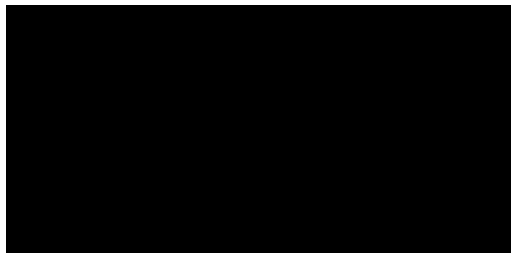
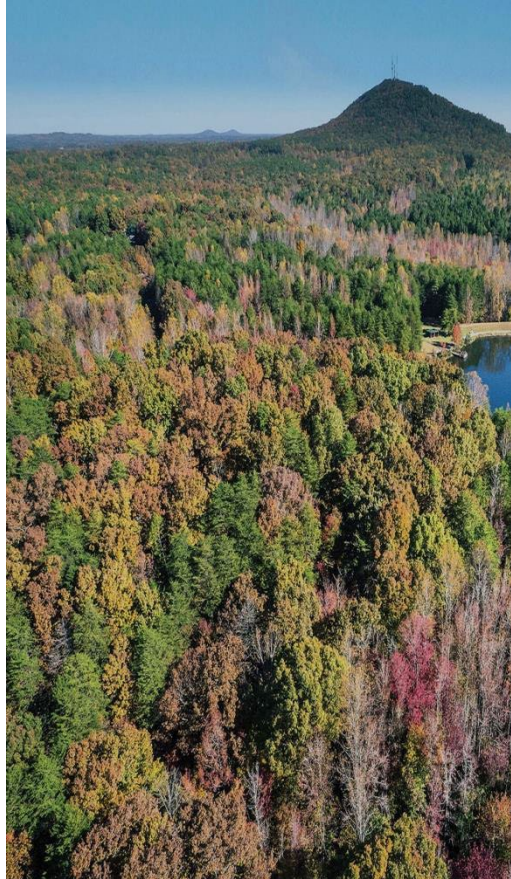
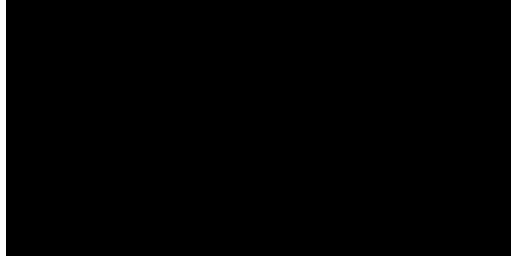


Gaston County

FY20 Budget Message

**“Planning ahead is
bringing the future into
the present”**

-Alan Lakein





General Thoughts

- Strong economy with low unemployment rates
- Continuous investment in economic development, public safety, and our schools
- GFOA award-winning Budget/Fiscal Management



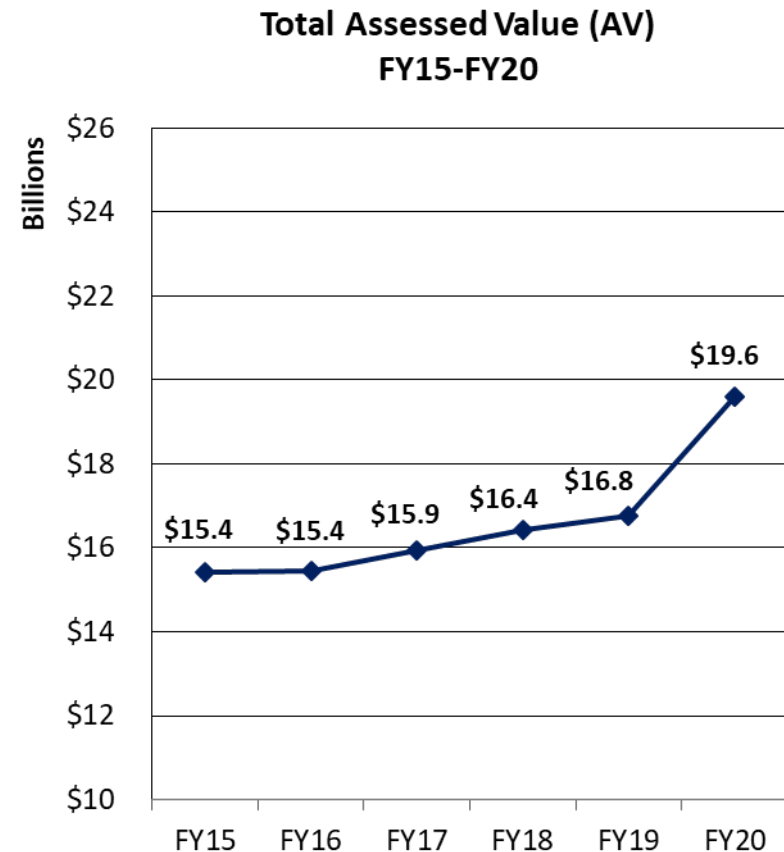
Growth & Growing Demands

- Residential and commercial growth means an increased demand for services
- County has many significant capital needs that have long been delayed
- Need to address critical needs while rebuilding unassigned fund balance

