



GUILFORD COUNTY

May 17, 2018

Guilford County Board of Commissioners:

The Honorable Alan Branson, Chair
The Honorable Justin Conrad, Vice Chair
The Honorable Melvin L. (Skip) Alston
The Honorable Katie S. (Kay) Cashion
The Honorable Carolyn Q. Coleman
The Honorable J. Carlvena Foster
The Honorable Hank Henning
The Honorable Alan Perdue
The Honorable Jeffrey M. Phillips

Guilford County Board of Commissioners and Residents of Guilford County:

It is my privilege to present to you the recommended budget for the 2018-19 fiscal year. In accordance with the General Statutes of North Carolina, the budget is balanced and prepared under the guidelines of the North Carolina Local Government Budget and Fiscal Control Act. A copy of this document has been filed with the Clerk to the Board and posted on the County's website where it is available to the public for inspection.

Local Economy

Local government budgets are impacted significantly by local economic conditions. In Guilford County, the unemployment rate continues to improve. The March 2018 unemployment rate was 4.5%, down from 4.7% in March 2017. The rate of unemployed workers is close to the North Carolina statewide rate of 4.3% and lags the national rate of 4.1%. The county's two major sources of revenue are positively impacted when a higher percentage of Guilford County residents are employed. When people have more disposable income, taxable retail sales increase locally resulting in increased sales tax revenue. Fiscal year-to-date taxable sales in Guilford County were \$4.86 billion in February 2017 compared to \$4.77 billion the same time last year. Annual totals are projected to increase by 2% this year versus 8% last year. The county's property tax collection rate has been on a positive trajectory in recent years due to timely payment of taxes. The real estate market has continued to strengthen with a median three-bedroom home sale price in March 2018 of \$153,500 compared to \$141,700 in March 2017. Overall, the county's property tax base will increase by approximately 1.8% over the values used to prepare the FY 2017-18 budget.

Based on population estimates for July 2018, the county's permanent population has grown approximately 7.8 percent since 2010 to nearly 528,000. However, the county's Medicaid-eligible population has grown by more than 39% since July 2013 – a much faster pace than the general population which places increased demand the county's human services. The County's

Department of Commerce Economic Tier Ranking remains at Tier 2 for 2018 primarily due to a median household incomes indicative that we have more work to do on the economic development front.

High Priority Focus Areas

In developing this budget, I looked to the Board's guidance from several goal setting sessions during the winter and spring of 2018. During these meetings, the Board identified a number of high priority high priority focus areas that advance the county's mission *to provide efficient, effective, responsive government that meets the public's needs while maintaining a high performance workforce that provides exceptional services that support a high quality of life and sustainable economic growth.* High level summaries of focus area funding included in the recommended budget are presented later in this message, identified using the icons noted below. Specific high priority initiatives are **noted in bold**. The priority areas are discussed in more detail in the County Goals & Priorities section of the budget document.



**Organizational
Excellence**



**Healthy
People**



Public Safety



**Economic
Development**



Education



**Recreation
& Culture**



Infrastructure

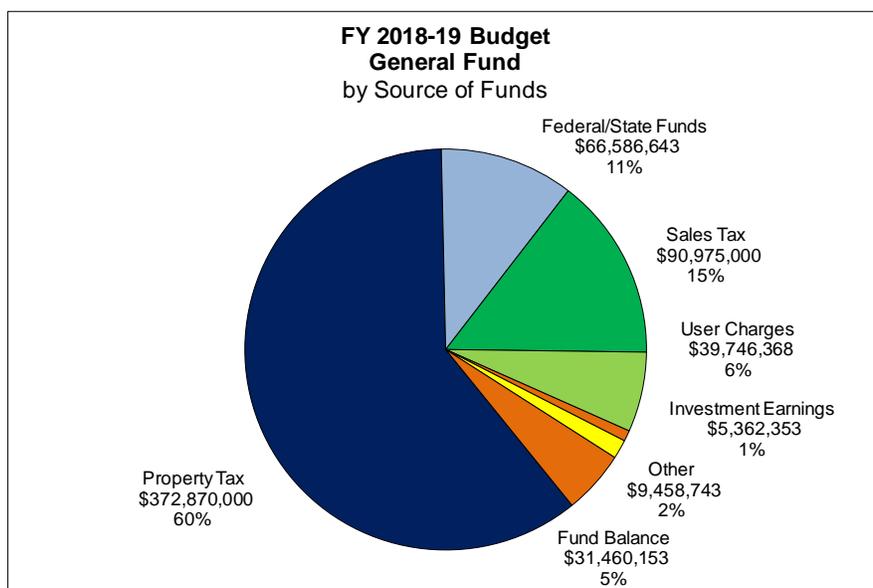
Recommended General Property Tax Rate

The proposed budget recommends a general county tax rate of 73.05 cents per \$100 of assessed valuation – no change from the current rate. The budget maintains county service levels, addresses employee compensation issues, expands school nursing services, and increases funding for the Guilford County Schools and Guilford Technical Community College.

