

Annual Planning Session FY 2019



The budget is not just a collection of numbers but an expression of our values and aspirations. – Jacob Lew



Opening Remarks

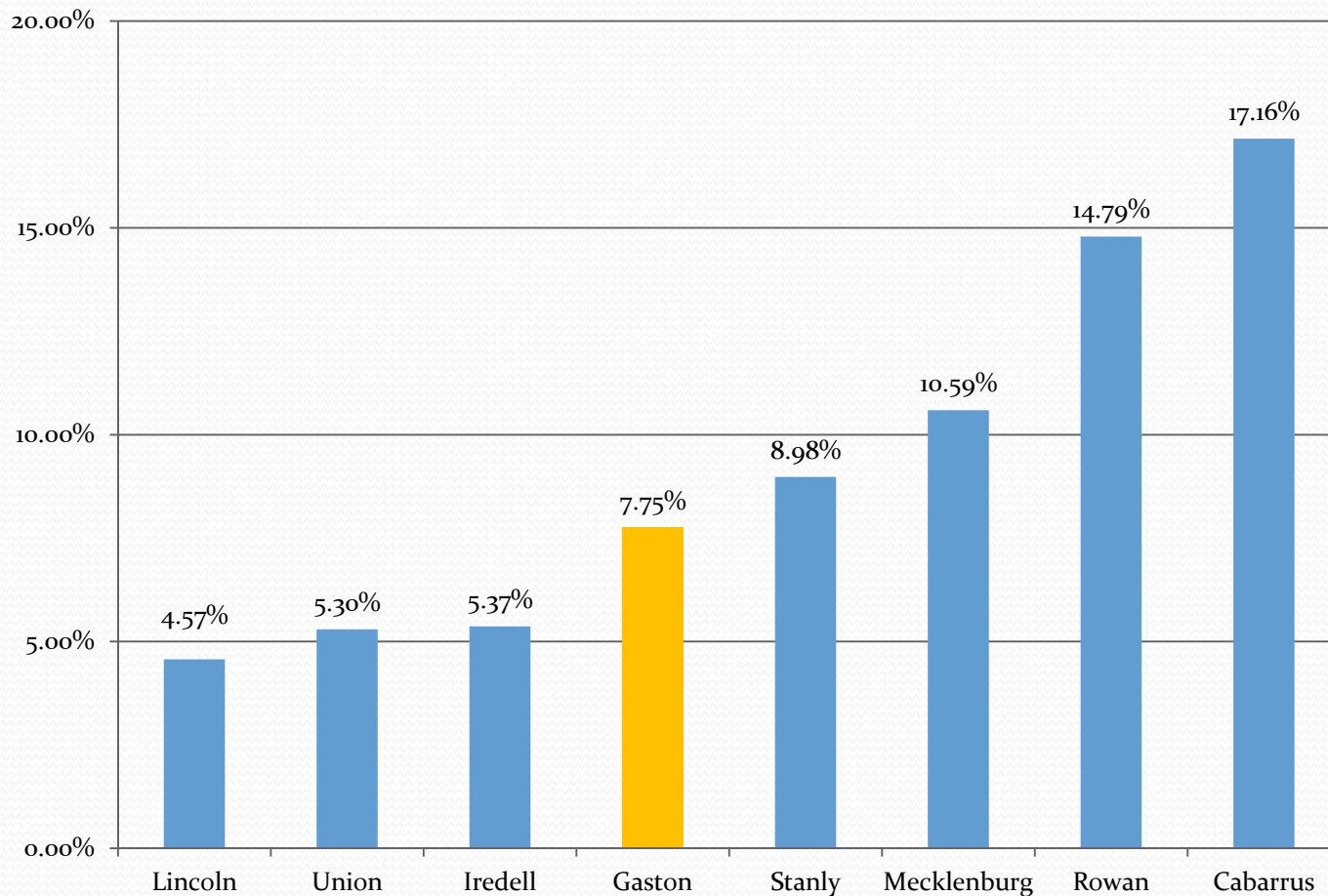
- Mr. Chad Brown – BOC Chairman
- Mr. Earl Mathers – County Manager
- *There are no secrets to success. It is the result of preparation, hard work and learning from failure. – Colin Powell*



