

OVERVIEW SECTION

This section is laid out in the chronological order of the budget process. Summary information on the 2016-17 budget, including the Manager's Proposed Budget Message, current priorities and other issues that impacted the adopted budget, the official budget ordinance, financial totals for all funds, and other organization-wide information. The County's overall policy goals and financial policies are also included.





2016-2017 Proposed Budget Message

TO: The Board of County Commissioners
Randolph County, North Carolina

In accordance with the Local Government Budget and Fiscal Control Act, the proposed budget for Randolph County for the fiscal year beginning July 1, 2016 and ending June 30, 2017 is presented herewith for your consideration. The law specifies that the budget ordinance be adopted by July 1, 2016.

Each June, it is our responsibility to present the citizens of Randolph County and their elected Board of Commissioners a balanced budget for the next fiscal year. A budget is a financial plan that balances our area's priorities with the resources available. The Proposed Budget is presented to the Board of Commissioners as an adoptable financial plan for the upcoming year. It maintains services at necessary levels and utilizes resources to address the most urgent needs. In fiscal terms, the budget protects the County's financial condition. In legal terms, this plan complies with statutory requirements and our responsibilities as County government. In policy terms, this fiscal plan fulfills commitments made by the Board of County Commissioners and the County government on behalf of our residents, our businesses, our employees, and other organizations which rely upon us.

The Budget Message is our opportunity to describe the underlying factors behind our evaluation of issues and our setting of financial priorities. It provides a historical perspective on several issues and how they will affect the upcoming year.

Status of Local Economy

Randolph County's local economy has improved over the past few years. The local unemployment rate (5.2%) was below the state average (5.5%) in March 2016. Randolph County has long been a successful manufacturing area (over a third of our workforce is still in manufacturing), and this sector remains critical to our local economy. Randolph County continues to benefit from substantial corporate investment, which expands the tax base and creates critically needed new jobs.

For the past several years, Randolph County has worked with regional partners to develop a large industrial site suitable for a large advanced manufacturer. Quite a lot has happened during the past year to move this project forward. Randolph County has purchased 425 acres and the NC Railroad has committed to purchase another 875 acres. The new non-profit entity called the Greensboro-Randolph Megasite Foundation Inc. was formed to assist with the land acquisition and holds another 60 acres. Official certification of the site is underway and should be completed in a few months. The City of Greensboro, a major partner in this project, is completing the engineering design to extend water and sewer to the site. The Golden Leaf Foundation announced their decision to support a megasite project in the state by setting aside \$50 million for infrastructure and workforce development.

While there are many other such sites available, we believe the Greensboro-Randolph Mega-Site has distinct advantages that will make it successful. This is a complex project that requires preparation, research, and effort at each stage, before we carefully move forward. While this project is important in our economic development efforts, it will not be the only initiative necessary to move our county forward.

Workforce development is one of the major issues that continues to be discussed locally and regionally. Randolph County needs to ensure that our citizens understand the career opportunities awaiting them and can develop the knowledge and skills needed by our local industries and institutions. It is good to see cooperation between both public school systems, the community college, and business leaders, including the expanding Pathways to Prosperity Initiative.

Randolph County has many strengths that will promote consistent economic growth for many years. We have a strong agricultural tradition, with state rankings in the top ten in beef cattle, milk cows, chickens and broilers. Tourism continues to play a vital role in the County's economy, adding diversification and creating jobs for our citizens.

Legislative Changes

State Budget – At this time, the North Carolina General Assembly is in session to adjust the State's 2015-17 biennial budget. Randolph County will likely adopt its budget before the effects of the state budget are known. Many legislative changes increase the costs that are borne by County taxpayers.

Other Legislation – In addition, the General Assembly has removed the original statutory allocation of lottery proceeds, making it unclear what financial resources will be available for school construction and the debt already incurred for such projects. With a cap on lottery distributions, our annual allocation declines as our student enrollment declines.

Last year, the General Assembly discussed various ways to redistribute sales taxes from urban areas (where strong sales tax collections take place) to rural areas where there has been stagnant economic growth. The final state budget enacted a new Article 44 sales tax which comes from expansion of the sales tax base and redistribution of existing sales tax collections. There is already legislation proposed in the General Assembly which would change this redistribution.

Strategic Planning

Randolph County will face many changes in the coming decades of the 21st century. Challenges facing both Randolph County and municipalities will continue to increase as local government continues to focus limited resources on long-term issues impacting Randolph County's Health, Safety, and Well-Being.

Recognizing the need to address current and anticipate future challenges, in July, 2015, the Board of County Commissioners approved a formal, comprehensive process that would enable our community to understand and manage these changes. This is the first strategic planning initiative completed by Randolph County since 1995.



The 2016 Strategic Planning initiative was designed from the beginning to be inclusive and to involve local governments, organizations, and citizens from across the county. The County Strategic Planning Steering Committee consisted of 60 appointed individuals including the County Commissioner Chairman, mayors, city managers, health care professionals, educators, human service providers, public safety providers, chambers of commerce, economic development, agriculture, tourism, and other citizens with perspectives which contribute to the rich diversity of the Randolph County community. Over 100 citizens eventually participated in three task forces (Public Health, Public Safety, and Well-Being) with various subcommittees that met monthly to openly discuss strengths, weaknesses, problems, and opportunities that may confront Randolph County.

Technical support and facilitation for the 2016 Strategic Planning initiative was provided by the Piedmont Triad Regional Council (PTRC), in addition to designated Randolph County staff. The PTRC prepared a detailed Environment Scan (Statistical Profile) that was used by the Steering Committee and Task Forces to help identify long term strategic issues.

The planning process allowed the Steering Committee to identify long term strategic issues impacting the Randolph County community and local governments. Goals and strategies were then developed by multiple task forces and sub-committees which gave more opportunity for citizens to be involved in this process.

While the goals and strategies identified in the Strategic Plan are not binding upon the County or its municipalities, they are the result of debate and negotiation often representing a compromise in which opposing points of view have supported acceptable alternatives.

The formal 2016 Strategic Plan was completed and presented at a special meeting of the Steering Committee and Board of County Commissioners on May 17, 2016. Mayors, other elected officials, and citizens were invited to attend this special presentation.

