

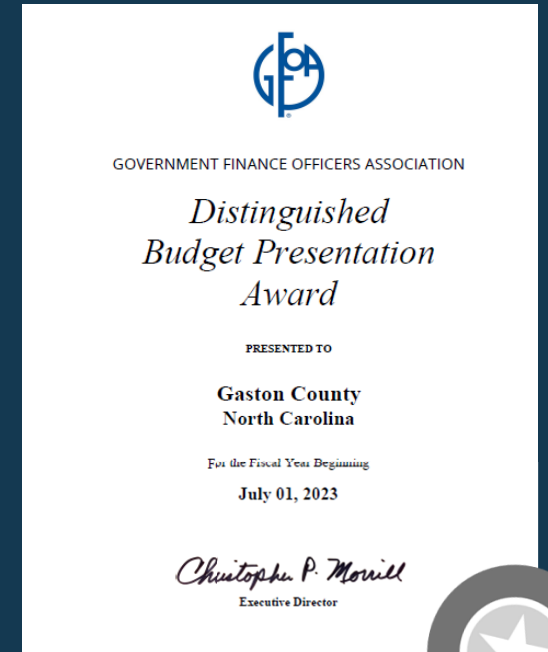
FY 2025 Operating Budget and FY 2025-2029 Capital Budget

County Manager's Recommendations
May 16, 2024



Outline

- ❖ Executive Summary
- ❖ Budget Context
- ❖ FY 2025 Operating Budget
- ❖ FY 2025-2029 Capital Budget
- ❖ Unified Fire Protection District
- ❖ Looking Forward



Executive Summary

Budget Theme

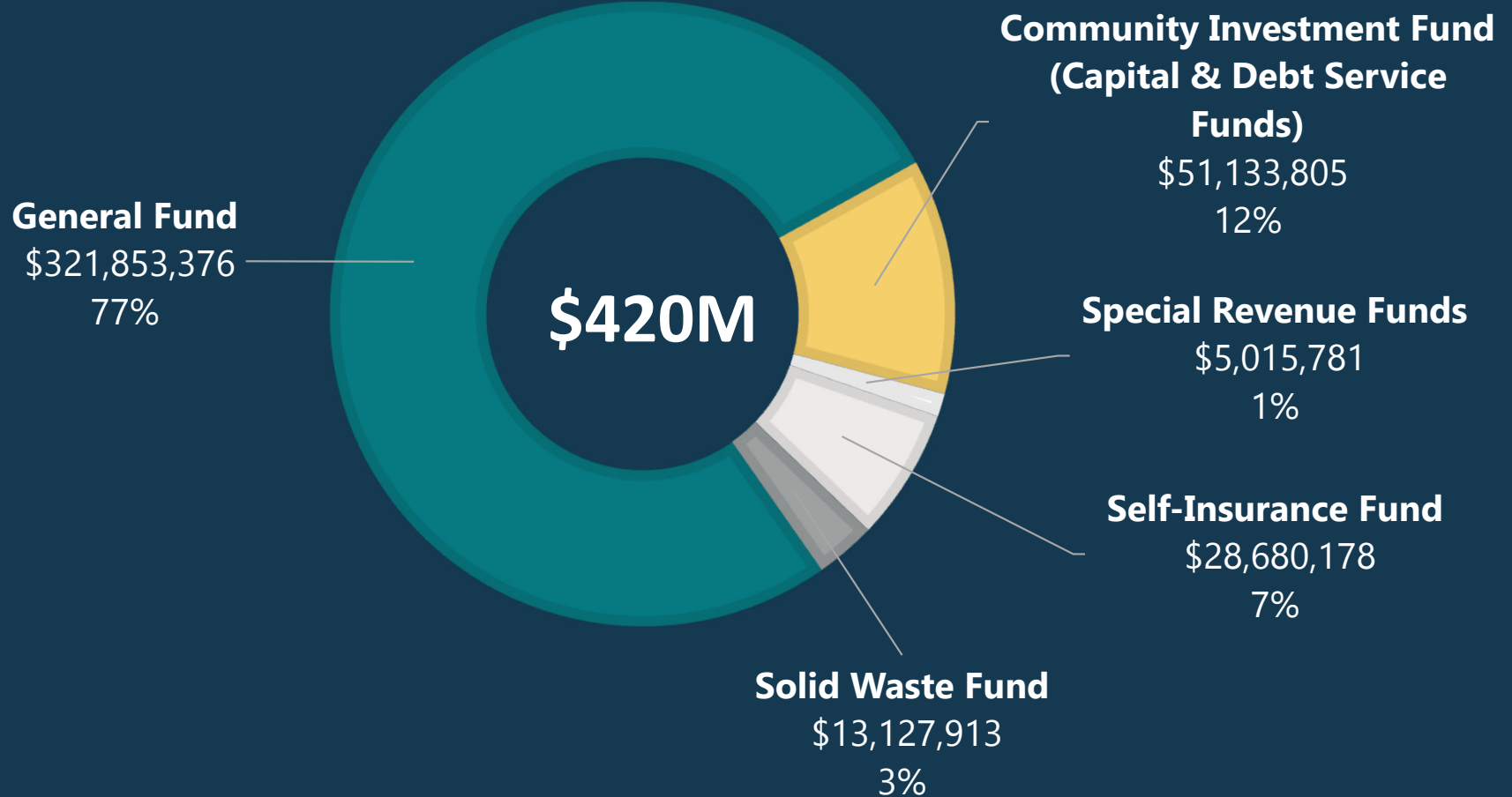


Overview of Recommendations

- 59.9¢ tax rate, a 1.1¢ decrease from the current year
- No appropriation of General Fund fund balance
- Absorb mandatory and inflationary increases in personnel and operating expenses
- No new County-funded positions
- Mid-year implementation of compensation study
- Fulfill all debt service obligations, including issuance of remaining \$190m bonds for school system and new \$60m LOBs note for County projects
- Continue implementation of five-year CIP

FY 2025 Budget Summary

Total Expenditures for all Funds, Net of Internal Transfers



Guiding Principles

1) **Maintain Sound Fiscal Policy and Stewardship**

- Follow newly revised financial policies and debt capacity model
- Maintain or improve bond rating

2) **Deliver Competitive Services**

- Ensure value and quality of services
- Pursue productive and efficient service delivery
- Maximize public resources

3) **Diversify Revenue and Encourage Development**

- Increase available resources through residential and business development

4) **Prepare for Growth**

- Optimize existing infrastructure and create new to ensure capital and land investments are consistent with Smart Growth principles
- Keep up with maintenance needs to extend useful life (avoid greater costs associated with deferred maintenance)

