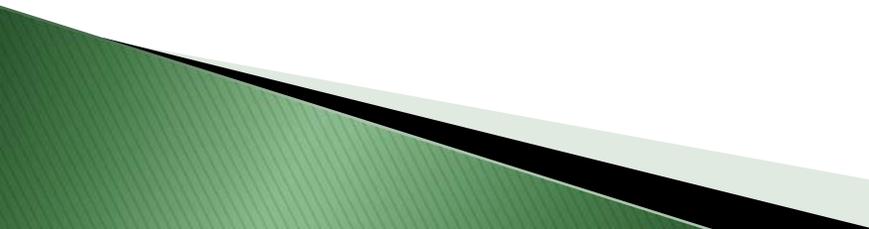




COUNTY OF WARREN BUDGET PRESENTATION FY 2014-2015

Linda T. Worth, County Manager

ANNUAL BUDGET SUBMISSION

- ▶ In accordance with the Local Government Budget and Fiscal Control Act, I am pleased to submit to the Board of County Commissioners the recommended Fiscal Year 2014–15 Budget for Warren County.
 - ▶ This proposed budget is respectfully submitted as a working document.
- 

BUDGET COMPONENTS

- ▶ GENERAL FUND
- ▶ REVALUATION FUND
- ▶ E-911 FUND
- ▶ FIRE TAX DISTRICT FUND
- ▶ ENTERPRISE FUNDS
 - Regional Water Fund
 - Districts I, II, & III Water Funds
 - Solid Waste Fund

FACTORS AFFECTING THE FY 15 BUDGET

- ▶ Continued improvement in the overall economy
- ▶ Continued growth in the County's tax base:
4%* in FY 15
- ▶ Continued increase in the Ad Valorem tax collection rate: 96.2% in FY 15
- ▶ Healthy fund balance in spite of the economic downturn experienced over the past several years
- ▶ Minimal increases in medical and dental insurance rates for County employees in FY 15

*Including Registered Motor Vehicles

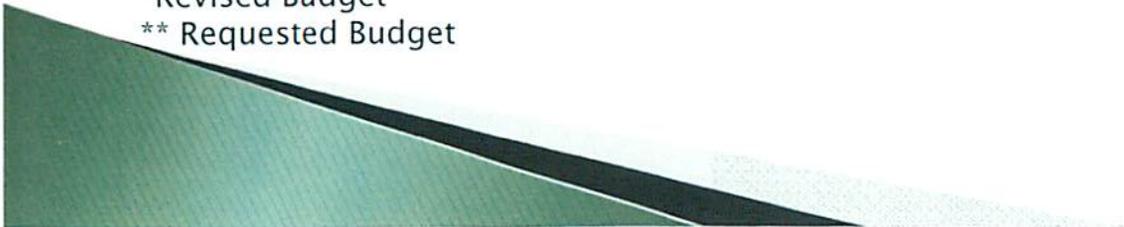
FACTORS AFFECTING THE FY 15 BUDGET

- ▶ Continued reductions in state/federal funding
 - ▶ Uncertainty of proposed state and federal legislation on local governments
 - ▶ Need for increased funding to maintain County's aging physical plant (Buildings and Operating Systems)
 - ▶ Need to fund critical capital projects addressing life safety concerns for Warren County Citizens
 - ▶ Full-year impact of Employee Salary Study Implementation – \$637,000 in FY 15
 - ▶ Increased funding needs of the County's Public School System
- 

Projected Changes in “Selected” Revenues

<u>Revenue Source</u>	<u>FY 14*</u>	<u>FY 15**</u>	<u>Difference</u>	<u>% Change</u>
Ad Valorem Taxes	17,082,609	17,824,724	+742,115	+ 4%
Sales Taxes	2,001,600	2,189,971	+188,371	+9%
Res/UnRes Grants	5,150,151	4,994,466	-155,685	-3%
Permits & Fees	228,575	226,075	-2,500	-1%
Sales & Services	1,799,522	1,753,230	- 46,292	-3%
Miscellaneous Rev	<u>310,113</u>	<u>254,797</u>	<u>-55,316</u>	-18%
TOTALS	26,572,570	27,243,263	+670,693	+2.5%

