

Johnston County
Fiscal Year 2019 – 2020
Budget Summary

Dear Board Members,

For the 17th consecutive year, the proposed Fiscal Year 2019-2020 General Fund budget is presented at the current 78 cents property tax rate. The proposed \$241.5 million budget is 5% higher than the current General Fund budget. Based on the April 30, 2019 financial analysis and projections, the June 30, 2020 fund balance percentage is expected to be comparable to other North Carolina counties with similar strong bond ratings. Thanks to Chad McLamb, Paula Woodard, Dana Cuddington, Jeannetta Edwards, and the Department Heads for their work on the proposed budget.

Local Funding Support for Education Partners

The County appreciates and enjoys our great working relationship with Johnston County Public Schools (JCPS) and Johnston Community College (JCC). In fact, since 2016, Johnston County has planned for and/or appropriated to JCPS and JCC (current expense, capital outlay, capital improvements project loan, and bond referendum program) the following amounts:

Johnston County Public Schools (since 2016)	\$273.6 million
Johnston Community College (since 2016)	\$29.7 million
Total (since 2016)	\$303.3 million

The most recent North Carolina Public School Forum newsletter ranks Johnston County 5th in the State of North Carolina in the “relative effort” category for school current expense funding. Relative effort combines a County’s ability to pay with their effort.

Debt service is budgeted for the first payment of the initial \$20 million bond proceeds from the November 2018 bond referendum. A sincere thank you goes to the voters that have passed six bond referendums in the last twenty years. Please note that bond referendum funds are generally sold over a three or four year period for affordability to stay within the scope of the County’s financial model.

After this budget has been adopted, the County will immediately start the process of updating the capital improvements plan/model for County Government, JCPS and JCC needs. It is my opinion that to continue meeting the many capital needs in our County, we need to stay aggressive, while staying within our financial model.

Highlights

- The proposed budget includes a 3.9% increase above the adopted Fiscal Year 2018-2019 budgeted funds for Johnston County Public Schools (JCPS) and Johnston Community College (JCC) for current expense and capital outlay as noted below:

	<u>Current Expense</u>	<u>Capital Outlay</u>	<u>Total</u>
JCPS	\$64,945,918	\$1,096,924	\$66,042,842
JCC	\$4,728,931	\$566,255	\$5,295,186

Local matching funds are included in the proposed budget for the previously approved seven (7) School Resource Officer positions in the middle schools that are currently served by a local municipality.

- The proposed budget includes a 2.1% pay adjustment in July and a potential performance pay adjustment in October of up to 1.4%. Funds are also included for the second phase of the Mercer review, third phase of the restructured longevity plan, and the wage compression program.
- There are a total of 28 new positions requested in the General Fund. Many of those are related to public safety in some form. The Department of Social Services and Child Support positions include some federal reimbursements. Seven positions are requested in the self-supporting Public Utilities Enterprise Fund.

General Fund - 28

Emergency Medical Services	8
Department of Social Services	7
Sheriff's Department	7
Child Support	1
Register of Deeds	1
Planning Department	1
Animal Services	1
Veterans Service Office	1
Parks, Greenways and Open Space Coordinator	1

Public Utilities (Self-Supporting) Enterprise Fund – 7

Public Utilities – Please see the April 30, 2019 memorandum from Utilities Director Chandra Farmer in the Supporting Documentation section of the budget.

Proposed Fee Increases

The Department of Public Utilities is proposing a comprehensive list of fee increases that support the previously adopted 20-year Capital Improvements Plan. The list of fees is included in the April 30, 2019 memorandum from Utilities Director Chandra Farmer in the Supporting Documentation section of the budget.

I look forward to discussing the proposed budget at the upcoming budget meetings. Please let me know if you have any questions. Thank you.

Sincerely,

Rick J. Hester
County Manager