Budget Context

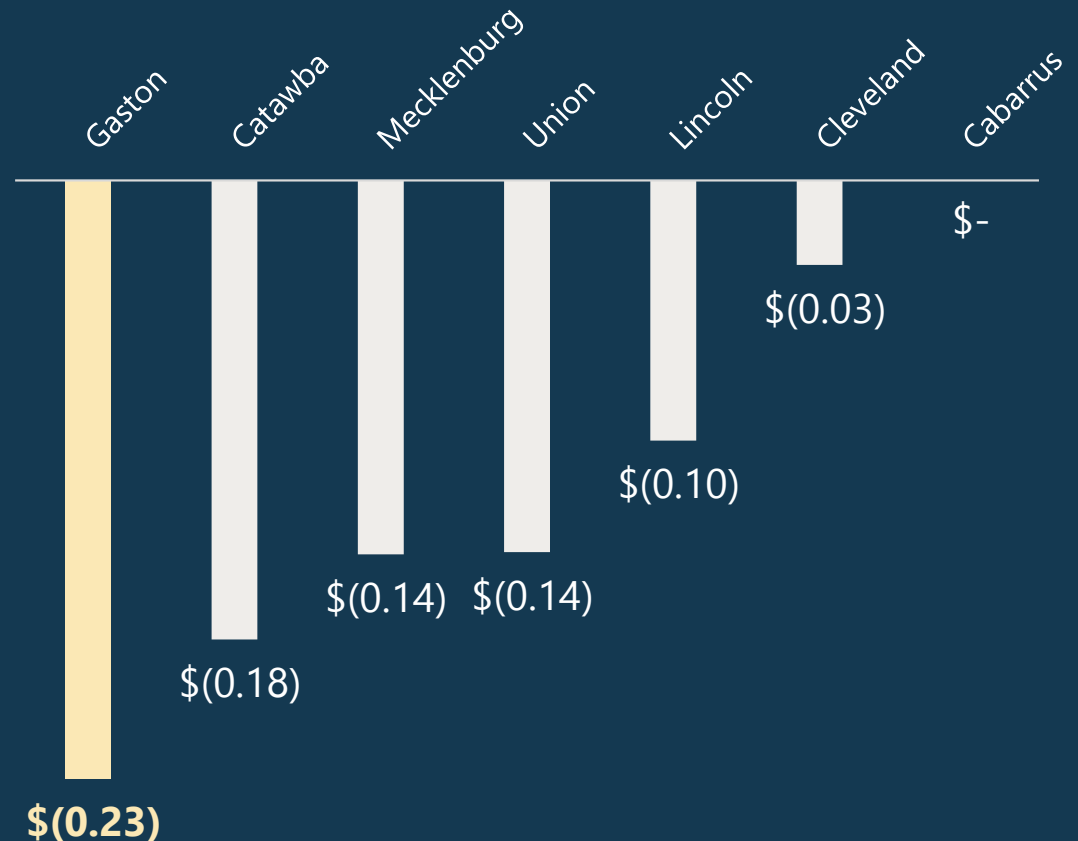
Recent Accomplishments



Property Valuation

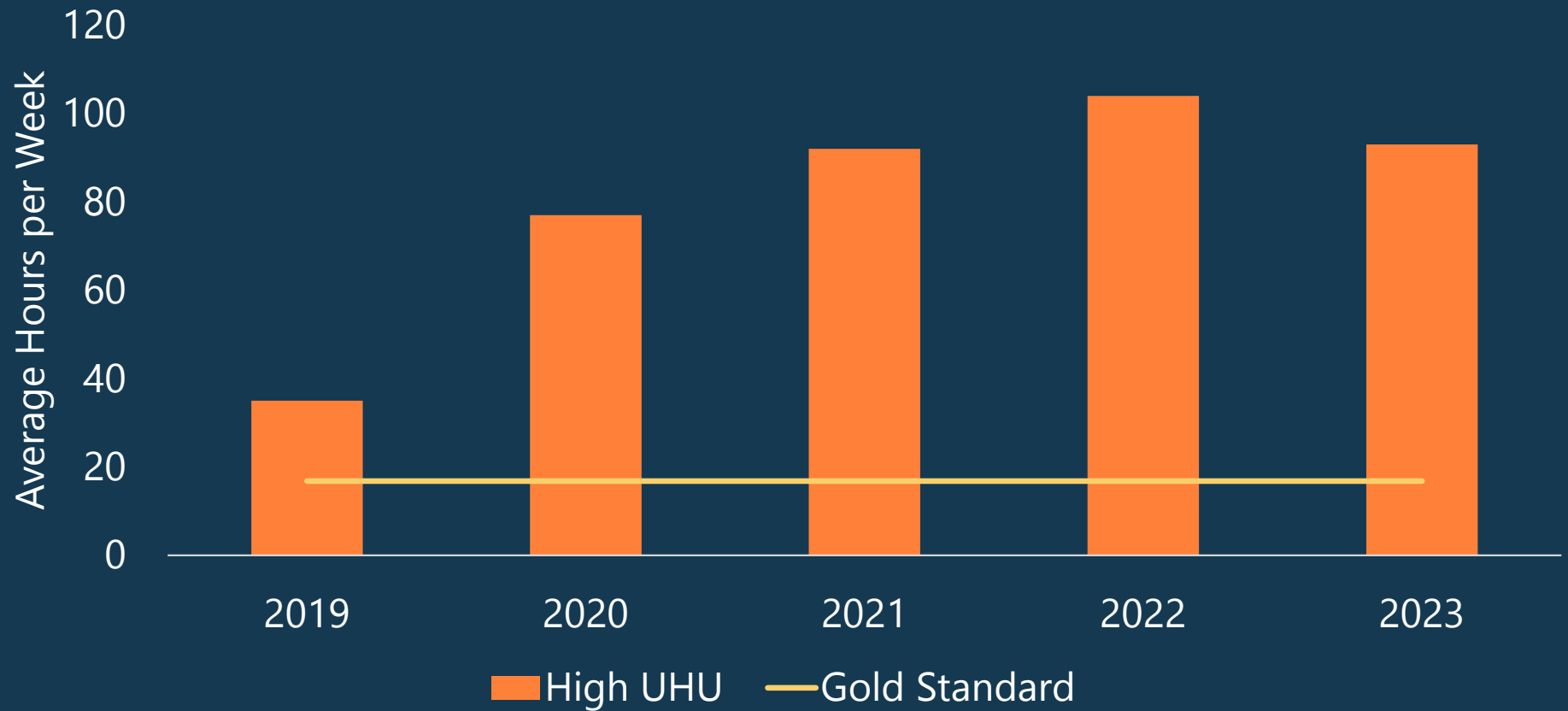
- Sales assessment ratio went from 69% to 97% after revaluation
- Current tax rate is County's lowest on record
- Tax base and population growth → Growth in service demand amid high inflation