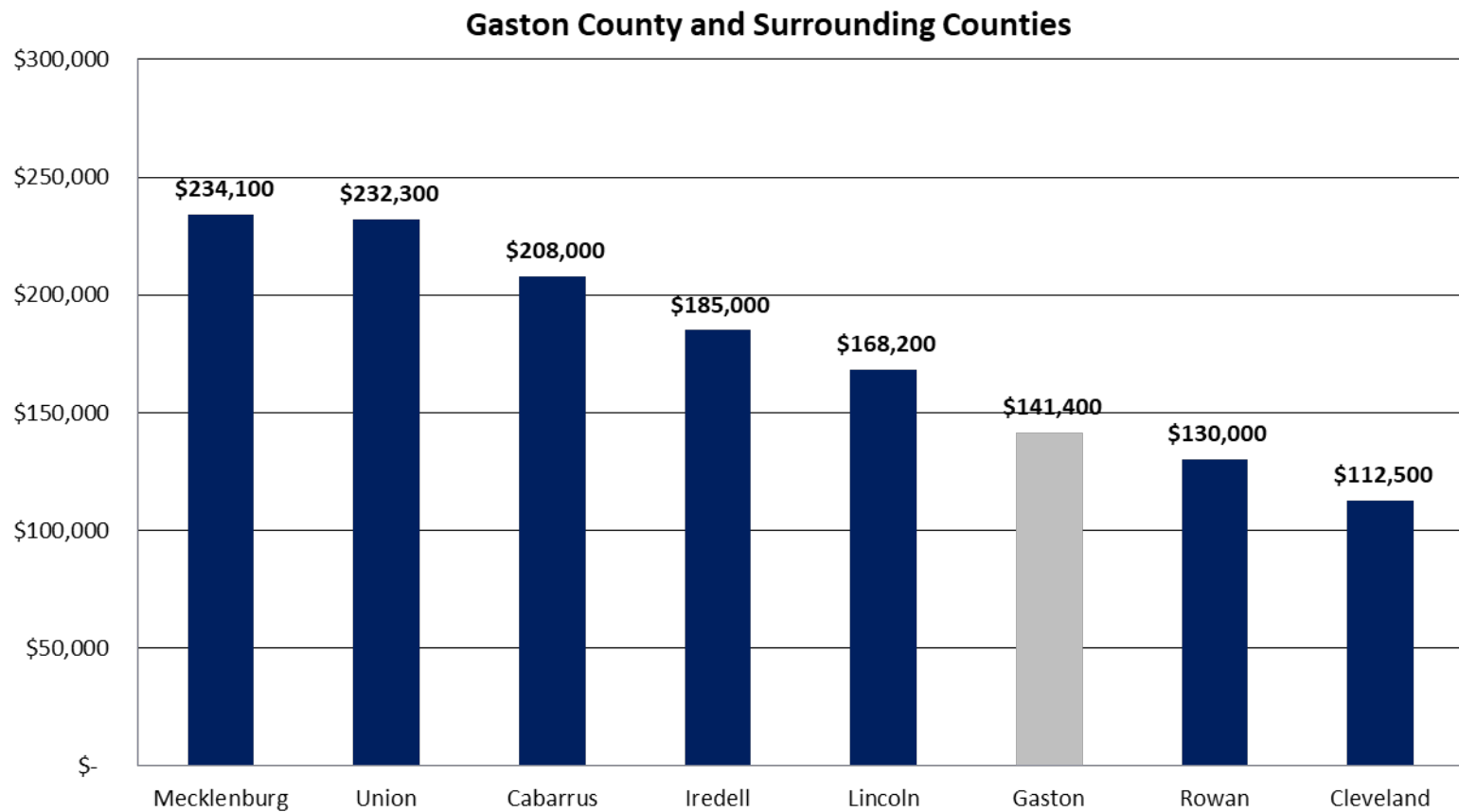


Property Revaluation Update

- Successful appeals process so far with fewer appeals than anticipated
- Budgeted property tax revenue based on \$19.6B total valuation



