

## Appendix A: Chatham County Financial and Budgetary Policies

**Objective:** Chatham County government exists to meet the needs of residents through the services the County is mandated to provide or has elected to provide. In order to meet these needs, the County must maintain its financial integrity. In addition, the County is constantly confronted with requests for new and enhanced services from a growing and diverse population. The County's Financial and Budgetary Policies are intended to maintain and improve the County's financial condition thereby preserving our ability to meet future needs while giving County leaders a framework for balancing increased service demands and financial position.

### Budget Policies

**Objective:** The County will manage its annual budget to meet its legal and debt obligations, ensure adequate funding of current service levels, meet the priorities of the Board of Commissioners, maintain the County's financial condition, and keep property tax increases to a minimum. The County shall operate under an annual balanced budget ordinance whereby the sum of net revenues and appropriated fund balances equals the expenditure appropriations. The *Local Government Budget and Fiscal Control Act* (G.S. 159-8) requires a balanced budget ordinance from all local governments.

**New or increased services:** The County should ensure adequate funding of critical services before funding new or enhanced services.

**Mid-year appropriations:** All agencies supported by the county must function within the resources made available to them through the annual budget. The county will consider requests for new or expanded programs during the course of the regular budget process. Only in extreme circumstances will such requests be considered outside of the budget process.

**Use of one-time revenues:** One-time revenues should not support ongoing personnel and operating costs. Use of one-time revenues is appropriate for capital outlay, debt retirement, contribution to capital reserve, and other non-recurring expenses. Proceeds from the sale of surplus capital items will go into the County's general capital reserve, unless proceeds are otherwise restricted.

**Funding-of Nonprofit Agencies:** The County will follow a fair process for funding nonprofits. All requests will be made through the county's annual nonprofit allocation process. The County will utilize volunteers to review requests and make a recommendation to County Commissioners. Total funding available for allocation will be determined annually by the Board of Commissioners.

**Grants:** The County will pursue federal, state, and private grants to enhance services to County residents. However, the County will strictly limit its financial support of grant-funded programs to avoid commitments, which continue beyond funding availability. The County will not continue programs after grants have expired, except as expressly approved by the Board of Commissioners as part of the annual budget process. The grant approval process will proceed as follows:

- If a grant does not require any county match, either cash or in-kind, and the funder does not expect the county to continue to fund a position or a program after the grant, then the proposal can be reviewed and approved by staff. However, the County Manager may choose to present a grant proposal to the Board for approval, if he/she feels that it is appropriate.

- If the grant requires a county match, either cash or in-kind, or the funder expects the county to continue to fund a position or program after the grant is complete, then the grant application must be submitted to the Board of Commissioners for approval.
- For grants that require Board of Commissioner approval, but will not be complete two weeks prior to the meeting when the agenda must be completed, the Manager's Office can authorize the application with prior notice to the Chair and Vice Chair and report to the Board of Commissioners at their next meeting. If the Board of Commissioners does not approve the grant proposal, the funder will be notified that the county chooses to withdraw the application.

**New positions:** New positions for existing programs and services should be added when there is no other viable option. Alternatives, such as contracting, technology, and reassignment of duties should be fully explored and documented before new positions are funded.

**Level of budgeting:** In order to tie costs to specific services, departments shall submit budgets for each of their divisions or program areas. Department heads are authorized to transfer operating funds between their divisions without prior approval. Transfers for personnel and capital outlay must be approved by the Budget Officer. The County shall adopt budgets at the department level. Commissioners reserve the right to review and/or adopt budgets at a greater level of detail.

**Justification for funding:** Departments and agencies requesting funding from the county should justify their requests in terms of maintaining or increasing service levels. Departments should measure their performance in key service areas and periodically compare their performance to other jurisdictions to discover efficiencies and develop best management practices.

**Contingency funds:** Departments shall not include contingency funds in their respective budgets. The county shall include a general contingency fund in its annual budget. The amount of the contingency fund shall not exceed one percent of the annual budget.

**Budget Officer:** The County Manager serves as the budget officer. He is authorized to perform the following functions or delegate them:

- Transfer funds within a department without limitation.
- Transfer amounts of up to \$5,000 between departments of the same fund with a memorandum report of such transfers at the next regular meeting of the Board of Commissioners.
- Transfer amounts of up to \$50,000 from contingency to any department with a memorandum report of such transfers at the next regular meeting of the Board of Commissioners. Greater amounts can be made available upon agreement of the Board of Commissioners.
- Transfer, terminate, or create positions, and transfer associated funds, without limitation, provided that actual personnel costs do not exceed budgeted personnel costs and position counts are not increased.
- Employ temporary help from time to time to meet circumstances.
- Execute contracts provided that funds for the contract have been approved as part of the annual budget and the contract does not exceed the funds appropriated, the contract's term does not exceed three years, all applicable state laws and county policies regarding purchasing are followed, and the contract does not exceed \$100,000
- Execute change orders provided that the change order is for a project approved as part of the annual budget or by a project ordinance approved by the Board of Commissioners, the change order does not exceed the funds appropriated, and the change order does not exceed \$100,000.

## Debt policies

**Objective:** The County will manage its debt obligations to meet demands for capital facilities while striving to maintain or improve the County's current bond rating.

**Types of debt:** The types of debt available to North Carolina county governments include general obligation bonds, certificates of participation (COPs), installment purchase, other leases, revenue bonds, and proceeds from the refunding of general obligation bonds. In general, the county will select the appropriate type of debt given financial circumstances and feasibility.

**When debt is appropriate:** Debt is an important tool for financing capital facilities. Over-reliance on debt, however, is negatively perceived by bond rating agencies. The county should exhaust all possible resources, such as grants and pay-as-you-go funding, before borrowing funds. Debt should only be used for the construction of capital facilities and the purchase of capital assets. In general, the assets should not be recurring capital replacements, such as vehicles. If terms are favorable, however, the county may elect to use debt in this manner. Debt should never be issued to meet recurring operating expenses.

**Terms:** The term of the debt service payments shall not exceed the useful life of the asset purchased through debt

**Debt limitation:** Debt issuance guidelines and formulas established by the Local Government Commission and rating agencies will be closely monitored and appropriately applied. North Carolina state law permits local governments to issue debt up to eight percent of the total assessed valuation.

**Relationship to operating and capital budgets:** Debt for items meeting the requirements of a capital project shall be requested through the capital improvements program (CIP) process. Other debt requests shall be made through the annual budget process. The annual budget will include sufficient funding to meet the County's debt service obligations.

## Fees and user charges policies

**Objective:** The County will set its fees and user charges to recover the costs of services at a predetermined recovery threshold and thereby reduce reliance on property taxes.

**Enterprise funds:** The operating budgets of enterprise funds shall not be subsidized by the general fund and shall be supported wholly by fees generated by the enterprise. To the extent possible, the capital costs of enterprise funds should not be subsidized by the general fund, unless Commissioners identify a compelling need to provide a subsidy.

**Other fees and charges:** The County should charge other fees when it is allowable, when a limited and specific group of beneficiaries can be identified, when it is feasible to charge beneficiaries for the services rendered, and when there is no reason to subsidize the service wholly or in part. To the extent possible, fees levels should be set to recover the full costs of the services provided, unless it is deemed necessary or desirable to subsidize the service.

**Subsidy:** Factors to consider in deciding whether a subsidy is appropriate include the burden on property tax payers, the degree to which the service benefits a particular segment of the population, whether beneficiaries can pay the fee, and whether the service provides a broader benefit to the community.

**New and increased services:** Part of the decision-making process in establishing new services or increasing service levels should include an analysis of fees and user charges and a desired cost-recovery threshold.

**Review and approval of fees and charges:** As part of the budget process, the County shall annually review the fees and user charges. All changes to the schedule of fees and charges must be approved by the Board of Commissioners.

### **Capital Improvements Program (CIP) policies**

**Objective:** The County will plan for its capital needs at least seven years into the future in order to address needs and to earmark revenues.

**Process:** A seven-year capital improvements plan shall be prepared and updated each year. Departments and agencies shall request items meeting the definition of a capital asset through the County's annual CIP process. Only in extreme circumstances will the County consider items outside the CIP process. Generally, agencies should plan five years ahead for capital improvements and project additions to the CIP should occur in Year 7 of the CIP.

**Relationship to annual budget:** The operating impact of each project shall be identified and incorporated into the annual operating budget.

**Capital project ordinances:** A separate capital project ordinance shall be submitted to the Board of Commissioners for approval for all capital improvements which span more than one fiscal year and cost \$100,000 or more.

### **Fund balance**

**Objective:** Recurring operational expenses of the county will be funded through recurring revenue sources. Fund balance is considered one-time revenue. The county shall maintain unassigned fund balance in its general fund equal to 20 percent of the previous annual operating budget in order to meet emergency obligations, avoid interruptions in cash flow, generate interest income, and maintain an investment-grade bond rating.

**Allowable uses:** Fund balance may be used as appropriate under sound management practices.

**Excess Fund Balance:** Upon completion of the annual audit of County finances, any unassigned fund balance above 22% will be transferred to the Capital Reserve Fund. The Capital Reserve Fund shall be used for one-time capital expenditures. The fund may also be used for prepayment of debt, upon recommendation by the County Finance Officer, to reduce the county's outstanding debt or to pay down debt with high interest rates.

## Capital Reserves

**Objective:** The County will strive to fund capital improvements on a pay-as-you-go basis in order to enhance its financial condition and bond rating.

**Annual contribution:** The County shall annually contribute a minimum of one percent of its operating budget to a capital reserve.

## Cash Management:

**Objective:** The County shall effectively manage its cash resources in order to maximize interest earnings and minimize loss of revenue.

**Cash Receipts:** Departments shall deposit receipts daily as required by law. Departments are responsible for ensuring the security of cash receipts. The Finance Officer is responsible for ensuring funds are deposited into interest bearing accounts.

**Cash Disbursements:** The County's objective is to retain moneys for investments for the longest period of time possible. Disbursements will be made on the contractually agreed date unless earlier payments provide a greater economic benefit to the County. For County checks, one signature will be required. Facsimile signatures will be safely stored and used when appropriate.