Reduction in Tax Rate since FY20
Gaston & Surrounding Counties



Growth in Service Demand

GEMS Weekly Unit Hour Utilization



Growth in Service Demand

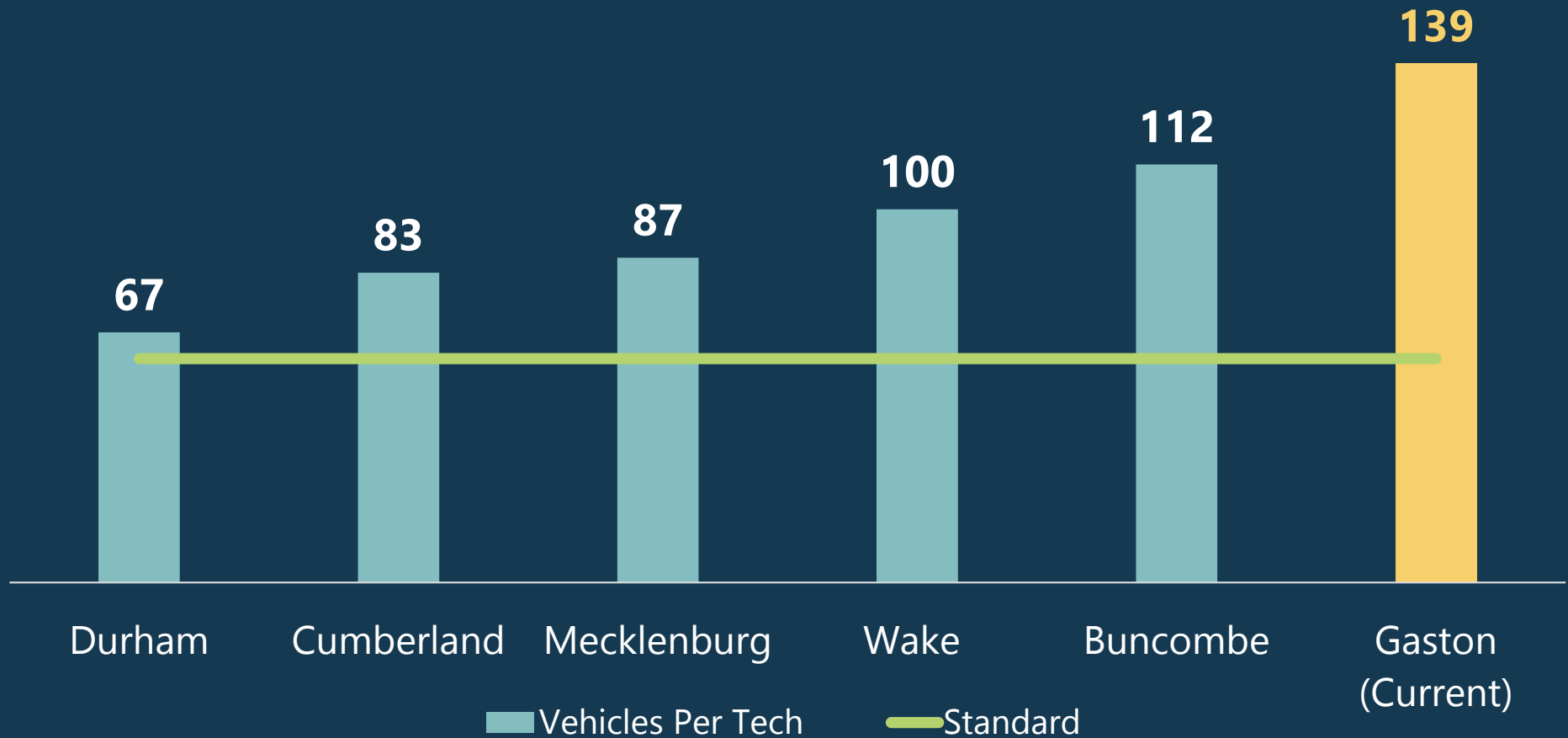
From FY19 to FY23:

- EMS dispatches increased by 112%
- Landfill Waste tonnage increased by 17%
- Food & Nutrition Services cases increased 33%
- Building & Development Services Inspections have increased by 43%
- Residential, electrical, mechanical and plumbing permits issued increased by 73%