REVENUES

Total revenues and appropriated fund balance are expected to increase by \$8 million next year, or 1.3% over last year's budget. The amount of fund balance used to balance the budget decreases by \$2.2 million as we work to reduce the county's reliance on non-recurring sources of funds to support county operations.

About 60%, or \$373 million, of total General Fund revenues will come from the property tax. Sales tax and revenues from the federal and state governments will generate \$91 million (15%) and \$66.6 million (11%), respectively. Together, these three sources of funds account for nearly nine of every ten dollars of budgeted revenue in FY 2018-19.

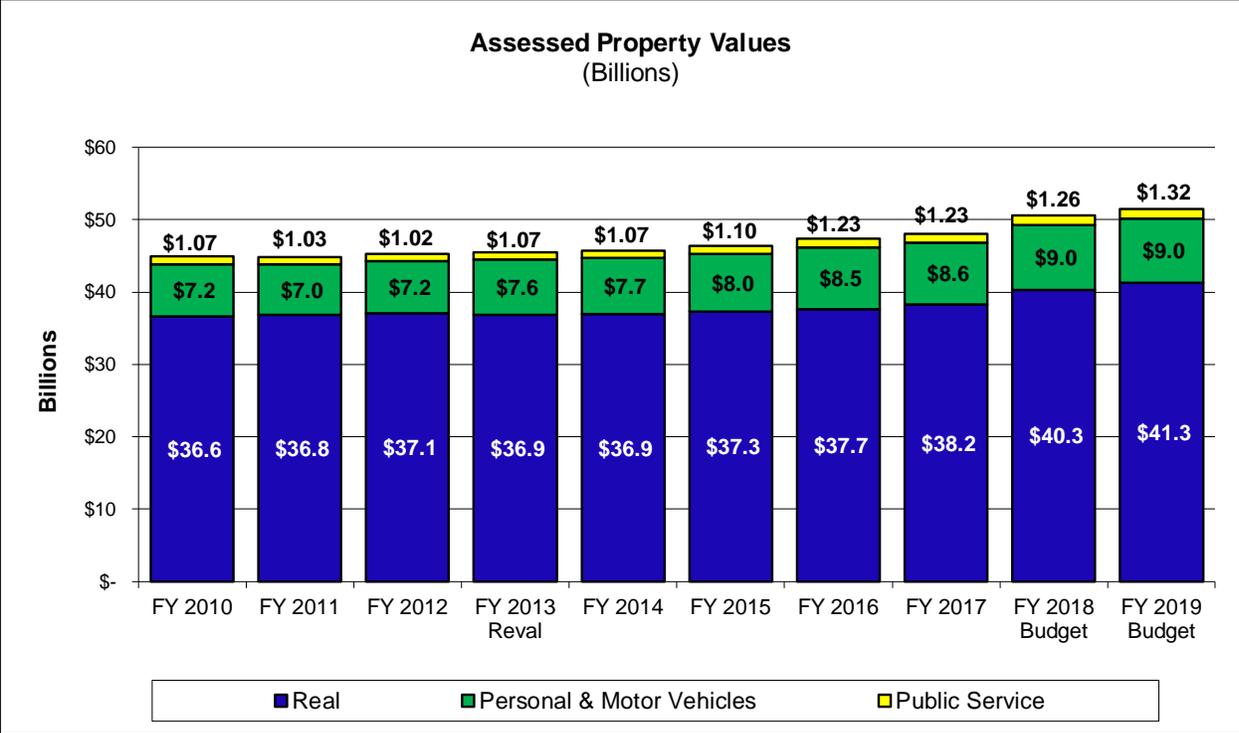


Summary of Sources of Funds

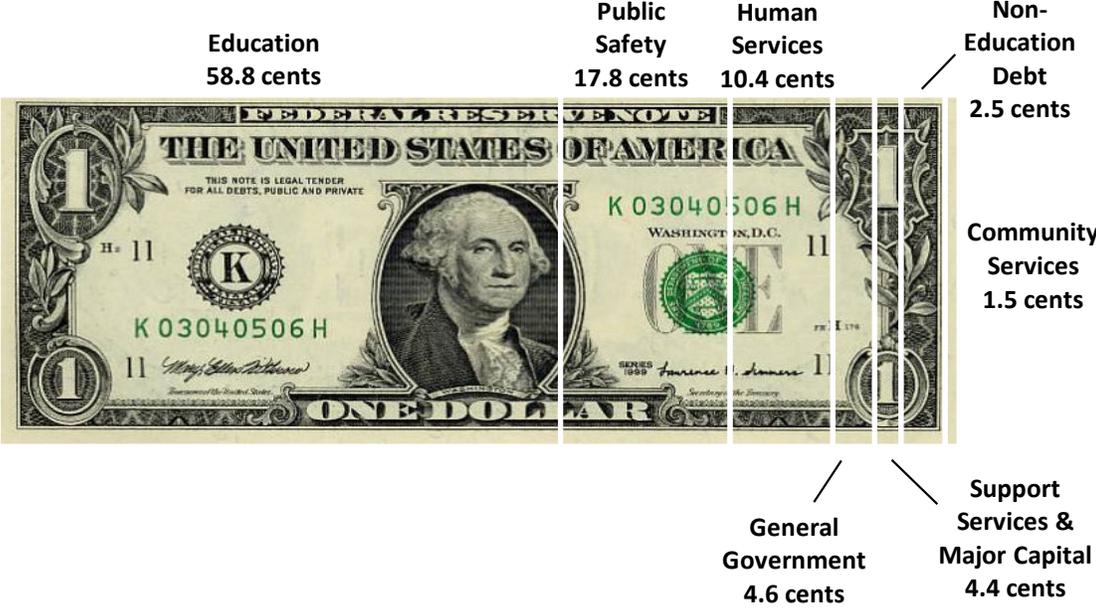
	FY2017 Actual	FY2018 Adopted	FY2018 Amended	FY2019 Request	FY2019 Recomm	vs. FY18 Adopted	
						\$ chg	% chg
Property Tax	\$ 363,322,313	\$ 366,250,750	\$ 366,250,750	\$ 392,061,927	\$ 372,870,000	\$ 6,619,250	1.8%
Federal/State Funds	\$ 89,257,971	\$ 70,548,032	\$ 67,376,247	\$ 66,585,824	\$ 66,586,643	\$ (3,961,389)	-5.6%
Sales Tax	\$ 83,919,378	\$ 85,546,675	\$ 85,546,675	\$ 90,975,000	\$ 90,975,000	\$ 5,428,325	6.3%
User Charges	\$ 43,437,587	\$ 39,708,553	\$ 40,049,786	\$ 38,909,283	\$ 39,746,368	\$ 37,815	0.1%
Investment Earnings	\$ 1,717,027	\$ 3,271,353	\$ 3,271,353	\$ 5,362,353	\$ 5,362,353	\$ 2,091,000	63.9%
Other	\$ 57,316,765	\$ 9,379,730	\$ 219,470,625	\$ 9,473,443	\$ 9,458,743	\$ 79,013	0.8%
Total Revenues	\$ 638,971,041	\$ 574,705,093	\$ 781,965,436	\$ 603,367,830	\$ 584,999,107	\$ 10,294,014	1.8%
Fund Balance	\$ (26,050,298)	\$ 33,708,907	\$ 42,620,568	\$ 33,251,151	\$ 31,460,153	\$ (2,248,754)	-6.7%
Total	\$ 612,920,743	\$ 608,414,000	\$ 824,586,004	\$ 636,618,981	\$ 616,459,260	\$ 8,045,260	1.3%