Common themes emerging from the 2016 Strategic Planning initiative include:

- Economic Development Recruitment - Expand the capability and organization of our Economic Development Corporation (EDC) to enhance recruitment of business and industry throughout the county. This may require an additional EDC staff person devoted specifically to recruitment while also recognizing the resources of local chambers of commerce in creating expanded economic development efforts.
- Workforce Development – Create opportunities for our citizens to develop their special talents through support of new and innovative workforce development programs that support existing businesses, entrepreneurships, on-the-job training initiatives, internships, and apprenticeships.
- Behavioral/Special Needs/ & Health Challenges – Develop proactive prevention programs to reduce the debilitating and costly effects of existing and emerging community health and mental health challenges. Recruitment of primary health care providers and related facilities should be expanded as a vital component of the strategic health challenges strategy.
- Supporting a culture of Well-Being - The well-being of a community involves many components that can improve the overall quality of life for our citizens. Examples of well-being initiatives could include:
 - Access to and improvement of transportation, nature trails, parks and various types of recreation would support healthy lifestyles and have a positive impact on growth, economic development recruitment and overall quality of life.
 - The proposed Agri-Business Civic Center will have a major effect on our agricultural community as well as on economic development and tourism.

Meaningful and effective implementation is key to any strategic planning process. In order to address some of the goals & strategies in the upcoming year, we are recommending that the new \$1 million revenue source from the Regional Landfill be committed toward implementation of several of these initiatives. We are also requesting that a *Strategic Planning Implementation Committee* be appointed by the County Commissioners to work with the office of the County Manager and make recommendations to the County Commissioners on allocation of available funds as specific programs are identified and organized.

Funds from the landfill revenue will be placed in reserves out of the General Fund, to be utilized as needed and approved by the Board of County Commissioners. We are proposing the following allocation:

Economic Development:	40%
Health & Well-Being:	40%
Workforce Development:	20%

Budget Development

Recent Budget Trends

Like every other entity, Randolph County government regularly evaluates its operations to find cost savings and efficiencies. Departments always work diligently to provide quality services to taxpayers within the budget appropriations they are given. County government continues to search for ways to utilize our resources to maximize effectiveness. Because we don't have a "use it or lose it" mentality, departments are proud to leave unspent monies at year end. Unlike some businesses, however, demand for most county services has greatly increased over the past few years. Inflation affects the County just as it does family budgets and eats away at funding over time.

For many years Randolph County maintained fiscal discipline, "kicking the can down the road" one year after another, by saving instead of spending on needs. We let several "bubbles" build up that were getting very difficult to manage. Thanks to the support of the Commissioners, we began to address the worst of these issues last year. In many departments, additional staff is necessary to handle the growing workload. One other area is overdue replacement of essential equipment and vehicles that has been delayed as long as possible. Still another is deferred maintenance and upkeep of our public buildings. Several departments have specific staffing and capital outlay needs, which are detailed in the requests. The Proposed Budget continues to address some of these issues.

Emergency Services Modernization

For many years, the Emergency Services department reported the need to upgrade its personnel, equipment, and facilities to effectively process 911 calls and respond with timely ambulance services. Response times to the southern half of the county were inadequate, since there was no base south of Asheboro. New bases require new crews, which are an expensive recurring cost.

We are very proud of the progress made the past few years to improve public safety. Beginning in 2014-15, the County began to devote resources to these needs in the budget. A 1.5 cent property tax increase was adopted to fund the one-time facility construction costs and related equipment upgrades, along with the additional recurring personnel costs. Early one-time costs have been reallocated toward debt service on the new Emergency Services Headquarters, currently under construction.

Year One of the plan included construction of two ambulance bases (Uwharrie and Liberty), one new EMT crew (6 positions) for Uwharrie, new 911 personnel, and other capital costs. Year Two (2015-16) saw additional personnel costs due to a full year of operations for the Uwharrie Base, plus the additional crew for the new Southeast Base beginning January 1. The former capital budget funding will now be used for the recurring personnel costs.

Year Three (2016-17), the final phase of implementation, will see additional personnel costs due to a full year of operations for the Southeast Base. No new bases will be constructed. Actual debt service on the new Emergency Services Headquarters will be \$1,215,891 for the full year.

County Facility Maintenance

At the past several Board retreats, County departments updated the Commissioners on the backlog of capital replacement, building maintenance, and future facility needs. We are now funding more for replacement and repair costs in the annual budget in order to keep the backlog from getting any larger.

School Facility Maintenance

In the past, Randolph County has devoted substantial resources toward facility expansions and construction of new schools. Both public school systems have developed plans to address overdue maintenance roof repairs, ventilation system replacements, flooring maintenance, and other necessary upgrades of their existing school buildings. Last year, the County increased the appropriations for these needs; the same level of funding continues in 2016-17.

Appropriated Fund Balance

Fund balances are accumulated reserves which serve many purposes, including cash flow, as an emergency reserve and a source for one-time “pay-as-you-go” projects. For many years, when the recession had a negative impact on revenues, the Board depended on appropriations of fund balance as a financing tool to balance our budget. Now that both property tax revenues and sales tax collections are stronger, our use of fund balance for recurring operating costs needs to be avoided. Our Fiscal Policy provides that any excess balance be transferred to the capital reserve to help finance one-time construction projects.

2016-17 Goals and Priorities

The Proposed General Fund budget was developed under long-term policy goals, found in the Overview section of this document. Elected and appointed officials have the responsibility to find the right balance between meeting the public’s demand for services and the public’s desire to pay for them. Every year, different challenges and opportunities are considered while developing a financial plan for the County. For the 2016-17 budget, the following short-term budget priorities were established:

- Do not increase the existing property tax burden for our citizens.
- Fund departmental operations at the level necessary to maintain public safety and other critical services that citizens require.
- Identify existing cost savings and reallocate resources to address critical needs in other departments.
- Include Year Three of the Emergency Services Modernization Plan.
- Fund the County pay plan to improve employee recruitment and retention.
- Improve current level of financial assistance to public schools and the community college.
- Limit any use of appropriated fund balance for recurring costs.
- Commit new revenue stream from landfill towards accomplishing strategic planning recommendations rather than county operations.

The 2016-2017 Proposed Budget

General Fund

Randolph County government always operates conservatively, responsibly providing essential services that our citizens need. We have traditionally maintained a low tax burden for our citizens. However, we understand that some issues need to be managed proactively, because prevention is less expensive than reacting after a crisis arises. Randolph County is the 19th largest county by population, and will continue to face issues that will put additional pressure on our property tax rate.

The Proposed Budget for next year totals \$122,398,805 which is an increase of \$4,135,888, or 3.5% above the 2015-16 adopted budget. Despite the increase, the Proposed General Fund Budget is presented with a quarter-cent decrease to the property tax rate (to 65.25 cents per \$100). This will save our taxpayers \$259,875 on the property tax levy in 2016-17. While this is not a large adjustment, it is made with the intention of sustaining the new tax rate. It makes no sense to drop the property tax rate dramatically if you have to adjust it up equally in the next year or so.

The County's 2016-17 General County Revenues have some major changes, all positive. Property valuations are higher than expected, along with better collection of motor vehicle taxes. Sales tax collections are growing as a result of economic recovery, and the additional tax base brought on by legislative changes and participation by on-line merchants. For next year, there are also additional sales taxes as a result of legislative action by the NC General Assembly in 2015. However, this tax distribution is subject to legislative changes.