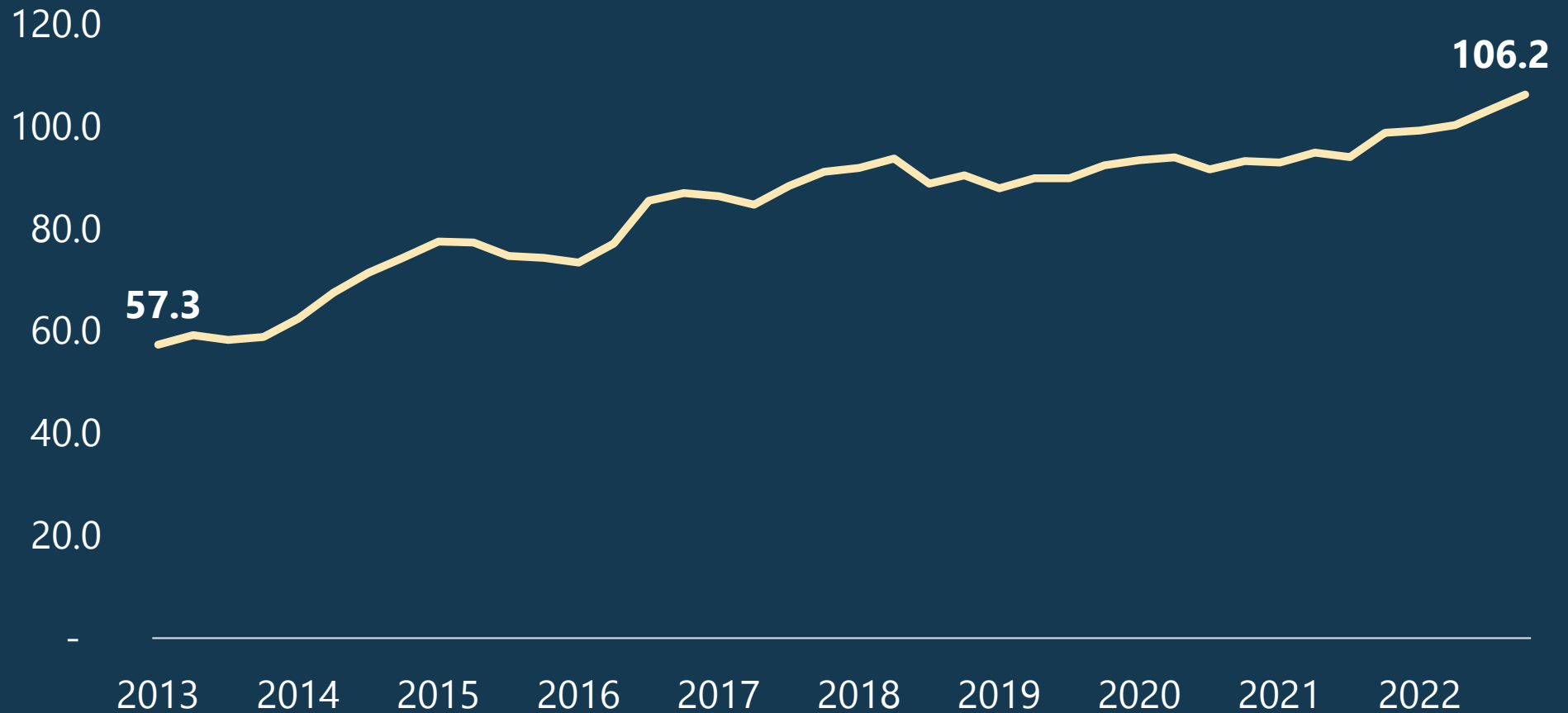
Growth in Service Demand

Number of Vehicles per Technician

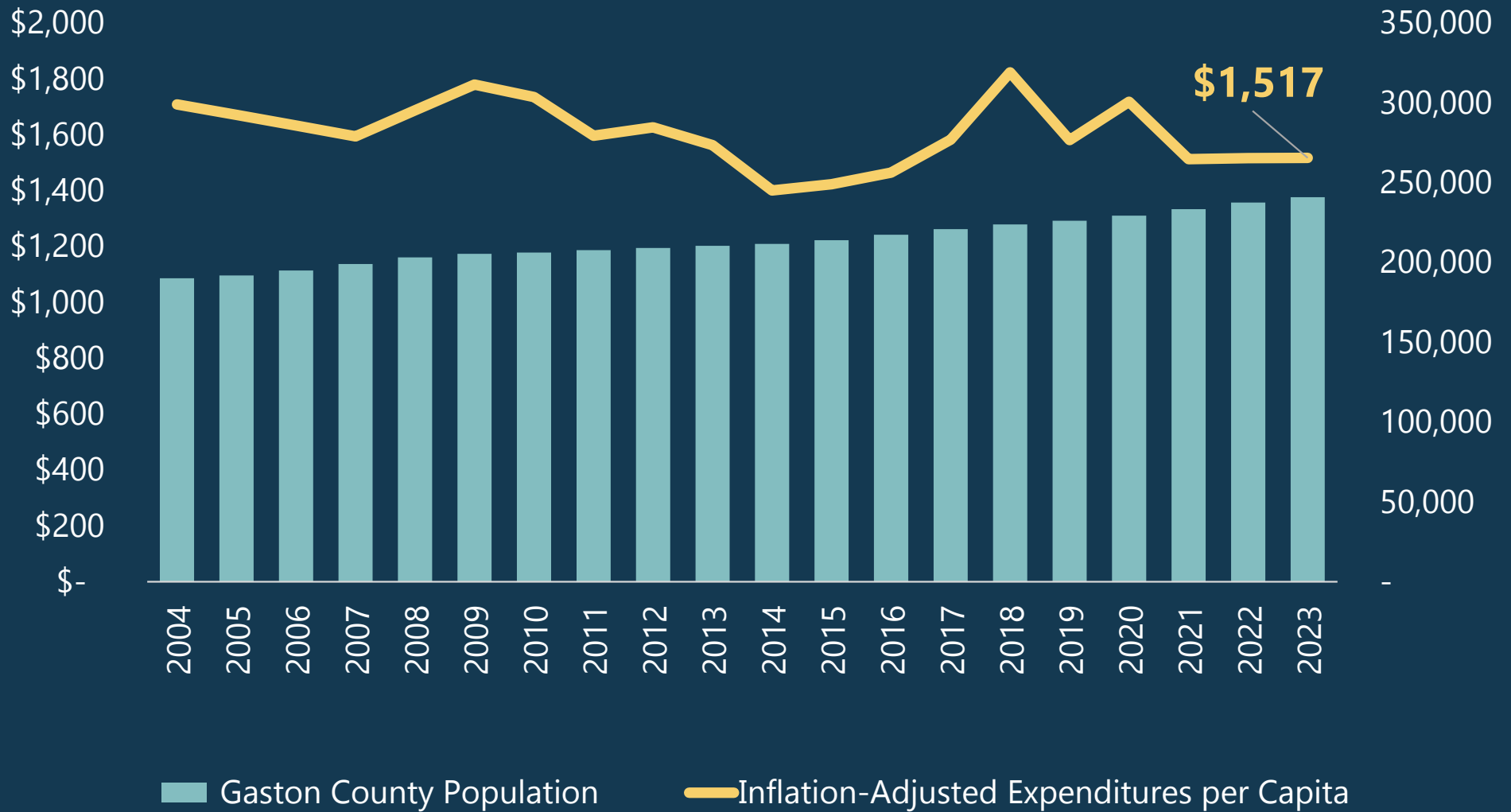


Growth in Service Demand

Children in DSS Custody per 10,000 Children



Inflation Absorption

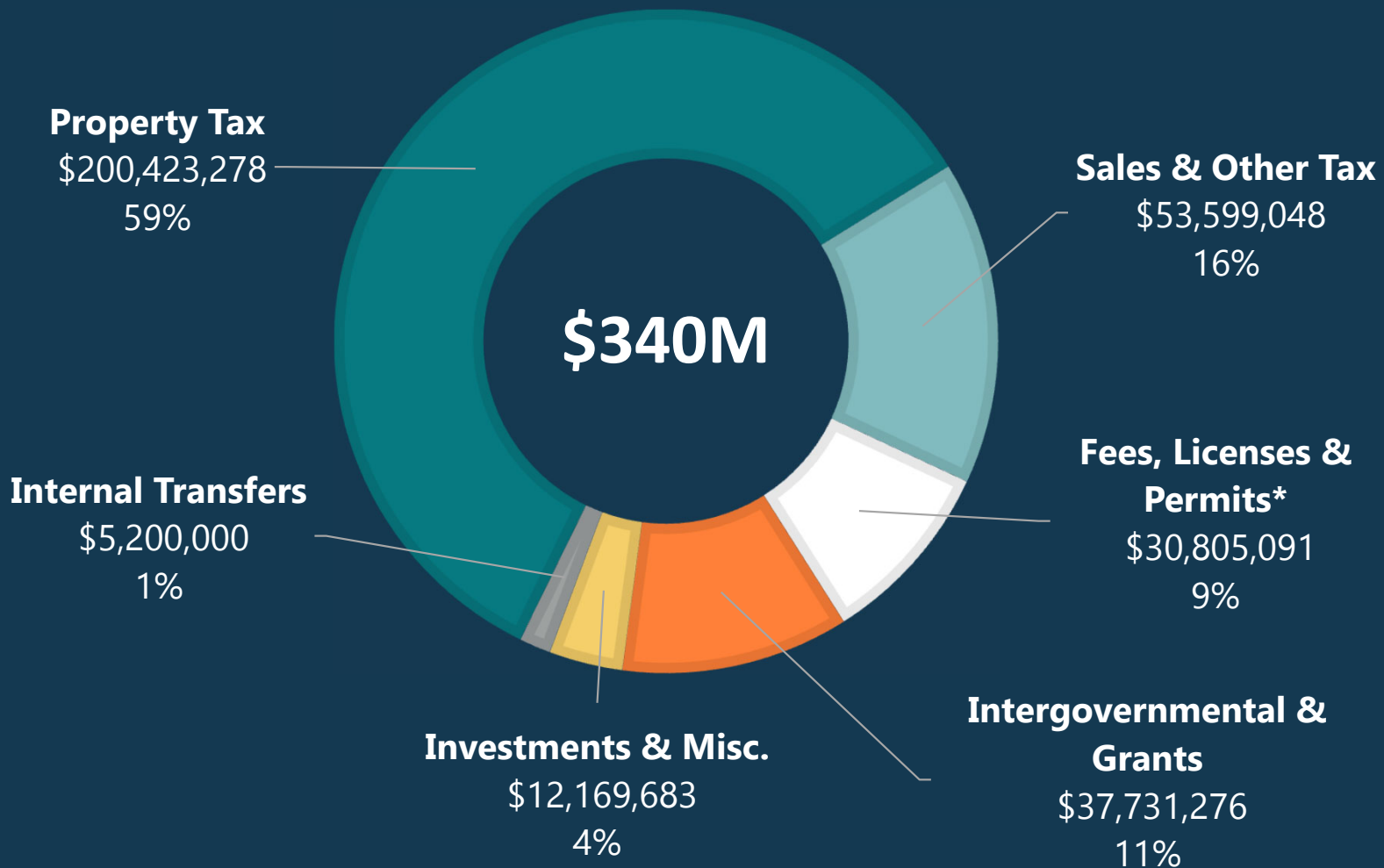


FY 2025 General Fund Operating Budget

General Fund Highlights

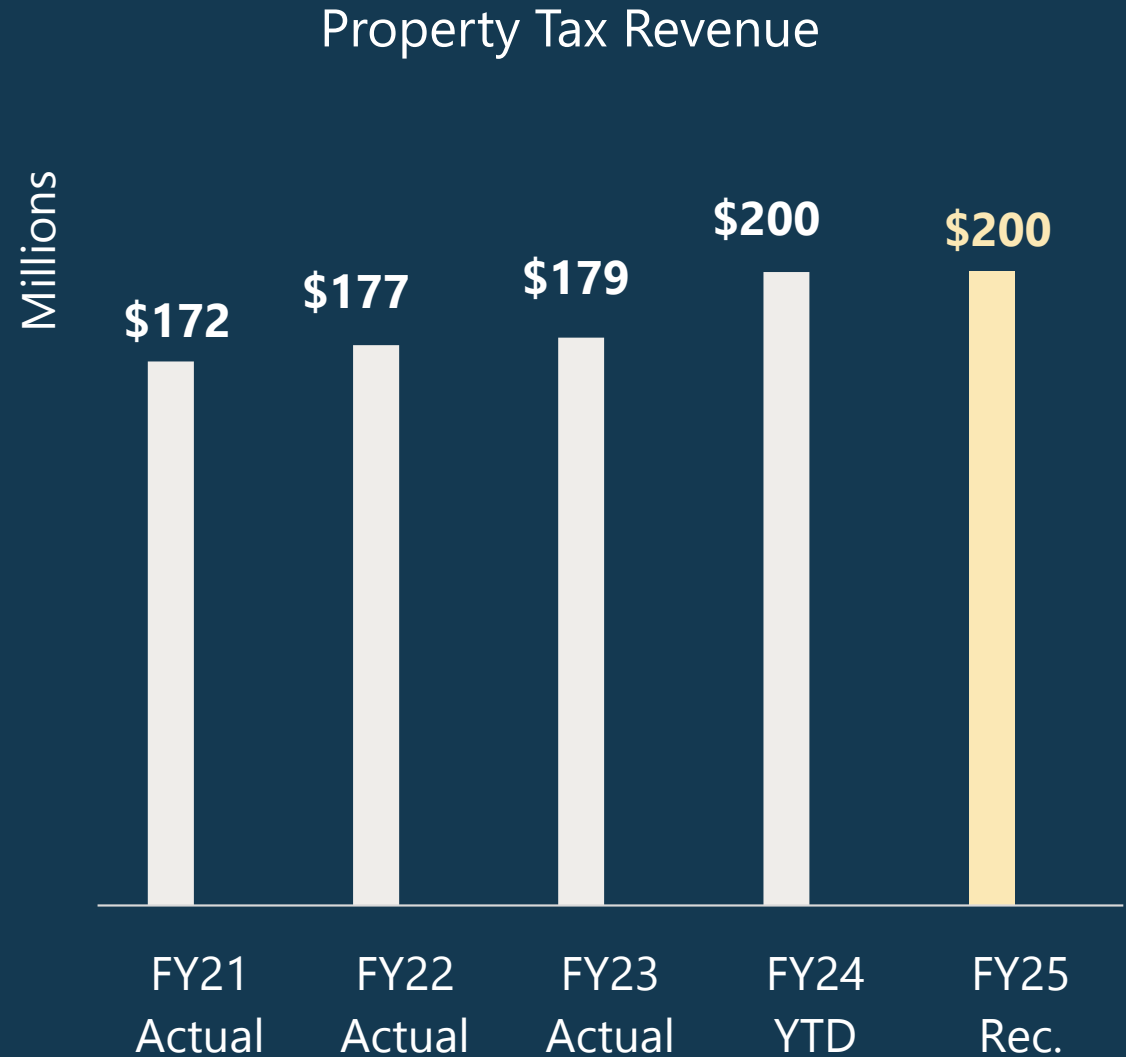
- \$340m total recommended General Fund budget
- 59.9¢ tax rate, a 1.1¢ decrease from the current year
- No fund balance appropriation
- No new County-funded positions, 1 fee-funded position