*Revised Budget
 ** Requested Budget

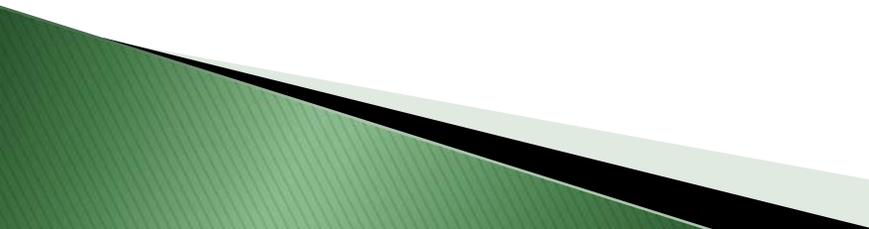


Recommended Changes in “Selected” Expenditures

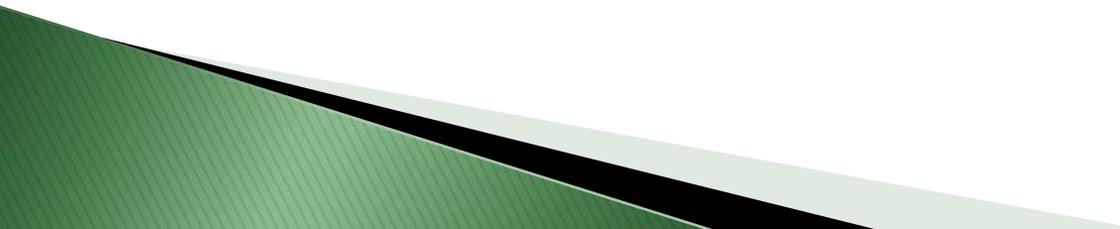
<u>Expenditure</u>	<u>FY 14 (Rev)</u>	<u>FY 15 (Req)</u>	<u>Difference</u>	<u>% Change</u>
Miscellaneous	58,590	106,000	+47,410	+81%
B&G Maintenance	508,980	814,862	+305,882	+60%
Sheriff Office	2,473,658	2,541,147	+67,489	+3%
Central Com	680,151	721,834	+41,683	+6%
Detention	1,206,304	1,273,186	+66,882	+6%
EMS	2,487,533	2,678,418	+190,885	+8%
Halifax EMS	92,449	87,418	-5,031	-5%
Health	3,071,012	3,025,639	-45,373	-1.5%
DSS Admin	3,700,318	3,801,858	+101,540	+3%
DSS Pub Assist	1,439,697	1,404,158	-35,539	-2%
Senior Center	458,053	486,372	+28,319	+6%
WC Schools	4,100,000	5,050,000	+950,000	+23%
SEMAA	162,433	60,000*	-102,433	-63%
VGCC	418,712	214,372	-204,340	-49%
Debt Service	854,621	948,504	+93,883	+11%
Totals	21,712,511	23,213,768	1,501,257	+7%

*Warren Co Public Schools Budget

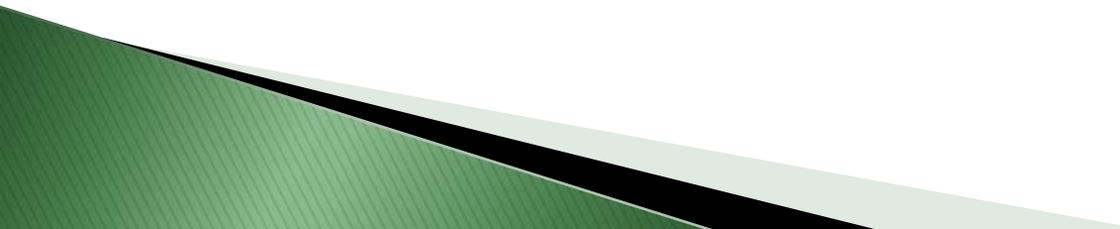
Anticipated Changes in Employee Fringe Benefits Costs