The Proposed Budget covers many of the requests from departments and primarily focused resources on maintaining rather than enhancing services. There were additional total appropriations to public schools and the community college. The Emergency Services Modernization initiative is fully funded for year three. The 2016-17 Proposed Budget funds efficient services and continues our overdue improvements to facilities.

Several years ago, we began exploring the possibility of operating a regional landfill. The initial permitting process is complete, and the County has chosen Waste Management as the operating partner. The construction of this facility has begun. When Waste Management opens their regional landfill in early 2017, our Public Works department will stop operating the scalehouse and transfer station; our tipping fees (and related costs) will cease.

General Fund	2015-16	2016-17	
	Final Approved	Requested Budget	Proposed Budget
Revenues:			
Ad Valorem Property Taxes	\$ 67,537,867	\$ 70,912,483	\$ 68,447,375
Local Option Sales Tax	19,131,651	22,300,000	22,300,000
Other Taxes and Licenses	1,520,000	1,588,000	1,588,000
Unrestricted Intergovernmental	405,000	350,000	350,000
Restricted Intergovernmental	19,313,189	19,399,602	19,399,602
Permits and Fees	973,000	1,025,800	1,025,800
Sales and Services	8,800,365	8,711,782	8,711,782
Investment Earnings	85,000	101,000	101,000
Miscellaneous Receipts	344,892	274,410	274,410
Total Revenues	118,110,964	124,663,077	122,197,969
Other Financing Sources:			
Appropriated Fund Balance	96,328	139,586	139,586
Interfund Transfers In	55,625	61,250	61,250
Total Other Financing Sources	151,953	200,836	200,836
Total Budgeted Revenues and Other Financing Sources	\$ 118,262,917	\$ 124,863,913	\$ 122,398,805

General Fund	2015-16	2016-17	
	Final Approved	Requested Budget	Proposed Budget
Expenditures			
General Government	\$ 11,429,015	\$ 11,688,399	\$ 11,688,399
Public Safety	25,304,153	27,120,643	26,371,043
Economic and Physical Development	2,588,562	2,717,490	2,717,490
Environmental Protection	2,504,795	2,451,656	2,451,656
Human Services	29,196,400	29,863,905	29,863,905
Cultural and Recreational	1,896,181	1,998,988	1,998,988
Education	28,921,400	31,175,408	29,199,900
Debt Service	12,363,616	12,337,424	12,337,424
Contingency	-	1,110,000	1,370,000
Total Expenditures	114,204,122	120,463,913	117,998,805
Other Financing Uses			
Interfund Transfers Out	4,058,795	4,400,000	4,400,000
Total Budgeted Expenditures and Other Financing Uses	\$ 118,262,917	\$ 124,863,913	\$ 122,398,805

General Fund Revenues

The following summarizes our primary revenues for next year.

Property Taxes

The property valuation for 2016-17 is estimated to be \$10,500,000,000. Next year's Proposed Budget tax levy of \$67,827,375 is based on the reduced property tax rate of 65.25 cents per \$100 valuation and a collection rate of 99.0%. At the current valuation and collection rate, one cent on the tax rate produces \$1,039,500. To fund the entire Requested Budget this year, a property tax rate of 67.62 cents would have been necessary.

Local Option Sales Taxes

In addition to the growth in consumer sales, last year's legislative changes to expand the tax base and reallocate collections will have a favorable effect upon County sales tax collections. Based upon state estimates, the N.C. Association of County Commissioners projected county sales tax growth at 4.6 percent next year, depending on local economic conditions. Since most of the sales tax is distributed based upon point of sale, local spending is the key factor in estimating future revenues. As of the date of this message, we have received sales tax distributions through February 2016 sales, which requires us to project the remaining four months of the fiscal year. Excluding the new Article 44 sales tax, which is set statutorily, next year's sales tax collections were budgeted three percent over the current year's (2015-16) revised revenue projections.

Other Revenues

Other Taxes are budgeted higher as a result of strong occupancy tax collections. Permits and Fees are primarily a reflection of any changes in new property development and the real estate market. Now that residential and commercial development has recovered a little, this will have an effect on many of our fees, such as zoning permits, building inspection fees, and well and septic permits.

Restricted Intergovernmental Revenues are expected to increase slightly. Sales and Services reflect a small decrease, with many fees going in opposite directions. Ambulance fees are budgeted nearly the same as the current fiscal year. The Public Works Department has recommended that the solid waste tipping fee remain at \$50 per ton for this final year.

Randolph County, like other governments, invests available funds to gain a reasonable return. The Federal Reserve has maintained the Federal Discount rate near zero for the past few years, which reduces the interest earnings available to us. Our current average return is a small fraction of a percent. The Federal Reserve made a small change to the discount rate in December, the first increase in many years. The Fed is not expected to continue raising interest rates until the economy shows additional strength. Only \$101,000 in interest income is budgeted for 2016-17.

Appropriated Fund Balance

Randolph County should maintain our fund balance above our minimum fund balance policy of 20%. The 2016-17 Proposed Budget does not require any use of fund balance to subsidize expenditures, other than \$118,886 restricted for health program costs and \$20,700 for law enforcement purposes.

General Fund Expenditures

County Services - Departments have operated with lean operating budgets over the past eight years. During the budget process, department heads will update the Board on the status of their operations and the pressures they are facing. The Proposed Budget included additional costs where warranted, primarily for public safety. The routine capital outlay requests funded annually include replacement of Sheriff's vehicles, two ambulances, and other vehicles.

Operating Expenditures

Most departments requested nearly the same operating budgets. After careful review, additional facility maintenance was included in the Proposed Budget.

Employee Pay Plan and Employee Benefits

The County is first and foremost, a service organization that requires qualified individuals to carry out its statutory responsibilities to our citizens. We are experiencing both high turnover and difficulty recruiting people with the skills we need to provide services. The Board of County Commissioners have supported reasonable efforts to financially reward our personnel for their hard work and dedication to public service. In the 2016-17 Proposed Budget, management recommends a 1.0% cost of living adjustment (COLA) which will cost \$370,000. In addition, we recommend a 2.0% pay plan adjustment (\$740,000) to bring our compensation closer to the regional market, where we compete with other governments to fill some positions and with private industry for others. This funding will improve our ability to recruit and retain those qualified individuals. We have also included funds for a classification study, so that we can review one-third of our positions every year to keep them updated.

Randolph County is self-insured with regard to its employee health plan. In recent years, the County adjusted health plan benefits and offered a second plan with a health savings account in order to control medical care costs. Along with wellness programs, these initiatives have helped the County to manage its health care costs effectively. We are pleased to report that the health plan costs for the 2015-16 year are very satisfactory. As a result, overall health plan expenses are budgeted the same for next year. Retirement contributions are actuarially determined; for the upcoming year, rates increased 3.8% for general employees and 6.0% for law enforcement.