- Mid-year implementation of compensation study
- Absorb mandatory and inflationary increases in personnel and operating, and implement compensation study mid-year
- Nearly three-fourths of budget goes towards:
 - Public Safety (30%)
 - Human Services (26%)
 - Education (18%)

Summary of General Fund Revenue



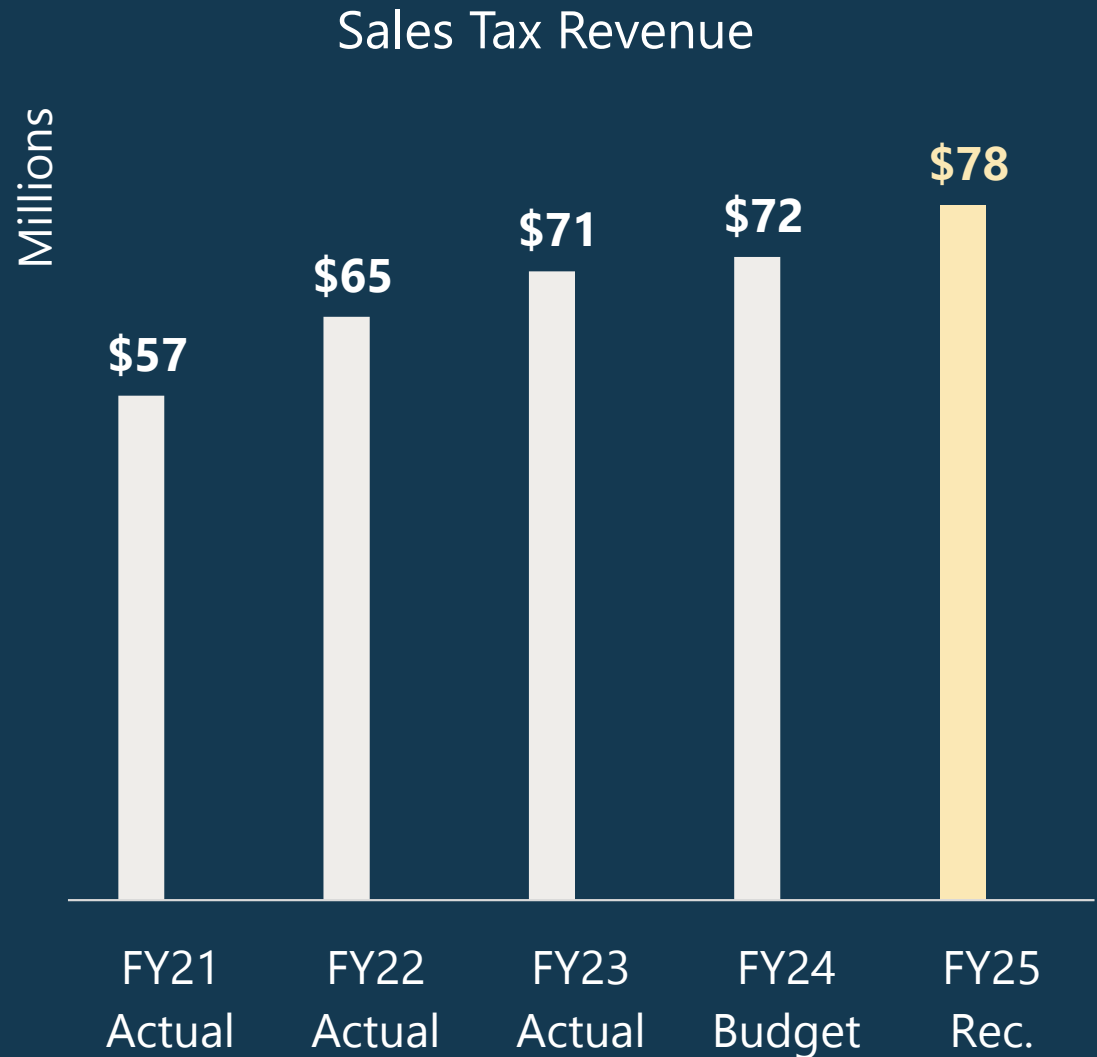
Property Tax

- Recommending tax rate of 59.9¢ per \$100 in value
 - 1.1¢ decrease from current rate
- Projected revenue =
Total assessed value /
100 x collection rate x
tax rate