- ▶ Proposed medical and dental insurance rates are based upon negotiated renewal proposals from BlueCross Blue Shield of NC
 - ▶ In FY 15, the proposed increase in medical insurance rates is .6% and the proposed increase in dental insurance rates is 8.7% which equates to an increase of \$18,400 above the FY 14 cost of providing these employee benefits.
 - ▶ Hill, Chesson & Woody's Benefits Consulting Fee is included in the new rates.
- 

Employee Fringe Benefits Costs Cont'd

- ▶ Annual retirement contributions are calculated each year by the Local Government Employees' Retirement System (LGERS).
 - ▶ In FY 13 LGERS exempted the County from making death benefit contributions for 3 years due to an LGERS surplus.
 - ▶ It is unknown at this time if there will be any changes in the County's retirement contribution rates in FY 15 for general class employees and Law Enforcement Officers.
 - ▶ The retirement contribution rates used in the recommended FY 15 budget are based on FY 14 rates.
- 

**Overview
of
County Manager's
FY 2015 Budget Proposal**



Proposed New Expenditures

CAPITAL PROJECTS (=>\$5,000)

- Health Dept. Roof Replacement	79,600
- Health Dept. Chiller	52,000
- Courthouse Chiller	55,000
- Detention Lower Roof Replacement	81,000
- DSS Carpet Replacement	30,000
- DSS Painting & Keyless Entry	15,953
- Senior Center Tile Flooring	6,000
- Debt Service: Radio System Upgrade Capital Project - Phase II	162,750
- Transfer to Radio System Upgrade Capital Project - Phase II	155,000
- Transfer to Ambulance Stg Capital Project (EMS Base)	<u>100,000</u>

TOTAL CAPITAL PROJECTS **\$737,303**

NEW & REPLACEMENT VEHICLES

New Vehicles

- 1 Ambulance Remount - EMS	95,000
- 1 Vehicle - Buildings & Grounds	23,500

Replacement Vehicles

- 3 Patrol Vehicles - Sheriff's Office	73,500
- 1 Vehicle - EMS	38,000
- 1 Vehicle - Health	<u>18,297</u>

TOTAL NEW & REPLACEMENT VEHICLES **\$248,297**

Proposed New Expenditures Cont'd

NEW EQUIPMENT

- EMS New & Replacement Equipment	\$ 50,000
- EMS Equipment for Ambulance & Replacement Vehicle	23,650
- EMS VIPER/VHS Portables	15,300
- Equipment for 3 New Sheriff's Patrol Vehicles	<u>16,356</u>
TOTAL	\$105,306

NEW POSITIONS (Costs Include Salary & Fringes)

Finance Department – Office Assistant III	31,262
Detention Center – Lieutenant (Evening Shift)	47,012
EMS – Emergency Services – Captain	51,092
Buildings & Grounds – P/T (60%) B&G Worker I	<u>15,681</u>
TOTAL	\$145,047

Proposed New Expenditures Cont'd

REVISED POSITIONS (Costs Include Salary & Fringes)

Senior Center:

Part Time Nutrition Site Manager to Full Time \$20,224

Register of Deeds:

Part Time Deputy Register of Deeds to Full Time 19,584

Animal Control:

Part Time Animal Shelter Attendant to Full Time 17,952

Health Department:

Computer Support Tech I to Computer Systems Administrator I 8,871

EMS:

(9) EMT-Paramedics to Emergency Services - Sergeants 8,149

(3) EMT-Paramedics to Emergency Services - Lieutenants 1,564

Cooperative Extension:

Formerly Frozen Admin Assistant to 4-H Program Assistant No New Cost

Family & Consumer Sciences Agent to Livestock Agent No New Cost

TOTAL

\$76,344

SEMAA PROGRAM

The SEMAA Program is not included as a department of Warren County government in the FY 15 recommended budget. NASA has advised it will no longer be providing funding for this program.

