers: Education - GTCC

**In the budget:**

- $17.1 million operating, an increase of $450,000 from FY 2019-20
- $550,000 for capital maintenance and repair, a decrease of $450,000

**COVID Impact:**

- No net increase in overall GTCC allocation
- GTCC requested an additional $1.03 million for operating and $1.2 million for capital
Eight new positions are recommended based on Board priorities:

- **Information Services**: 1 IT Security Manager ($97,500)
- **Public Health**: 1 Infant Mortality Coordinator ($56,000, starting in September 2020)
- **Mental Health**:
  - 1 Mental Health Center Director ($114,200, starting in mid-September 2020)
  - 5 Deputy Sheriffs ($114,000 starting in February 2021)
39 Positions were added in FY 2019-20:

- **Public Health**: Nursing Specialist Supervisor, Nurse Specialist II, 6 Nurse Specialist Is, Community Health Consultant, Senior Office Specialist ($610,000; grant funded)

- **Social Services**: Eligibility Supervisor, 3 Lead Eligibility Caseworkers, 20 Eligibility Caseworkers ($1 million; county net cost $280,000)

- **Animal Services**: Veterinarian, Customer Service Manager, Foster/Placement Coordinator, 2 Animal Cleaning Techs ($192,000)

The budget also includes the full year cost for 4 Juvenile Detention and 6 Emergency Services positions added with mid-year starts in FY 2020 budget.
Merit Pool

- Budget includes merit pool equal to 3% of salaries and benefits. Individual employee increase may be more or less than 3%, depending on performance evaluation score. Merits to be applied on same date in January for all employees.

  - First year net cost = $1.85 million
    ($2.25 million less reimbursements & vacancies)
  
  - Full year net cost = $4.1 million
    ($5.2 million less reimbursements & vacancies)

Market Pay Study – Phase II

- Budget pauses implementation of Phase 2 of the market compensation study recommendations (estimated cost of $2.5 million)
State Retirement (LGERS) Employer Contribution Increase

- The employer contribution rate for the local government employee retirement system increased from 9.02% (9.72% for LEOs) to 10.20% (10.95% for LEOs).
  - $1.7 million net cost ($2.02 million less reimbursements)

Health Care Employer Contribution Increase

- Budget includes additional $8.5 million in employer contribution for group insurance ($33.2 million in FY 20 to $42.2 million in FY 21)
  - $2.7 million from coverage election changes, budgeting life insurance, annual cost for mid-year start positions
  - $5.8 million for health insurance budget increase due to claims and related costs
**BUDGET DRIVERS: Major Operating Increases**

**Inmate Medical Services (Law Enforcement, Juvenile Detention)**
- Budget includes $670,000 for medical services for adults in the jails and youth in the Juvenile Detention Center

**Security Cost Increases (Security)**
- Budget includes $150,000 increase for contract security
- No change in security coverage

**Scrap Tire Disposal Cost Increase (Solid Waste)**
- Budget includes $400,000 increase for scrap tire disposal contract

**Economic Development Incentives**
- Budget includes $275,000 for anticipated economic incentive grant payouts and an additional $40,000 for economic development organizations
Defer Vehicle Replacements

- Budget includes $496,500 for 12 vehicles, $2.7 million and 47 vehicles less than planned due to COVID impact
  - 6 for Fleet Operations ($197,000)
  - 1 for Emergency Services ($50,000)
  - 5 for Law Enforcement ($250,000)

Defer Major Equipment & Technology Purchases and Replacements

- Budget includes $1.3 million for technology, $950,000 less than planned due to COVID impact
- $730,100 total for major equipment, out of $4.2 million requested
Defer Facility Maintenance

- Budget includes:
  - $2.3 million for routine maintenance (-$167,000 from FY 2019-20)
  - $1.5 million for special maintenance (-$1.3M from FY 2019-20)
- Recommended amount is $1.7 million less than planned due to COVID impact

Pause Transfer to Capital

- Budget includes no transfer to capital for FY 2020-21, a reduction of $1.01 million from FY 2019-20
- The CIP is not fully funded. To fully fund planned projects, an average cash transfer from the General Fund of $13.3 million is needed over the next 5 years starting in FY 2020-21 or some projects postponed
### Facility Maintenance Funding Benchmarks