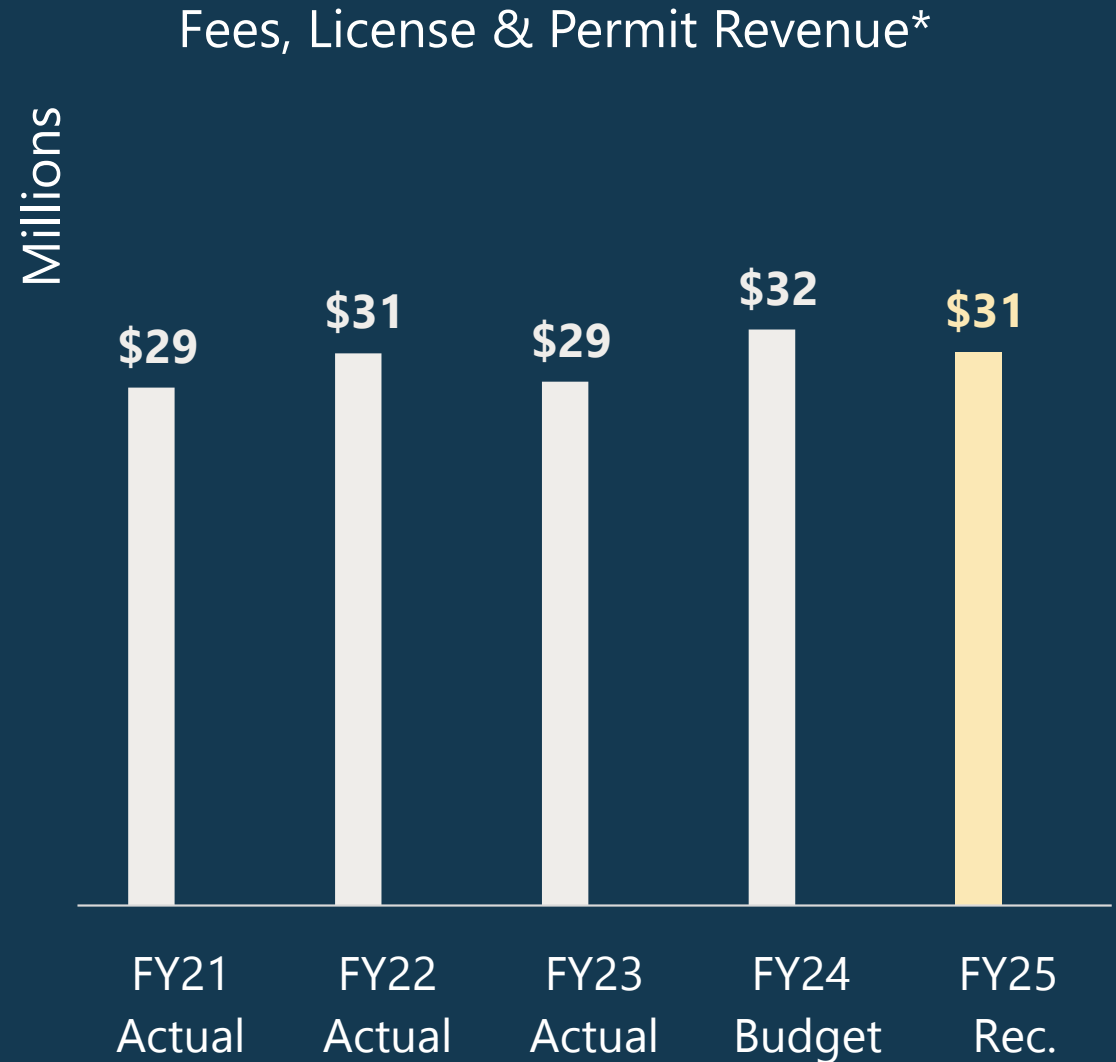
Sales Tax

- Less conservative projection – Increasingly rely on this volatile revenue if not capturing natural growth in property valuation
- Portion supports School and County debt service and major capital projects in CIF

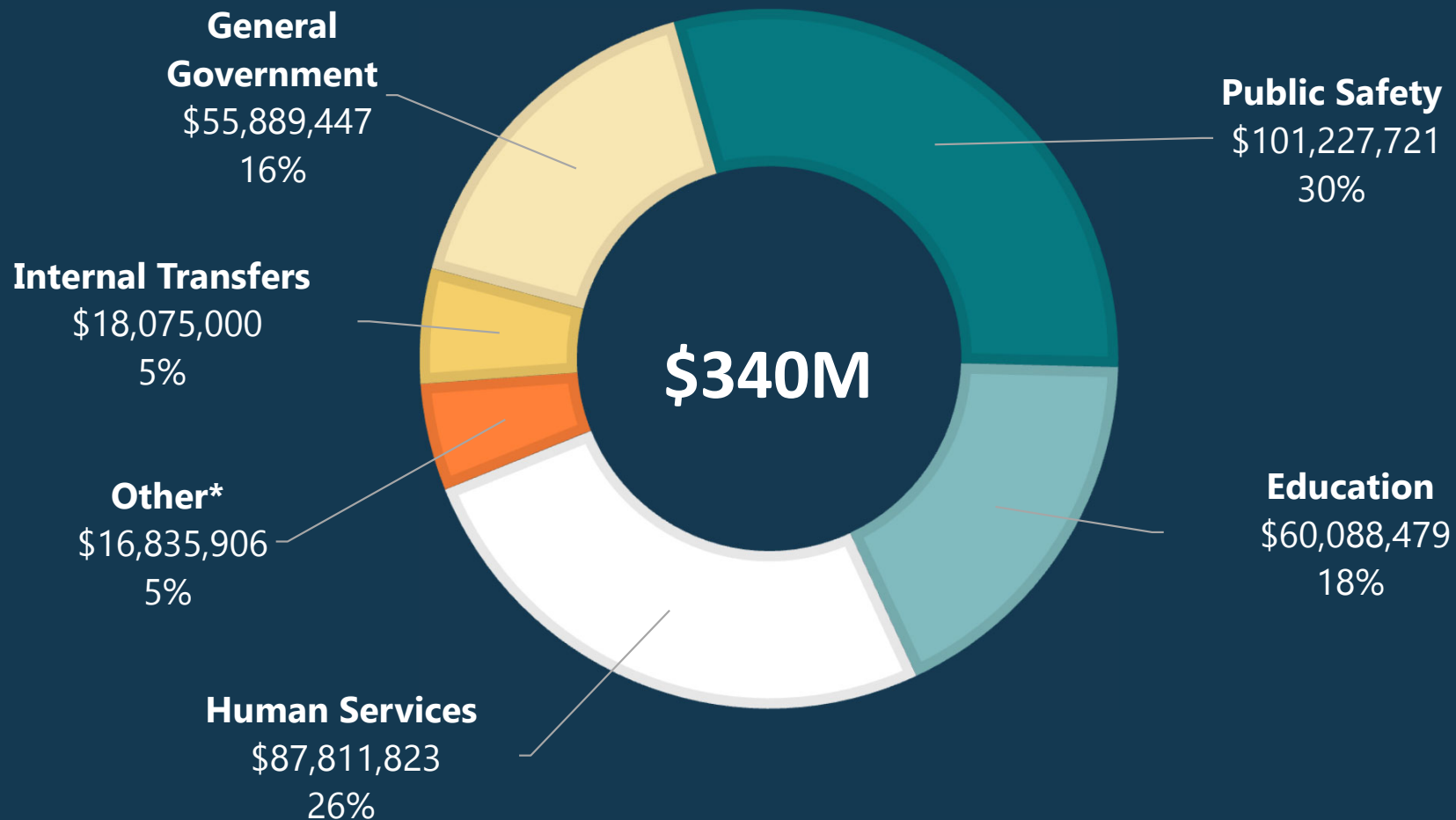


User Fees

- Rebounded from COVID impacts seen in FY20
- Continuation of fee schedule methodology



