

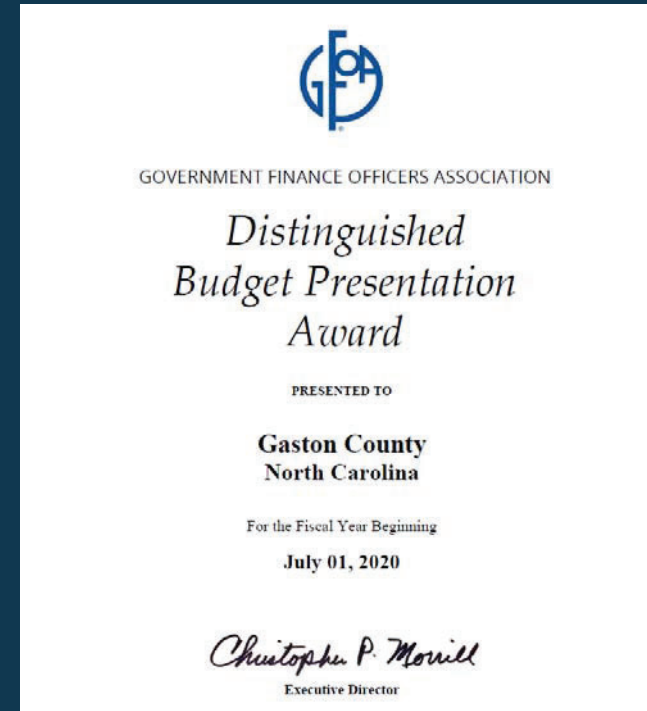
FY 2022

MANAGER'S
RECOMMENDED
BUDGET



OUTLINE

- I. Budget Context
- II. Budget Overview
- III. Projected Revenue
- IV. Recommended Expenditures
- V. Looking Forward



BUDGET CONTEXT

BUDGET CONTEXT

FY21 Accomplishments

- Awards & Recognitions
 - GFOA Distinguished Budget Presentation
 - NC3C 2021 Excellence in Communication
- Issued refunding bonds saving taxpayers over \$4M
- Published monthly financial dashboard for staff and public
- Held multi-department Budget Workshop and utilized panel in budget meetings
- Adopted Fee Schedule methodology
- Adopted Strategic Plan