<table>
<thead>
<tr>
<th></th>
<th>Standard</th>
<th>Driver/Ratio</th>
<th>Recomm Amt</th>
<th>FY20 Adopt</th>
<th>FY21 Recomm</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Routine Maintenance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GC Facilities Before FY 2020</td>
<td>$2.00 per sq ft</td>
<td>2,500,000 sq ft</td>
<td>$5,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GC Facilities Current (APPA)</td>
<td>0.5-1.5% of capital replacement value</td>
<td>$230/sq ft x 2.5M or $5.75M CRV</td>
<td>$5,750,000</td>
<td>$2,510,391</td>
<td>$2,343,054</td>
</tr>
<tr>
<td>As % of Current Replacement</td>
<td>1% of County buildings</td>
<td>$235,697,762 in CV</td>
<td>$2,356,978</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Major Maintenance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GC Facilities Before FY 2020</td>
<td>$2.25 per sq ft</td>
<td>2,500,000 sq ft</td>
<td>$5,625,000</td>
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<td></td>
</tr>
<tr>
<td>GC Facilities Current (APPA)</td>
<td>1.5-2.5% avg of replacement value</td>
<td>$230/sq ft x 2.5M or $5.75M CRV</td>
<td>$11,500,000</td>
<td>$2,795,000</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>As % of Current Replacement</td>
<td>2% of County buildings</td>
<td>$235,697,762 in CV</td>
<td>$4,713,955</td>
<td></td>
<td></td>
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<tr>
<td><strong>Total (Average of Standards / Benchmarks)</strong></td>
<td></td>
<td></td>
<td>$11,648,644</td>
<td>$5,305,391</td>
<td>$3,843,054</td>
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</tbody>
</table>
BUDGET DRIVERS: Facilities & Capital

Average anticipated need is $23.5 million through FY 2024.
### County Building Construction Fund

**Unallocated Funds:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anticipated funds</td>
<td>$20.4 million</td>
</tr>
<tr>
<td>LESS:</td>
<td></td>
</tr>
<tr>
<td>Board allocations to projects</td>
<td>-$11.9 million</td>
</tr>
<tr>
<td>Estimated year-end statutory reserves</td>
<td>-$0.3 million</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>$8.2 million</strong></td>
</tr>
<tr>
<td>HOLD: Pending NC Budget passage for Behavioral Health Facility</td>
<td>-$7.7 million</td>
</tr>
</tbody>
</table>

**Available Funds**

$0.5 million
FIRE DISTRICTS

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>FY2020 Adopted</th>
<th>FY2021 Pre-COVID</th>
<th>FY2021 Recomm</th>
<th>vs. FY20 Adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>$16,254,828</td>
<td>$16,575,393</td>
<td>$16,228,095</td>
<td>$26,733</td>
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<tr>
<td>Sales Tax</td>
<td>$3,634,130</td>
<td>$3,815,816</td>
<td>$2,907,285</td>
<td>$726,845</td>
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<tr>
<td></td>
<td>$19,888,958</td>
<td>$20,391,209</td>
<td>$19,135,380</td>
<td>$753,578</td>
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<tr>
<td>Fund Balance</td>
<td>$870,360</td>
<td>$1,316,180</td>
<td>$774,258</td>
<td>$96,102</td>
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<tr>
<td>Total</td>
<td>$20,759,318</td>
<td>$21,707,389</td>
<td>$19,909,638</td>
<td>$849,680</td>
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</tbody>
</table>

Four districts requested property tax increases but none were recommended.
## Internal Service: Risk Management

### Expense

<table>
<thead>
<tr>
<th></th>
<th>FY2020 Adopted</th>
<th>FY2021 Pre-COVID</th>
<th>FY2021 Recomm</th>
<th>vs. FY20 Adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$211,502</td>
<td>$246,240</td>
<td>$233,180</td>
<td>$21,678</td>
</tr>
<tr>
<td>Claims Paid</td>
<td>$2,200,000</td>
<td>$2,450,000</td>
<td>$2,450,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>Insurance</td>
<td>$551,008</td>
<td>$650,000</td>
<td>$650,000</td>
<td>$98,992</td>
</tr>
<tr>
<td>Vehicle Repair</td>
<td>$245,000</td>
<td>$245,000</td>
<td>$245,000</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>$94,901</td>
<td>$118,002</td>
<td>$118,002</td>
<td>$23,101</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,302,411</strong></td>
<td><strong>$3,709,242</strong></td>
<td><strong>$3,696,182</strong></td>
<td><strong>$393,771</strong></td>
</tr>
</tbody>
</table>