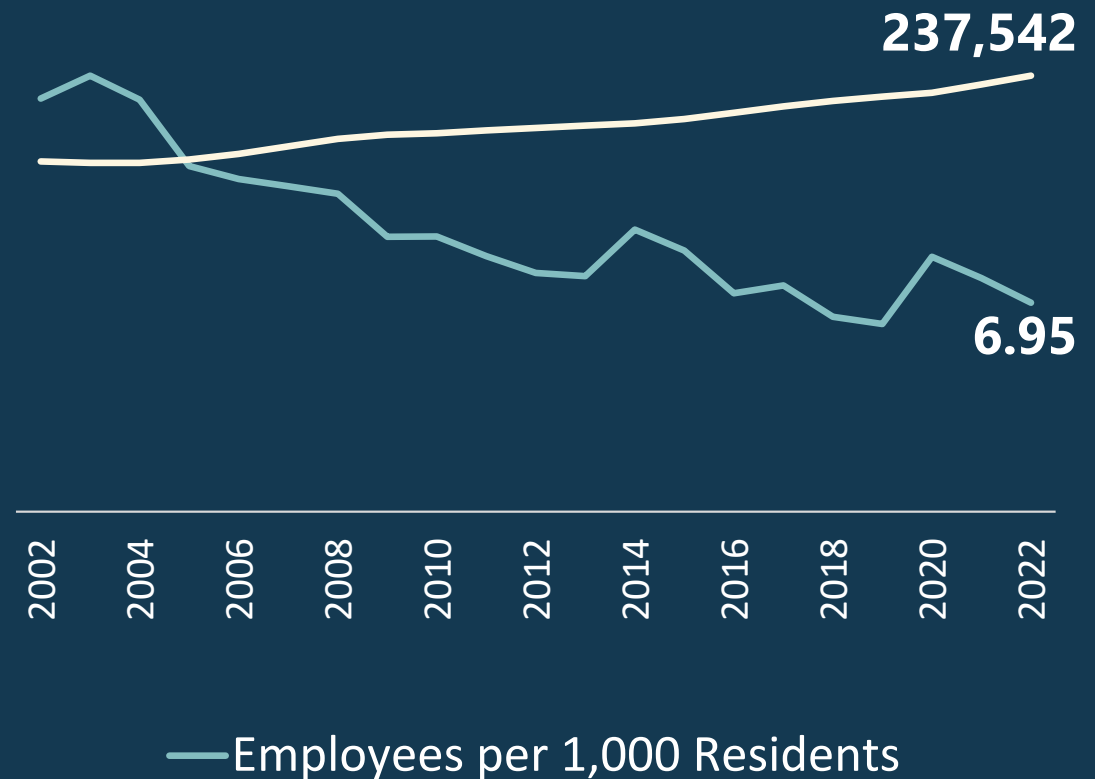
Summary of General Fund Expenditures



Personnel

- 1 new Assistant Fire Marshal position (General Fund)
 - Emergency Mgmt. & Fire Services
 - Fee-funded
- 1 new Digital Media Coordinator position (Special Revenue Fund)
 - Tourism Development
 - Funded by occupancy tax revenue

20 Year Change in Population vs. Employees Per 1,000 Residents Trend

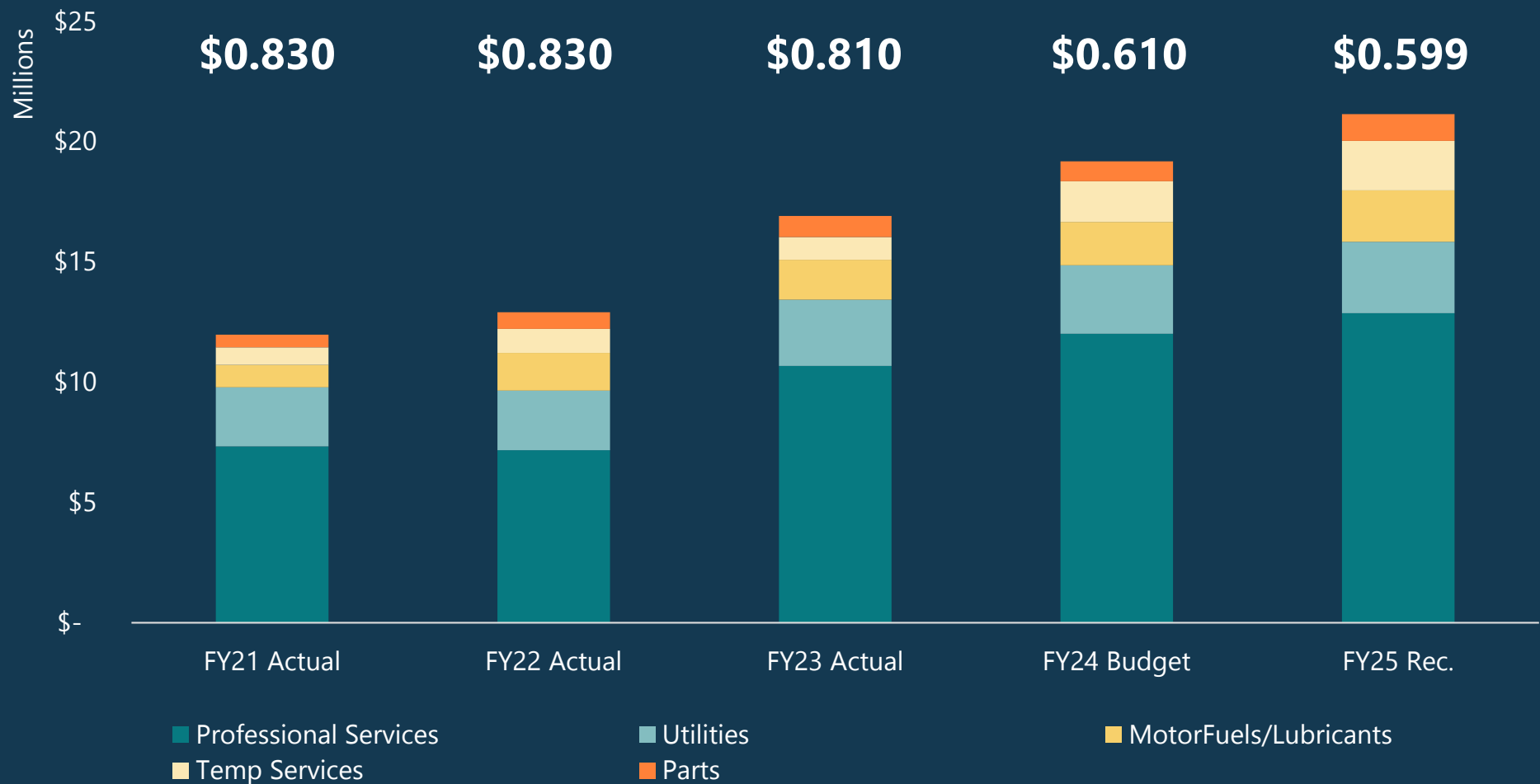


Unfunded Needs

Department	FY25 FT Positions Requested	FY25 FT Positions Recommended	FY24 FT Positions Requested	FY24 FT Positions Approved
GEMS	52	0	24	0
Sheriff's Office	28	0	30	0
County Police	24	0	12	0
Public Works	12	0	9	4
Social Services	10	0	19	17
Community Support Services	5	0	10	0
Public Health	3	0	1	0
Tax	2	0	4	0
Library	2	0	4	0
Emergency Mgmt. & Fire Services	2	1	2	0
Parks & Recreation	1	0	4	0
Finance	1	0	4	0
Human Resources	1	0	3	0
Natural Resources	1	0	3	2
Information Technology	1	0	1	0
Tourism Development	1	1	1	0
Planning & Land Use	1	0	-	-
Cooperative Extension	-	-	1	0
Internal Audit	-	-	1	0
Total	147	2	133	23