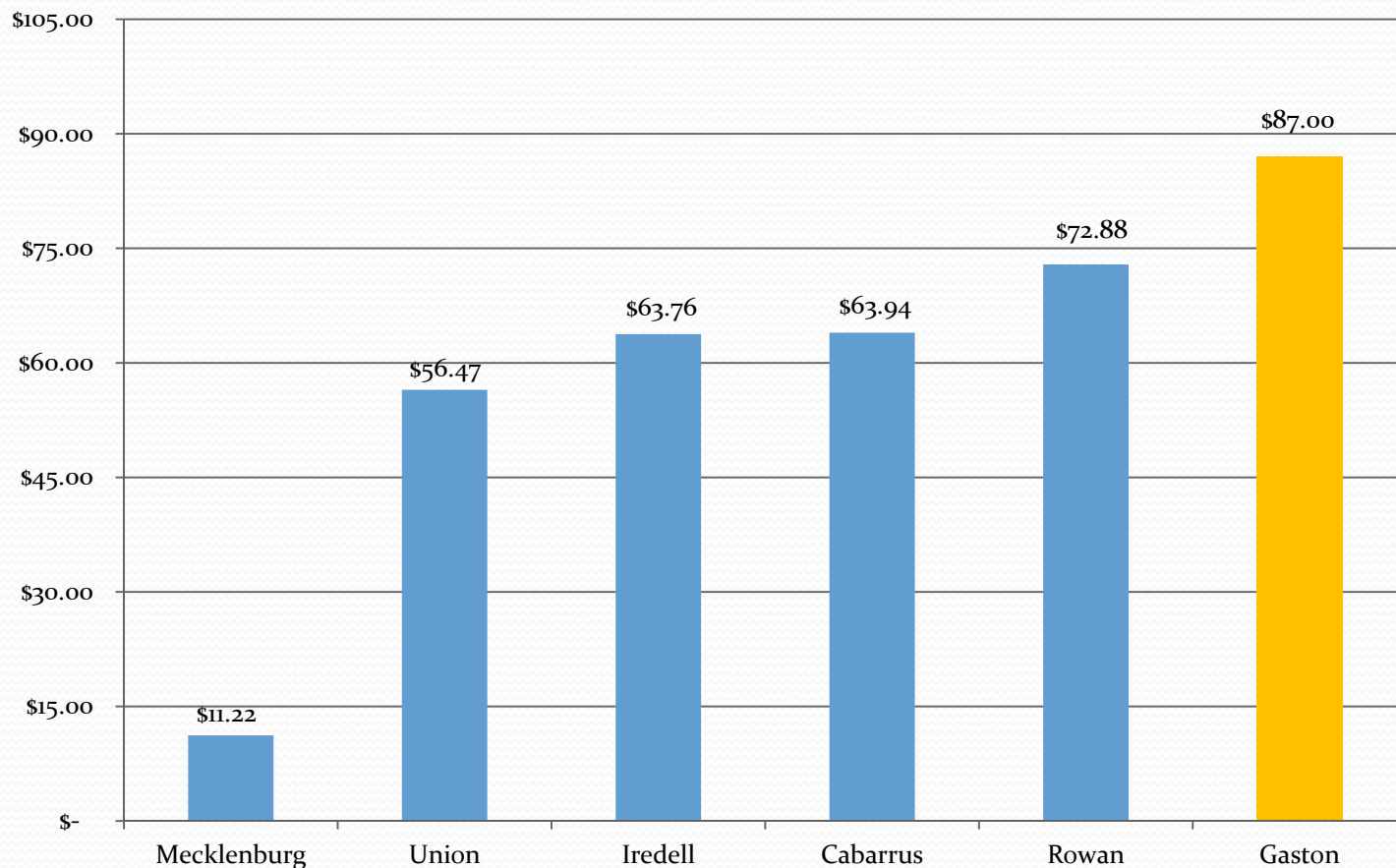
Overview of Financial Condition and Major Budgetary Considerations