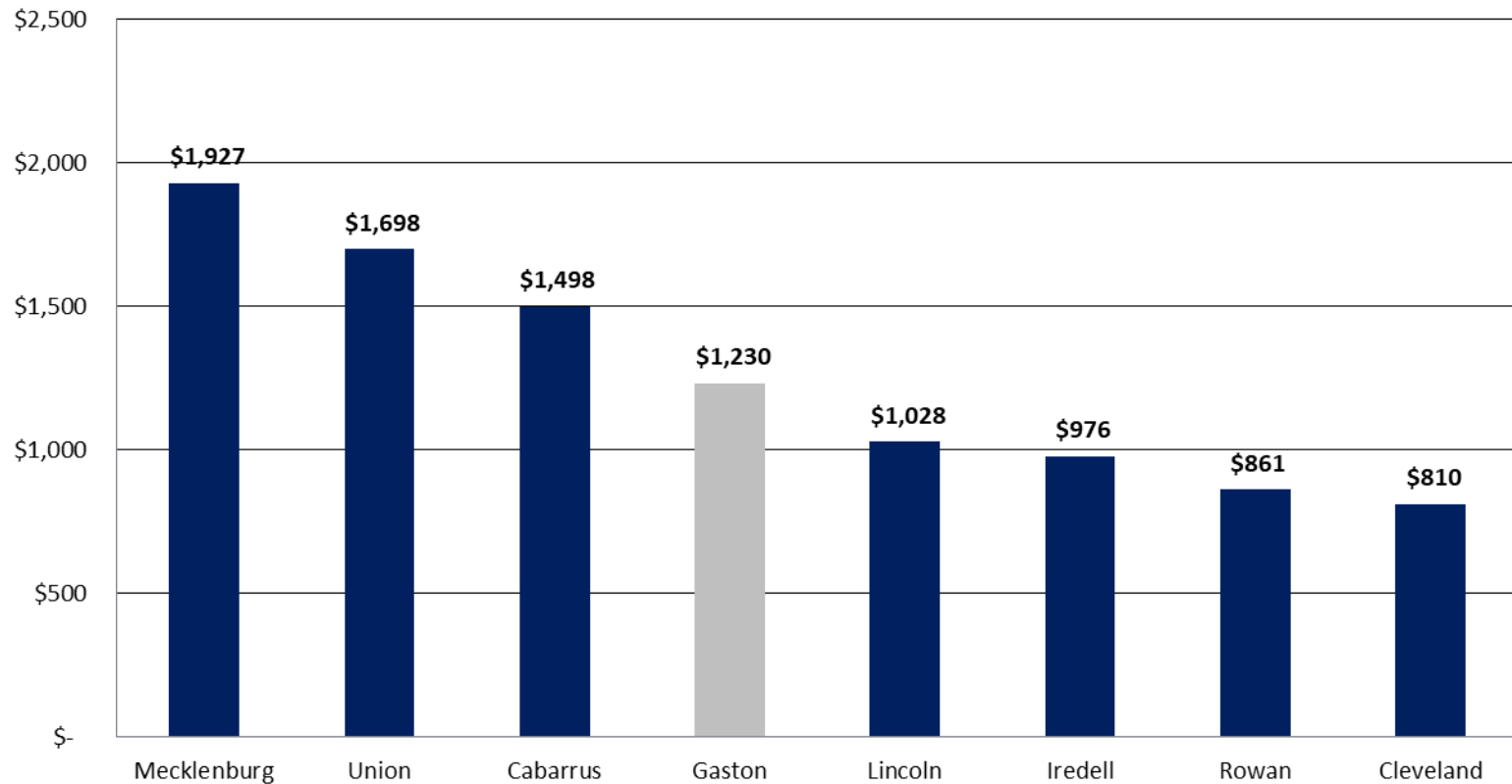
Median Home Value



Median Tax Bill



Gaston County and Surrounding Counties

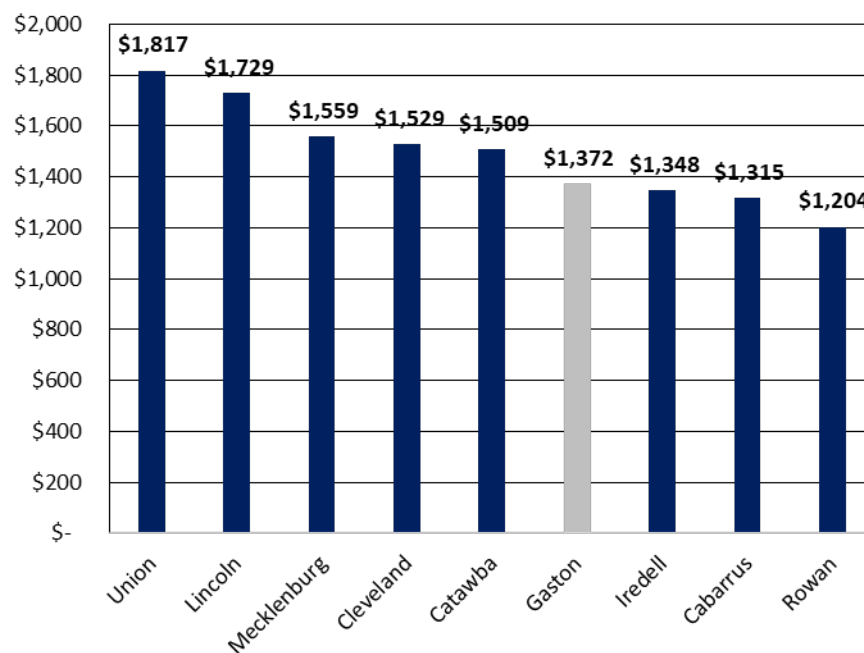




Expenditures per Capita

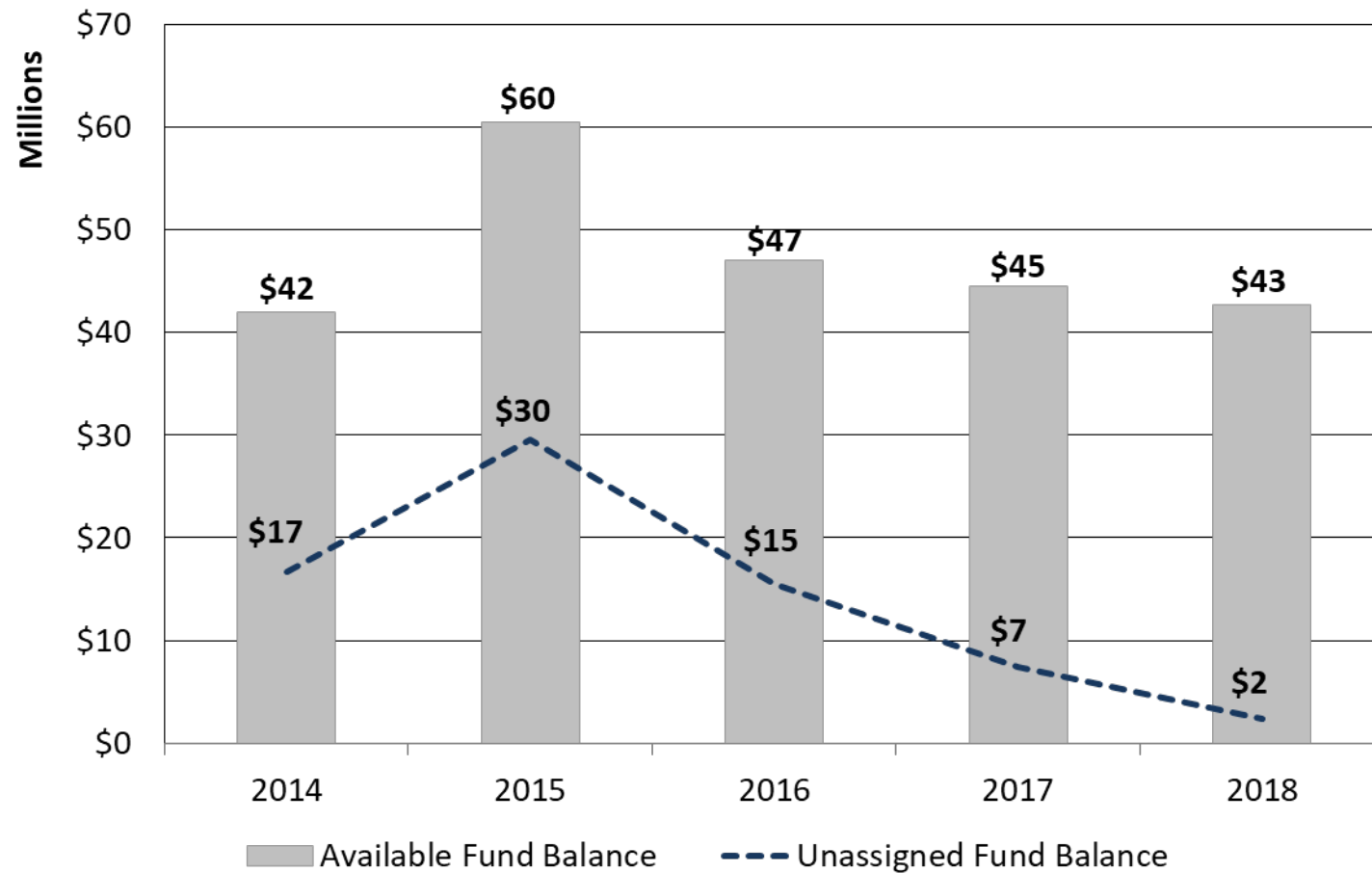
- High tax rate has been due to low property values
- Values increasing but still low comparatively
- County's per capita spending relatively low despite a high tax rate as result of low values