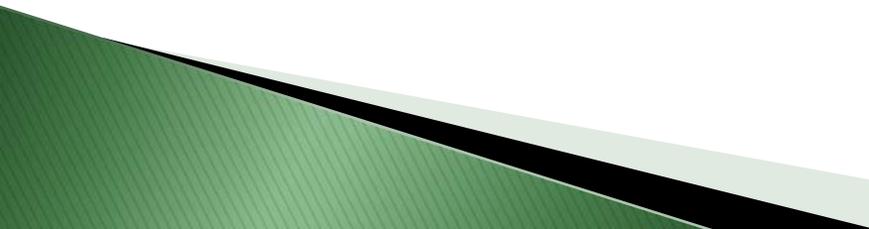
At the request of Warren County, Warren County Schools has expressed interest in transitioning the SEMAA program under the auspices of the County's Public School System. An appropriation of \$60,000 is included in the Warren County Schools recommended budget to cover anticipated staffing and operating expenses for the SEMAA Aeronautics Education Laboratory (AEL) in FY 15.

SEMAA Program Cont'd

As a result of the transition of the SEMAA Program outside of county government, the following positions are not recommended for funding and have been eliminated from the budget:

- SEMAA Director
- SEMAA AEL Coordinator
- Part-Time SEMAA Instructors

Reduction in salaries and fringes: \$122,197



Frozen Vacant Positions

The following vacant non-emergency positions are recommended to be frozen in FY 15:

<u>Position</u>	<u>Department</u>	<u>Estimated Savings*</u>
Public Health Nurse II	Health	\$54,834
Office Assistant III	Health	31,262
Public Health Educator	Health	39,443
Administrative Assistant II	Health	41,055
Assistant Fire Marshal/ Code Enforcement Officer	Emergency Services/ Code Enforcement	50,434
4-H Agent	Cooperative Extension	<u>25,177</u>
Total Estimated Savings		\$242,205

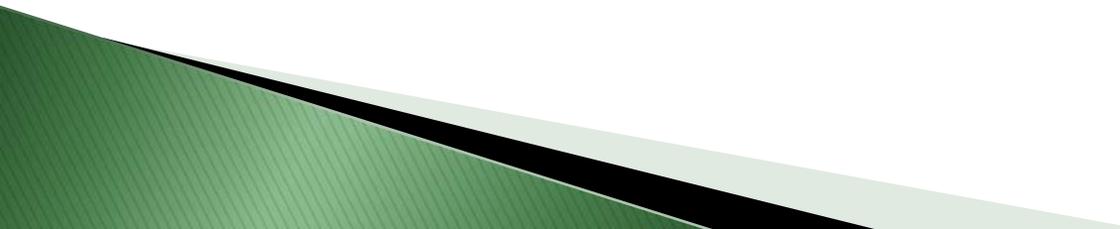
*Salaries & Fringes

Employee Compensation

As a result of the implementation of the Job Classification/Salary Study on 1/1/14, employee salary increases went into effect at a projected cost of \$318,500 through June 30, 2014. The twelve-month impact of those increases, or \$637,000, is reflected in employee salaries in the FY 15 recommended budget.

In an effort to maintain a competitive and equitable salary structure going forward, a proposed 1% COLA for all employees is included in the FY 15 budget at an additional cost of \$121,188. Funds to accommodate the COLA are budgeted in Contingency in the General and Enterprise Funds pending the Board's final approval. Unless otherwise noted, salaries in departmental budgets mirror FY 14 salaries.

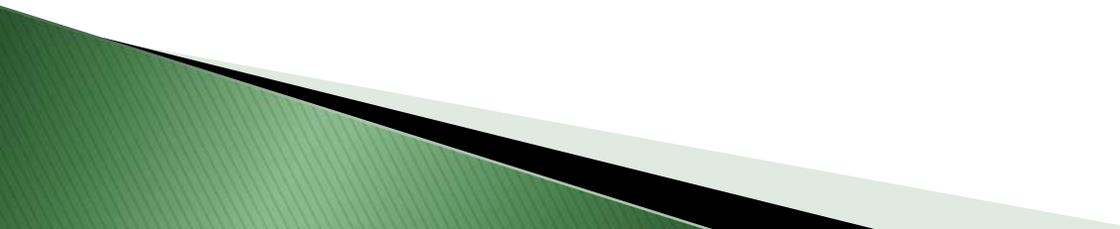
**COUNTY MANAGER'S
RECOMMENDED
FY 2015 BUDGET**