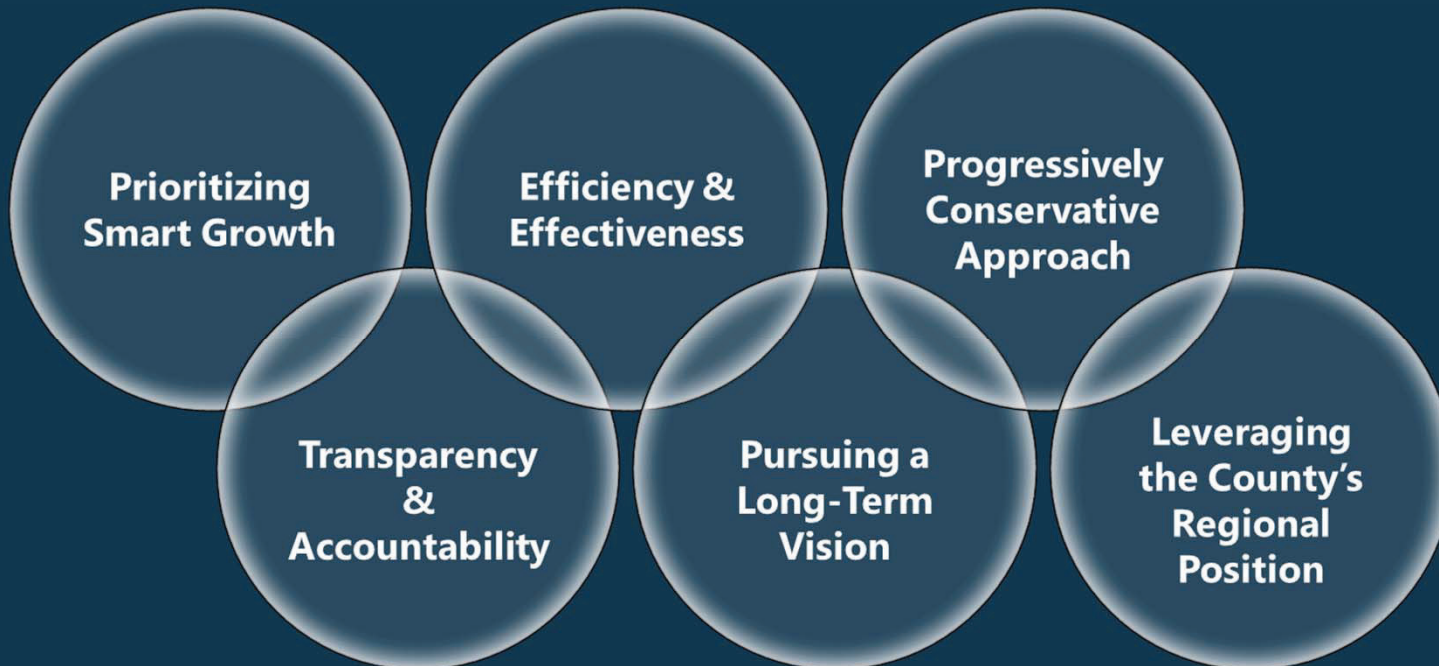
BUDGET CONTEXT

FY21 Department Accomplishment Highlights

- **Police:** Opened new ACE facility
- **EM:** Adopted hazard mitigation plan
- **Elections:** Successful 2020 election
- **IT:** Remote access for 600+ staff
- **Parks & Rec:** Maintained Services
- **Public Works:** 2,936 work orders
- **Solid Waste:** 280K tons of waste
- **EDC:** Developed Apple Creek
- **HUSN:** Served 328 survivors
- **Library:** Transitioned to curbside, virtual, and digital services
- **Museum:** Developed virtual format
- **Natural Resources:** Serviced 34% more acres
- **Social Services:** Licensed 50 foster homes and Served 753 families with CARES Act funding

BUDGET CONTEXT

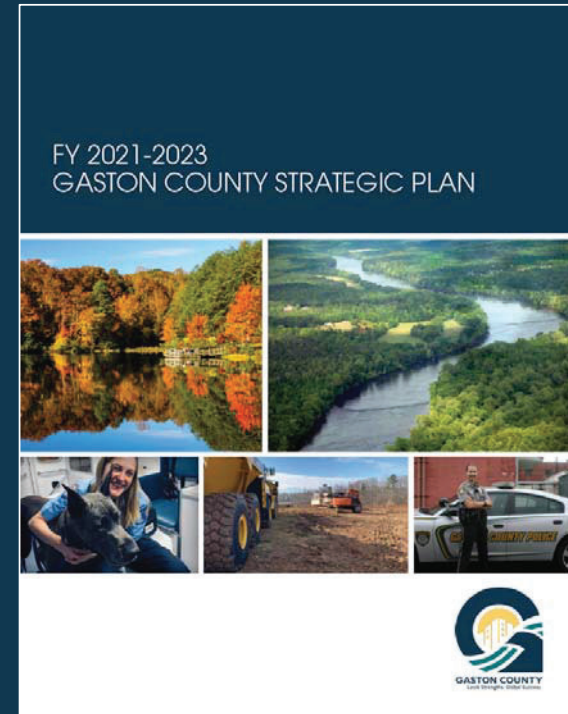
Guiding Principles



BUDGET CONTEXT

FY21-23 Strategic Plan

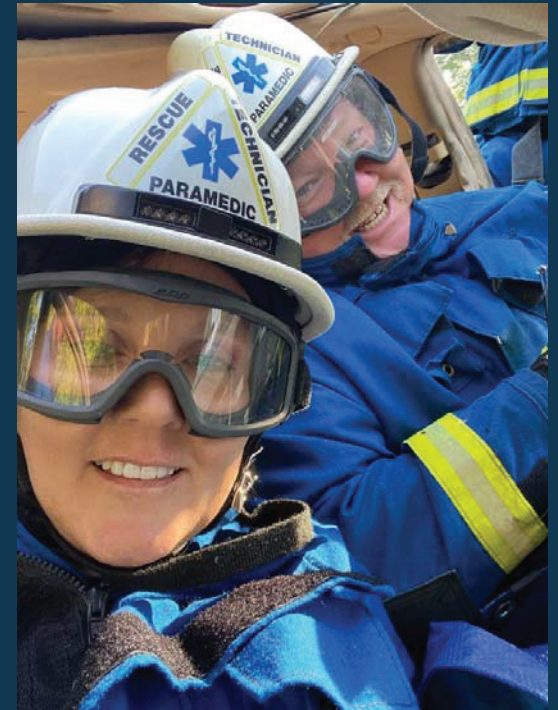
- 1st County-wide Strategic Plan
- New mission: **“Providing excellent public service every day”**
- Vision, Core Values, Strategic Focus Areas, and Foundations of Excellence
- Short and long-term goals to inform budget, service delivery, and overall financial decision-making



BUDGET CONTEXT

Practicing Resiliency

- Resilient community, organization, and region have slowly but steadily emerged from an unprecedented and jolting economic downturn
- Gains in employment and an overall healing of the local economy
- Recommended budget is a strategic and resilient plan to address urgent community needs