Gaston County and Surrounding Counties



**All funds minus transfers*

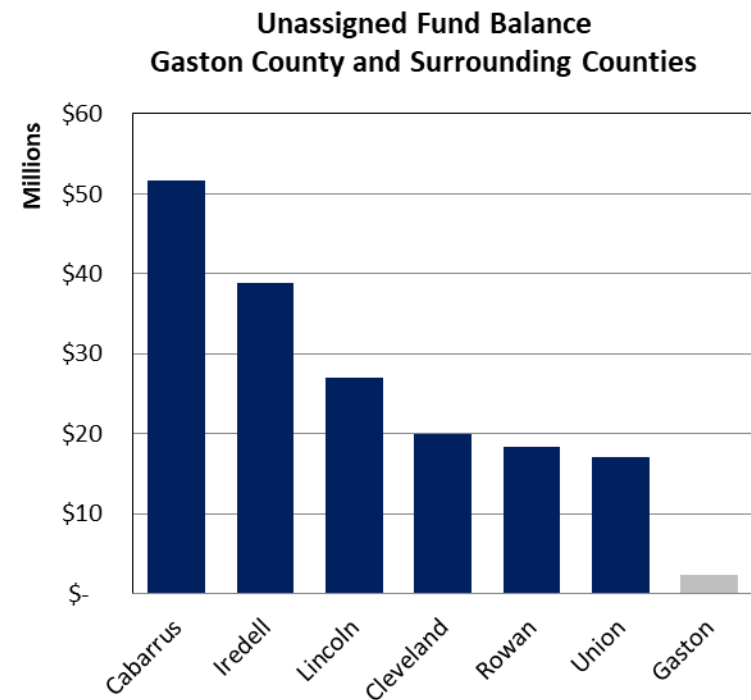
General Fund Balance



Analysis of Unassigned Fund Balance Position



- Gaston County is within stated policy, however...
- Unassigned fund balance decreased by \$5.1M in FY18
- Fund balance decreased 8 of the last 10 years
- Unassigned fund balance provides flexibility and security for natural disasters and economic downturn



*Mecklenburg County not included to avoid skewness (\$344M)