**Investment Policy:** County funds will be invested in a prudent and diligent manner with emphasis on safety, liquidity, and yield, in that order. The County will conform to all state and local statutes governing the investment of public funds.

## Accounting and Financial Reporting

**Objective:** The County will establish and maintain its accounting system in accordance with the NC Local Budget and Fiscal Control Act. All records and reporting will be in accordance with Generally Accepted Accounting Principles. The County will maintain an accounting system which provides internal budgetary and accounting controls designed to provide reasonable assurance regarding both the safeguarding of assets against the loss from unauthorized use or disposition and the reliability of financial information used in the preparation of financial statements and reports.

Adopted by the Board of Commissioners: December 15, 2003

Amended by the Board of Commissioners: January 16, 2008

Amended by the Board of Commissioners: June 14, 2010

Amended by the Board of Commissioners: January 31, 2011

Amended by the Board of Commissioners: January 12, 2012

Amended by the Board of Commissioners: February 18, 2013

Amended by the Board of Commissioners: January 10, 2014

Amended by the Board of Commissioners, February 2, 2015

## Appendix B: Glossary of Terms and Acronyms

- 1) ADM — Average daily membership of school children.
- 2) Ad Valorem Taxes — Taxes levied on real and personal property, including vehicles.
- 3) Appropriation — The amount of money legally authorized by the Board of Commissioners for projected expenses, as stated in the budget ordinance. Chatham County makes appropriations on a budget area level.
- 4) Assessed Value — The value of real and personal property, as determined by tax assessors, which is used as the basis for levying taxes.
- 5) Budget Message — The County Manager's written overview of the proposed budget addressed to the Board of Commissioners and the public. The budget message addresses major budget items, their justification, and the County's present and expected financial conditions.
- 6) Budget Ordinance — A local law enacted for the purpose of establishing an annual budget and tax rate. Chatham County's budget ordinance also addresses budget amendments, sets new fees, and sets forth travel reimbursements.
- 7) CCCC — Central Carolina Community College.
- 8) CCS — Chatham County Schools.
- 9) CIP — Capital Improvements Program.
- 10) Capital Improvements Program (CIP) — A seven+-year plan of proposed capital improvement projects (projects with a value of at least \$100,000 and a useful life of at least three years). The CIP includes estimated project costs and proposed funding mechanisms over a specified period of years. Examples include new schools and large technology projects.
- 11) Capital Outlay — An item which costs \$2,500 or more and has a useful life of more than one year. Examples of capital outlay items include computer hardware and software, vehicles, and buildings.
- 12) Certificates of Participation (COPs) — A method of financing capital projects that does not require a public vote. Chatham County has chosen to fund part of its Capital Improvements Program (CIP) using COPs. Generally, COPs carry a slightly higher interest rate than General Obligation Bonds.
- 13) Contingency — Funds set aside for unforeseen conditions that may arise during the budget year. Transfers from the contingency line item must be approved by the County Manager (up to \$50,000) or Board of Commissioners (greater than \$50,000).
- 14) Continuation — Chatham County budgets on a continuation/expansion basis. Continuation refers to the costs of running current programs at current levels and includes replacement capital outlay.
- 15) Debt Service — Principal and interest payments required to retire the County's debt, including general obligation bonds, COPs, and installment contracts.
- 16) EMS — Emergency medical services.
- 17) Enterprise Fund — A fund that accounts for operations financed primarily from user charges. The operation of enterprise funds resembles a business, and in Chatham County, includes the Southeast Water District, Water Utility Fund and Solid Waste & Recycling Fund. The long-term goal of enterprise funds is to make them self-supporting, so that they do not rely on property taxes or other general revenues for funding.
- 18) Expansion — Refers to the costs of providing new programs or enhanced service levels.
- 19) Expenditures — Appropriation for a program or capital project.
- 20) FTE — Full-time equivalency. FTEs are used to show position counts in County departments.
- 21) FY — Fiscal year.
- 22) Fiscal Year — The County's budget and financial cycle, which by state law begins on July 1 and ends on June 30. In Chatham County fiscal years are designated by the year in which they end, for example, FY 2015 refers to the period of July 1, 2014 to June 30, 2015.
- 23) Full-time Equivalency (FTE) — Refers to the number of personnel employed by the County in terms of a 40-hour workweek. For example, two 50-percent positions equal one FTE position.
- 24) Functional Category — One of six categories to which departments are assigned, including Administration, Culture/Recreation/Education, General Government, Human Services, Natural Resource Management, and Public Safety. Departments are grouped by these categories to give Commissioners and the public an overall picture of where resources are targeted. In the FY 2015 budget, all of the functions of the Health Department have been grouped in Human Services.
- 25) Fund — An accounting entity created to record the financial activity for a selected financial grouping. A fund is set up to carry out a special function or to attain certain objectives in accordance with set laws and regulations.
- 26) Fund Balance — The accumulation of moneys that are left unspent after all expenditures have been made and which may be appropriated to finance expenditures in future years. A fund balance gives the County a reserve from which 1) to make payments when major revenues have not yet come in

- (especially in the first few months of the fiscal year before property taxes are paid) and 2) to deal with unplanned emergencies and opportunities.
- 27) GASB -- Stands for Governmental Accounting Standards Board. GASB is the independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments.
- 28) GIS – Geographic Information System, a computer-based system that stores and links geographically referenced data with base maps to allow a wide range of information processing, map production, data analysis, and modeling.
- 29) General Fund — A fund which provides for the accounting of all financial resources, except those designated for another fund because of legal requirement or other reasons. Most basic government services are accounted for in this fund. Exceptions include water, sewer, solid waste, special revenue funds, trust funds, and capital projects.
- 30) General Obligation Bonds — Bonds issued by the government which are backed by the full faith and credit of its taxing authority because they have been voted upon and approved by the County’s citizens.
- 31) General Revenues — Those revenues not earmarked for a particular department or activity that can be used for any purpose. The major sources of general revenues are the property and the unrestricted portion of sales taxes.
- 32) Grants — A contribution from another government or private entity to be used for a specific purpose. Generally, grants must be tracked financially and very specific reports given to the funding agency to ensure compliance with grant provisions.
- 33) Installment Purchase – A means of debt financing that is essentially the same as a bank loan. Assets are used as collateral and it does not require a vote of the people.
- 34) Intergovernmental Revenues — Revenues from other governments (federal, state, and local) that can be in the form of grants, shared revenues, or entitlements. Most intergovernmental revenues are restricted by purpose.
- 35) Manager’s Recommended Budget — The budget presented by the County Manager, who serves as the budget officer, to County Commissioners and the public for their review and revision. The recommended budget is based on Commissioner direction given at the annual retreat, department issues included in the Heads Up document, revenue projections, department and agency requests, and the Manager’s own priorities. State law requires the presentation of the recommended budget on or before June 1. Chatham County usually presents its recommended budget on the first Monday in May.
- 36) MIS — Acronym for Management Information Systems, which is the department responsible for planning and maintaining the County’s computer and telephone systems.
- 37) Mission – A statement of the fundamental purpose of a budget area.
- 38) NA — “Not applicable.” Used in the context of performance measurement, it denotes that the service being measured was previously not provided.
- 39) NM — “Not measured.” Used in the context of performance measurement, it denotes that the performance indicator was not measured.
- 40) Net Cost — The amount of general revenue that supports a particular function, department, or program. Net cost is calculated by subtracting offsetting revenues from expenditures. Net cost gives an indication of how much general revenue (mainly property and sales taxes) goes to support a budget area, department, or functional area.
- 41) Objective — A goal which the department is trying to reach during the fiscal year that is tied to level of service and effect on the public.
- 42) Offsetting revenues — Include fees and other revenues which are generated by or earmarked for a particular function, department, or program.
- 43) Performance Measure — Specific measurable indicators of goals identified by departments. Performance measures are the basis of performance-based budgeting and give an indication of workload, efficiency, effectiveness, and productivity.
- 44) Revenue — Income for the fiscal year. The County’s major revenue sources are local, state, federal, transfers, fees, and grants.
- 45) Special Revenue Fund – Fund to account for the proceeds of specific revenue sources that are legally restricted for specific purposes.
- 46) Tax Levy – Amount raised by general property taxes derived by multiplying the tax rate and the assessed value.
- 47) Tax Rate – The amount of tax levied for each \$100 of assessed valuation.
- 48) Work Plan – Produced by departments, work plans show the main goals, objectives, and performance measures of departments.

# Appendix C: Chatham County 2018-2024 Capital Improvements Program Introduction

## About the Capital Improvements Program (CIP)

The CIP is a long-term plan for funding the County's major capital needs. It shows how facilities, equipment, and other projects that cost \$100,000 or more could be scheduled and funded over the next seven years, beginning in FY 2018.

It is important to state upfront that this is a PLAN, not a BUDGET, since a budget controls the actual spending of allocated funds. While staff attempts to be as accurate as possible, it is difficult to estimate project costs exactly, particularly early in the planning process. Before funds can be spent they must be budgeted through the operating budget or, in most cases, through a separately adopted project ordinance.

The same is true for operating costs. As facilities are being planned, staff attempts to identify operating costs, such as staffing and utilities. The cost of these items depends on final square footage and operational issues that may not be apparent until the facility is far along in planning.

## CIP Process

The CIP is a plan which is updated annually during the budget process and may be modified at any time to reflect changing conditions. A CIP is a systematic way of anticipating, planning, and budgeting for major projects. The adoption of a CIP can improve the credit worthiness (bond rating) of a jurisdiction.

Timeline for adoption:

- CIP requests originate at the department level. Requests were submitted by departments on or before October 7, 2016.
- The Manager's Office is responsible for reviewing new and existing requests and recommending a proposed CIP to the Board of Commissioners. The recommended CIP will be presented on November 14, 2016.
- Commissioners obtain public input on the CIP before discussing it. A public hearing is scheduled for November 21, 2016.
- Commissioners review the recommendation in detail and make changes. Commissioners have a work session scheduled on November 22, 2016.

- The final action is adoption of the CIP, tentatively scheduled for the December 19, 2016 meeting.