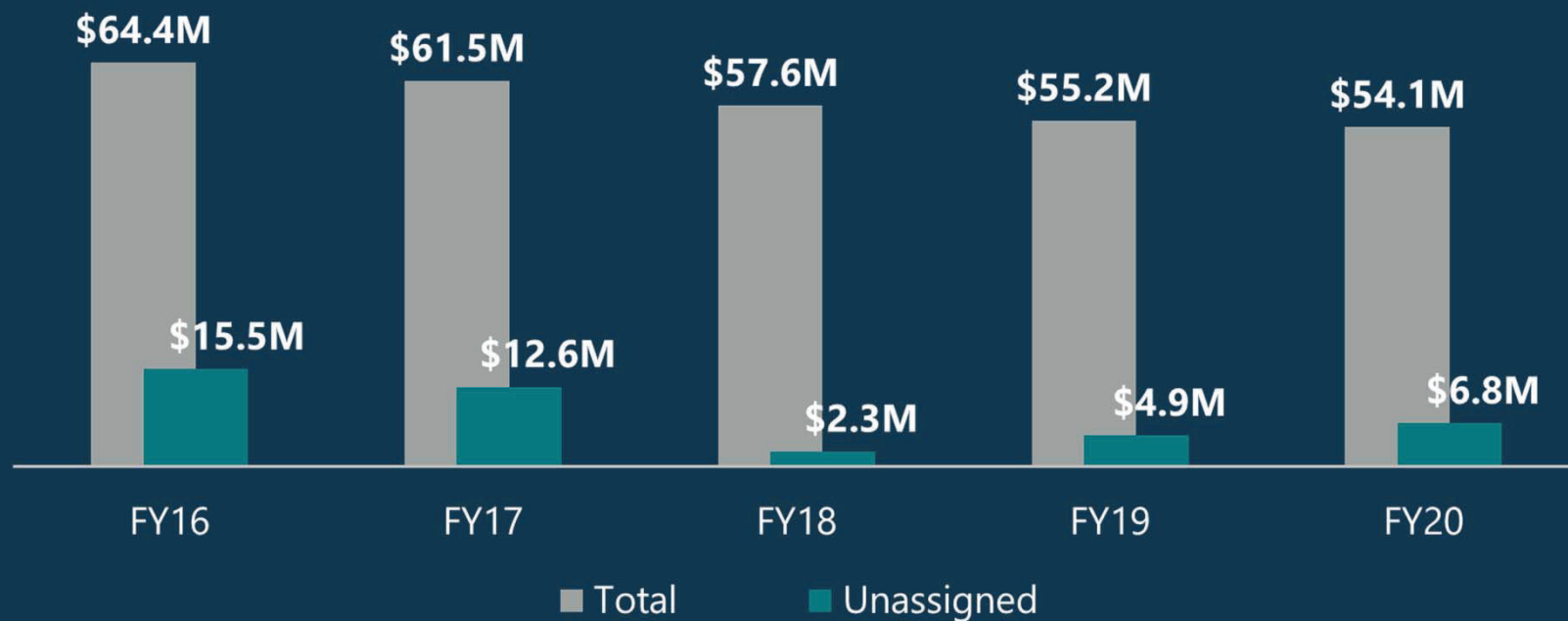
BUDGET CONTEXT

Practicing Resiliency



BUDGET CONTEXT

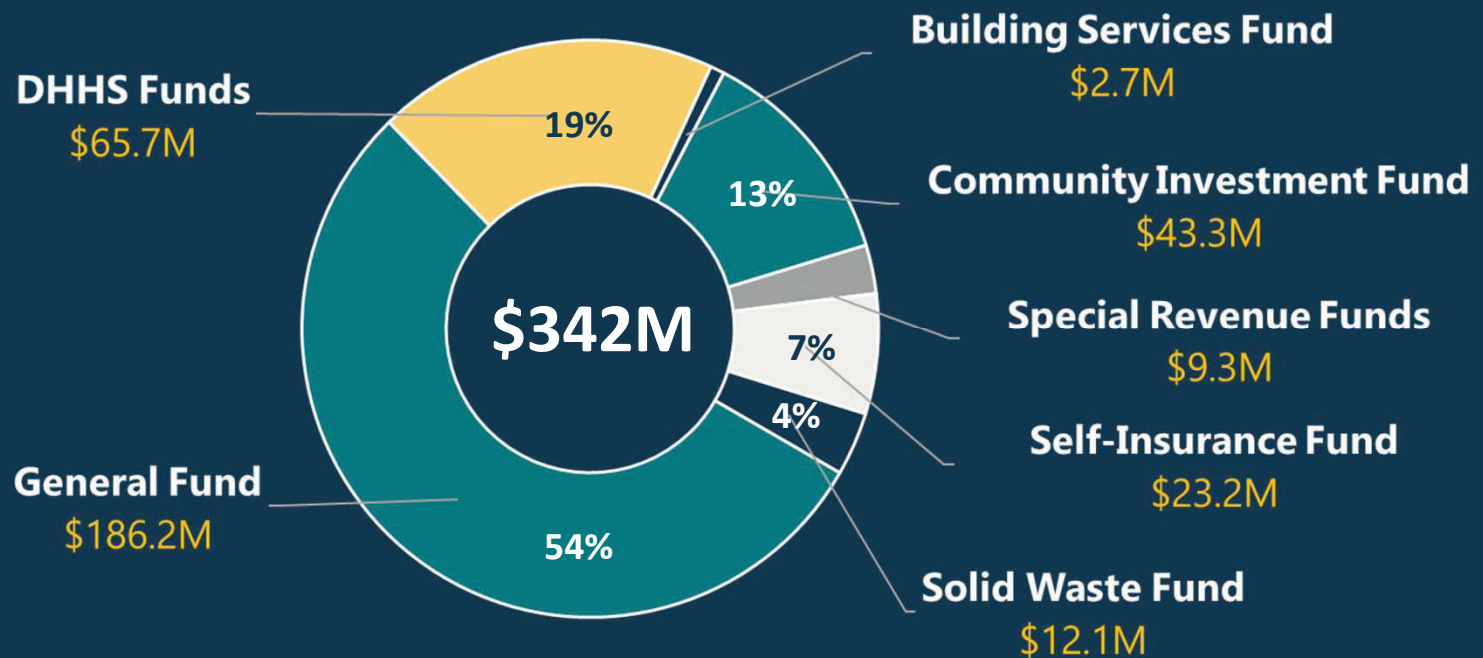
Fund Balance History – General Fund



BUDGET OVERVIEW

BUDGET OVERVIEW

All Funds Summary



BUDGET OVERVIEW

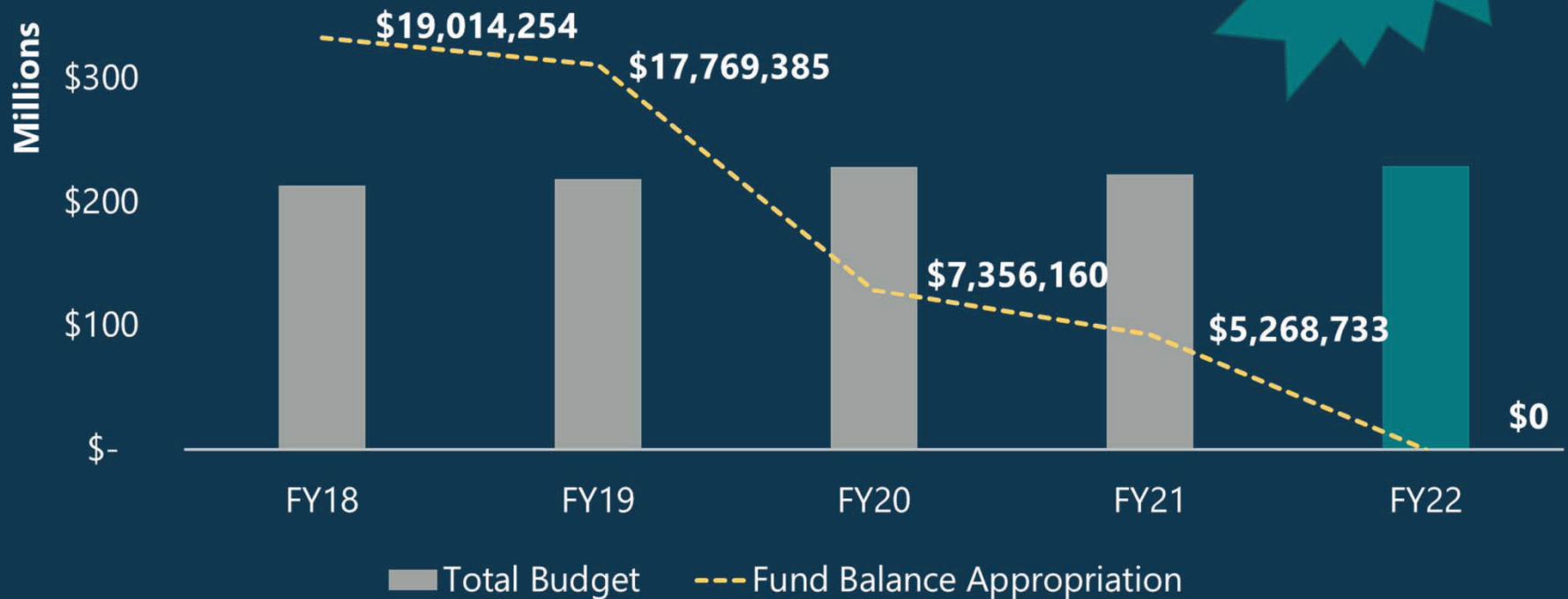
General Fund Summary

- **\$229M** total recommended budget
- ↑ 3% from FY21 adopted budget
 - However, it is a **0% change from FY20**
 - FY21 featured significant reductions in light of COVID-19 and economic uncertainty
- Commitment to fiscal responsibility and efficiency
- **Zero fund balance appropriation for the 1st time since 1970s**