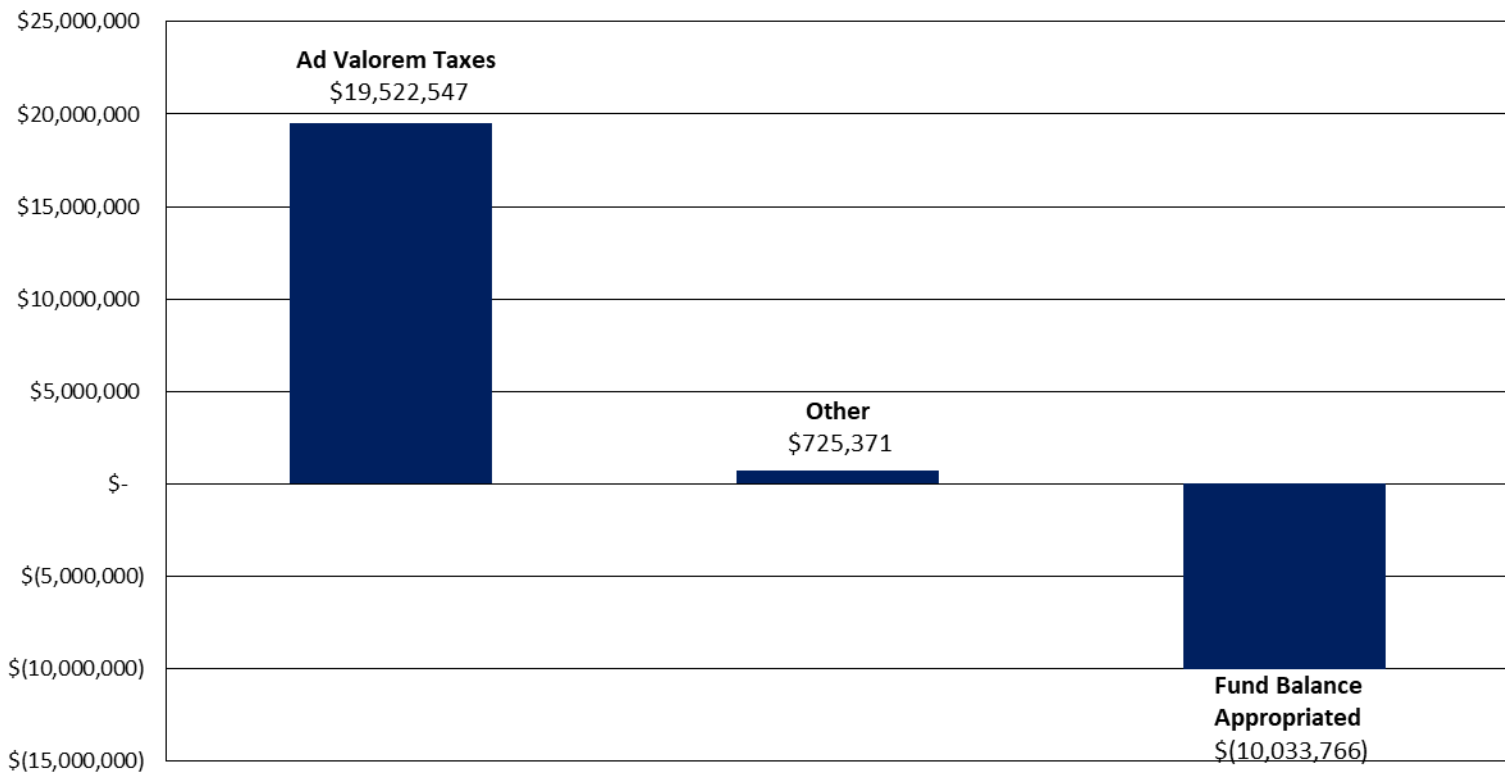
FY20 Revenue

- The recommended budget includes a 3¢ decrease in the tax rate, at 84¢ per \$100 in value
- \$19.5M overall increase in property tax revenue
 - Collecting ≈\$500K less in prior year taxes
- General fund only increasing by \$10M from FY19
 - Appropriating \$10M less in general fund balance due to additional property tax revenue
 - Fund balance is depleted to a point where it cannot be used to offset revenue shortfall

FY20 Changes in General Fund Revenue

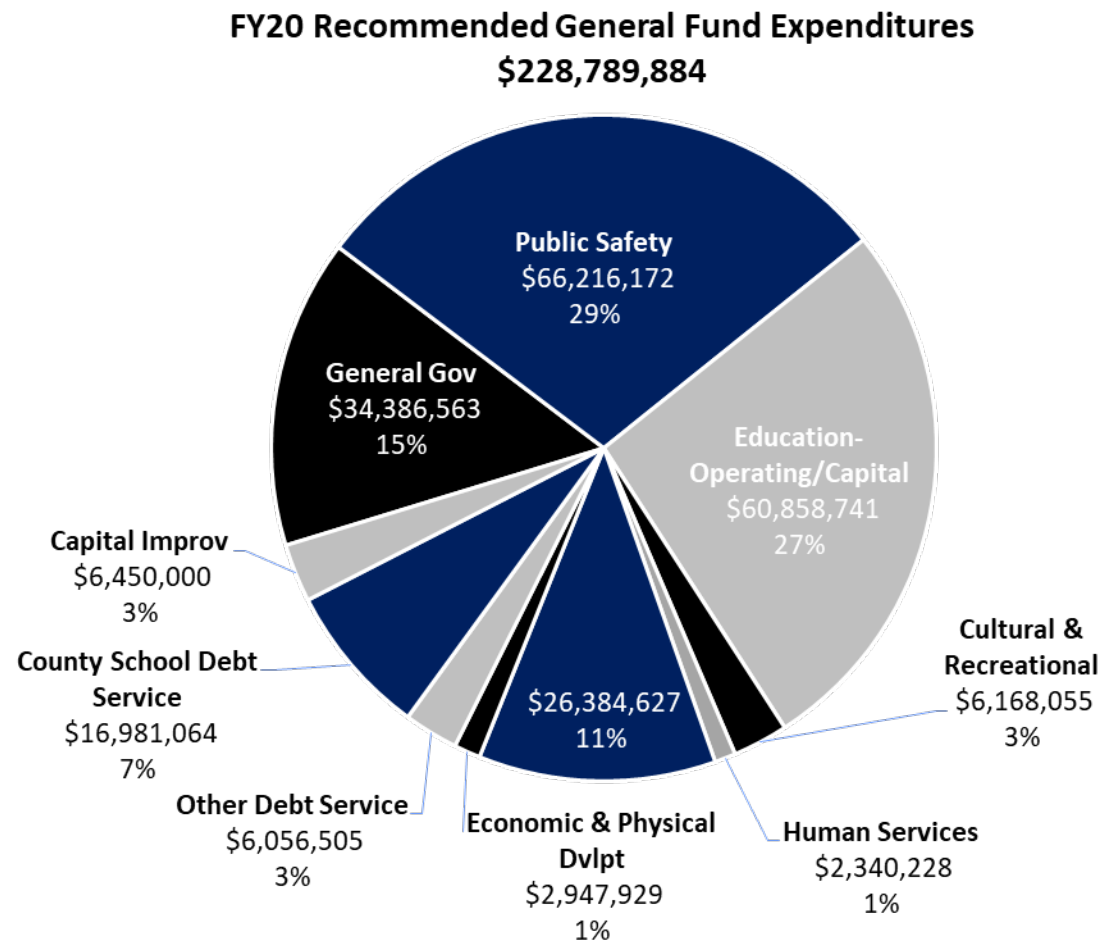


FY20 Recommended General Fund Revenue Changes \$10,214,152



*Other includes Sales Tax; Fees, Licenses & Permits; State, Federal & Grant Revenue; and Miscellaneous Revenue