Property Tax

The total property tax base for FY 2018-19 is estimated to be \$51.47 billion. This is an increase of 1.8% over the value used to build the FY 2017-18 budget and will result in an additional \$6.6 million of property tax revenue. The county continues to offer a discount of 0.5% for current year taxes paid by August 31. About 60% of property owners pay their tax bills by the discount deadline. The reduction in tax revenues due to this discount is approximately \$1 million.



Education, including repayment of education-related debt, receives nearly 59 cents of every dollar of property tax collected by the county. The following chart indicates how the rest of each dollar raised is allocated.



Federal & State Funds

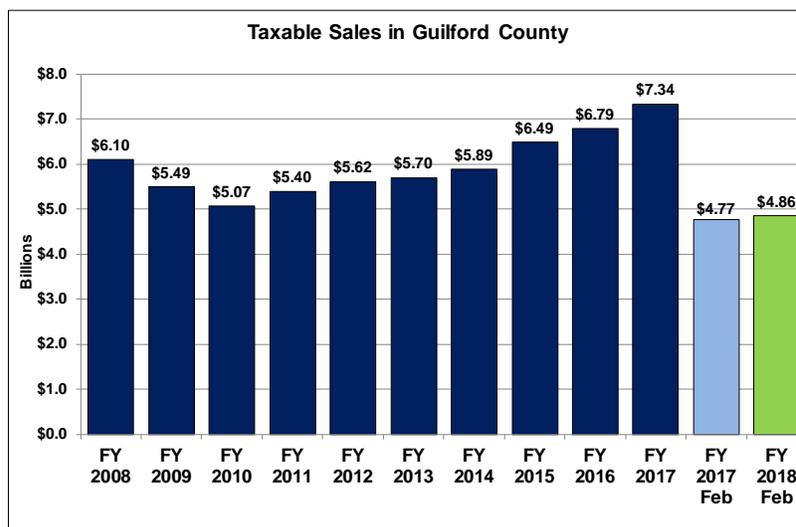
Revenues from the state and federal governments will decrease by \$4 million to approximately \$66.6 million next year. The decrease is the result of a change in the way the state pays for child day care services for qualified clients. Beginning in the first quarter of FY 2017-18, the state started paying vendors directly for eligible child day care expenses, so day care payments are no longer in the county's budget. Responsibility for determining eligibility for day care remains with the county.

The 2018-19 budget includes \$4.8 million in lottery revenues that are earmarked to help pay for school debt repayment. The budget assumes no change by the General Assembly to the current allocation of lottery funds; however, final changes to the state budget will not be made until later this year. About \$2.7 million of American Recovery and Reinvestment Act (ARRA) funds will also be used to help pay for debt repayment next fiscal year.