BUDGET OVERVIEW

5-Year General Fund Trend

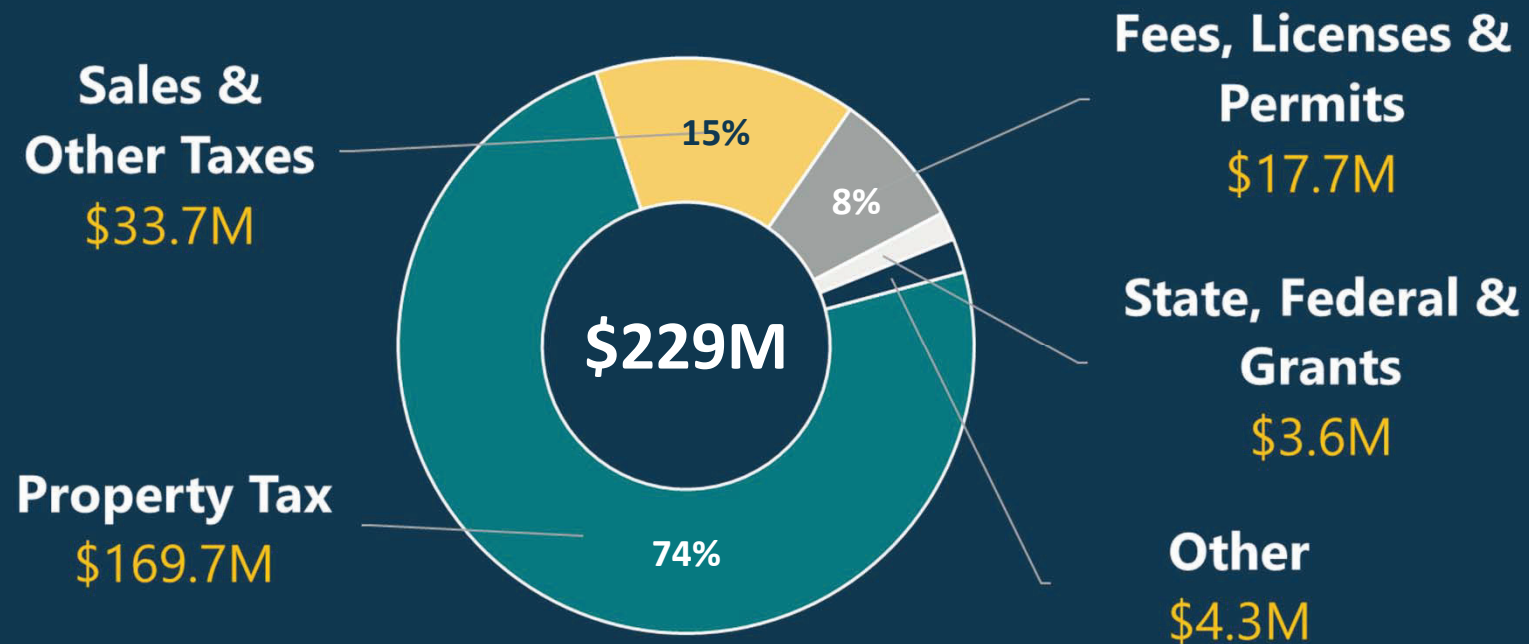
1st time in
50+
years!



PROJECTED REVENUE- GENERAL FUND

PROJECTED REVENUE

Where does the money come from?



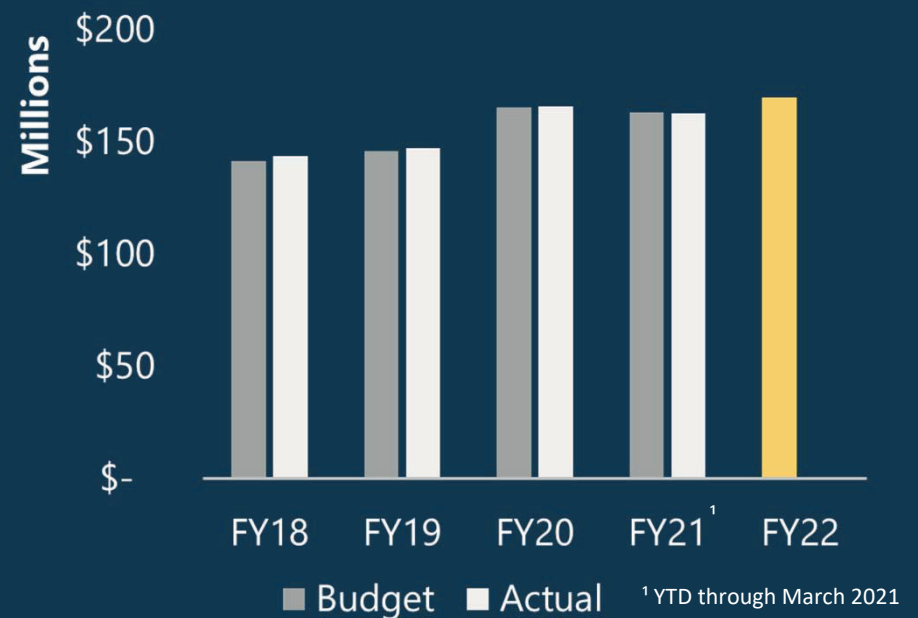
PROJECTED REVENUE

Taxes

Property Tax

- Recommending flat tax rate
 - FY21 rate of \$.83 per \$100 in value was the **lowest tax rate in 20 years**
- Stabilizing revenue sources to correct structural imbalance and stop relying on fund balance