Recommended FY 2015 Budget

- ▶ A General Fund Budget of \$30,478,263, with no proposed increase in the current tax rate of \$.66/\$100 valuation. This recommended budget is +6% or \$1,770,616 more than the current year's revised budget of \$28,707,647; and +9% more than the FY 13 revised budget of \$27,884,337.
- ▶ The tax rate is based upon an estimated collection rate of 96.2%, and an estimated assessed valuation of taxable property of \$2,575,524,951. (Note: effective FY 15, assessed valuation is exclusive of registered motor vehicles.)
- ▶ The estimated assessed valuation of registered motor vehicles for FY 15 is \$128,084,796, which when added to the assessed valuation of taxable property of \$2,575,524,951, results in a total assessed valuation of taxable property of \$2,703,609,747. Compared to the FY 14 assessed valuation of \$2,596,400,669 (which included registered motor vehicles), the tax base increased by approximately +4% .

Recommended FY 2015 Budget Cont'd

- ▶ A penny on the tax rate equals \$247,766 as compared to \$246,658 in FY 14.
 - ▶ The amount of undesignated fund balance appropriated to balance the recommended General Fund budget is \$2,869,000 which is an increase of 75% from the current year's revised appropriation of \$1,637,269.
- 

TAX BASE, RATES & CURRENT TAXES

FY 12 – FY 15

<u>Year</u>	<u>Tax Base</u>	<u>Coll Rate</u>	<u>Tax Rate</u>	<u>Current Taxes</u>
14-15	2,703,609,747	96.2%	\$.66*	17,165,759**
13-14	2,596,400,669	95.0%	\$.66	16,279,399**
12-13	2,540,927,287	95.0%	\$.66	16,310,039
11-12	2,520,765,433	95.0%	\$.62	14,847,326

*Proposed FY 15 Tax Rate

**Total of Current Taxes plus Ad Valorem Motor Vehicle Taxes

ENTERPRISE FUNDS

SOLID WASTE FUND

No fee increases are proposed in the FY 15 recommended Solid Waste Fund budget.

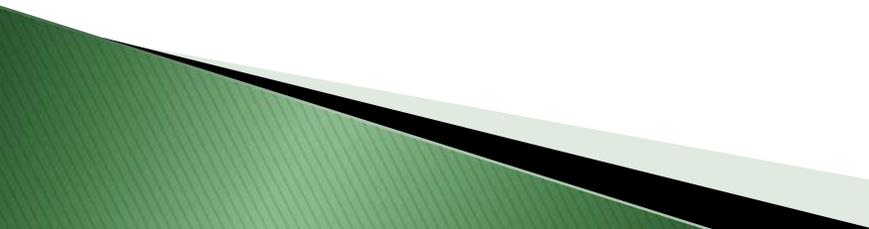
Fee increases imposed in FY 14 have served to stabilize the fund resulting in the need to transfer only \$1,834 from the Solid Waste Fund's undesignated fund balance to balance the recommended budget. This amount represents a -91% decrease from the FY 14 revised fund balance appropriation of \$21,357.

Solid Waste Fund Cont'd

Due to additional State requirements for testing of closed MSW Landfills, the expenditure for well monitoring is anticipated to increase by 100% in FY 15 from \$7,657 in FY 14 to \$15,771 in FY 15.

There is no reserve anticipated in the Solid Waste Fund for FY 15.

No vehicles or major capital equipment purchases are proposed for the Solid Waste Fund in FY 15.



Water And Sewer District Funds

The cost of water purchased by Warren County Public Utilities from the Kerr Lake Regional Water System is anticipated to increase by 5% in FY 15. This increase follows increases of 4% in FY 13, FY 12 and FY 11; 6% in FY 10; 5% in FY 09; and 14% in FY 08.