Requests for New Positions / Reclassifications

Overall, most Randolph County departments are adequately staffed to meet the demand for services. However, eight new positions are proposed to increase efficiency, preserve effective services, and maintain our facilities. There are unfunded requests for another nine new full time positions which would enhance our ability to serve the public.

These seventeen departmental positions are listed on the Requests for New Positions page of the Overview section. The Proposed Budget has 793 full-time and 31 part-time allocated positions.

Contributions to Community Organizations – Nearly all outside organizations were funded at current levels. The annual appropriation to Sandhills Center was reduced by the in-kind value of the leased space in Asheboro, provided without charge by the County.

Education – The 2016-17 Proposed Budget includes a 1% increase in total allocations for the public schools. Total average daily membership (ADM), or student enrollment in the K-12 grades, is projected to decline countywide by 265 students for next year (down 1.17%). This

continues a trend of a declining number of students in the County Schools. The ratio of average daily membership between the Randolph County Schools and the Asheboro City Schools shifted for fiscal year 2016-17, resulting in more Current Expense and Current Capital funding apportioned to the Asheboro City Schools. Both public school systems have stressed the importance of County funding for major maintenance of their existing school buildings.

		Requested	Proposed
Randolph County Schools	Current Expense	\$ 19,064,995	\$ 17,637,691
	Current Capital	\$ 2,206,883	\$ 2,204,366
	Construction Capital	\$ 750,000	\$ 750,000
Asheboro City Schools	Current Expense	\$ 5,075,000	\$ 4,733,809
	Current Capital	\$ 757,750	\$ 591,634
	Construction Capital	\$ 350,000	\$ 350,000
Randolph Community College	Current Expense	\$ 2,495,780	\$ 2,460,000
	Current Capital	\$ 405,000	\$ 402,400

Current direct appropriations for Education make up 24% of the proposed 2016-17 budget. Including the portion of debt service paid by the County for school facilities and the transfer to the RCC Capital Project, the County’s commitment to Education is 34% of total expenditures.

Interfund Transfers Out – The \$2,600,000 transfer to the Randolph Community College Capital Project represents the entire expected proceeds of the Article 46 sales tax. The \$1,800,000 transfer to the Water Fund provides cash flow for the County’s commitment to the Piedmont Triad Regional Water Authority.

Debt Service - The \$12,337,424 needed to fund our debt service requirements for fiscal year 2016-17 is 10% of this Proposed Budget; our Debt Policy limits this ratio to 15%. Seventy-eight percent of existing debt is related to educational facilities; the remainder is for county facilities and water projects. In January 2016, the County issued debt for the new Emergency Services Headquarters; an entire year of debt service is included in the Proposed Budget. A schedule of future maturities of all debt is available in the Capital Improvement section of this document.

Water Fund

Randolph County is a member of the Piedmont Triad Regional Water Authority. Randolph County intends to sell its allocation of 1.25 million gallons per day to municipal partners. Due to expiration of the agreement with the City of Archdale, there are no bulk water sales budgeted.

Emergency Telephone System Fund

The Emergency Telephone System Fund budget includes increased distributions from the NC 911 Board, from \$581,017 to \$659,358 for normal eligible costs, plus another \$1,179,020 for one-time technology costs related to the new Emergency Services Headquarters building.

Solid Waste Management Fund

The Solid Waste Management Fund, formerly called the Landfill Closure Fund, has a total budget of \$146,500. These expenditures are funded by investment earnings of \$2,000 and appropriated fund balance of \$144,500.

Fire District Fund

This budget book includes information on the requests by area fire departments regarding fire district tax rates. Five fire districts asked for their district property tax rate to increase (Bennett, Farmer, Franklinville, Northeast, and Westside).

School District Tax Rates

The Asheboro City School District requested their current district property tax rate remain at \$0.15. The Archdale-Trinity School District also requests their current \$0.0954 district tax rate.

Capital Improvement Plan

As other governments have done, Randolph County has developed a strategy for dealing with major capital needs of our county. A Capital Improvement Plan (CIP) allows us to maintain a long-range capital planning process that can incorporate new issues as they arise. To prevent a backlog of projects, we have a process to determine our priorities, select financing methods, and establish construction timelines. These decisions are summarized in the CIP section of this document. The Board can review the CIP and discuss new facility projects as part of the budget process, because related operating and debt service costs have an impact on our budget.

Under state law, counties are responsible for construction of public school buildings and community college facilities. Every March, the County Commissioners hear the future capital needs of the two public schools systems and the community college. In the past, the Randolph County Board of Commissioners authorized debt to address capital needs and school overcrowding in Randolph County Schools and Asheboro City Schools. Seventy-eight percent of the County's outstanding debt is for educational facilities.

To provide an understanding of the various capital needs facing the County, a Summary of Future Capital Needs is included in the Capital Improvement Plan section of this document. These projects are listed for information and are not currently included in the actual CIP; if the Board chooses, additional projects could be scheduled in the four-year CIP for planning purposes.

A well-qualified workforce is a key ingredient in any successful operation, and critical to recruit corporations to Randolph County. In March 2010, Randolph County held a successful referendum on an additional quarter-cent sales tax; these funds have been committed to be used for Randolph Community College (RCC) facility needs. This approach allows RCC to initiate projects on a pay-as-you-go schedule rather than debt financing, thus avoiding interest costs. With this funding, their facilities can be upgraded to meet the growing demand for modern skills without any debt burden on our citizens.

The current CIP includes the Emergency Services Headquarters project and expansion of our Animal Shelter. The County has established capital project funds for these projects. The Randolph Community College Capital Project Fund accounts for their current CIP projects: construction of the new Cosmetology Center and renovation of the Photography Department. The Site Development Capital Project accounts for the acquisition of significant acres of land for economic development, to be made available a major advanced manufacturer. The other current capital project is the Technology Capital Project Fund, which accounts for the transfer of monies from the General Fund to make major upgrades to the County's technology systems.

Distinguished Budget Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Randolph County, North Carolina for its annual budget for the fiscal year beginning July 1, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

We would like to express appreciation to all of the Randolph County Department Heads and their staff who helped work through this budget. Their leadership is essential in maintaining our high quality of services despite limited resources. County departments continue to examine how we deliver service to determine if the practices of the past will meet the needs of the future.

Finally, we would also like to thank the members of the Board of Commissioners for their leadership, their dedication to the citizens of Randolph County and for their continued interest and support throughout the past fiscal year. Through the Board's direction, Randolph County will always try to maintain a realistic balance between the need for services and our citizens' ability to pay for them.