PROPERTY TAX:
BUDGET VS. ACTUALS



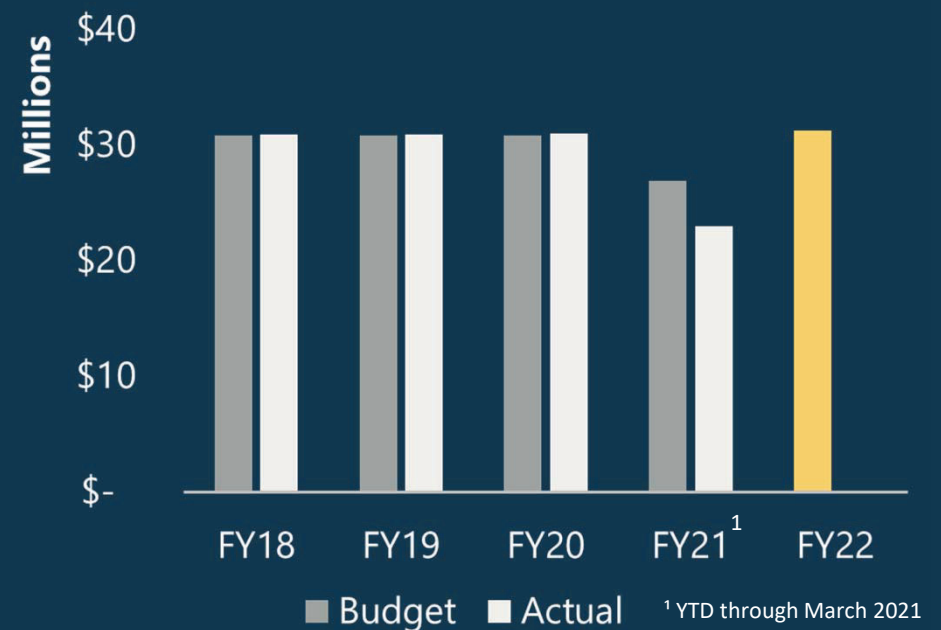
PROJECTED REVENUE

Taxes

Sales Tax

- FY22 projection in line with regional tax data and growth projections
 - FY21 is YTD through March
- Also supports School and County debt service and major capital projects
 - \$19M budgeted in CIF

SALES TAX:
BUDGET VS. ACTUAL

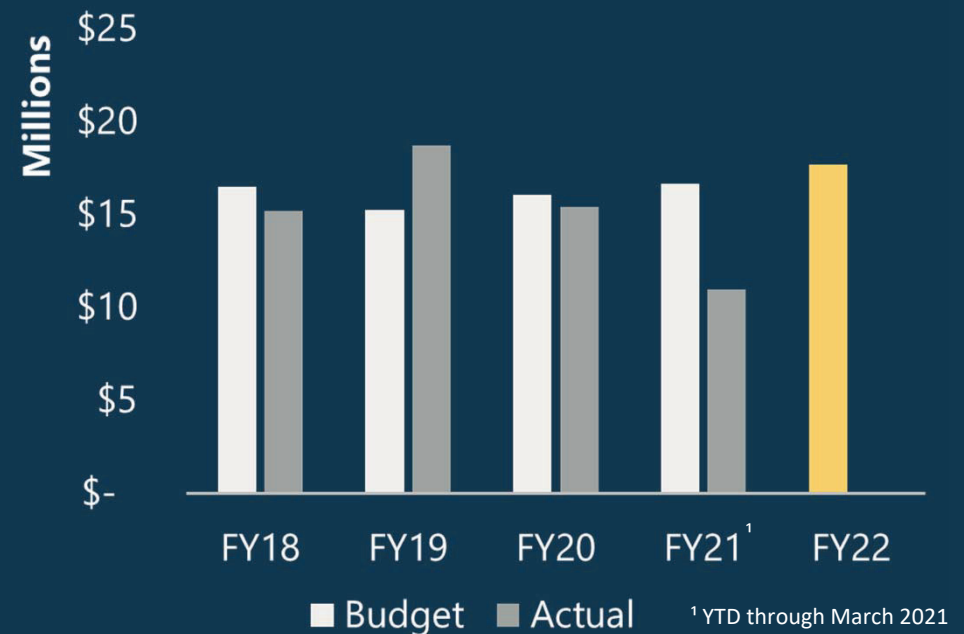


PROJECTED REVENUE

User Fees

- Approved methodology and adopted schedule
- Increased municipality tax collection fees effective FY22
- Impact of COVID seen in FY20 and FY21
 - FY21 is YTD through March