## Overall Approach

Two new debt-funded projects are recommended in the CIP, a new Central Services Building for Chatham County Schools and renovation of the western portion of the Annex Building. The Central Services Building was a future project in last year's CIP. The renovation of the Annex Building, an existing project, is expanded to include renovation of the old Agriculture Building. In addition, the recommended CIP includes expanding the capacity of the new high school from 1,000 students/1,200 core to 1,200 students/1,400 core, which increases the project costs. The cumulative effect of these projects requires no additional resources for the debt model.

The Board of Commissioners has heard a recommendation from the Climate Change Committee to require LEED certification for new buildings. Since no decision about this recommendation has been made, the recommended CIP does not include the cost of LEED certification. The cost of obtaining LEED certification will require an additional 0.20 cents to be added to the debt model in FY 2018.

There are significant future projects on the horizon, namely the replacement of the county's emergency radio system, the construction of additional elementary or middle schools, and the construction of a shared western intake and water plant on Jordan Lake. These projects will also require debt funding and will add significantly to the county's debt load, which is already projected to be the highest in our population group. In addition, the radio system will require a shorter amortization period than typical projects, which would have a significant impact on the debt model. Considering only a rough estimate of the cost of this project, an additional 1.15 to 1.4 cents may be needed in FY 2019. More could be needed if the project is higher than projected. To ensure capacity for these critical projects, additional debt-funded projects, which are not deemed an absolute necessity, should be avoided in the near future.



## Recommended Changes

Recommended changes to the Approved 2017-2023 CIP (as amended) include:

Schools: School projects are recommended as requested by the Chatham County Board of Education, unless noted below.

- **Expand the capacity of the new high school from 1,000 students/1,200 core to 1,200 students/1,400 core.** ORED projections show that without this expansion, Northwood could be over capacity by 2024. Because the cost to expand Northwood, estimated at \$27 million, is more than expanding the capacity of the new high school (approximately \$9 million), the latter option is recommended. [+9,370,958]
- **Add a new Central Services Building to open in August of 2022.** The existing Central Services Building has exceeded its capacity, and space in Horton Middle School that is currently occupied by Central Services personnel will be required for classroom use beginning in FY 2021. The county is interested in purchasing the old bus garage site. The school system has agreed that instead of a cash purchase, the funds can be used for the Central Services Building, essentially offsetting that cost. [+5,607,079]
- **Improve the traffic pattern at Perry Harrison School** to alleviate traffic congestion at drop-off and pick-up times. The student population at Perry Harrison Elementary School (more than 700 students) continues to surpass rated capacity and contributes to traffic backing up on Hamlet Chapel Road in both directions. [+423,500]
- **Add Northwood High School to the locker room renovation schedule in FY 2021.** Renovation of the locker room at Northwood High School was previously included in the Northwood expansion project, which is no longer being contemplated. [+360,000]
- **Increase funding for mobile classrooms.** Current enrollment figures and projections for growth indicate that additional mobile units may be needed. Six additional classrooms will be added to the existing project to allow Chatham County Schools to meet these space needs. [+480,000]
- **Increase funding for repair of Northwood High School Auditorium HVAC.** Cost estimates exceed the available budget and additional funds are requested and recommended. [+60,000]
- **Add Paving Overlay at Northwood High School.** Pot holes and cracks in the pavement at Northwood High School require repair. [+189,002].

- **Silk Hope School Wastewater Replacement:** This is a future project in the current CIP that is being scheduled in Year 6 (FY 2023) to respond to pressure from NC DEQ. [+643,500]

Other projects: Other projects are recommended as requested by the agency or department, unless otherwise noted.

- **Add projects:** Chatham County Agriculture & Conference Center audiovisual equipment replacement in FY 2024 [+465,850], Body Cameras for the Sheriff's Office over three years [+223,667] to be funded through capital reserve and grants. The Sheriff originally requested that cameras for all sworn and detention officers be funded in FY 2018 from county revenues. The County Manager is recommending 1) that the project be phased in over three years to avoid having to replace all cameras in one year, 2) that the Sheriff's Office attempt to secure grant funds for cameras in FY 2019 and FY 2020, and 3) that Detention Officers share cameras instead of every officer having his own.
- **Add renovation of the old Agriculture Building to the Annex project.** The architect's programming study of the western Annex renovation showed that the Tax Office would not have enough space for long-term growth. Renovating the old Agriculture Building for Tax will provide adequate space for 15 to 20 years. Funds already accumulated for the Annex project will be used to offset the old Agriculture Building renovation as that project will be completed first. Additional funds are required for the Annex that cannot be absorbed in the contribution to the capital reserve. Because we will be borrowing funds in FY 2019 for several projects, the Annex can be added without substantially affecting the debt model. Additional costs result from the Agriculture Building renovation and the need to inflate the cost of the Annex by moving it out two years. [+3,368,763]
- **Increase the budget for Briar Chapel Park** to cover additional costs associated with construction of a playground, walking trail and picnic shelter. The costs will be covered by recreation fees paid by the Briar Chapel development. [+93,119]
- **Increase the budget for Social Services Software** to account for a decrease in the amount to be reimbursed by the state. [+16,410]

**Add Future Projects:**

- **Schools Paving Repair:** Paved areas on all campuses continue to age and require repair on a regular basis. The project would require a funding source to provide annual paving repair.
- **New Schools/Capacity Expansion:** The existing future project to add new schools is modified to include either additional schools or additional modular space, whichever is more feasible.

**Deleted Projects/Projects Not Recommended**

- **Bike Lanes:** The Bike Lanes project has been deleted because the NCDOT has indicated that the county's share of the project costs is currently estimated at \$1,162,247, which is substantially higher than the previous estimate of \$403,000 included in the FY17-23 CIP. NCDOT has indicated they will complete design and environmental documentation and administer and inspect construction of the project, but right-of-way acquisition would be the responsibility of the county. A cost for right-of-way has been included in the estimate of the county's share of the project, but no right-of-way negotiations with landowners have been initiated so the cost included may be the cost to condemn the property.

The CIP includes both summaries of major projects, revenues and operating expenses and detailed descriptions of each project, including justifications, cost detail, funding sources, and impacts on the operating budget.

**Debt-Model Assumptions**

- 7.7 cents on property tax rate is dedicated annually. No additional contribution will be needed for the expanded capacity of the new high school, new central services building, and annex renovations. If Commissioners want to move ahead with requiring LEED certification, an estimated addition 0.2 cents will be needed.
- 2% annual growth in property tax revenues/base (growth since the last revaluation has averaged 2.1%).
- 2% annual growth in lottery proceeds. Impact fees are estimated to grow 2% until FY 2022, when Briar Chapel is expected to be built out. The development has been paying an addition \$2,000 per unit in impact fees, and that amount is subtracted from FY 2022.

**Other Assumptions**

Generally, construction costs are inflated 5% per year. Staff also recommends a 5-10 percent contingency for most projects.

Other project costs, such as equipment, and operating costs are usually inflated by a factor of 3% per year, unless there is good reason to use another inflationary factor (which will be noted).

Operating costs are generally inflated 3% per year, unless costs are fixed by contract.

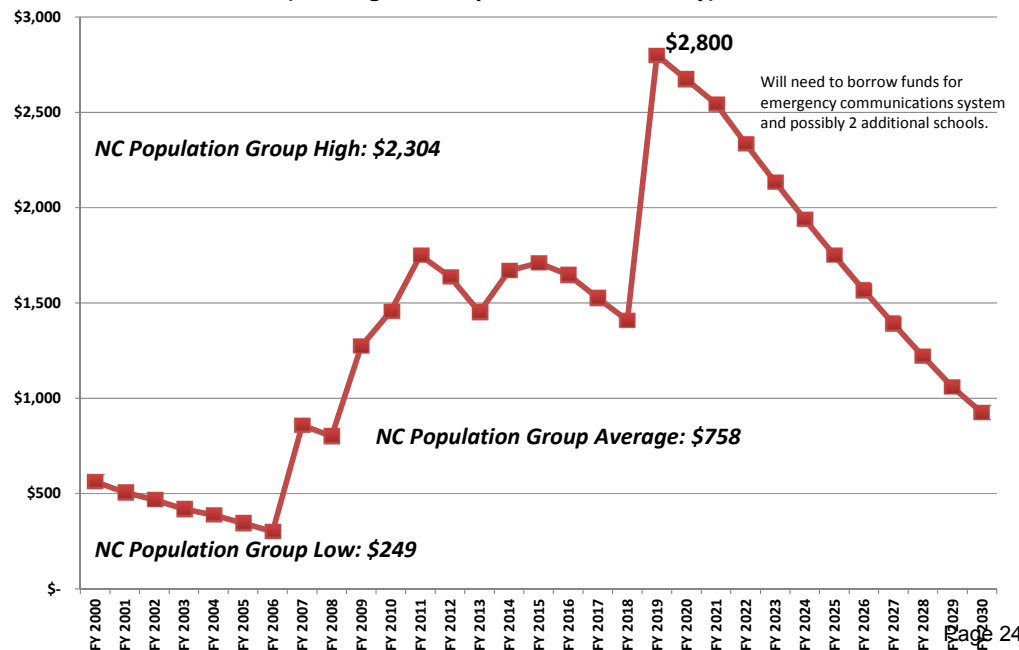
**Bond Rating**

Chatham's ratings are exceptional. Chatham is one of only 9 other counties in North Carolina to hold a AAA rating from Standard and Poor's and is by far the smallest county. Both ratings were upgraded in October 2014:

- Standard and Poor's (S&P): AAA (up from AA+)
- Moody's : Aa1 (up from Aa2/favorable outlook)

With a population more than twice as big as Chatham's, Orange County is the next largest county to hold a AAA. Of the surrounding counties, Chatham's combined rating is higher than Alamance, Lee, Harnett, Moore, and Randolph. Chatham holds the highest combined rating in its population group (50,000 to 99,999).

**Chatham County General Fund Debt Per Capita (Existing and Proposed CIP Debt Only)**



## Debt Indicators

Debt indicators are factored as if all projects are approved as recommended.