Sales Tax

Sales Tax revenues are budgeted at \$91 million for next fiscal year – \$5.4 million higher (6%) than the amount included in the prior budget.

Through February 2018, the latest month for which sales data are available from the state, taxable retail sales in Guilford County are up 1.8% over the same period last year. Actual sales tax revenues through the April 2018 distribution (seven of the twelve distributions the county receives annually), are up 4.5% over the same period last year. The amount of sales tax revenue the county received is based on retail sales, the sales tax rate, and refunds of sales taxes. Because of the way



refunds are reported to and processed by the state, net sales tax revenues can vary significantly from month to month and year to year.

The budget assumes no changes to the way sales tax revenues are distributed to counties. Any changes made by state legislators that impact both the total amount of sales tax revenue that is returned to local governments in Guilford and how those revenues are distributed within the county could have a negative impact on county revenues.

Fees & Charges

User Fees and Charges will generate about \$39.7 million in FY 2018-19. While there is considerable variation in individual user fee budgets, the overall total is expected to be about \$38,000 more than the amount adopted for fiscal year 2017-18. Law Enforcement fees will increase by \$320,000 primarily for housing federal and state inmates and Emergency Services Fees will increase by \$255,000 mostly due to continue increases in calls for service as well as

continued improvement in collection rates. Elections fees will decrease by \$350,000 because of the cyclical elections schedule. Public Health charges for dental services will decrease by \$230,000 to better reflect current revenue patterns. Other Human Services fee revenues, including other Public Health Medicaid, Environmental Health and Health Education programs, are anticipated to remain largely unchanged.

Other Revenues

Other revenues are expected to increase by \$2.1 million to \$14.8 million, primarily the result of an increase in investment earnings expected to be generated by investing available bond proceeds during project construction periods.

Fund Balance

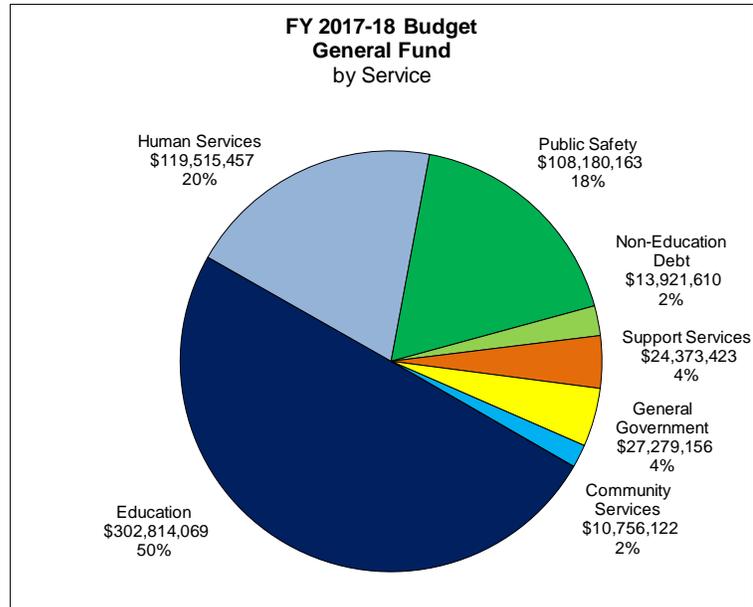
The FY 2018-19 General Fund budget includes a fund balance (from all sources) appropriation of \$31.46 million to help balance the budget – about \$2.5 million less than the amount needed to balance the adopted budget in FY 2017-18.

The amount of fund balance used to support general county operations is \$20.7 million, a \$3.2 million decrease from the prior year's budget. Restricted departmental fund balances make up the rest of the \$31.46 million of total appropriated fund balance.

EXPENDITURES

The recommended fiscal year 2018-19 General Fund budget totals \$616,459,260. This is \$8 million (1.3%) more than the budget approved for FY 2017-18. Expenditures for Education, Human Services, and Public Safety account for nine of every ten dollars of included in the budget.

This budget advances several of the Board's high priority goals, including additional funding for the Guilford County Schools and charter schools; additional funding for Guilford Technical Community College; expanded school nursing services; support for opioid and substance abuse research and treatment; improvements in permitting and inspection services; and continuation of the county's data analytics and performance reporting initiatives.