To offset the anticipated increase in water purchase costs as well as other costs of operating a growing water utility, we are recommending the following proposals to generate sufficient revenues to fund our water/sewer districts. These proposals have been incorporated into the FY 15 recommended water/sewer enterprise fund budgets:

1. A proposed \$.50 increase per 1,000 gallons used (All Districts)
2. A proposed increase from \$19 to \$20 in the Flat Rate (Availability Fee) in District III (Northampton) resulting in all Districts carrying the same Flat Rate

Water And Sewer District Funds cont'd

3. Increase the Fixed Flat Rate for Non-Connections from \$10 to \$12 (Tap in place, but no connection) (All Districts)
4. Implement a \$25 (non-refundable) one-time Activation Fee for NEW accounts to help off-set the costs associated with establishing new accounts (All Districts)

The total additional revenues anticipated to be generated by all of the proposed revenue generating proposals is \$133,900.

Other:

No vehicles or major capital equipment purchases are proposed for the Water & Sewer Funds in FY 15.

No changes are proposed to staffing for the Water & Sewer Funds in FY 15.

CLOSING

CLOSING

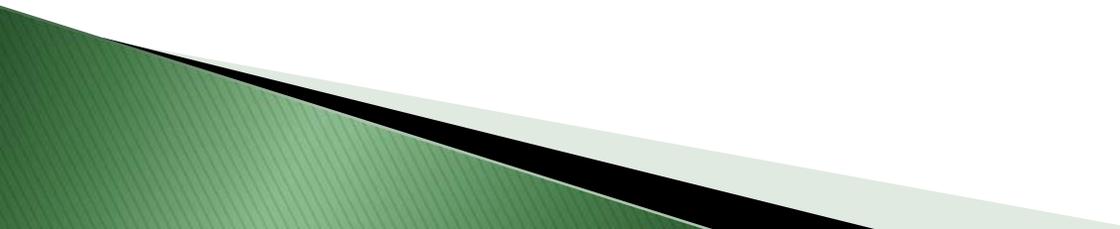
This recommended budget provides the structural framework to further the Board of Commissioners' mission:

“To provide leadership and support for an effective county government that seeks to enhance the quality of life for the people of Warren County.”

The forward momentum gained over the past several years in addressing those critical initiatives/projects/needs, such as improvements to the Emergency Radio

Closing Cont'd

Communications System; improved EMS presence throughout the County; increased funding of economic development activities; adequately maintaining and improving the county's physical infrastructure; equitably funding public education; fairly and competitively compensating our county employees; and utilizing our limited resources efficiently and effectively, continues in this funding proposal.



Closing Cont'd

In summary, while increasing the undesignated fund balance appropriation to balance the General Fund Budget by +75% from the current year's appropriation, this recommended budget proposes no increase in the current tax rate of \$.66/\$100; appropriates funding to complete the Emergency Radio System Upgrades Capital project; appropriates funding to the Ambulance Storage Facility

Closing Cont'd

Capital Project to begin the EMS Base Replacement; replaces three Sheriff's Department patrol vehicles; provides funding to purchase an additional ambulance and critical equipment for Emergency Medical Services; provides funding for physical infrastructure maintenance and upkeep; provides a 1% COLA for county employees in addition to fully funding the FY 14 salary study implementation; provides 23% more funding for Warren County Schools; and provides \$100,000 in funding for local non-profits serving Warren County citizens.

Closing Cont'd

In closing, I wish to express sincere appreciation to all those individuals who were instrumental during the preparation of this recommended budget. I especially wish to thank the following:

Ms. Gloria Edmonds, Finance Director; Ms. Jamie Holtzman, Accounting Manager, and the entire Finance Office Staff; Ms. Paula Pulley, Executive Assistant; Ms. Lisa Alston, HR Manager; Fleet Management Committee; Facilities & Capital Equipment Committee; and all of our County Department Heads and Staff.

We will look forward to working with the Board of County Commissioners to finalize the FY 15 Budget.

Respectfully submitted,
Linda T. Worth, County Manager