- Debt as a percent of assessed value: With a projected high of 2.07% in FY 2019, the county's indicator is projected to be slightly above the highest county (as of June 30, 2015) at 2.02% in its population group (50,000 to 99,999) and below the 8% legal maximum. (No county in NC is anywhere near the legal debt limit. The highest in the state is 2.976%.)
- Debt per capita: With a projected high of \$2,800 in FY 2019, the county per capita debt would exceed the current highest county (as of June 30, 2015) in its population group, \$2,304.
- Debt as a percent of the operating budget: Staff projects that, depending on decisions made in the operating budget, debt service may exceed the 15% maximum recommended by the Local Government Commission (LGC). The current model shows debt service exceeding 15% beginning in 2021. While this is an issue, the county differs from other counties in that funds for debt service have been set aside in a reserve account. Therefore, increases in debt service do not decrease Chatham County's flexibility to manage the operating budget, the primary concern of the LGC's maximum.

## Total Cost of Each Project by Year

	Prior to FY 2017	Current Year: FY 2017	Year 1: FY 2018	Year 2: FY 2019	Year 3: FY 2020	Year 4: FY 2021	Year 5: FY 2022	Year 6: FY 2023	Year 7: FY 2024	Totals
<b>911</b>										
Emergency Communications - Next Generation 911	55,358	166,074	0	0	0	0	0	0	0	221,432
<b>Total 911</b>	55,358	166,074	0	0	0	0	0	0	0	221,432
<b>General</b>										
Central Carolina Business Campus	8,375,860	0	28,000	0	0	0	0	0	0	8,403,860
Community College - Health Sciences Building	30,000	1,432,291	7,896,588	5,069,729	0	0	0	0	0	14,428,608
Community College - Pittsboro Campus - Roof Replacement	0	0	0	0	0	0	0	478,500	0	478,500
County Buildings - Animal Shelter Expansion and Renovation	14,370	0	313,430	4,300,626	0	0	0	0	0	4,628,426
County Buildings - Chatham County Agriculture & Conference Center	10,439,007	3,979,648	0	0	0	0	0	0	0	14,418,655
County Buildings – Renovation of Annex and Old Agriculture Building	1,565,606	200,000	3,082,389	2,583,770	0	0	0	0	0	7,431,765
Parks - Briar Chapel Park Improvements	676,967	214,257	246,938	0	433,490	0	0	0	0	1,571,652
Parks - Northeast District	3,227,645	3,178	0	0	0	0	0	0	0	3,230,823
Schools - Bleacher Replacements (Indoor)	119,838	0	0	272,250	0	0	0	0	0	392,088
Schools - Joint School Bus & County Garage	6,320,408	1,679,592	0	0	0	0	0	0	0	8,000,000
Schools - Locker Room Renovations	0	0	302,500	316,250	105,600	360,000	0	0	0	1,084,350
Schools - Mobile Classrooms	180,165	0	357,835	160,000	160,000	0	0	0	0	858,000
Schools - New Central Services Building	0	0	0	0	47,408	1,934,824	3,325,091	299,856	0	5,607,179
Schools - New High School	0	1,919,874	1,649,926	20,610,896	21,138,012	21,033,716	18,534	0	0	66,370,958
Schools - Northeast Elementary School	0	767,119	1,198,827	12,888,940	12,094,188	8,193	0	0	0	26,957,267
Schools - Northwood High School Auditorium HVAC Replacement	0	0	225,000	0	0	0	0	0	0	225,000
Schools - Northwood High School Paving Overlay	0	0	0	189,002	0	0	0	0	0	189,002
Schools - Perry Harrison Elementary School Traffic Pattern Improvement	0	0	0	38,500	0	0	0	0	0	38,500
Schools - Roof Replacements	3,576,141	2,069,403	158,240	657,570	0	0	0	0	0	6,461,354

## Total Cost of Each Project by Year

	Prior to FY 2017	Current Year: FY 2017	Year 1: FY 2018	Year 2: FY 2019	Year 3: FY 2020	Year 4: FY 2021	Year 5: FY 2022	Year 6: FY 2023	Year 7: FY 2024	Totals
Schools - Wastewater Replacement at Silk Hope School	0	0	0	0	0	0	0	643,500	0	643,500
Technology – Agriculture & Conference Audio/Visual Replacement	0	0	0	0	0	0	0	0	299,475	299,475
Technology - Body cameras	0	0	79,401	112,376	31,860	0	0	0	0	223,637
Technology - Increase Capacity for Data Storage	315,838	0	0	0	723,906	0	0	0	0	1,039,744
Technology - Integrated Public Sector Software	853,994	40,000	160,200	0	0	0	0	0	0	1,054,194
Technology - Justice Center Audio/Visual Replacement	0	0	0	0	0	0	0	465,850	0	465,850
Technology - Social Services Software	0	129,832	164,033	0	0	0	0	0	0	293,865
Technology - Tax Software	0	0	0	436,000	0	0	0	0	0	436,000
Technology - Telephone System Replacement - Countywide	75,483	114,000	55,000	0	0	0	0	0	0	244,483
Voting Equipment Replacement	0	0	0	676,434	0	0	0	0	0	676,434
<b>Total General</b>	<b>35,771,322</b>	<b>12,549,194</b>	<b>15,918,307</b>	<b>48,312,343</b>	<b>34,734,464</b>	<b>23,336,733</b>	<b>3,343,625</b>	<b>1,887,706</b>	<b>299,475</b>	<b>176,153,169</b>
<b>Solid Waste &amp; Recycling</b>										
Solid Waste & Recycling - Replace Waste & Recycling Facility Office	1,476,289	30,982	0	0	0	0	0	0	0	1,507,271
Solid Waste & Recycling - Single Stream Recycling	37,635	643,465	0	0	0	0	0	0	0	681,100
<b>Total Solid Waste &amp; Recycling</b>	<b>1,513,924</b>	<b>674,447</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,188,371</b>
<b>Water</b>										
Water - Haywood Water Main Replacement	16,852	121,458	0	0	0	0	0	0	0	138,310
Water - Nature Trail Water Main Replacement	44,693	103,915	531,716	0	0	0	0	0	0	680,324
Water - Planning Western Intake and Plant	32,213	2,500	500,000	500,000	500,000	0	0	0	0	1,534,713
<b>Total Water</b>	<b>93,758</b>	<b>227,873</b>	<b>1,031,716</b>	<b>500,000</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,353,347</b>

# Funding Sources

The table below shows a summary of the funding sources for CIP projects by year. The major revenue sources are installment and other debt, fund balance, and insurance.

	Prior to FY 2017	Current Year: FY 2017	Year 1: FY 2018	Year 2: FY 2019	Year 3: FY 2020	Year 4: FY 2021	Year 5: FY 2022	Year 6: FY 2023	Year 7: FY 2024	Totals
<b>911</b>										
911 Funds	55,358	166,074	0	0	0	0	0	0	0	221,432
<b>Total 911</b>	55,358	166,074	0	0	0	0	0	0	0	221,432
<b>General</b>										
Bond Premium	1,447,733	825,000	0	0	0	0	0	0	0	2,272,733
Capital Reserves	1,306,470	2,263,267	3,347,868	7,487,820	1,005,436	360,000	0	1,587,850	299,475	17,658,186
Debt	0	0	0	0	47,408	1,934,824	3,325,091	299,856	0	5,607,179
Debt--Certificates of Participation (COPs)	7,364,593	0	0	0	0	0	0	0	0	7,364,593
Debt--Installment Purchase	1,157,659	0	166,861	2,583,770	0	0	0	0	0	3,908,290
Debt--Limited Obligation Bonds	15,259,524	7,952,907	10,745,341	36,469,565	33,232,200	21,041,909	18,534	0	0	124,719,980
Federal & State Reimbursement	0	42,981	51,535	0	0	0	0	0	0	94,516
General Fund Fund Balance	406,090	0	0	0	0	0	0	0	0	406,090
General Fund Operating Revenue	30,000	10,165	0	0	0	0	0	0	0	40,165
Grants, Gifts, Etc.	1,238,368	0	110,969	2,156,188	15,930	0	0	0	0	3,521,455
Interest	45,219	0	0	0	0	0	0	0	0	45,219
Operating Revenue	35,000	0	0	0	0	0	0	0	0	35,000
Recreation Exaction Fee	1,382,287	0	0	0	0	0	0	0	0	1,382,287
Recreation Exaction Fee--Briar Chapel	676,967	214,257	135,969	0	433,490	0	0	0	0	1,460,683
Transfer from Bus Garage	0	1,000,617	0	0	0	0	0	0	0	1,000,617
Transfer from General Fund	3,591,544	200,000	1,199,564	0	0	0	0	0	0	4,991,108
Transfer from Water Capital Reserve	1,829,868	40,000	160,200	0	0	0	0	0	0	2,030,068
<b>Total General</b>	35,771,322	12,549,194	15,918,307	48,697,343	34,734,464	23,336,733	3,343,625	1,887,706	299,475	176,538,169