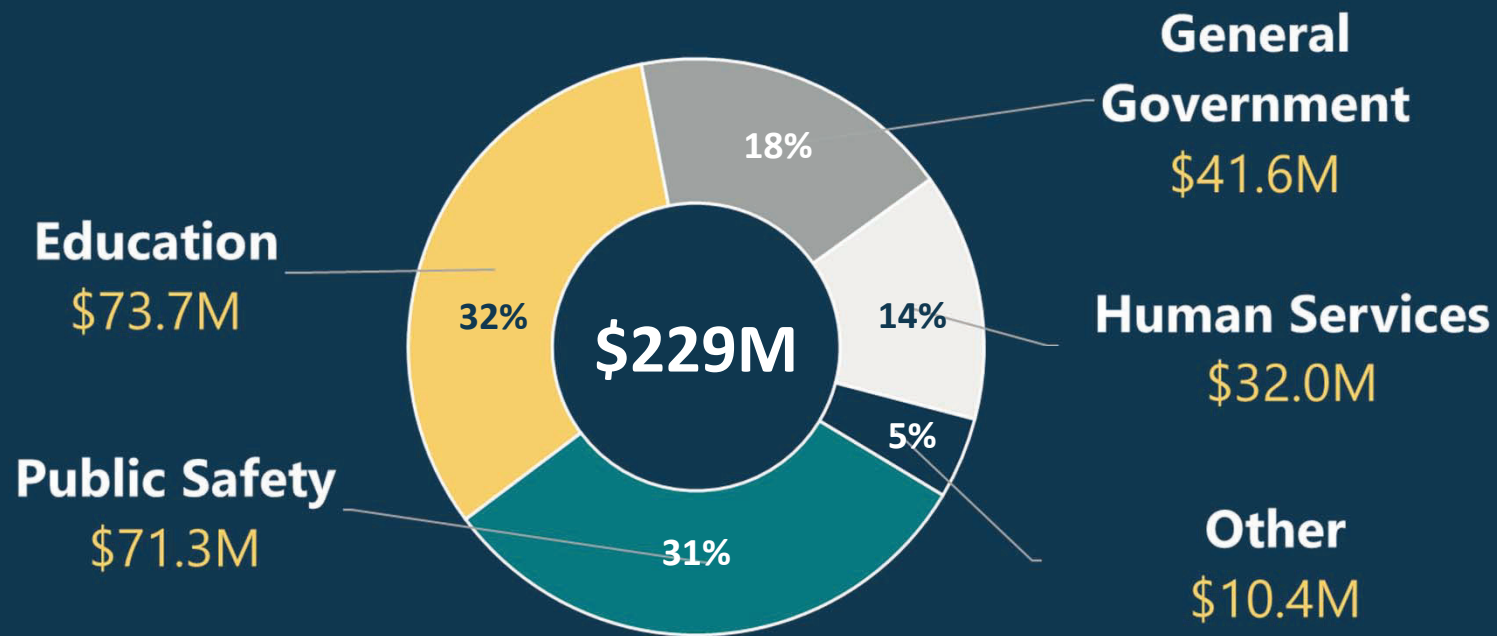
**FEES, LICENSES, & PERMITS:
BUDGET VS. ACTUALS**



RECOMMENDED EXPENDITURES

RECOMMENDED EXPENDITURES – GENERAL FUND

Where does the money go?



RECOMMENDED EXPENDITURES

Investing in Employees

We Value County Employees

- Restoring training budgets
- Recommending 401K contribution for all eligible employees
- Continuing merit-based salary adjustment plan
- Funding 15 new positions
 - 3 funded by user fees



RECOMMENDED EXPENDITURES

Investing in Employees - 401K Comparison with Municipalities

Gaston Municipal 401K	Employer Contribution	No Employee Match Required	Longevity
Belmont	5%	X	X
Bessemer City	5%	X	X
Cherryville	5%	X	X
Cramerton	5%	X	
Dallas	5%	X	X
Gastonia	5%	X	X
Kings Mountain	5%	X	X
Lowell	5%	X	X
McAdenville	5%	X	
Mount Holly	5%	X	
Stanley	5%	X	
Ranlo	3%	X	X
Gaston	0%		
High Shoals	0%		

RECOMMENDED EXPENDITURES

Investing in Employees - 401K Comparison with Peer Counties

Peer County 401K	Employer Contribution	No Employee Match Required	Longevity
Buncombe	8%	X	X
Cabarrus	5%	X	
Cleveland	5%	X	X
Durham	5%	X	
Guilford	5%		X
Iredell	5%	X	
Mecklenburg	5%		X
Union	5%	X	
Wake	5%	X	X
Haywood	3%	X	X
Forsyth	3%		X
New Hanover	0%		
Gaston	0%		
Lincoln	0%		X

RECOMMENDED EXPENDITURES

Investing in Employees – Recommended New Positions

FY 2022 New Positions	FT Positions Requested	FT Positions Recommended
Supported by Local Funds		
Tax	6.0	2.0
Finance	3.0	3.0
Budget & Mgmt. Services	1.0	0.0
Communications	1.0	0.0
Internal Audit	1.0	0.0
Grounds Maintenance	1.0	1.0
Public Works	1.0	1.0
Human Resources	1.0	1.0
County Police	4.0	0.0
Animal Care & Enforcement	8.0	3.0
Sheriff's Office	1.0	0.0
GEMS	16.0	1.0
Library	2.0	0.0
Hope United Survivor Network	4.0	0.0
Social Services	3.0	0.0
Subtotal	53.0	12.0

Supported by User Fees		
Building Services	2.0	2.0
Landfill	1.0	1.0
Subtotal	3.0	3.0
Total New Positions	56.00	15.00

RECOMMENDED EXPENDITURES

Improving Operations

- We are committed to continuous improvement as a Core Value.
 - Leverage insight, best practices, and technology to increase the efficiency of our operations and the quality of our services
 - Data and dialogue inform our decisions
 - Design and implement our processes to achieve transformational results
- Examples include:
 - Court and Police Recovery Court Program
 - Library and Social Services Pathfinders Program
 - GEMS, Public Health, and Emergency Management Vaccination Efforts