*Believe you can and you're halfway
there.* - Theodore Roosevelt

Increase in the Value of a Penny by County (%) FY 2014 – FY 2018



Gaston County's Tax Rate Equivalent in Other Counties

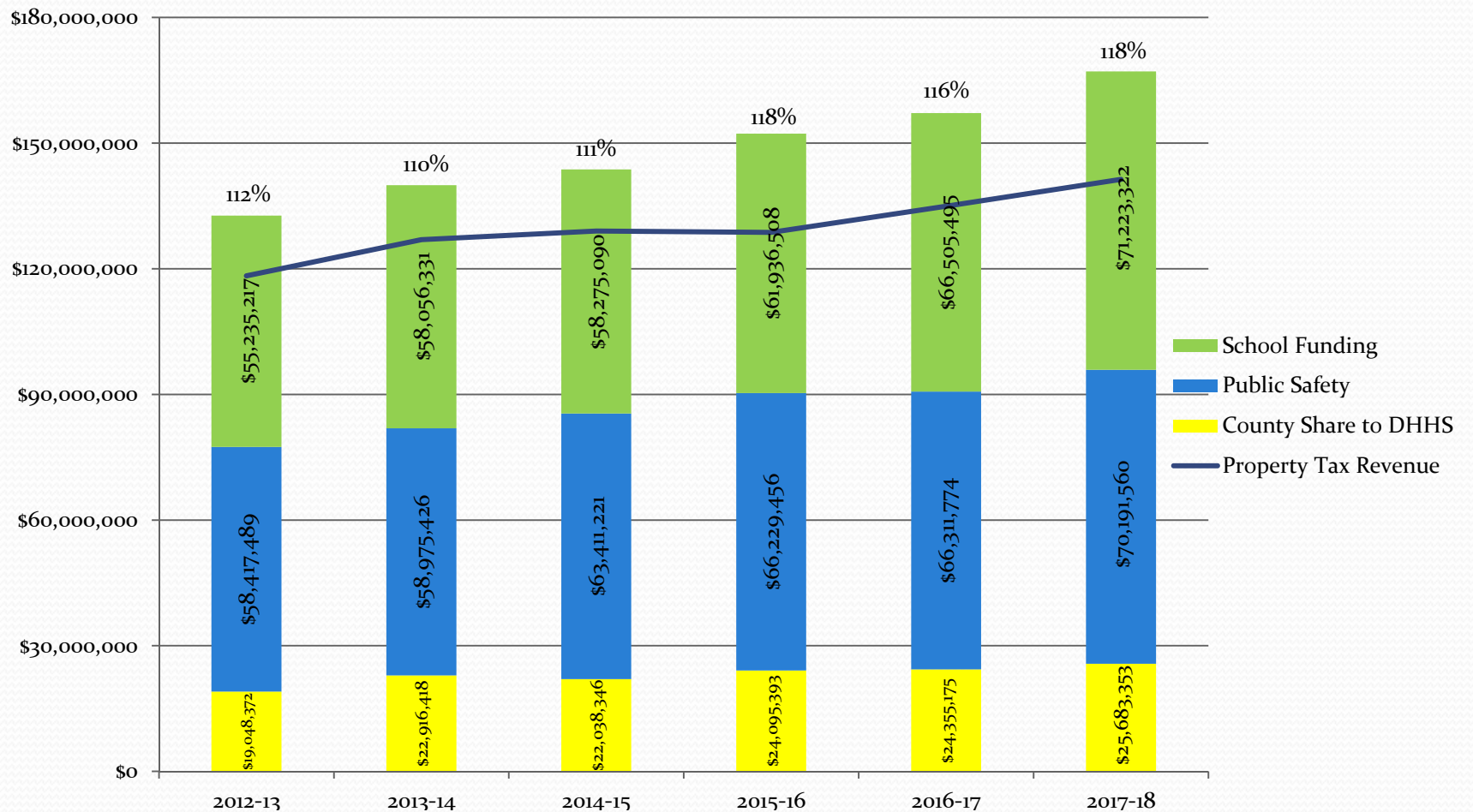


Key Points Concerning Tax Rate