# Funding Sources

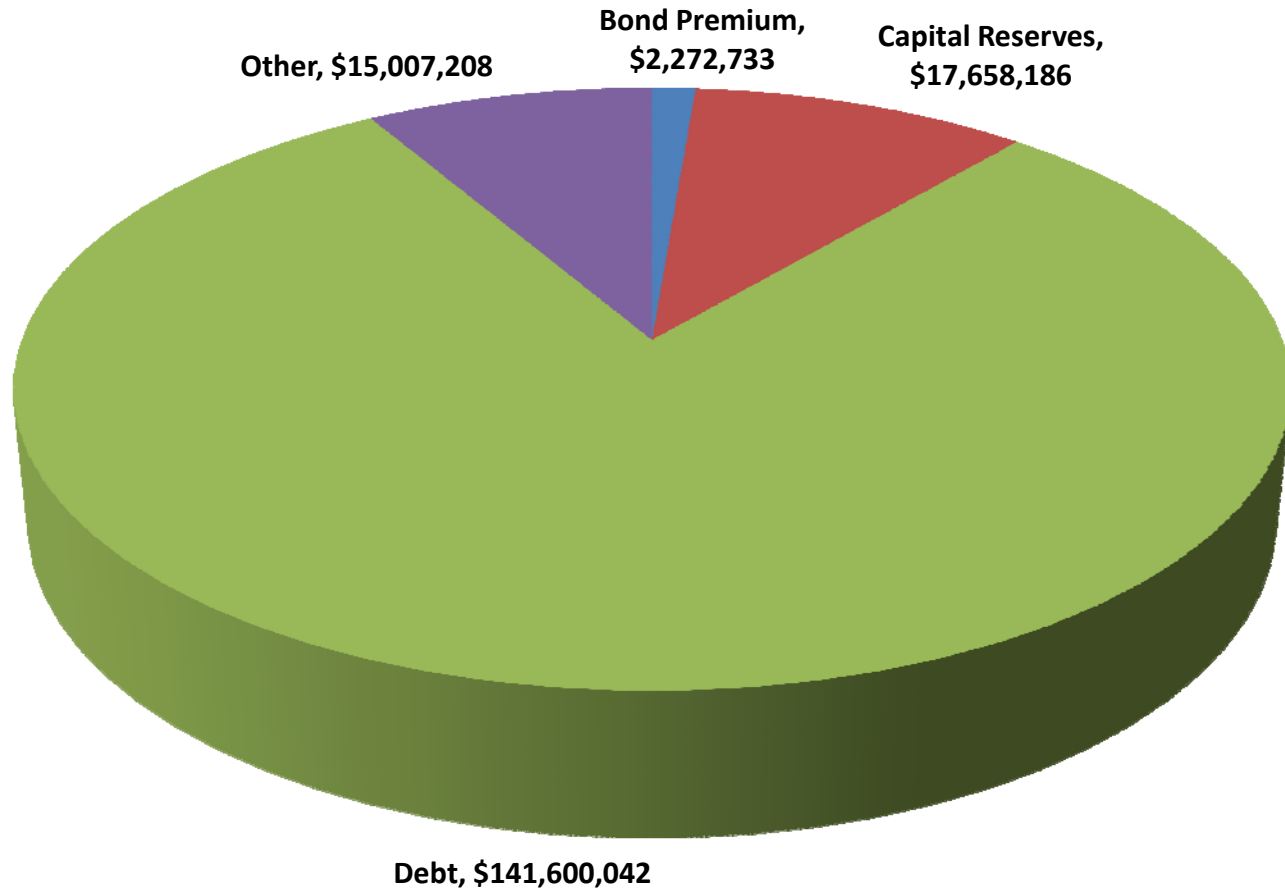
The table below shows a summary of the funding sources for CIP projects by year. The major revenue sources are installment and other debt, fund balance, and insurance.

	Prior to FY 2017	Current Year: FY 2017	Year 1: FY 2018	Year 2: FY 2019	Year 3: FY 2020	Year 4: FY 2021	Year 5: FY 2022	Year 6: FY 2023	Year 7: FY 2024	Totals
<b><u>Solid Waste &amp; Recycling</u></b>										
Capital Reserves	37,635	612,465	0	0	0	0	0	0	0	650,100
Grants, Gifts, Etc.	0	31,000	0	0	0	0	0	0	0	31,000
Operating Revenue	10,750	0	0	0	0	0	0	0	0	10,750
Solid Waste Fund Balance	1,465,539	30,982	0	0	0	0	0	0	0	1,496,521
<b>Total Solid Waste &amp; Recycling</b>	<b>1,513,924</b>	<b>674,447</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,188,371</b>
<b><u>Water</u></b>										
Water Capital Reserve	93,758	227,873	1,031,716	500,000	500,000	0	0	0	0	2,353,347
<b>Total Water</b>	<b>93,758</b>	<b>227,873</b>	<b>1,031,716</b>	<b>500,000</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,353,347</b>

## CIP Funding Sources

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### General Fund CIP Funding Sources



### General Fund Capital Reserve

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The recommended CIP continues the practice of funding pay-as-you-go General Fund projects through a capital reserve. The capital reserve has a balance of \$5,763,293.



## Parks & Recreation

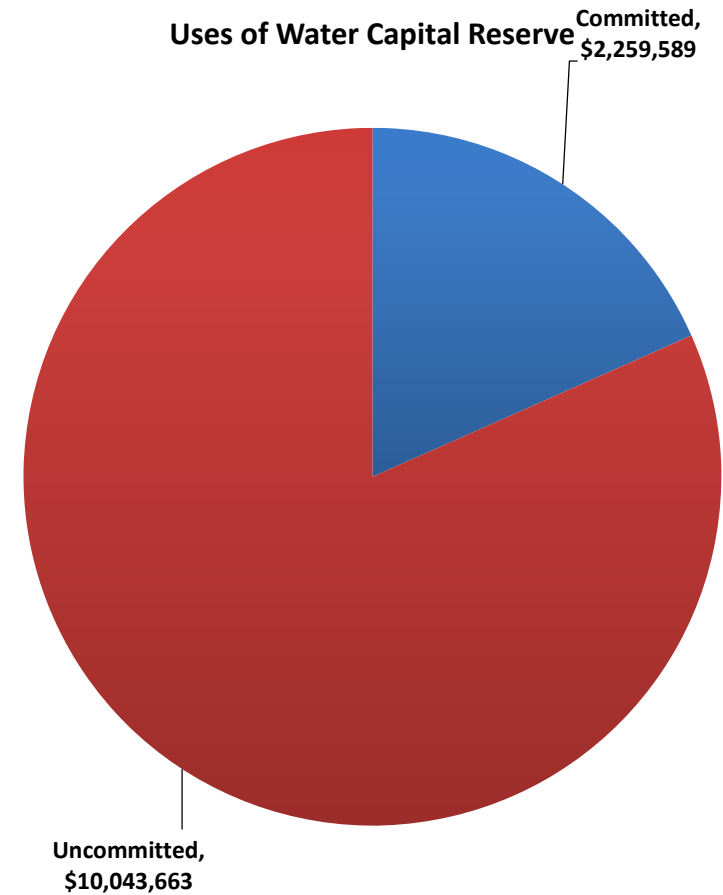
Parks Capital Reserve Fund: Staff recommends spending a small amount (\$3,178) for improvements to Northeast Park in FY 2017 to finish that project. These funds have already been appropriated to the Northeast Park project. Staff projects that approximately \$ 221,813 will be left in the capital reserve after remaining funds from Northeast Park are transferred to the reserve.

Recreation Fees: Recreation fees are established and collected in two districts. The fees must be spent in the district in which they are collected.

- Western District: Since the economic downturn the Western District, consisting of the Jordan-Matthews and Chatham Central High School districts, has generated \$4,384 in FY 2016. These funds will be used to reimburse the general fund until it is made whole for the purchase of Northwest Park. At the current rate of development, this will take many years, leaving no funding for additional land in this district.
- Eastern District: Since the economic downturn, the Eastern District, consisting of the Northwood High School district, has generated very little revenue until FY 2014 (\$195,936 in FY 2016), excluding Briar Chapel fees. Note that funds generated in Briar Chapel will be used to pay for improvements in the Briar Chapel Park, as agreed to by the developer. In prior years, funds generated by the Eastern District have been used to reimburse the general fund for the purchase of land for the Southeast District Park. However, the Board of Commissioners has approved using funds from the Coal Ash settlement to reimburse the General Fund.

## Water Capital Reserve

\$1,631,500 in availability fees were collected in FY 2016. Note that the scope of the regional western intake water plan is unknown and will require significant funding



# Operating Budget Effects

The table below shows the combined effect on the operating budget of the recommended projects for the next seven years. Operating effects include debt service, increased operating costs, decreased operating costs, additional revenues, and appropriation of revenue necessary to fund the project.

	Prior to FY 2017	Current Year: FY 2017	Year 1: FY 2018	Year 2: FY 2019	Year 3: FY 2020	Year 4: FY 2021	Year 5: FY 2022	Year 6: FY 2023	Year 7: FY 2024
<b>911</b>									
Decreased Operating Costs	0	-148,320	-152,770	-157,353	-162,073	-166,935	-171,944	-177,102	-182,415
Increased Operating Costs	0	197,760	203,693	209,804	216,098	222,581	229,258	236,136	243,220
<b>Total 911</b>	0	49,440	50,923	52,451	54,025	55,646	57,314	59,034	60,805
<b>General</b>									
Additional Revenues	-1,000	-41,000	-73,614	-73,801	-73,995	-74,874	-75,079	-75,290	-75,508
Contribution to Capital Reserve	2,578,492	3,159,776	5,063,647	3,427,518	688,281	691,147	490,826	490,826	74,868
Debt Service	1,698,461	2,739,760	2,682,514	5,396,297	8,116,155	8,137,213	15,103,778	14,701,672	14,368,696
Decreased Operating Costs	-126,000	-342,173	-354,869	-411,309	-418,225	-425,352	-432,691	-440,253	-448,042
General Fund Fund Balance	271,882	0	0	0	0	0	0	0	0
Increased Operating Costs	687,608	965,265	950,147	1,497,303	1,569,171	2,969,358	5,190,547	5,253,635	5,477,575
Transfer from Debt Reserve	-1,698,461	-2,739,760	-2,682,514	-5,396,297	-8,116,155	-8,137,213	-15,103,778	-14,701,672	-14,368,696
Transfer from General Fund	4,209,289	0	0	0	0	0	0	0	0
<b>Total General</b>	7,620,271	3,741,868	5,585,311	4,439,711	1,765,232	3,160,279	5,173,604	5,228,919	5,028,893
<b>Solid Waste &amp; Recycling</b>									
Decreased Operating Costs	-161,768	-145,850	-299,321	-308,260	-317,447	-326,889	-336,595	-340,141	-343,793
Decreased Revenue	0	27,113	27,926	28,764	29,627	30,515	31,431	32,374	33,345
Increased Operating Costs	5,600	181,501	25,307	28,052	54,086	59,899	61,668	72,336	74,505
Increased Revenue	0	-146,020	0	0	0	0	0	0	0
<b>Total Solid Waste &amp; Recycling</b>	-156,168	-83,256	-246,088	-251,444	-233,734	-236,475	-243,496	-235,431	-235,943

# Operating Budget Effects

The table below shows the combined effect on the operating budget of the recommended projects for the next seven years. Operating effects include debt service, increased operating costs, decreased operating costs, additional revenues, and appropriation of revenue necessary to fund the project.