Summary of Expenditures by Service Category

	FY2017 Actual	FY2018 Adopted	FY2018 Amended	FY2019 Request	FY2019 Recomm	vs. FY18 Adopted	
						\$ chg	% chg
Education	\$ 280,623,028	\$ 303,314,069	\$ 295,781,782	\$ 324,048,318	\$ 310,296,282	\$ 6,982,213	2.3%
<i>includes Education debt repayment</i>							
Human Services	\$ 134,348,996	\$ 119,815,849	\$ 117,260,111	\$ 118,173,472	\$ 118,066,430	\$ (1,749,419)	-1.5%
Public Safety	\$ 105,890,507	\$ 108,751,182	\$ 112,879,521	\$ 118,819,409	\$ 111,767,687	\$ 3,016,505	2.8%
Non-Education Debt	\$ 38,488,282	\$ 13,921,610	\$ 230,879,404	\$ 12,080,091	\$ 12,172,128	\$ (1,749,482)	-12.6%
Support Services	\$ 19,071,795	\$ 24,373,423	\$ 24,268,810	\$ 22,818,353	\$ 23,998,542	\$ (374,881)	-1.5%
General Government	\$ 24,346,401	\$ 27,389,156	\$ 27,723,360	\$ 28,493,118	\$ 29,013,002	\$ 1,623,846	5.9%
Community Services	\$ 10,151,734	\$ 10,848,711	\$ 15,793,016	\$ 12,186,220	\$ 11,145,189	\$ 296,478	2.7%
Total Expenditures	\$ 612,920,743	\$ 608,414,000	\$ 824,586,004	\$ 636,618,981	\$ 616,459,260	\$ 8,045,260	1.3%
Permanent Positions	2,512.25	2,541.25	2,554.25	2,624.13	2,568.25	27.00	1.1%

Summary of Expenditures by Type of Expense

	FY2017 Actual	FY2018 Adopted	FY2018 Amended	FY2019 Request	FY2019 Recomm	vs. FY18 Adopted	
						\$ chg	% chg
Personnel	\$ 176,657,220	\$ 186,707,186	\$ 187,212,495	\$ 197,932,108	\$ 191,120,299	\$ 4,413,113	2.4%
Operating	\$ 281,381,342	\$ 295,197,056	\$ 302,109,064	\$ 318,574,198	\$ 308,365,301	\$ 13,168,245	4.5%
Debt Repayment	\$ 108,600,912	\$ 99,725,281	\$ 309,150,788	\$ 96,858,011	\$ 95,458,012	\$ (4,267,269)	-4.3%
Human Svc Assistance	\$ 40,540,658	\$ 22,856,077	\$ 17,978,333	\$ 17,017,309	\$ 17,018,909	\$ (5,837,168)	-25.5%
Capital Outlay	\$ 5,740,613	\$ 3,928,400	\$ 8,135,323	\$ 6,237,357	\$ 4,496,739	\$ 568,339	14.5%
Total Expenditures	\$ 612,920,745	\$ 608,414,000	\$ 824,586,003	\$ 636,618,983	\$ 616,459,260	\$ 8,045,260	1.3%
Permanent Positions	2,512.25	2,541.25	2,554.25	2,624.13	2,568.25	27.00	1.1%



Education

Guilford County partners with local schools to develop a system that produces graduates with high academic achievement and skill levels to compete successfully in the job market.

This spring, the Board of Commissioners confirmed **ensuring adequate funding of public education** as one of its high priority focus areas. The recommended budget supports this goal through additional operating, capital, and debt repayment funds for education. Details regarding the \$310.3 million recommended Education budget are included below.

- Local operating funding for the Guilford County Schools (GCS) and charter schools with students from Guilford County is increased by \$6 million, from \$195,860,398 to \$201,860,398. Total student population is projected to be 80,211 (72,259 Guilford County Schools and 7,952 charter schools). This appropriation increases the county's per pupil funding for all students from \$2,464 to \$2,517. The Board of Education requested \$220.8 million from Guilford County (\$206.4 million for the operating budget and \$14.4 million for capital maintenance and repair projects), an increase of \$19.9 million over the FY 2017-18 appropriation.
- All the county's operating allocation will be provided to the Guilford County Schools which must then make allocations to charter schools that serve Guilford County students. Based upon current school population estimates, the Guilford County Schools will retain about \$181.85 million of the total allocation and the rest, about \$20 million, will be distributed to charter schools. Actual charter school allocations will be based on actual student population numbers.
- The recommended per pupil allocation, when compared to the FY 2017-18 adopted allocations of other counties, is the fourth highest of the largest 10 counties and the 12th highest of all counties.
- The budget also increases capital maintenance and repair funding for GCS by \$2,500,000 to a total of \$7.5 million.
- The operating allocation for Guilford Technical Community College (GTCC) is increased by \$1,000,000 to \$16,150,000. The budget recommends a capital maintenance and repair appropriation of \$1.5 million, the same amount as appropriated in FY 2017-18.
- Debt repayment for school and community college facilities is projected to be \$83.3 million in next year, a decrease of approximately \$2.5 million from the current year's budget. Bond premium funds received through the recent bond sales will be used to help retire debt service for the second consecutive year.



Healthy People

Guilford County is a healthy community that strengthens coordination of care through partnerships which ensure the availability of quality social, physical, psychological and behavioral health services.

The total Human Services budget, which includes most Healthy People programs, will fall by more than \$1.75 million next year. The decrease is the result of a change in the way the state pays for child day care services for qualified clients. Beginning in the first quarter of FY 2017-18, the state started paying vendors directly for eligible child day care expenses. Previously, these funds “passed through” the county’s budget to day care providers. As a result of the state’s change, about \$5.6 million have been removed from the budget. Responsibility for determining eligibility for day care will remain with the county.