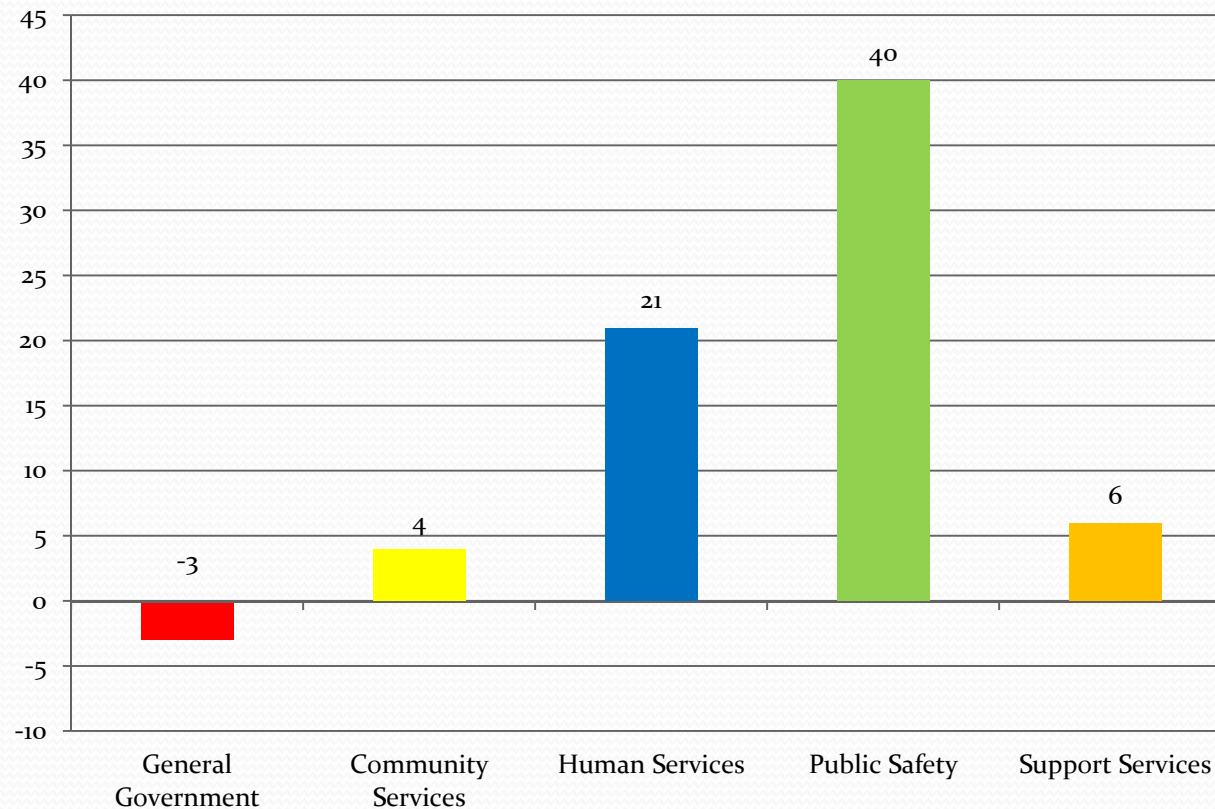
- Our rate is high because our values are low
- Quality growth will help enormously
- The revaluation will make a substantial difference
- Continued Economic Development is critical; a more favorable ratio of commercial to residential is desirable