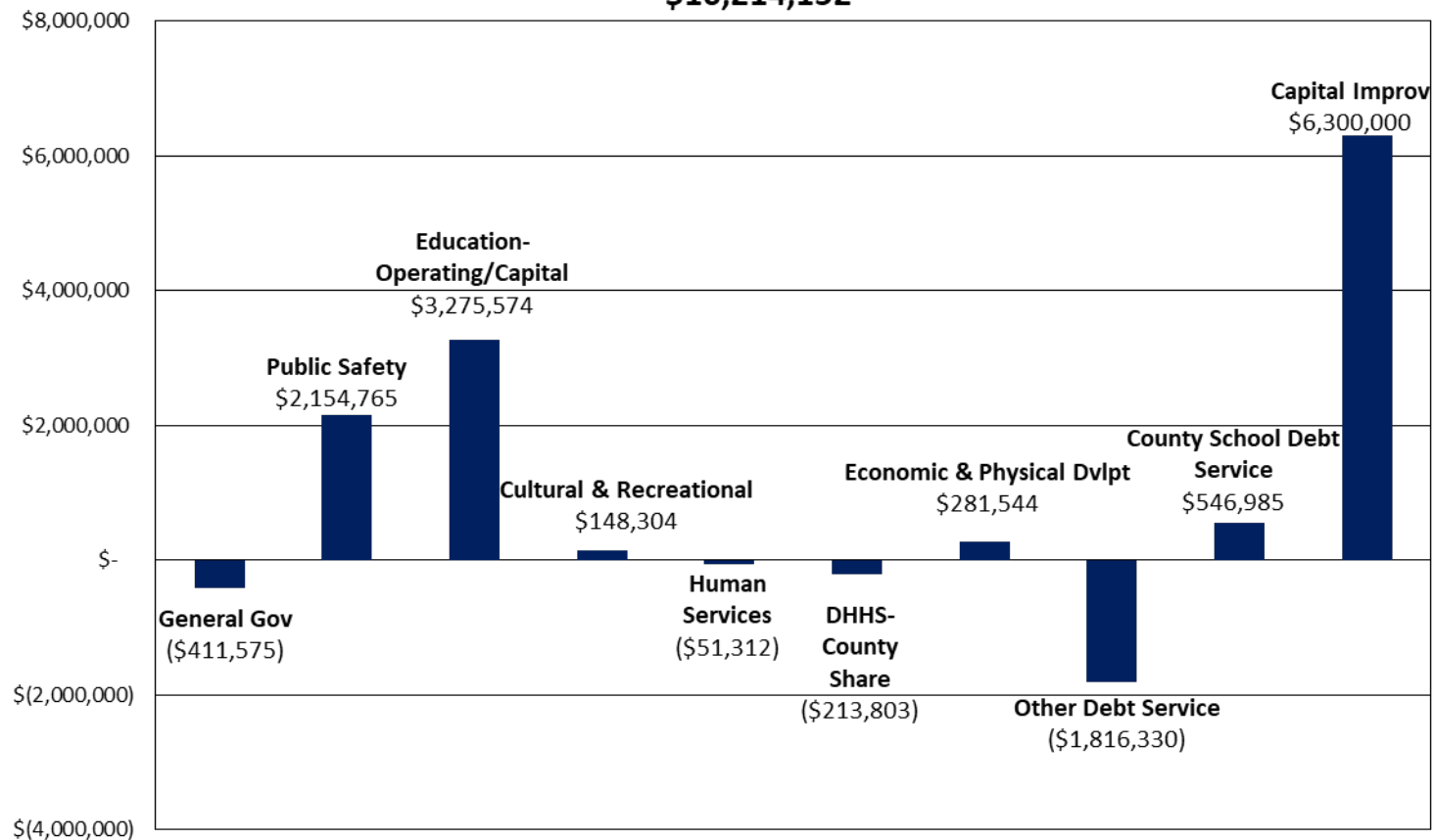
FY20 General Fund Expenditures



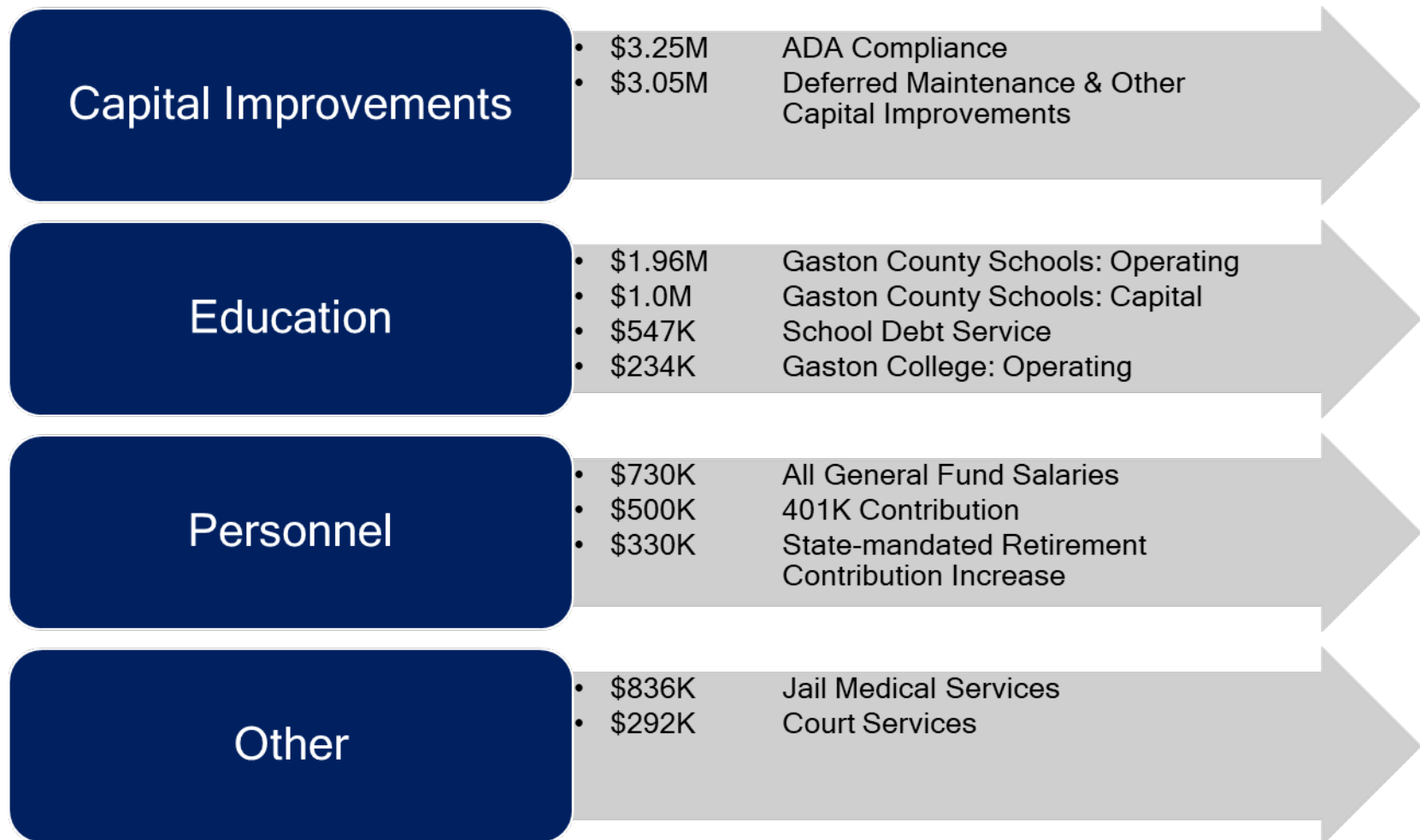
FY20 Changes in General Fund Expenditures