	Prior to FY 2017	Current Year: FY 2017	Year 1: FY 2018	Year 2: FY 2019	Year 3: FY 2020	Year 4: FY 2021	Year 5: FY 2022	Year 6: FY 2023	Year 7: FY 2024
<b><u>Water</u></b>									
Decreased Operating Costs	0	0	-2,040	-24,480	-24,480	-24,480	-24,480	-24,480	-24,480
Decreased Operating Costs (Utility Fund)	0	0	-16,263	-16,751	-17,253	-17,771	-18,304	-18,853	-19,419
Increased Operating Costs (Utility Fund)	11,888	12,483	13,107	13,762	14,450	15,173	15,931	16,728	17,564
<b>Total Water</b>	11,888	12,483	-5,196	-27,469	-27,283	-27,078	-26,853	-26,605	-26,335

## Appendix D: List of New or Increased Fees

Department	Action	Fee	Current Amount	Unit	Appr. Amount	Justification	Projected Revenue
Watershed Protection	New	Riparian Buffer Confirmation (Majors)	\$0	Feature	\$100	Added to reflect staff time/resources to provide this service, which is currently free. Only confirmations for major subdivisions and voluntary buffer calls per customer request	\$5,000
Watershed Protection	New	Express Review	\$0	Per plan	\$5,000	The Express Review option is offered by NCDEQ and has been requested by developers in Chatham to expedite plan review and permitting for a fee. This proposed service would	\$50,000
Watershed Protection	New	Express Review	\$0	Per plan	\$5,000	The Express Review option would expedite plan review and permitting for a fee. This proposed service would generate revenue and improve customer service for time-	\$20,000
Planning	Increase	Eliminate handicap ramp fees	\$20	Per zoning and floodplain permit	\$0	This confirms that the prior elimination of permitting fees for residential handicap ramps in Central Permitting also applies to Planning.	\$0
Health - Clinic	Increase	Pediarix Vaccine	\$71	Per Visit	\$85	Recover cost of service and maximize reimbursement	\$0
Health - Clinic	Increase	Pneumonia Vaccine	\$45	Per Visit	\$85	Recover cost of service and maximize reimbursement	\$0
Health - Clinic	Increase	Dtap, Polio, HIB Vaccine	\$95	Per Visit	\$100	Recover cost of service and maximize reimbursement	\$0
Health - Clinic	Increase	Pediatric Hep A Vaccine	\$34	Per Visit	\$40	Recover cost of service and maximize reimbursement	\$0
Health - Clinic	Increase	Adult Hep A & B Vaccine	\$93	Per Visit	\$100	Recover cost of service and maximize reimbursement	\$0
Health - Clinic	Increase	Pediatric Hep B Vaccine	\$25	Per Visit	\$30	Recover cost of service and maximize reimbursement	\$0
Health - Clinic	Increase	HIB-3 series Vaccine	\$25	Per Visit	\$30	Recover cost of service and maximize reimbursement	\$0
Health - Clinic	Increase	Adult Hep B Vaccine	\$62	Per Visit	\$65	Recover cost of service and maximize reimbursement	\$82
Health - Clinic	Increase	Tdap Vaccine	\$40	Per Visit	\$45	Recover cost of service and maximize reimbursement	\$22
Health - Clinic	Increase	MMR Vaccine	\$65	Per Visit	\$70	Recover cost of service and maximize reimbursement	\$24
Health - Clinic	Increase	Menactra Vaccine	\$119	Per Visit	\$120	Recover cost of service and maximize reimbursement	\$0
Health - Clinic	Increase	Rotateq Vaccine	\$82	Per Visit	\$85	Recover cost of service and maximize reimbursement	\$0
Health - Clinic	Increase	Rabies Vaccine	\$218	Per Visit	\$250	Recover cost of service and maximize reimbursement	\$92
Health - Clinic	Increase	MMR-V Vaccine	\$170	Per Visit	\$190	Recover cost of service and maximize reimbursement	\$0
Health - Clinic	Increase	Kinrix Vaccine	\$50	Per Visit	\$60	Recover cost of service and maximize reimbursement	\$0
Health - Clinic	Increase	IPV Vaccine	\$29	Per Visit	\$40	Recover cost of service and maximize reimbursement	\$5
Health - Clinic	Increase	Tetanus Vaccine	\$30	Per Visit	\$45	Recover cost of service and maximize reimbursement	\$0
Health - Clinic	Increase	HPV Vaccine	\$170	Per Visit	\$185	Recover cost of service and maximize reimbursement	\$0
Health - Clinic	Increase	HIB- 4 series Vaccine	\$25	Per Visit	\$35	Recover cost of service and maximize reimbursement	\$0
Health - Clinic	Increase	Varicella Vaccine	\$105	Per Visit	\$115	Recover cost of service and maximize reimbursement	\$77
Health - Clinic	Increase	Prevnar Vaccine	\$160	Per Visit	\$170	Recover cost of service and maximize reimbursement	\$0
Health - Clinic	Increase	Albumin;urine Lab	\$11	Per Visit	\$17	Recover cost of service and maximize reimbursement	\$39
Health - Clinic	Increase	Cholesterol Lab	\$12	Per Visit	\$13	Recover cost of service and maximize reimbursement	\$7
Health - Clinic	Increase	24 hr Urine Lab	\$12	Per Visit	\$15	Recover cost of service and maximize reimbursement	\$48
Health - Clinic	Increase	Culture-bacterial Lab	\$31	Per Visit	\$33	Recover cost of service and maximize reimbursement	\$2
Health - Environmental	New	Setback compliance in office review	\$0	Per review	\$30	Reduce client cost for reviews that do not require a site visit. (Field review costs \$100, so this reduces the cost for the customer.)	\$1,900
Health - Environmental	Increase	Well Camera	\$50	Per Visit	\$200	Current well camera fee does not cover staff time or material costs.	\$300

## Appendix D: List of New or Increased Fees

Department	Action	Fee	Current Amount	Unit	Appr. Amount	Justification	Projected Revenue
Health - Environmental	New	Pool reinspection fee	\$0	Per Reinspection	\$75	The reinspection fee is intended to deter operators from scheduling a visit unless they are ready. Reinspection fees reduce the amount of time staff visits pools that are not ready	\$375
Health - Environmental	Increase	Bacteria Coliform Water Sample	\$60	Per Water Sample	\$70	Current costs outweigh costs for staff time and sample containers.	\$0
Health - Environmental	Increase	Iron Bacteria water sample	\$60	Per Water Sample	\$70	Current costs outweigh costs for staff time and sample containers.	\$0
Health - Environmental	Increase	Sulfur Bacteria	\$60	Per Water Sample	\$70	Current costs outweigh costs for staff time and sample containers.	\$0
Health - Environmental	Increase	Inorganic water sample	\$100	Per Water Sample	\$110	Current costs outweigh costs for staff time and sample containers.	\$0
Health - Environmental	Increase	Nitrate water sample	\$60	Per Water Sample	\$70	Current costs outweigh costs for staff time and sample containers.	\$0
Health - Environmental	Increase	Full Panel water samples	\$100	Per Water Sample	\$150	Current costs outweigh costs for staff time and sample containers.	\$0
Library	Increase	Interlibrary Loan Fee	\$3	Per Request	\$4	This fee covers the cost of returning the items to the lending library and is intended to encourage on-time return of materials.	\$0
Library	Increase	ILL Late Fee	\$0	Per Day	\$1	The current 25 cent late fee to return materials is not sufficiently motivating.	\$0
Agriculture Center	Change	Exhibit Hall Peak Rental	\$1,600	Per Day	\$900	New fee amount is more in line with similar venues	\$0
Agriculture Center	Change	Exhibit Hall Off Peak Rental	\$1,200	Per Day	Eliminated	Eliminating Off Peak rates to incorporate flat rate structure	\$0
Agriculture Center	Change	Exhibit Hall Nonprofit Rental	\$650	Per day	\$450	New fee amount is more in line with similar venues	\$0
Agriculture Center	Change	Hall A Peak Rental	\$850	Per Day	\$500	New fee amount is more in line with similar venues	\$0
Agriculture Center	Change	Hall A Off Peak Rental	\$675	Per day	Eliminated	Eliminating Off Peak rates to incorporate flat rate structure	\$0
Agriculture Center	Change	Hall A Nonprofit Rental	\$550	Per day	\$250	New fee amount is more in line with similar venues	\$0
Agriculture Center	Change	Hall B Peak Rental	\$450	Per Day	\$300	New fee amount is more in line with similar venues	\$0
Agriculture Center	Change	Hall B Off Peak Rental	\$350	Per day	Eliminated	Eliminating Off Peak rates to incorporate flat rate structure	\$0
Agriculture Center	Change	Hall B Nonprofit Rental	\$325	Per day	\$150	New fee amount is more in line with similar venues	\$0
Agriculture Center	Change	Hall C Peak Rental	\$450	Per Day	\$300	New fee amount is more in line with similar venues	\$0
Agriculture Center	Change	Hall C Off Peak Rental	\$350	Per day	Eliminated	Eliminating Off Peak rates to incorporate flat rate structure	\$0
Agriculture Center	Change	Hall C Nonprofit Rental	\$325	Per day	\$150	New fee amount is more in line with similar venues	\$0
Agriculture Center	Change	Lobby Peak Rental	\$2,200	Per day	Eliminated	Eliminating Off Peak rates to incorporate flat rate structure	\$0
Agriculture Center	Change	Lobby Off Peak Rental	\$400	Per day	Eliminated	Eliminating Off Peak rates to incorporate flat rate structure	\$0
Agriculture Center	Change	Lobby Nonprofit Rental	\$325	Per day	Eliminated	Eliminating Off Peak rates to incorporate flat rate structure	\$0
Agriculture Center	Change	Breakout Room Peak Rental	\$275	Per day	\$200	New fee amount is more in line with similar venues	\$0
Agriculture Center	Change	Breakout Room Off Peak Rental	\$250	Per day	Eliminated	Eliminating Off Peak rates to incorporate flat rate structure	\$0
Agriculture Center	Change	Breakout Room Nonprofit Rental	\$225	Per day	\$100	New fee amount is more in line with similar venues	\$0
Agriculture Center	Change	Catering Kitchen Rental	\$100	Per hour	\$50	New fee amount is more in line with similar venues	\$0
Agriculture Center	New	East Garden	\$0	Per day	\$200	New Fee for use of 20,000 sq ft east garden outdoor space	\$0
Agriculture Center	New	East Garden Nonprofit	\$0	Per day	\$100	New Fee for use of 20,000 sq ft east garden outdoor space	\$0
Agriculture Center	Change	AV Rental: Lavalier Microphone	\$50	Per day	\$25	AV equipment must be charged out separately to inventory in software and charge sales	\$0
Agriculture Center	Change	AV Rental: Laser Pointer	\$10	Per day	Eliminated	Will not inventory	\$0