Respectfully,

Hal C. Johnson

Hal C. Johnson
County Manager

William L. Massie

William L. Massie
Assistant County Manager / Finance Officer

May 31, 2016



Adoption of Final 2016-2017 Budget

Organizational Presentations, Public Hearing, and Board Actions
Following the Presentation of the County Manager's Proposed Budget

This summary provides a brief synopsis of the budget process after the Proposed Budget was submitted to the Board of Commissioners. The Final Budget is based upon the County Manager's Proposed Budget, but also addresses issues raised during meetings with department heads, representatives from agencies supported by County appropriations, and citizens. Randolph County's Final Budget for the fiscal year beginning July 1, 2016 and ending June 30, 2017 was adopted by the Board of County Commissioners at their special budget meeting on June 20, 2016.

Additional financial and program data is contained in the detailed information portion of this document, which follow the Overview Section.

Public Schools and Community College

On May 31st, both public school systems and the community college presented their budget requests, including continuation and expansion of existing programs as well as capital. Under state law, total current expense appropriations are divided between the two public school systems based on average daily membership. The County's 2016-17 Proposed Budget increased total funding of Current Expense for public schools and the community college. Substantial Construction Capital for public schools was also maintained in the budget

Education Funding	2015-16 Allocation	ADM adjustments	Proposed Increase	Proposed Allocation	<i>Requested Allocation</i>
Asheboro City Schools					
Current	\$ 4,667,005	\$ 19,935	\$ 46,869	\$ 4,733,809	\$ 5,075,000
Capital	589,117	2,517	-	591,634	757,750
Construction Capital	350,000		-	350,000	350,000
Randolph County Schools					
Current	17,482,995	(19,935)	174,631	17,637,691	19,064,995
Capital	2,206,883	(2,517)	-	2,204,366	2,206,883
Construction Capital	750,000		-	750,000	750,000
Randolph Community College					
Current	2,403,000		57,000	2,460,000	2,495,780
Capital	402,400			402,400	405,000

Adoption of Final 2016-2017 Budget

(Continued)

Both School Superintendents informed the Commissioners of state budget cuts and the impact on their systems. Both systems emphasized the need to better recruit, retain and develop their teachers. The two School Boards requested that their respective supplemental school district property tax rates be maintained at the current level. The Randolph Community College President reported on the ability of the college to customize training for a rapidly changing economy. He said facilities have been built not only to increase capacity, but also to house the programs that have been added for students to learn necessary life and job skills. The College has used local revenue sources to temporarily replace state funding cuts.

Department Presentations

On June 9th, County departments were given the opportunity to discuss their needs with the Board of Commissioners. Because many departments are handling a large increase in demand for services, there were new positions needed. Many of the requests had been included in the Proposed Budget.

The County Human Resources Director presented recommendations for employee recruitment and retention, stating that a skilled workforce is necessary to provide quality services to the citizens of Randolph County. As of June 1st, 670 of the 815 filled positions required advanced degrees, certifications or specialized experience. She said the County is continuing to see double-digit turnover rates in 2016 (13.06%), estimating annual average costs to be hundreds of thousands of dollars for advertising, time to fill the position, lost work from the vacant position, and productivity loss during training.

The Sheriff stated his need for positions to enhance law enforcement throughout the County. He said not included in the Manager's Proposed Budget were four additional deputy sheriffs for patrol to continue to be a more proactive department. There would be related operating costs for the four positions and four new vehicles. One deputy would be added to each shift to concentrate in high crime areas that need more direct attention. The Sheriff reiterated the need for market adjustments for law enforcement officers in order to be competitive in hiring and retaining employees. He stated the department makes the investment in training but then the deputies leave for higher paying departments.

The Proposed Budget included the third implementation year of the Emergency Services Modernization program.

Other Organizations

On June 13th, outside organizations had the opportunity to explain to the County Commissioners their application for financial assistance. Seven organizations, including one that had just applied, presented their need for financial support.

Adoption of Final 2016-2017 Budget

(Continued)

Fire Districts

Five volunteer fire departments had requested property tax increases in order to maintain services presented their needs to the Board of Commissioners on June 13th. These departments presented their requests and answered questions from the Commissioners.

Public Hearing

At the June 13th public hearing, citizens had the opportunity to share their opinions. The Chairman opened the public hearing and invited citizens to speak concerning the Proposed Budget. Hearing no comments, Chairman Frye closed the public hearing.

Adoption of Final Budget

On June 20th, a week after the public hearing, the Board of County Commissioners met for its final budget session. The Commissioners reviewed certain information presented during the budget work sessions and discussed the various requests that they wished to consider. Chairman Frye said the two items that he wanted to discuss were the needs of the schools and the Sheriff's Office. During the budget process it was stated that lottery and sales tax receipts were conservatively stated and there were contingency funds of \$260,000 unallocated.

He said Mr. Massie had estimated an additional \$270,238 in sales tax revenues and \$275,000 in lottery proceeds could be budgeted. The total of contingency funds and sales tax revenues equal \$805,238. He reminded all that this budget still includes a quarter cent reduction in the tax rate.

Chairman Frye said, if the Board considered the additional four deputy positions plus related expenses being requested for nine months of this year (effective 10/1/16), costs would be \$329,238.

He also suggested that the schools receive some additional funding to help with current expenses:

Randolph County Schools Current Expense \$350,050
Asheboro City School Current Expense \$93,950
RCC Current Expense \$32,000

This would be total additional expenditures of \$805,238. Chairman Frye said that these issues are important to the education of the children and the public safety of citizens.

Commissioner Haywood motioned to adopt the budget as proposed by management with the suggested changes. Commissioner Kemp seconded the motion, and the Board voted unanimously to adopt the FY 2016-2017 Budget Ordinance which included setting the Ad Valorem Tax Rate at 65.25 cents per \$100 valuation and which produced a budget of \$122,944,043 for FY 2016-2017.

The Commissioners did not make any changes to the Capital Improvement Plan.