The recommended budget includes \$373,000 for five new School Nurse positions and \$50,000 for school telemedicine equipment to address the Board’s high priority goal to **incrementally lower the school nurse to student ratio in county schools**. The new nurses will be assigned to schools that have the highest need for health services. In addition, the budget includes an additional \$400,000 for adoption program expenses to encourage permanent placements for children in the county’s care in support of the Board’s long-term goal of supporting strategies to **reduce the number of children in foster care** (\$0 net cost to the county). The budget also includes full-year funding for five eligibility caseworker positions to expand the Medicaid Quality Assurance Team in Social Services. This team will review new Medicaid applications and certifications for accuracy to avoid new financial penalties that will be assessed by the state for eligibility status errors (\$70,150 net expense after federal reimbursements). These positions will continue the county’s work to achieve the Board’s goal of **timely and accurate processing of public assistance programs**.

Other Healthy People programs in the budget include:

- Conversion of one Foster Care Coordinator from grant to county funding because the grant is ending (\$28,200 after federal block grant revenues).
- Two new Establishment Agents for Child Support Enforcement agents to help address service demands and improve processing time for new clients (\$100,600 gross expense but the county will receive \$98,300 in reimbursement revenue for the positions).
- Elimination of two grant-funded Public Health positions for which funding has ended (reduction of \$109,000).
- ABC bottle tax funds for research into the incidence and impact of substance abuse in the county and continuation of annual support to Alcohol and Drug Services for substance abuse treatment services.
- The recommended budget maintains funding for Sandhills Center at \$9,674,000. Sandhills Center will continue to use part of this allocation to provide county’s Mental Health Court, the Adult Drug Treatment Court, and the Juvenile Drug Treatment Court.



Public Safety

Guilford County maintains safe and secure communities through strategically coordinated and professional public safety services.

The recommended Public Safety budget is \$111.8 million, an increase of \$3 million over the budget adopted for FY 2017-18. The budget includes full-year funding for positions added mid-year and operating expenses to **expand the Family Justice Center to the High Point area** (\$250,000). Additional funds are also included to **enhance security at human services and other county facilities** (\$190,000) and to support an **improved inspections** process through new software and staff development initiatives.

Other changes in the county's Public Safety budget include:

- Additional funding in the Law Enforcement budget for medical care of inmates (\$107,000), additional replacement vehicles (\$25,000 net increase due to town contract revenues), software licenses (\$125,000), and equipment and vehicle repairs (\$132,000).
- Funding in Emergency Services for the full-year impact of five EMTs and five Paramedics hired in October 2017 (\$133,000), increases in equipment maintenance (\$249,000), and to replace aging equipment including training mannequins and rescue tools (\$197,000).
- An increase of \$168,375 in the county's share of Guilford-Metro 911 expenses. Costs are shared with Greensboro based upon usage by participating county and city departments during the previous calendar year. The county will pay 39% of GM 911's net expenses in FY 2018-19, up from 38% in FY 2017-18.
- The Animal Services budget, which includes funding for both Animal Control and the Animal Shelter, increased by approximately \$294,400 as the County continues to align the Animal Shelter budget with actual expenditures. Most of the increase is due to the budgeting of \$113,000 for various Shelter operating supplies as well as funds for maintenance to keep the shelter functioning until the planned replacement facility is completed. The remainder of the increase is additional funding for community spay-neuter programs including Project Bark and SPOT.
- The budget includes increases in the fire tax rates for four fire districts:

Fire District	Current Tax Rate	Recomm Tax Rate	Change
Alamance	\$ 0.0998	\$ 0.1179	\$ 0.0181
Guil-Rand	\$ 0.1200	\$ 0.1466	\$ 0.0266
Julian	\$ 0.1354	\$ 0.1454	\$ 0.0100
Southeast	\$ 0.1250	\$ 0.1375	\$ 0.0125



Organizational Excellence

Guilford County provides the highest possible level of services by being a fiscally sound organization that values a high performing, professional, and innovative workforce.



Infrastructure

Guilford County provides safe and adequate public facilities that support the service, access, and technological needs of the public while optimizing the utilization of all properties.

The Organizational Excellence and Infrastructure focus areas include most of the departments that fall under the General Government, Support Services, Capital Needs, and Non-Education Debt service categories. Together, the budgets for these departments total \$65.2 million. This is \$500,000 less than last year's combined budgets.

The recommended budget includes a \$2 million transfer from the General Fund to the County Building Construction fund to set aside money for future capital needs. This is the same amount that was included in last year's budget. These funds will help the county develop **sound long-term capital plans** with as little borrowed debt as possible. Increases in the annual capital transfer will be needed in future budgets to property fund planned capital projects.

Non-Education debt repayment will decrease by \$1.2 million due largely to the county completing its final payment on the capital financing for the BB&T Building purchase and renovation.

The budget adds \$1 million in Human Resources to address compensation issues for difficult to attract and retain positions in support of the Board's goals to **maintain competitive compensation and benefits** and to **improve the hiring and retention of the public safety workforce**. The Human Resources budget also includes an additional \$187,000 in retiree insurance cost due to an increase in the number of covered members.