**Appendix D: List of New or Increased Fees**

<b>Department</b>	<b>Action</b>	<b>Fee</b>	<b>Current Amount</b>	<b>Unit</b>	<b>Appr. Amount</b>	<b>Justification</b>	<b>Projected Revenue</b>
Agriculture Center	Change	AV Rental: Smart Lectern	\$75	Per day	Eliminated	Will not inventory	\$0
Agriculture Center	New	Cancellation Fee	\$0	Per Cancellation	\$60	No longer needed with the implementation of paygov	\$0

# FY 2017-2018 Budget Ordinance

Be it ordained by the Board of Commissioners of the County of Chatham, North Carolina, that:

## Section 1: Revenues.

The following budget with anticipated revenues is hereby adopted in accordance with G.S. 159 by the County of Chatham for the fiscal year beginning July 1, 2017 and ending June 30, 2018 as follows:

<b>Bells Annex Fire District</b>	
Appropriated Fund Balance	\$6,601
Property Tax	\$120,357
<b>Total Bells Annex Fire District</b>	<b>\$126,958</b>
<b>Bennett Fire District</b>	
Appropriated Fund Balance	\$7,183
Property Tax	\$119,177
<b>Total Bennett Fire District</b>	<b>\$126,360</b>
<b>Bonlee Fire District</b>	
Appropriated Fund Balance	\$21,756
Property Tax	\$217,876
<b>Total Bonlee Fire District</b>	<b>\$239,632</b>
<b>Canoe Access/Easement</b>	
Appropriated Fund Balance	\$8,500
Interest	\$50
<b>Total Canoe Access/Easement</b>	<b>\$8,550</b>
<b>Central Chatham Fire District</b>	
Appropriated Fund Balance	\$22,800
Property Tax	\$405,487
<b>Total Central Chatham Fire District</b>	<b>\$428,287</b>
<b>Circle City Fire District</b>	
Appropriated Fund Balance	\$86,576
Property Tax	\$1,220,171

<b>Total Circle City Fire District</b>	<b>\$1,306,747</b>
<b>Coal Ash Settlement</b>	
Appropriated Fund Balance	\$3,565,885
Interest	\$7,500
<b>Total Coal Ash Settlement</b>	<b>\$3,573,385</b>
<b>Courthouse Clock Trust Fund</b>	
Appropriated Fund Balance	\$65,625
<b>Total Courthouse Clock Trust Fund</b>	<b>\$65,625</b>
<b>Emergency Telephone System</b>	
Intergovernmental	\$548,040
Interest	\$2,000
<b>Total Emergency Telephone System</b>	<b>\$550,040</b>
<b>Emergency Vehicle Replacement</b>	
Transfers In	\$100,000
Appropriated Fund Balance	\$50,000
<b>Total Emergency Vehicle Replacement</b>	<b>\$150,000</b>
<b>Capital Improvements (CIP) Capital Reserve</b>	
Transfers In	\$836,903
Appropriated Fund Balance	\$4,143,097
Interest	\$20,000
<b>Total CIP Capital Reserve</b>	<b>\$5,000,000</b>
<b>Facility/Debt Reserve</b>	

Transfers In	\$10,422,440
Intergovernmental	\$500,000
Interest	\$100,000
<b>Total Facility/Debt Reserve</b>	<b>\$11,022,440</b>
<b>General Fund</b>	
Permits and Fees	\$1,908,231
Transfers In	\$10,964,009
Appropriated Fund Balance	\$5,498,830
Intergovernmental	\$9,811,077
Interest	\$140,000
Contributions from others	\$348,626
Miscellaneous	\$308,776
Other Taxes/Licenses	\$848,020
Property Tax	\$65,961,237
Charges for Services	\$2,262,003
Sales Tax	\$12,847,000
<b>Total General Fund</b>	<b>\$110,897,809</b>
<b>Goldston Fire District</b>	
Appropriated Fund Balance	\$15,986
Property Tax	\$251,856
<b>Total Goldston Fire District</b>	<b>\$267,842</b>
<b>Health Internal Service</b>	
Appropriated Fund Balance	\$100,000

Interest	\$15,000
Charges for Services	\$6,013,960
<b>Total Health Internal Service</b>	<b>\$6,128,960</b>
<b>Hope Fire District</b>	
Appropriated Fund Balance	\$30,199
Property Tax	\$365,161
<b>Total Hope Fire District</b>	<b>\$395,360</b>
<b>Impact Fees</b>	
Permits and Fees	\$2,610,000
Appropriated Fund Balance	\$2,237,191
Interest	\$15,000
<b>Total Impact Fees</b>	<b>\$4,862,191</b>
<b>Law Enforcement Pension Trust</b>	
Interest	\$1,500
Charges for Services	\$125,000
<b>Total Law Enforcement Pension Trust</b>	<b>\$126,500</b>
<b>Library Foundation Trust Fund</b>	
Appropriated Fund Balance	\$10,650
Interest	\$50
<b>Total Library Foundation Trust Fund</b>	<b>\$10,700</b>
<b>Moncure Fire District</b>	
Appropriated Fund Balance	\$113,732
Property Tax	\$765,713
<b>Total Moncure Fire District</b>	<b>\$879,445</b>
<b>North Chatham Fire District</b>	
Appropriated Fund Balance	\$370,050

Property Tax	\$5,140,303
<b>Total North Chatham Fire District</b>	<b>\$5,510,353</b>
<b>Northview Fire District</b>	
Property Tax	\$34,820
<b>Total Northview Fire District</b>	<b>\$34,820</b>
<b>Parkwood Fire District</b>	
Appropriated Fund Balance	\$28,300
Property Tax	\$290,941
<b>Total Parkwood Fire District</b>	<b>\$319,241</b>
<b>Recreation Fees</b>	
Permits and Fees	\$203,500
Appropriated Fund Balance	\$350,000
Interest	\$2,500
<b>Total Recreation Fees</b>	<b>\$556,000</b>
<b>Sheriff-Property Seizure</b>	
Appropriated Fund Balance	\$71,000
Interest	\$150
<b>Total Sheriff-Property Seizure</b>	<b>\$71,150</b>
<b>Environmental Quality - Solid Waste &amp; Recycling</b>	
Appropriated Fund Balance	\$206,213
Intergovernmental	\$189,414
Interest	\$18,000
Charges for Services	\$2,883,498
<b>Total Environmental Quality Solid Waste &amp; Recycling</b>	<b>\$3,297,125</b>
<b>Environmental Quality Solid Waste &amp; Recycling Reserve</b>	

Appropriated Fund Balance	\$747,000
Interest	\$3,000
<b>Total Environmental Quality Solid Waste &amp; Recycling Reserve</b>	<b>\$750,000</b>
<b>Southeast Water District</b>	
Interest	\$1,500
Charges for Services	\$608,500
<b>Total Southeast Water District</b>	<b>\$610,000</b>
<b>Staley Fire District</b>	
Appropriated Fund Balance	\$4,042
Property Tax	\$50,124
<b>Total Staley Fire District</b>	<b>\$54,166</b>
<b>Water Capital Reserve</b>	
Appropriated Fund Balance	\$2,850,000
Interest	\$50,000
Charges for Services	\$1,100,000
<b>Total Water Capital Reserve</b>	<b>\$4,000,000</b>
<b>Water Equipment Reserve</b>	
Interest	\$1,500
<b>Total Water Equipment Reserve</b>	<b>\$1,500</b>
<b>Water Fund</b>	
Appropriated Fund Balance	\$897,638
Interest	\$23,000
Charges for Services	\$6,016,000
<b>Total Water Fund</b>	<b>\$6,936,638</b>



## Section 2: Expenditures.

The following budget with anticipated expenditures is hereby adopted in accordance with G.S. 159 by the County of Chatham for the fiscal year beginning July 1, 2017 and ending June 30, 2018 as follows:

<b>General Fund</b>		Parks and Recreation	\$981,280	Circle City Fire District	\$1,306,747
CCCC - Community College	\$1,750,583	Pittsboro/SC Visitors Bureau	\$107,127	Coal Ash Settlement	\$3,573,385
Central Permitting	\$1,652,578	Planning	\$827,041	Courthouse Clock Trust Fund	\$65,625
Chatham County Schools	\$38,270,546	Register of Deeds	\$500,771	Emergency Telephone System	\$550,040
Cooperative Extension Service	\$398,441	Sheriff	\$13,343,532	Emergency Vehicle Replacement	\$150,000
Council on Aging	\$1,015,452	Social Services	\$9,822,541	Capital Improvement (CIP) Capital Reserve	\$5,000,000
County Attorney	\$404,414	Soil and Water	\$245,925	Facility/Debt Reserve	\$11,022,440
County Manager's Office	\$1,076,841	Tax	\$1,510,412	Goldston Fire District	\$267,842
Court Facilities	\$1,193,837	<b>Total General Fund</b>	<b>\$110,897,809</b>	Health Internal Service	\$6,128,960
Court Related Programs	\$866,746	<b>Environmental Quality Solid Waste &amp; Recycling Fund</b>		Hope Fire District	\$395,360
Economic Development	\$1,097,970	Environmental Quality	\$3,297,125	Impact Fees	\$4,862,191
Elections	\$439,068	<b>Total Environmental Quality Solid Waste &amp; Recycling</b>	<b>\$3,297,125</b>	Law Enforcement Pension Trust	\$126,500
Emergency Operations	\$5,141,086	<b>Southeast Water District</b>		Library Foundation Trust Fund	\$10,700
Environmental Quality – Watershed Protection Facilities	\$327,742	Southeast Water District	\$610,000	Moncure Fire District	\$879,445
Finance Office	\$4,601,309	<b>Total Southeast Water District</b>	<b>\$610,000</b>	North Chatham Fire District	\$5,510,353
General Services - Non Depart	\$1,009,784	<b>Water Fund</b>		Northview Fire District	\$34,820
Governing Board	\$12,601,824	Water	\$6,936,638	Parkwood Fire District	\$319,241
Health	\$379,364	<b>Total Water Fund</b>	<b>\$6,936,638</b>	Recreation Fees	\$556,000
Library Services	\$6,447,873	<b>Other Funds</b>		Sheriff-Property Seizure	\$71,150
Management Information Systems	\$2,049,905	Bells Annex Fire District	\$126,958	Environmental Quality Solid Waste & Recycling Reserve	\$750,000
Mental Health	\$1,659,475	Bennett Fire District	\$126,360	Staley Fire District	\$54,166
Nonprofit - Chatham Trades	\$452,062	Bonlee Fire District	\$239,632	Water Capital Reserve	\$4,000,000
Nonprofit - Chatham Transit	\$182,000	Canoe Access/Easement Project	\$8,550	Water Equipment Reserve	\$1,500
Nonprofit Allocations	\$162,515	Central Chatham Fire District	\$428,287		
	\$377,765				