Adoption of Final 2016-2017 Budget
(Continued)

General Fund

Reconciliation of Proposed Budget with Final Ordinance

Revenues and Other Financing Sources	
Revenues:	
Proposed Budget	\$ 122,197,969
Increase Local Option Sales Taxes	270,238
Increase Restricted Intergovernmental (Lottery)	275,000
Final Approved Budget	122,743,207
Other Financing Sources:	
Proposed Budget	\$ 200,836
Final Approved Budget	200,836
Total General Fund Budget Ordinance	\$ 122,944,043

Expenditures and Other Financing Uses	
Expenditures:	
Proposed Budget	\$ 117,998,805
Increase Education appropriations	476,000
Increase Sheriff - four deputies, vehicles and operating costs	329,238
Decrease Contingency	(260,000)
Final Approved Budget	118,544,043
Other Financing Uses:	
Proposed Budget	4,400,000
Final Approved Budget	4,400,000
Total General Fund Budget Ordinance	\$ 122,944,043

Adoption of Final 2016-2017 Budget

General Fund

(Continued)

Analysis of Changes Between 2015-16 and 2016-17 Adopted Budgets

Revenues and Other Financing Sources	
Fiscal Year 2015-16 Budget	\$ 118,262,917
Change in Revenues:	
Increase in Property Tax Revenues	909,508
Increase in Local Option Sales Taxes	3,438,587
Decrease in Investment Earnings	16,000
Net Increase in other General County Revenues	(49,037)
Net Increase in Program Revenues	317,185
	4,632,243
Changes in Other Financing Sources:	
Decrease in Appropriated Fund Balance	43,258
Increase in Interfund Transfers In	5,625
	48,883
Fiscal Year 2016-17 Budget	\$ 122,944,043

Expenditures and Other Financing Uses	
Fiscal Year 2015-16 Budget	\$ 118,262,917
Change in Expenditures:	
Increase in Personnel Costs	3,208,826
Net Increase in Department Expenditures	676,822
Decrease in Capital Outlay	(275,635)
Increase in Education	754,500
Net Increase in Other Appropriations	342,805
Decrease in Debt Service	(26,192)
	4,681,126
Changes in Other Financing Uses:	
Increase in Interfund Transfers Out	
Fiscal Year 2016-17 Budget	\$ 122,944,043

Adoption of Final 2016-2017 Budget
(Concluded)

Emergency Telephone System Fund

The proposed budget was adopted without changes: \$1,838,378.

Solid Waste Management Fund

The proposed budget was adopted without changes: \$146,500.

Water Fund

The proposed budget was adopted without changes: \$1,805,520.

Fire District Fund

The Board of Commissioners considered the requests by five volunteer fire departments for changes in their respective fire district property tax rates. After discussion, the Board voted to set all fire district tax rates as requested.

Supplemental School District Tax Rates

The Board of Commissioners voted unanimously to maintain both school district tax rates: Archdale-Trinity School District rate at 9.54¢ per \$100 valuation and the Asheboro City Schools Supplemental Tax District tax rate at 15.0¢.



RANDOLPH COUNTY

Budget Ordinance Fiscal Year 2016-17



Be It Ordained by the Board of Commissioners of Randolph County, North Carolina:

Section 1. The following amounts are hereby appropriated in the General Fund of Randolph County for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

General Government:

Governing Body	\$ 171,770
Administration	3,142,164
Information Technology	1,945,060
Tax	2,487,153
Elections	533,207
Register of deeds	746,586
Public Buildings	2,839,975

Public Safety:

Sheriff	17,533,001
Emergency Services	8,114,424
Building Inspections	720,766
Adult Day Reporting Center	190,088
Juvenile Day Reporting Center	378,295
Other Public Safety Appropriations	253,210

Economic and Physical Development:

Planning and Zoning	649,814
Cooperative Extension Service	498,723
Soil and Water Conservation	205,845
Other Economic and Physical Development Appropriations	1,393,250

Environmental Protection:

Public Works	2,458,793
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Human Services:

Public Health	5,485,563
Social Services	21,301,131
Veteran Services	105,762
Child Support Services	993,070
Other Human Services Appropriations	2,341,680

Cultural and Recreational:

Public Library	2,021,389
Other Cultural and Recreational Appropriations	20,000

Education 29,675,900

Debt Service 12,337,424

Other Financing Uses:

Interfund Transfers Out	4,400,000
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Total \$ 122,944,043

RANDOLPH COUNTY

Budget Ordinance Fiscal Year 2016-17



Section 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Ad Valorem Property Taxes	\$ 68,447,375
Local Option Sales Taxes	22,570,238
Other Taxes	1,588,000
Unrestricted Intergovernmental	350,000
Restricted Intergovernmental	19,674,602
Permits and Fees	1,025,800
Sales and Services	8,711,782
Investment Earnings	101,000
Miscellaneous	274,410
Other Financing Sources:	
Appropriated Fund Balance	139,586
Interfund Transfers In	61,250
	<hr/>
Total	<u><u>\$ 122,944,043</u></u>

Section 3. The following amounts are hereby appropriated in the Emergency Telephone System Fund of Randolph County for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

E-911 System	Total	<u><u>\$ 1,838,378</u></u>
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Section 4. It is estimated that the following revenues will be available in the Emergency Telephone System Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

NC 911 Board Distributions	\$ 1,838,378
Investment Earnings	-
Appropriated Fund Balance	-
	<hr/>
Total	<u><u>\$ 1,838,378</u></u>

RANDOLPH COUNTY

Budget Ordinance Fiscal Year 2016-17



Section 5. The following amounts are hereby appropriated in the Solid Waste Management Fund of Randolph County for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Solid Waste Management	\$ 146,500
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Section 6. It is estimated that the following revenues will be available in the Solid Waste Management Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Investment Earnings	\$ 2,000
Appropriated Fund Balance	<u>144,500</u>
Total	<u>\$ 146,500</u>

Section 7. The following amounts are hereby appropriated in the Fire Districts Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Tax Distributions	\$ 8,324,449
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Section 8. It is estimated that the following Fire District revenues will be available during the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Ad Valorem Property Taxes	<u>\$ 8,324,449</u>
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Section 9. The following amounts are hereby appropriated in the Water Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Bulk Water	<u>\$ 1,805,520</u>
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Section 10. It is estimated that the following Water Fund revenues will be available during the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Investment Earnings	\$ 200
Appropriated Fund Balance	5,320
Transfer from General Fund	<u>1,800,000</u>
Total	<u>\$ 1,805,520</u>

RANDOLPH COUNTY

Budget Ordinance Fiscal Year 2016-17



Section 11. There is hereby levied for the fiscal year beginning July 1, 2016 and ending June 30, 2017, a county-wide tax rate of \$ 0.6525 per \$100 valuation of estimated taxable property situated in the County. The ad valorem tax is based on a total estimated property valuation of \$10,500,000,000, with an expected collection rate of 99.0%.

Section 12. For the fiscal year beginning July 1, 2016 and ending June 30, 2017, there is hereby levied in the County of Randolph a dog license fee at the rate of \$3.50 per dog.

Section 13. For the fiscal year beginning July 1, 2016, and ending June 30, 2017, the Board of County Commissioners commits the annual lease revenues to be received from the regional landfill to support strategic planning initiatives, in the following designated percentages, and reserved for specific projects as may be approved by the County Commissioners:

Economic development	40%
Health and well-being	40%
Workforce development	20%

Section 14. There is hereby levied for the fiscal year beginning July 1, 2016 and ending June 30, 2017, the following tax rates for Service Districts for Fire Protection, per \$100 valuation of estimated taxable property situated in the special district. These levies are for the purpose of raising revenues for fire protection within each respective district.