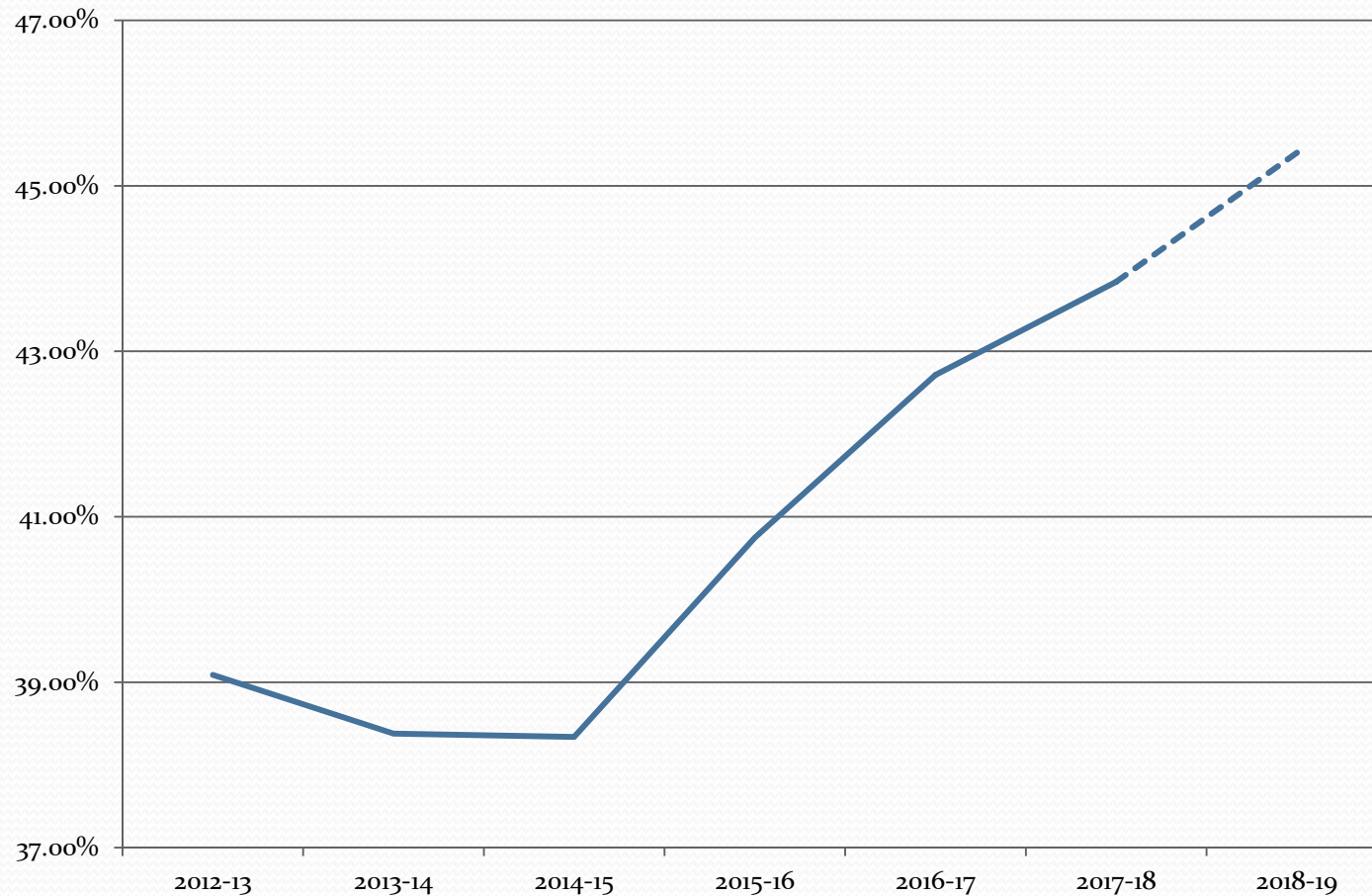
Major Expenses and Revenue Growth



Gaston County Employment Changes - FY 2014 – FY 2018

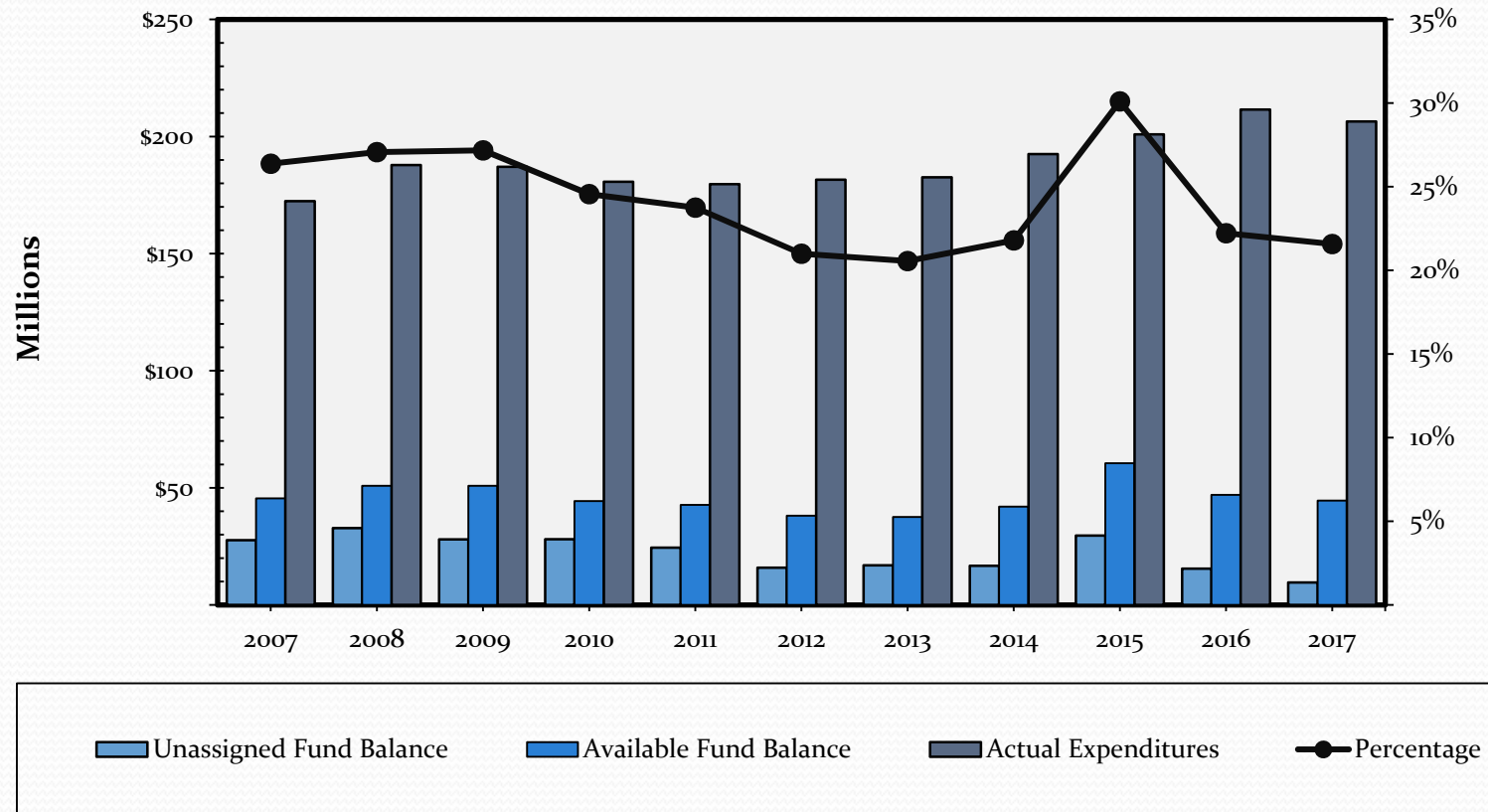


% of Property Tax Revenue Appropriated to Schools



*Dash Lines in FY 2018-19 projected.

Fund Balance: General Fund





Analysis of Fund Balance Position

- Gaston County is within stated policy, but the level of “unassigned” fund balance is concerning
- Using fund balance as a budget balancing tool on a consistent basis is not a good practice
- We will close FY 18 lower and continued decline is expected in coming years
- Healthy fund balance is security against natural disaster, economic downturn and for cyclical cash flow management



FY 19 Budget Preview - 1

Salaries:

- Recommending up to 3% Increase
- Transitioning to blended merit system
 - Attrition is expensive and impacts service
 - Improved Economy creating pushing wage growth
 - Increase emphasis on retention
 - Cross training
 - Professional development

FY 19 Budget Preview - 2

- Capital Improvements
 - Addressing deferred maintenance problems minimally
 - Have updated the CIP
 - Good faith effort on ADA needs
 - Fund most critical activities



Major Projects

- Grant application made for fire radios
- Public Safety Radio is out of date and requires \$10-12 million in infrastructure cost
- Jail Infill project likely to cost \$8 million
- Animal Shelter design is complete, ready to bid



Economic Development Focus

- Dedicated funding stream will help in the long run
- Moving forward with due diligence process
- Strategic investment with greatest board support
- Need to borrow for acquisition and development



School Bond & Quarter Cent Sales Tax Referendums

- School Bond Referendum for \$250 Million
- Quarter Cent Sales Tax yields 6 million annually
- The 250 Million depends on the quarter cent sales tax to meet debt service requirements.
- Belmont Middle will be constructed either way in FY 19 using G.O. Bonds or Limited Obligation Bonds - \$3.2 – 4.0 Million additional debt service.





Other Budget Considerations

- Employees Benefits cost is fairly stable
- Vehicle replacement traditionally \$1.8 – 2.2 million
- A small number of new positions requested
- Overall revenue growth will not fully offset growth in expenses and deferred needs until after revaluation
- Jail population continues to be problematic
- Growth increases service demand

Special Presentations

- Projections of SE Growth and Its Impact By David Williams
- Property Reappraisal and Its Impact By Jimmy Tanner



Questions?



Comments from Department Heads and the Public



Direction from the BOC



Adjourn



*Leaders establish the vision
for the future and set a
strategy for getting there. -
John Kotter*