Inflation Absorption

Examples of Operating Expense Escalation vs. Tax Rate



Education Allocations



Gaston County Schools	FY 2024 Budget	FY 2025 Request	FY 2025 Recommendation
Operating	\$53,001,704	\$59,963,704	\$53,501,704
Capital	\$2,227,000	\$6,700,000	\$2,227,000
Total Direct Allocation	\$55,228,704	\$66,663,704	\$55,728,704



Gaston College	FY 2024 Budget	FY 2025 Request	FY 2025 Recommendation
Operating	\$5,968,062	\$7,057,331	\$6,021,775
Capital	\$797,219	\$3,143,045	\$797,219
Total Direct Allocation	\$6,765,281	\$10,200,376	\$6,818,994

FY 2025-2029 Capital Budget

CIP Highlights

FY 2025 Recommendations

\$65.5m total funding

\$60m in debt-funded projects

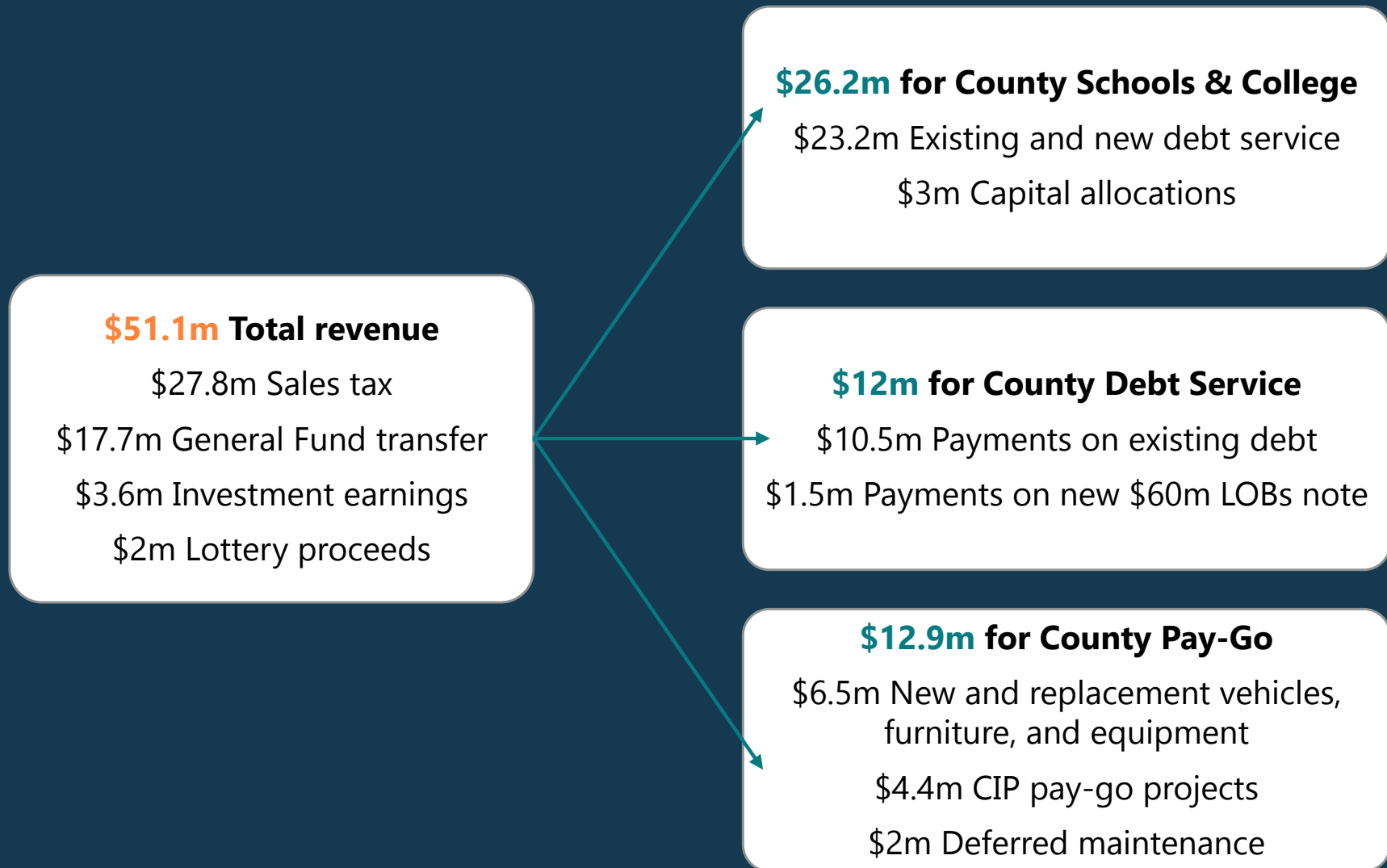
\$4.4m in pay-go projects

\$1.1m in enterprise fund projects



- Areas of recommended investment:
 - 1) Facilities maintenance, repairs and new construction
 - 2) Replacement of existing equipment and new equipment or vehicles
 - 3) Land acquisition, design, and planning services
 - 4) Economic development land acquisition and infrastructure improvements

Community Investment Fund (CIF)



Looking Forward

Priorities for Future Work

1) Maintain Sound Fiscal Policy and Stewardship

- Maintain Aaa with Moody's and improve S&P bond rating

2) Deliver Competitive Services

- Assess, evaluate, and improve support services to vulnerable population
- Continue to respond to Opioid crisis and implement opioid settlement funds
- Assess safety and risk-related policies and implement findings

3) Invest in Infrastructure

- Increase available resources through residential and business development
- Optimize existing infrastructure and ensure new capital and land investments are consistent with Smart Growth principles

Next Steps

May 16-28th

FY 2025 Budget
available for public
review online and
in person

May 28th

Public hearing and
FY 2025 Budget
adoption

July 1st

FY 2025 begins

Thank You



County Commissioners
Budget & Strategy staff
Organization/Departmental Leadership
Communications staff
Finance and Human Resources staff
Budget contacts in departments

Unified Fire Protection Service District

FY25 Proposed Funding

- Current tax rate \$0.085
- Projected FY25 revenue at current rate = \$9,505,714

Fire Commission Recommendation

- \$0.115 tax rate
- \$12,929,845 total funding
 - Commission made \$1.5m reduction from \$14.4m total request

\$0.115 Proposal

- Creates universal funding for staff for all departments
- Provides funding for 24/7 staffing & coverage
- Staffing will dramatically decrease response times and increase/improve services
- Increased operational, maintenance and fuel costs
- Establishes define and consistent levels of service delivery. Provide for recruitment and retention of staff
- Bolster education and training
- Provide closest station response

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