Fire Service District	Net Valuation	Tax Rate
	Estimated	Approved
Climax Fire District	\$ 474,110,899	0.1244
Guil-Rand Fire District	\$ 2,046,698,070	0.1262
Randleman Sophia Fire District	\$ 381,586,858	0.1200
Level Cross Fire District	\$ 223,589,019	0.1200
Northeast Fire District	\$ 134,763,617	0.1200
Seagrove Fire District	\$ 205,025,631	0.1000
Southwest Fire District	\$ 79,724,462	0.1200
Staley Fire District	\$ 159,691,398	0.1000
Ulah Fire District	\$ 587,610,639	0.0700

RANDOLPH COUNTY

Budget Ordinance Fiscal Year 2016-17



Section 15. There is hereby levied for the fiscal year beginning July 1, 2016 and ending June 30, 2017, the following tax rates for Rural Fire Protection Districts, per \$100 valuation of estimated taxable property situated in the special district. These levies are for the purpose of raising revenues for fire protection within each respective district.

Rural Fire Protection District	Net Valuation	Tax Rate
	Estimated	Approved
Bennett Fire District	\$ 41,396,214	0.0900
Climax Fire District	\$ -	0.0000
Coleridge Fire District	\$ 244,670,142	0.0740
Eastside Fire District	\$ 468,288,658	0.1100
Fairgrove Fire District	\$ 380,442,917	0.0883
Farmer Fire District	\$ 214,169,992	0.0900
Franklinville Fire District	\$ 493,266,834	0.1200
Guil-Rand Fire District	\$ -	0.0000
Julian Fire District	\$ 87,480,515	0.1100
Level Cross Fire District	\$ -	0.0000
Northeast Fire District	\$ -	0.0000
Tiger Country Fire District	\$ -	0.0000
Seagrove Fire District	\$ -	0.0000
Sophia Fire District	\$ -	0.0000
Southwest Fire District	\$ -	0.0000
Staley Fire District	\$ -	0.0000
Tabernacle Fire District	\$ 351,897,387	0.1054
Ulah Fire District	\$ -	0.0000
Westside Fire District	\$ 740,999,239	0.1200

Section 16. There is hereby levied for the fiscal year beginning July 1, 2016 and ending June 30, 2017, the following School District tax rates per \$100 valuation of estimated taxable property situated in the special district. These levies are for the purpose of raising revenues to supplement school programs within each respective district.

School District	Net Valuation	Tax Rate
	Estimated	Approved
Asheboro City School District	\$ 2,192,745,672	\$ 0.1500
Archdale-Trinity School District	\$ 2,348,142,639	\$ 0.0954

RANDOLPH COUNTY

Budget Ordinance Fiscal Year 2016-17



Section 17. Pursuant to the requirements of North Carolina General Statute §159-9, the County Manager is appointed to serve as Budget Officer. The County Manager and the Assistant County Manager, as his designee, are hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. The Budget Officer, or his designee, may transfer amounts between line item expenditures within a department without limitation and without a report being required.
- b. The Budget Officer, or his designee, may not transfer amounts between departments of the General Fund or between funds, except as approved by the Board of County Commissioners in the Budget Ordinance, as amended.

Section 18. The Budget Officer, or his designee, may make cash advances between funds for periods not to exceed one hundred eighty days without reporting to the Board of Commissioners. Any advances that extend beyond one hundred eighty days must be approved by the Board. All advances that will be outstanding at the end of the fiscal year must be approved by the Board.

Section 19. Copies of this Budget Ordinance shall be filed with the Clerk to the Board of Commissioners of Randolph County and furnished to the Assistant County Manager/Finance Officer for direction in the collection of revenues and the expenditure of amounts appropriated.

Section 20. This Budget Ordinance will be effective on July 1, 2016.

Upon motion of Commissioner Kemp, seconded by Commissioner Frye, the foregoing Budget was passed with the following vote:

Ayes: Commissioner David Allen
Commissioner Darrell Frye
Commissioner Stan Haywood
Commissioner Phil Kemp
Commissioner Arnold Lanier

Noes:

I, Amanda W. Varner, Clerk to the Randolph County Board of Commissioners, do hereby certify that the foregoing Ordinance was duly adopted by the governing body of Randolph County at a special meeting on June 20, 2016, a quorum being present.

The 20th day of June, 2016.