### Source of Funds

<table>
<thead>
<tr>
<th></th>
<th>FY2020 Adopted</th>
<th>FY2021 Pre-COVID</th>
<th>FY2021 Recomm</th>
<th>vs. FY20 Adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers Comp.</td>
<td>$1,983,000</td>
<td>$1,833,000</td>
<td>$1,833,000</td>
<td>$(150,000)</td>
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<tr>
<td>Insurance</td>
<td>$489,589</td>
<td>$1,154,494</td>
<td>$862,318</td>
<td>$372,729</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$2,472,589</strong></td>
<td><strong>$2,987,494</strong></td>
<td><strong>$2,695,318</strong></td>
<td><strong>$222,729</strong></td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>FY2020 Adopted</th>
<th>FY2021 Pre-COVID</th>
<th>FY2021 Recomm</th>
<th>vs. FY20 Adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miscellaneous</td>
<td>$290,000</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$(190,000)</td>
</tr>
<tr>
<td>Fund Balance</td>
<td>$539,822</td>
<td>$621,748</td>
<td>$900,864</td>
<td>$361,042</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$3,302,411</strong></td>
<td><strong>$3,709,242</strong></td>
<td><strong>$3,696,182</strong></td>
<td><strong>$393,771</strong></td>
</tr>
<tr>
<td>Expense</td>
<td>FY2020 Adopted</td>
<td>FY2021 Pre-COVID</td>
<td>FY2021 Recomm</td>
<td>vs. FY20 Adopted</td>
</tr>
<tr>
<td>-------------------------</td>
<td>----------------</td>
<td>------------------</td>
<td>---------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Personnel</td>
<td>$54,897</td>
<td>$63,752</td>
<td>$63,752</td>
<td>$8,855 16%</td>
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<tr>
<td>Professional Services</td>
<td>$1,751,488</td>
<td>$1,822,135</td>
<td>$1,822,135</td>
<td>$70,647 4%</td>
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<tr>
<td>Claims Paid</td>
<td>$41,188,260</td>
<td>$44,737,984</td>
<td>$44,737,984</td>
<td>$3,549,724 9%</td>
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<tr>
<td>Insurance</td>
<td>$4,101,420</td>
<td>$5,081,728</td>
<td>$5,081,728</td>
<td>$980,308 24%</td>
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<tr>
<td>Other</td>
<td>$-</td>
<td>$86,076</td>
<td>$86,076</td>
<td>$86,076 n/a</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$47,096,065</td>
<td>$51,791,675</td>
<td>$51,791,675</td>
<td>$4,695,610 10.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>FY2020 Adopted</th>
<th>FY2021 Pre-COVID</th>
<th>FY2021 recomm</th>
<th>vs. FY20 Adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County</td>
<td>$31,024,342</td>
<td>$42,130,436</td>
<td>$42,130,436</td>
<td>$11,106,094 36%</td>
</tr>
<tr>
<td>Employees</td>
<td>$6,222,832</td>
<td>$6,590,008</td>
<td>$6,590,008</td>
<td>$367,176 6%</td>
</tr>
<tr>
<td>Retirees</td>
<td>$2,587,284</td>
<td>$2,921,403</td>
<td>$2,921,403</td>
<td>$334,119 13%</td>
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<tr>
<td><strong>Total</strong></td>
<td>$39,834,458</td>
<td>$51,641,847</td>
<td>$51,641,847</td>
<td>$11,807,389 29.6%</td>
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<tr>
<td>Miscellaneous</td>
<td>$100,000</td>
<td>$149,828</td>
<td>$149,828</td>
<td>$49,828 49.8%</td>
</tr>
<tr>
<td>Fund Balance</td>
<td>$7,161,607</td>
<td>-</td>
<td>-</td>
<td>$(7,161,607) -100%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$47,096,065</td>
<td>$51,791,675</td>
<td>$51,791,675</td>
<td>$4,695,610 10.0%</td>
</tr>
<tr>
<td>Organizations</td>
<td>FY 2020 Adopted</td>
<td>FY 2021 Requested</td>
<td>FY 2021 Recommended</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------------</td>
<td>-----------------</td>
<td>-------------------</td>
<td>---------------------</td>
<td></td>
</tr>
<tr>
<td>African-American Atelier</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Friends of John Coltrane</td>
<td>$20,000</td>
<td>$40,000</td>
<td>$20,000</td>
<td></td>
</tr>
<tr>
<td>High Point Arts Council</td>
<td>$50,000</td>
<td>$55,000</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>United Arts Council GSO</td>
<td>$55,000</td>
<td>$55,000</td>
<td>$55,000</td>
<td></td>
</tr>
<tr>
<td>NC Folk &amp; Heritage Festivals</td>
<td>$25,000</td>
<td>$40,000</td>
<td>$25,000</td>
<td></td>
</tr>
<tr>
<td>Downtown Greensboro</td>
<td>$40,000</td>
<td>$40,000</td>
<td>$40,000</td>
<td></td>
</tr>
<tr>
<td>East Market Street NOW</td>
<td>$35,000</td>
<td>$35,000</td>
<td>$35,000</td>
<td></td>
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<tr>
<td>Forward High Point Foundation</td>
<td>$0</td>
<td>$50,000</td>
<td>$40,000</td>
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<tr>
<td>Greensboro Chamber of Commerce (^1)</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
<td></td>
</tr>
<tr>
<td>Greensboro Community Development Fund</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Guilford County Tourism Development Authority (^2)</td>
<td>$40,000</td>
<td>$40,000</td>
<td>$40,000</td>
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<tr>
<td>High Point Econ Dev (HPEDA)</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
<td></td>
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<tr>
<td>High Point Market Authority</td>
<td>$125,000</td>
<td>$200,000</td>
<td>$125,000</td>
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<tr>
<td>Junior Achievement of the Triad</td>
<td>$0</td>
<td>$50,000</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>League of International Track</td>
<td>$0</td>
<td>$24,500</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Out of the Garden Project</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Piedmont Business Capital</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Piedmont Triad Film Commission</td>
<td>$25,000</td>
<td>$30,000</td>
<td>$25,000</td>
<td></td>
</tr>
<tr>
<td>Renaissance Community Cooperative</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
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<tr>
<td>Senior Resources of Guilford (^4)</td>
<td>$0</td>
<td>$50,000</td>
<td>(in DSS Budget)</td>
<td></td>
</tr>
<tr>
<td>Southwest Renewal Foundation of High Point, Inc.</td>
<td>$25,000</td>
<td>$50,000</td>
<td>$25,000</td>
<td></td>
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<tr>
<td>Triad Local First</td>
<td>$0</td>
<td>$60,000</td>
<td>$0</td>
<td></td>
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<tr>
<td>Welfare Reform Liaison Project, Inc.</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td></td>
</tr>
<tr>
<td>Guilford County Economic Development Alliance (^3)</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
<td></td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$815,000</strong></td>
<td><strong>$1,194,500</strong></td>
<td><strong>$855,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