FY20 Recommended General Fund Changes by Function
\$10,214,152

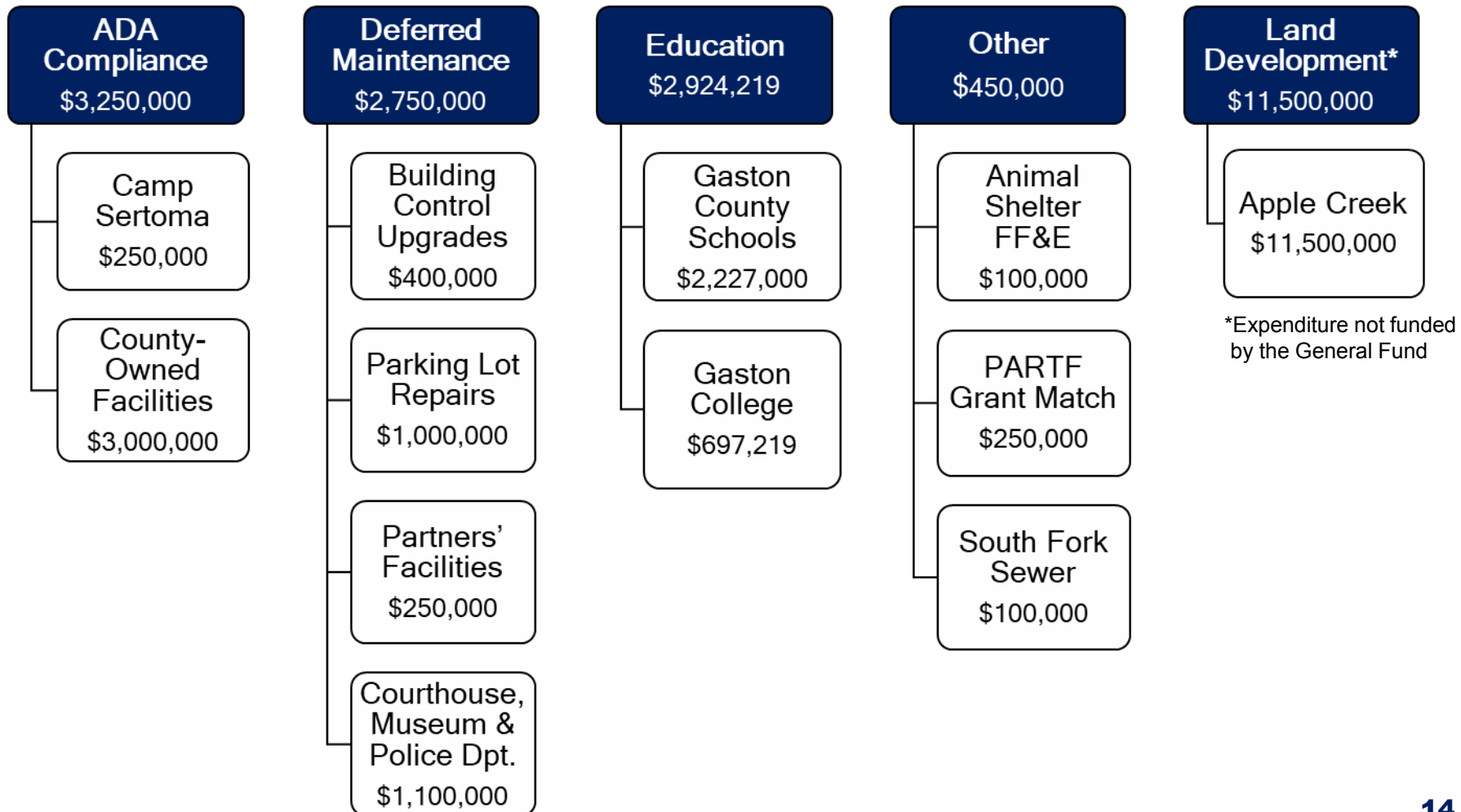


FY20 General Fund Budget Drivers





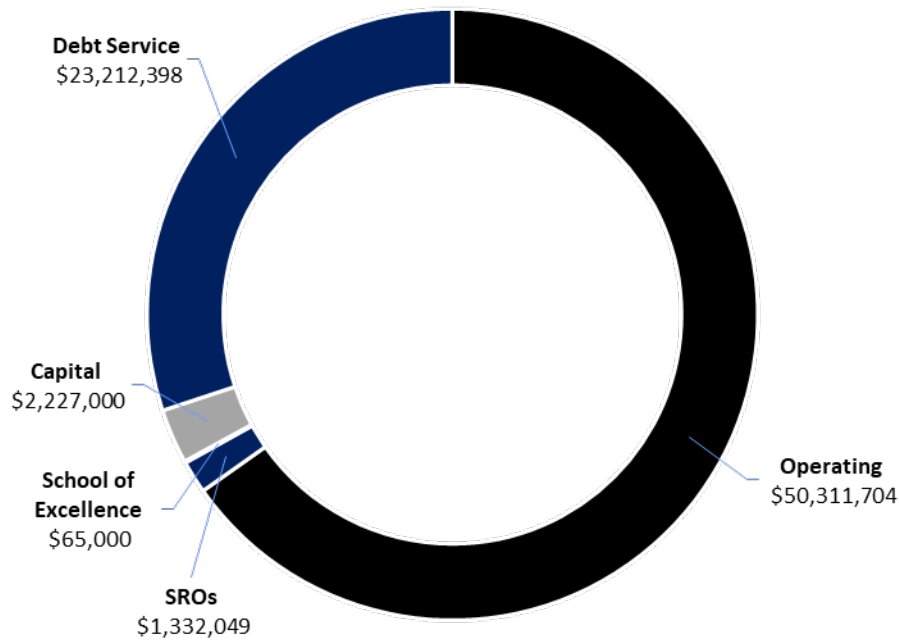
FY20 Capital Improvements



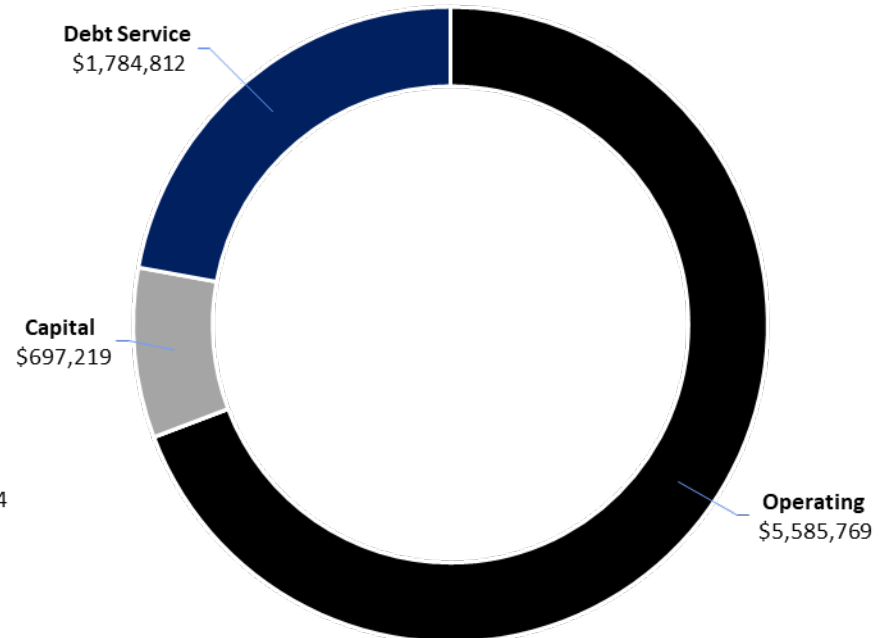
FY20 Education



Gaston County Schools
\$77,391,067



Gaston College
\$8,067,800





FY20 Personnel

- 2% COLA and 1% Merit (Mid-Year) salary adjustments
- 401K Contribution
 - \$500,000 budgeted for County's 3% match (Mid-Year)
- State-mandated retirement contribution
 - Increased to 8.95% (Non-LEO) and 9.7% (LEO)
 - Will continue to increase moving forward
- 10 New positions
 - County PD (2 Police Officers, 3 Animal Care), DSS (2 Social Workers, 2 Econ. Services Caseworkers), EDC (1 Assistant Director)



FY20 New Debt Service

Project	FY20 Payment	FY21 Payment	FY22 Payment	FY23 Payment	FY24 Payment
Apple Creek	\$ 1,359,306	\$ 1,419,878	\$ 1,387,691	\$ 1,355,142	\$ 1,321,988
Jail Infill	\$ 365,517	\$ 390,463	\$ 390,463	\$ 390,463	\$ 390,463
Radio Equipment	\$ 484,971	\$ 500,500	\$ 481,250	\$ 462,000	\$ 442,750
Radio Infrastructure	\$ 288,568	\$ 308,263	\$ 308,263	\$ 308,263	\$ 308,263