### Section 3: Tax Levy Rate.

For Chatham County, there is hereby levied a tax at the rate of 62.81 cents (\$0.6281) per one-hundred dollars (\$100.00) valuation of property listed for taxes as of January 1, 2017. This rate is based on an estimate total valuation of property, for the purpose of taxation, of \$10,563,084,148 which is 100% of the total assessed property tax valuation, and upon a collection rate of 98% for real and personal property and 99% for motor vehicles.

The revenue neutral rate which is required to be published by North Carolina General Statute 159-11(e) is 61.32 cents (\$0.6132) per one-hundred dollars (\$100) valuation of property listed for taxes as of January 1, 2017.

The following rates (shown in cents per \$100 valuation of property) are hereby levied for volunteer fire districts:

Fire District	
Bells Annex (North Chatham FD)	0.1030
Bennett (Bennett FD)	0.0900
Bonlee (Bonlee FD)	0.0700
Central Chatham (Siler City FD)	0.0900
Circle City (Pittsboro FD)	0.1225
Goldston (Goldston FD)	0.0900
Hope (Silk Hope FD)	0.0685
Moncure (Moncure FD)	0.1250
North Chatham (North Chatham FD)	0.1030
Northview (Northview FD)	0.0860
Parkwood (Parkwood FD)	0.0940
Staley (Staley FD)	0.1000

### Section 4: Fees.

All fees that Chatham County has authority to charge on June 30, 2017 are hereby declared to be in effect during FY 2017-2018 without amendment or change as of July 1, 2017, with the exception that the following fees are hereby enacted or changed:

Department	Fee	Fee Amount
Watershed Protection	Riparian Buffer Confirmation (Majors)	\$100
Watershed Protection	Express Review for Stormwater Buffer	\$5,000
Watershed Protection	Express Review for Erosion Control	\$5,000
Planning	Eliminate handicap ramp fees	\$0

Health - Clinic	Pediarix Vaccine	\$85
Health - Clinic	Pneumonia Vaccine	\$85
Health - Clinic	Dtap, Polio, HIB Vaccine	\$100
Health - Clinic	Pediatric Hep A Vaccine	\$40
Health - Clinic	Adult Hep A & B Vaccine	\$100
Health - Clinic	Pediatric Hep B Vaccine	\$30
Health - Clinic	HIB-3 series Vaccine	\$30
Health - Clinic	Adult Hep B Vaccine	\$65
Health - Clinic	Tdap Vaccine	\$45
Health - Clinic	MMR Vaccine	\$70
Health - Clinic	Menactra Vaccine	\$120
Health - Clinic	Rotateq Vaccine	\$85
Health - Clinic	Rabies Vaccine	\$250
Health - Clinic	MMR-V Vaccine	\$190
Health - Clinic	Kinrix Vaccine	\$60
Health - Clinic	IPV Vaccine	\$40
Health - Clinic	Tetanus Vaccine	\$45
Health - Clinic	HPV Vaccine	\$185
Health - Clinic	HIB- 4 series Vaccine	\$35
Health - Clinic	Varicella Vaccine	\$115
Health - Clinic	Prevnar Vaccine	\$170
Health - Clinic	Albumin;urine Lab	\$17
Health - Clinic	Cholesterol Lab	\$13
Health - Clinic	24 hr Urine Lab	\$15
Health - Clinic	Culture-bacterial Lab	\$33
Health - Environmental	Setback compliance in office review	\$30
Health - Environmental	Well Camera	\$200
Health - Environmental	Pool reinspection fee	\$75
Health - Environmental	Bacteria Coliform Water Sample	\$70
Health - Environmental	Iron Bacteria water sample	\$70
Health - Environmental	Sulfur Bacteria water sample	\$70
Health - Environmental	Inorganic water sample	\$110
Health - Environmental	Nitrate water sample	\$70
Health - Environmental	Full Panel water samples	\$150
Library	Interlibrary Loan Fee	\$4
Library	Interlibrary Late Fee	\$1
Agriculture Center	Exhibit Hall Peak Rental	\$900
Agriculture Center	Exhibit Hall Off Peak Rental	Eliminated
Agriculture Center	Exhibit Hall Nonprofit Rental	\$450
Agriculture Center	Hall A Peak Rental	\$500
Agriculture Center	Hall A Off Peak Rental	Eliminated

Agriculture Center	Hall A Nonprofit Rental	\$250
Agriculture Center	Hall B Peak Rental	\$300
Agriculture Center	Hall B Off Peak Rental	Eliminated
Agriculture Center	Hall B Nonprofit Rental	\$150
Agriculture Center	Hall C Peak Rental	\$300
Agriculture Center	Hall C Off Peak Rental	Eliminated
Agriculture Center	Hall C Nonprofit Rental	\$150
Agriculture Center	Lobby Peak Rental	Eliminated
Agriculture Center	Lobby Off Peak Rental	Eliminated
Agriculture Center	Lobby Nonprofit Rental	Eliminated
Agriculture Center	Breakout Room Peak Rental	\$200
Agriculture Center	Breakout Room Off Peak Rental	Eliminated
Agriculture Center	Breakout Room Nonprofit Rental	\$100
Agriculture Center	Catering Kitchen Rental	\$50
Agriculture Center	East Garden	\$200
Agriculture Center	East Garden Nonprofit	\$100
Agriculture Center	AV Rental: Lavaliers Microphone	\$25
Agriculture Center	AV Rental: Laser Pointer	Eliminated
Agriculture Center	AV Rental: Smart Lectern	Eliminated
Agriculture Center	Cancellation Fee	\$60

### Section 5: Annual Financial Reports and Special Conditions.

All agencies receiving \$10,000 or more in funding from Chatham County, unless otherwise exempted by contract, are required to submit an audit report by April 30, 2018. Approved payments may be delayed pending receipt of this financial information.

Allocations made to Chatham County Schools are restricted as follows:

Current Expense	25,529,821
Supplement	5,206,889
Capital Outlay	2,362,872

Funds for capital outlay are hereby appropriated in lump sum for the projects submitted in the school system's FY 2017-2018 funding request. At least quarterly, the school system will provide an update on the status of these projects and associated expenditures. The school system may use capital outlay funds for new projects identified as a priority during the year. Such uses will be detailed in the quarterly status report, including the impact on original projects.

## Section 6: Procedures for Amendment.

In accordance with N.C. General Statutes 159.9, the County Manager serves as the Budget Officer. The Budget Officer is hereby authorized to:

- Transfer funds within a department without limitation.
- Transfer amounts of up to \$5,000 between departments of the same fund with a memorandum report of such transfers at the next regular meeting of the Board of Commissioners.
- Transfer amounts of up to \$50,000 from contingency to any department with a memorandum report of such transfers at the next regular meeting of the Board of Commissioners. Greater amounts can be made available upon agreement of the Board of Commissioners.
- Transfer, terminate, or create positions, and transfer associated funds, without limitation, provided that actual personnel costs do not exceed budgeted personnel costs.
- Employ temporary help from time to time to meet circumstances.
- Execute contracts provided that funds for the contract have been approved as part of the annual budget and the contract does not exceed the funds appropriated, the contract's term does not exceed three years, all applicable state laws and county policies regarding purchasing are followed, and the contract does not exceed \$100,000.
- Execute change orders provided that the change order is for a project approved as part of the annual budget, the change order does not exceed the funds appropriated, and the change order does not exceed \$100,000.

## Section 7: Travel Reimbursement Rates.

The reimbursement rates for travel made by County employees and officials are hereby set as follows:

A. Mileage:	\$	0.535/mile
B. Meals:		
Breakfast	\$	11.00
Lunch		12.00
Dinner		23.00

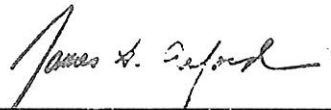
## Section 8: Salaries of County Manager, Sheriff and Register of Deeds.

The salaries of the County Manager, Register of Deeds and Sheriff are hereby increased by 3% over salaries in FY 2016-2017, effective July 1, 2017.

## Section 9: Copies of Budget to Be Furnished.

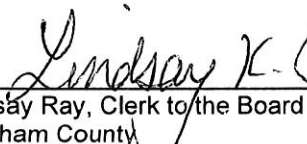
Copies of this Budget Ordinance shall be furnished to the Budget Officer, the Finance Officer, and the County Assessor for direction in carrying out their duties.

Adopted the 19<sup>th</sup> day of June, 2017.

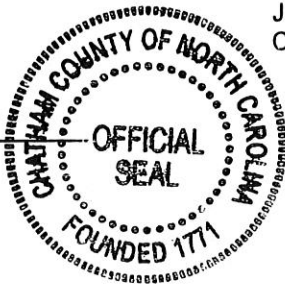


James Crawford, Chair  
Chatham County Board of Commissioners

ATTEST:



Lindsay Ray, Clerk to the Board  
Chatham County



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