Other changes in the county's Organizational Excellence and Infrastructure budgets include:

- One new Analytics & Business Intelligence position in Budget, Management & Evaluation to provide incremental support necessary to **expand the county's data analytics and innovation capacity initiatives**. Over the last year, service information from Law Enforcement, Emergency Services, Animal Control, Register of Deeds, Planning, Inspections, and others have been consolidated and used to develop performance dashboards and data visualizations to better understand county operations. This position will help the county speed the integration of data from other service areas, particularly health and human services. This position will also help to promote public access to and understanding of county data to support community-driven solutions. (\$69,900 – partially offset in future years through indirect cost reimbursements received by other departments).
- A part-time 0.75 FTE (30 hours per week) Deputy Register of Deeds position will be added and an existing position will be converted from 0.50 to 0.75 FTE (20 hours per week to 30) to expand the Passport Acceptance Facility program (\$46,300 net). Passport fees will fully offset the cost of this position.
- Funds in the County Clerk's budget for a marketing package to **improve external county communications** as part of the county's on-going effort to improve its branding (\$39,500) and support for the annual state-wide meeting of the North Carolina Association of County Commissioners in Greensboro next summer (\$18,000).

- \$70,000 total in the Finance and Tax Departments' budgets for direct payment of bank fees. Currently the county pays fees passively out of its returns; this switch to direct payment is expected to generate a net revenue of \$200,000 to the county.
- A \$300,000 reduction in the Facilities budget to reflect the removal of professional services funds for a joint County-Schools Facility Study initiated in FY 2017-18. The budget includes \$3.0 million for major or special facilities maintenance such as roof and HVAC system replacements.
- The Information Services budget reflects the costs of continuing improvements to county software and hardware. While it includes a slight reduction in funding due to more expensive technology projects being completed, it still contains funding for replacement for the county's permitting and inspections software as well as county-wide hardware upgrades including Wi-Fi and server upgrades and continued computer replacements. The budget also includes one Technical Support Technician position for Information Services to improve both quality and responsiveness of the help desk (partially offset by elimination of contracted support tech; \$14,800 net cost).
- The budget includes \$654,600 in the Fleet Operations department to replace 18 vehicles for most non-public safety county departments that have condition issues or high mileage. Funding will also allow the purchase of 8 new fleet vehicles for the county's two motor pools for use by other county departments to increase fleet availability and reduce staff mileage reimbursement costs, as well as a new vehicle telematics program to monitor vehicle use and maintenance needs.



Economic Development

Guilford County encourages economic development by working with all stakeholders to create quality jobs, and expand and diversify the local and regional economy.



Recreation & Culture

Guilford County enhances the quality of life in the community by supporting leisure, physical activities, and cultural opportunities.

The county's Community Services departments support the Economic Development and Recreation and Culture high priority focus areas. These budgets, in total, will increase by approximately \$296,000 to \$11.1 million in FY 2018-19.

Major changes in the Economic Development and Recreation & Culture areas include:

- \$197,000 in the Parks budget for maintenance needs at passive parks and general county properties, equipment and personnel shared with Forsyth County at Triad Park, and contracted pool lifeguards and major equipment replacement, bringing Parks equipment replacement funding to a level that allows all replacements to be done on schedule.
- The Cooperative Extension budget will increase for by just over \$66,000, including approximately \$33,000 in additional funding for a full-time livestock agriculture agent (currently a part-time NC State University position that is jointly funded by the county) and a planned replacement of training kitchen equipment used for community classes and events.
- The overall Economic Development budget will decrease by approximately \$17,000 due to a reduction in the amount of incentive grant payments expected to be made in FY 2018-19.
- The Solid Waste budget includes additional funds to offset the cost of electronic waste, scrap tires, and regular recycling and clean-up efforts and events (\$30,000). An additional \$20,000 is also included for the county's share of the Household Hazardous Waste program operated by the City of Greensboro. The program will be expanded by two days per week to satisfy demand for additional access to the drop-off facility.

Guilford County does not operate a library system, but does provide operating support for local municipal libraries in Greensboro, High Point, Gibsonville, and Jamestown. The budget keeps library funding at its current level of \$1.83 million. Because the county provides financial support to these libraries, all county residents, regardless of where they live, may use any of these facilities without paying a non-resident library card fee.