FY21 also incorporates an additional $150,000 of payments to the Greensboro Housing Authority (no change from FY20).
## ACTIVE ECONOMIC DEVELOPMENT INCENTIVES

**AS OF 02-MAR-20**

<table>
<thead>
<tr>
<th>Project</th>
<th>Approved Incentive</th>
<th>All Years Actual [1]</th>
<th>FY2020 Adopted</th>
<th>FY2021 Budget Requested</th>
<th>Future Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amada North America, Inc.</td>
<td>$990,000</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$990,000</td>
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<tr>
<td>Baltek</td>
<td>$89,500</td>
<td>$80,500</td>
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<td>$-</td>
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<tr>
<td>Ecolab</td>
<td>$168,750</td>
<td>$100,000</td>
<td>$50,000</td>
<td>$18,750</td>
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<tr>
<td>Publix</td>
<td>$17,532,000</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$17,532,000</td>
</tr>
<tr>
<td>Qorvo</td>
<td>$333,750</td>
<td>$133,500</td>
<td>$66,750</td>
<td>$-</td>
<td>$133,500</td>
</tr>
<tr>
<td>Ralph Lauren Corporation</td>
<td>$1,238,400</td>
<td>$1,228,815</td>
<td>$-</td>
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<td>$-</td>
</tr>
<tr>
<td>Springfield Service Corporation</td>
<td>$37,500</td>
<td>$37,500</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Stanley Furniture</td>
<td>$76,000</td>
<td>$76,000</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Syngenta Crop Protection, LLC (Approved Jan. 16, 2020) Agreement Pending</td>
<td>$1,907,734</td>
<td>$-</td>
<td>$-</td>
<td>$335,152</td>
<td>$1,572,582</td>
</tr>
<tr>
<td>The Fresh Market, Inc. (Approved Nov. 21, 2019) Agreement Pending</td>
<td>$106,000</td>
<td>$-</td>
<td>$-</td>
<td>$20,000</td>
<td>$86,000</td>
</tr>
<tr>
<td>HAECO Education (Approved 06-Aug-15) Agreement Pending</td>
<td>$147,000</td>
<td>$58,800</td>
<td>$29,400</td>
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<tr>
<td>HAECO (Approved 04-Apr-13 as TIMCO) Agreement Pending</td>
<td>$400,000</td>
<td>$400,000</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$23,026,634</strong></td>
<td><strong>$2,115,115</strong></td>
<td><strong>$146,150</strong></td>
<td><strong>$403,302</strong></td>
<td><strong>$20,343,482</strong></td>
</tr>
</tbody>
</table>

1) Includes paid and encumbered.