RECOMMENDED EXPENDITURES

Making Capital Investments

- **\$12.3M** in capital projects
- Deferred maintenance & upfits
 - Ex. Parking lot & building repairs, window/carpet replacements
- New initiatives
 - Ex. Fleet Maintenance facility, Bank building purchase, Catawba Cove property purchase
- Staff is evaluating current process and implementing formal CIP



RECOMMENDED EXPENDITURES

Supporting Education

	FY20	FY21	FY22
Gaston County Schools			
Operating	\$50,311,704	\$49,811,704	\$51,501,704
Other	\$2,037,049	\$2,037,049	\$2,037,049
Capital	\$2,227,000	\$1,227,000	\$1,227,000
Debt Service	\$26,293,711	\$24,203,601	\$23,012,102
Gaston College			
Operating	\$5,585,769	\$5,576,363	\$5,618,062
Capital	\$697,219	\$697,219	\$697,219
Debt Service	\$1,784,812	\$1,725,752	\$1,664,138

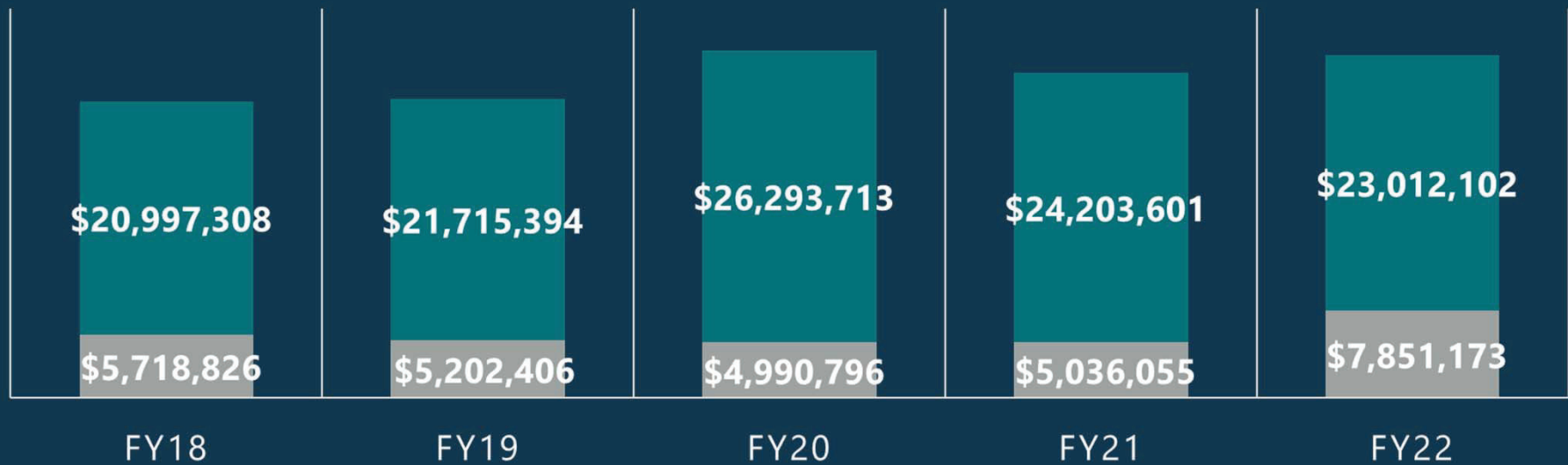
RECOMMENDED EXPENDITURES

Meeting Debt Service Obligations

5 YEAR HISTORY – BUDGETED DEBT SERVICE

■ County Debt

■ School Debt



LOOKING FORWARD

LOOKING FORWARD

Unfunded Needs

Personnel & Operating

- 41 new position requests not included in recommendation
 - Ex. Social Workers, Police Officers, Sheriff Deputy
 - Paramedic units to improve remote area response time
- Additional funds for various small building repairs

LOOKING FORWARD

Unfunded Needs

Capital

- Gaston County Schools
- Gaston College
- 17 new vehicle requests not included in recommendation
- CIP committee has identified \$200M in future capital projects



LOOKING FORWARD

Continuous Improvement

- Correcting the County's structural imbalance
 - Stabilize revenue, increase fund balance and debt capacity, improve credit ratings, and take advantage of low borrowing costs
- Collaborating with Gaston County Schools on upcoming school bond issuance
- Implementing formal Capital Improvement Plan (CIP) process
- Creating department-specific strategic plans using foundations of excellence

LOOKING FORWARD

Future Work

- ☐ Uniform Fire District Tax Rate Analysis
- ☐ Library Service Delivery Evaluation
- ☐ Park Facility & Field Evaluation
- ☐ Hourly Minimum Pay Analysis
- ☐ Stormwater & Erosion Services ("One-Stop Shop") Analysis
- ☐ Paygo vs. Debt for Annual School & College Capital Allocations Evaluation
- ☐ Public Safety Campus Evaluation
- ☐ Employee Access & Use of Health Services Evaluation

LOOKING FORWARD

Next Steps

- **May 25 - June 8** – Budget available for public review online and in-person at:
 - County Administration building
 - Main Library
- **June 8** – Public hearing and budget adoption
 - Courthouse



FY 2022

MANAGER'S
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