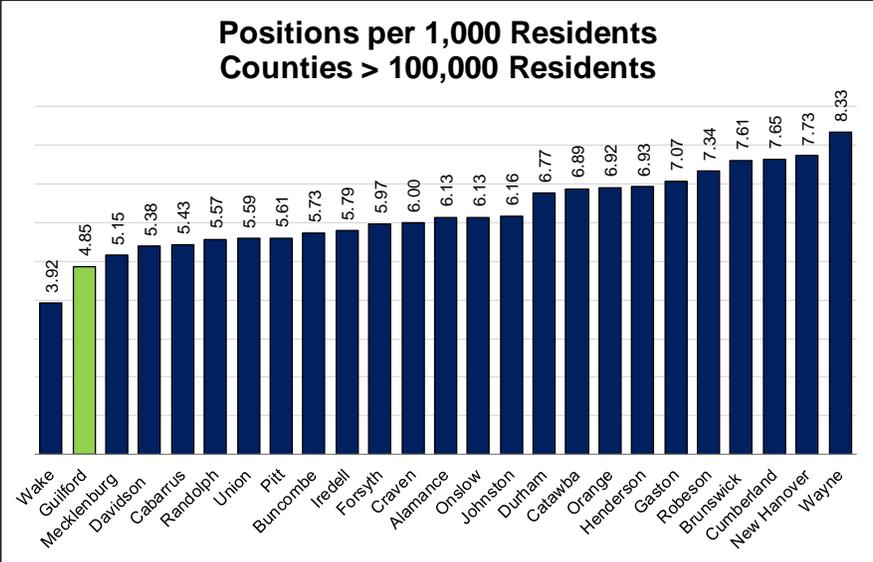
Staffing and Employee Compensation

Staffing

The recommended budget includes 14 net new positions. A summary of these positions is included in the following table. All positions, except for the school nurses, will be fully or partially offset by revenues in future years.

Recommended Position Changes	
Public Health	
Eliminate Interpreter - Smart Start	(1.00)
Eliminate Public Health Investigator	(1.00)
School Health Services - 5 School Nurses (12 months)	5.00
Social Services	
Convert Grant-funded Foster Care Social Worker to Partial County Funding (50% reimbursement)	-
4 Lead Eligibility Caseworkers (75% reimbursed) and 1 Eligibility Supervisor (40% reimbursed)	5.00
Budget & Evaluation	
Analytics & Business Intelligence Consultant (partially offset by indirect cost revenues)	1.00
Information Services	
Technical Support Technician (partially offset by contract reduction and indirect cost revenues)	1.00
Register of Deeds	
Deputy Register of Deeds - Passports - Part-Time (offset by passport services revenues)	0.75
Deputy Register of Deeds - Passports - Part-Time (offset by passport services revenues)	0.25
Security	
County Security Officer (partially offset by indirect cost revenues)	1.00
Child Support	
2 Establishment Agents (66% reimbursement)	<u>2.00</u>
Total Recommended Additions for FY 2018-19	14.00

Based on county employment data collected by the North Carolina Association of County Commissioners for FY 2017-18 adopted budgets, the latest year for which position counts are available for other counties, Guilford County had the second lowest number of employees per 1,000 residents at 4.85 positions. The average for all counties is 9 positions for every 1,000 residents.



Employee Compensation

The budget includes a merit pool equivalent to 3.0% of salaries and benefits. Employee merit pay increases will be awarded effective the first full pay period in January 2019. Merit adjustments will be based on job performance and may be more or less than 3% based on individual and overall department performance scores. The first-year net cost of the merit program is approximately \$1.62 million (\$1.98 million gross expense less expected vacancies and reimbursement revenue from non-county sources). A full year's net cost is approximately \$3.76 million (\$4.59 million gross expense less expected vacancies and reimbursement revenue from non-county sources).

Conclusion

The recommended budget for FY 2018-19 will allow the county to advance many of the initiatives included in the Commissioners Major Focus Areas and maintain current service levels. Design of the remaining priority capital improvement projects should be completed early in the fiscal year which will put the county in a position to begin construction. In order for all of the projects to be constructed additional financing will be needed. In the upcoming fiscal year additional two-thirds bond capacity will become available. Much progress has been made on the planning of an open access behavioral health crisis facility to improve access and quality of services in Guilford County. This project is not included in the Capital Improvement Plan although it may be far enough along to be added before final budget adoption.

The school capital facility assessment and boundary alignment study initiated by the county and the school district will be completed this fall. The study will provide the basis to help the county and schools make strategic decisions with regard to the future school needs and how best to finance those needs. No budgetary impact is anticipated during the upcoming fiscal year, but crucial decisions that will impact future budgets will need to be made.

Public school funding remains one of the Board of Commissioners top priorities. This budget proposal recommends increases in funding for school operating and capital that should help meet the growing challenges of operating a large urban school district. Hopefully, the State of North Carolina will continue to increase school funding to offset the costs of class size mandates and other public operating needs.

The opportunities and challenges associated with meeting the service needs of this county continue to grow, as does the pressure on the limited revenue options for county governments. The growth in the county property tax base and retail sales is moving in a positive direction but struggles to keep up with operational and service needs and demands of the county. For various reasons, county service provision is becoming more complex. As with all businesses, it is critically important the county be able to recruit and retain competent and talented employees. I am recommending a classification / compensation study be completed to determine appropriate classification of positions and a competitive market pay rate. A strengthening local economy and declining unemployment rate have made recruitment and retention of top talent increasingly difficult.

I would like to thank the Board of Commissioners for your leadership and the guidance and direction you have provided during the annual retreat and the preliminary work session on the budget. I would also like to thank the county department directors for submitting thoughtful budget requests and for leading a dedicated and high performing team of professionals. Lastly, many thanks to Michael Halford and the Budget, Management and Evaluation staff for their focus and professionalism in developing this complex plan and for serving as a catalyst for innovation and collaboration with local universities and other partners to use data to help better understand problems and issues and develop creative and cost effective solutions.

Respectfully submitted,

Marty K. Lawing
County Manager