	\$ 2,498,362	\$ 2,619,104	\$ 2,567,666	\$ 2,515,867	\$ 2,463,463

- Successful bond issuance in April
- County's rating was upgraded to AA+ by S&P
- FY20 payment is the lowest payment until FY24



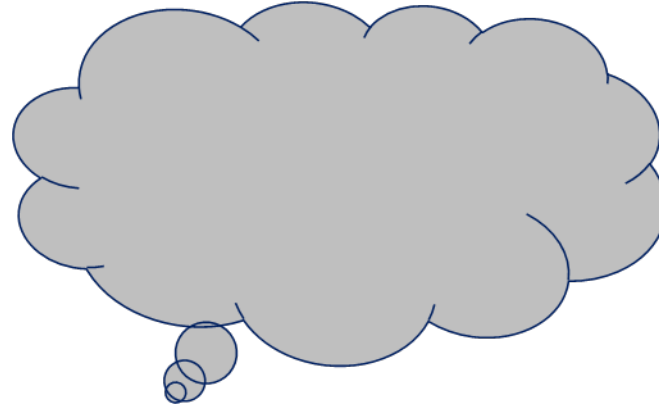
Looking Forward

- Human Services
 - Family Justice Center (FJC)
 - Child Advocacy Center (CAC)
- Economic Development
 - Cherryville
- Public Safety
 - Jail expansion

FY20 General Fund



FY20 RECOMMENDED GENERAL FUND BUDGET			
REVENUE		EXPENDITURES (By Function)	
Ad Valorem Taxes	\$ 165,414,047	General Government	\$ 34,386,563
Sales Tax	\$ 30,820,000	Public Safety	\$ 66,216,172
Other	\$ 24,820,218	Education- Operating/Capital	\$ 60,858,741
Fund Balance Appropriated	\$ 7,735,619	Cultural & Recreational	\$ 6,168,055
		Human Services	\$ 2,340,228
		DHHS- County Share	\$ 26,384,627
		Economic & Physical Dvlpmt	\$ 2,947,929
		Other Debt Service	\$ 6,056,505
		County School Debt Service	\$ 16,981,064
		Capital Improvements	\$ 6,450,000
TOTAL REVENUE	<u>\$ 228,789,884</u>	TOTAL EXPENDITURES	<u>\$ 228,789,884</u>



QUESTIONS & DISCUSSION