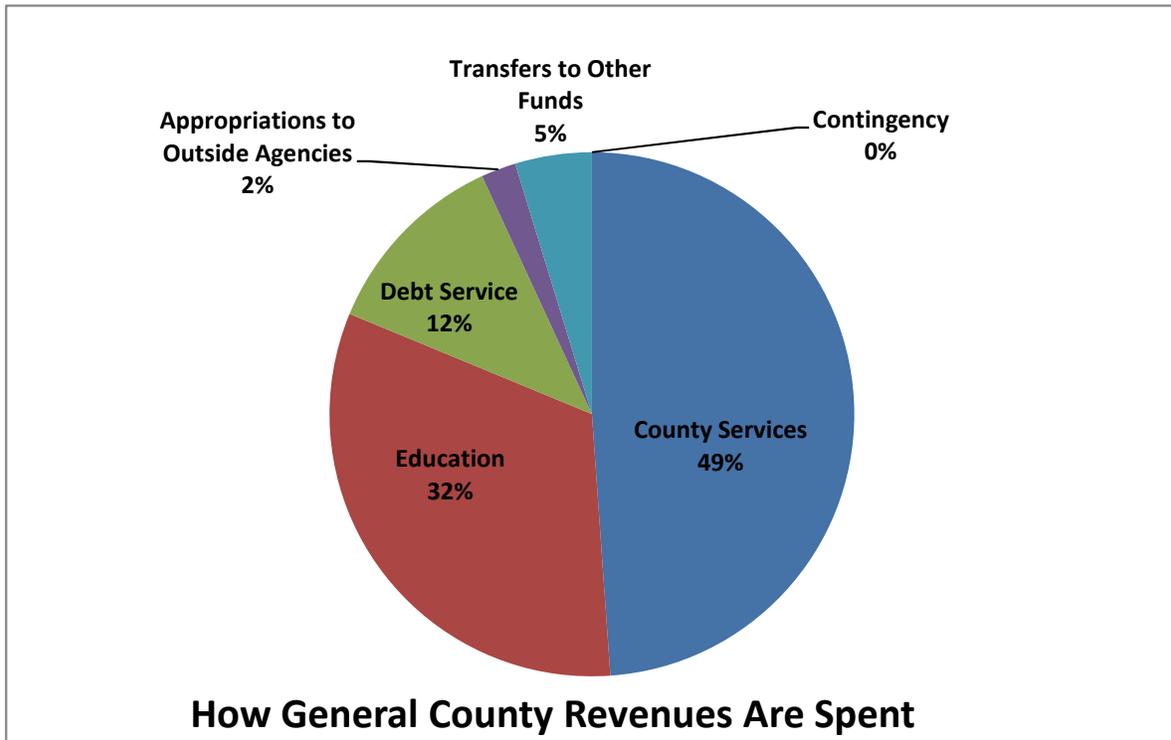

Clerk to the Board

RANDOLPH COUNTY, NORTH CAROLINA

Budget at a Glance

Adopted 2016-17 General Fund Budget By Purpose

	Budgeted Expenditures	Departmental Revenues and Restricted Resources	Remainder Funded By General County Revenues	
County Services	\$ 72,522,579	\$ 27,701,223	\$ 44,821,356	49%
Education	29,675,900	-	\$ 29,675,900	32%
Debt Service	12,337,424	1,448,507	\$ 10,888,917	12%
Appropriations to Outside Agencies	4,008,140	2,045,495	\$ 1,962,645	2%
Transfers to Other Funds	4,400,000	61,250	\$ 4,338,750	5%
Contingency	-	-	\$ -	0%
	<u>\$ 122,944,043</u>	<u>\$ 31,256,475</u>	<u>\$ 91,687,568</u>	



2016-17 North Carolina County Property Tax Rates
Comparison of Property Tax Burden - Property Valuation of \$100,000

County	Population 2010 Census	2016-17 rate	Tax assessment	Difference compared to average
Randolph		\$0.6525	\$ 652.50	- \$7.60
<i>Statewide average - all 100 counties</i>		<i>\$0.6601</i>	<i>\$ 660.10</i>	
Regional Counties				
Guilford		\$0.7550	\$ 755.00	
Forsyth		\$0.7310	\$ 731.00	
Rockingham		\$0.6960	\$ 696.00	
Stanly		\$0.6700	\$ 670.00	
Randolph		\$0.6525	\$ 652.50	\$18.17
Chatham		\$0.6338	\$ 633.80	
Montgomery		\$0.6200	\$ 620.00	
Alamance		\$0.5800	\$ 580.00	
Davidson		\$0.5400	\$ 540.00	
Moore		\$0.4650	\$ 465.00	
<i>Average - Regional Counties</i>		<i>\$0.6343</i>	<i>\$ 634.33</i>	
Counties with Populations over 100,000				
Brunswick	107,431	\$0.4850	\$ 485.00	
Iredell	159,437	\$0.5275	\$ 527.50	
Craven	103,505	\$0.5394	\$ 539.40	
Davidson	162,878	\$0.5400	\$ 540.00	
New Hanover	202,667	\$0.5540	\$ 554.00	
Henderson	106,740	\$0.5650	\$ 565.00	
Catawba	154,358	\$0.5750	\$ 575.00	
Alamance	151,131	\$0.5800	\$ 580.00	
Wake	900,993	\$0.6005	\$ 600.50	
Buncombe	238,318	\$0.6040	\$ 604.00	
Randolph	141,752	\$0.6601	\$ 660.10	-\$109.90
Durham	267,587	\$0.6608	\$ 660.80	
Rowan	138,428	\$0.6625	\$ 662.50	
Wayne	122,623	\$0.6635	\$ 663.50	
Onslow	177,772	\$0.6750	\$ 675.00	
Pitt	168,148	\$0.6860	\$ 686.00	
Cabarrus	178,011	\$0.7000	\$ 700.00	
Forsyth	350,670	\$0.7310	\$ 731.00	
Cumberland	319,431	\$0.7400	\$ 740.00	
Harnett	114,678	\$0.7500	\$ 750.00	
Guilford	488,406	\$0.7550	\$ 755.00	
Robeson	134,168	\$0.7700	\$ 770.00	
Union	201,292	\$0.7765	\$ 776.50	
Johnston	168,878	\$0.7800	\$ 780.00	
Mecklenburg	919,628	\$0.8157	\$ 815.70	
Gaston	206,086	\$0.8700	\$ 870.00	
Orange	133,801	\$0.8780	\$ 878.00	
<i>Average - Counties over 100,000 in population</i>		<i>\$0.6720</i>	<i>\$ 672.02</i>	

RANDOLPH COUNTY, NORTH CAROLINA

Highlights of the Fiscal Year 2016-2017 Budget

General Fund

The Final 2016-17 General Fund Budget totals \$122,944,043 a four percent increase over last year. The 2016-17 Budget levies a 65.25¢ property tax rate with a countywide valuation of \$10,500,000,000. The Proposed General Fund Budget is presented with a small decrease to the property tax rate (down from 65.5 cents per \$100). This will save our taxpayers one-quarter cent on the property tax rate in 2016-17.

	Proposed Budget	Board Adjustments	Adopted Budget
Total Budget	\$122,398,805	\$545,238	\$122,944,043
Property Tax Rate	65.25 cents	-	65.25 cents
Allocated Positions	793 FT	4 FT	793 FT
	31 PT	-	31 PT

The County's 2016-17 General County Revenues have some major changes, mainly positive. Property valuations are higher than expected, along with higher collection of motor vehicle taxes. Sales tax collections are growing as a result of economic recovery, and the additional tax base brought on by legislative changes and participation by on-line merchants. For 2016-17, a portion of these higher revenues were used to reduce the property tax rate.

The Emergency Services Modernization initiative is fully funded for year three. Year Three (2016-17) will see additional personnel costs due to a full year of operations for the Southeast Base. Capital costs will drop substantially; new bases have been constructed. The former capital budget funding will now be used for the recurring personnel and debt service costs. Debt service on the new Emergency Services Headquarters will be \$1,215,891.

County departments continue to manage resources effectively, but increased operating costs have overtaken the amount that can be saved by frugal operations. By maintaining discipline over the past few years, several "bubbles" have built up that are getting very difficult to manage. One is capital replacement of essential equipment, technology, and vehicles; another is maintenance and upkeep of our facilities. In many departments, the increase in workload is stretching our employees thin, and additional personnel is needed. The County also implemented some needed improvements in the employee pay plan to strengthen our ability to recruit and retain qualified staff. The 2016-17 Budget addresses many of these issues.

There were additional appropriations to public schools and the community college, a total increase of 2.6 percent. Both public school systems have developed plans to address overdue maintenance of current school buildings. There are delayed roof repairs, ventilation system replacements, flooring maintenance, and other necessary upgrades. Their 2016-17 funding maintains additional allocations for these needs.

RANDOLPH COUNTY, NORTH CAROLINA

Highlights of the Fiscal Year 2016-2017 Budget

Emergency Telephone System Fund

The Emergency Telephone System Fund budget includes increased distributions from the NC 911 Board, from \$581,017 to \$659,358 for normal eligible costs, plus another \$1,179,020 for one-time technology costs related to the new Emergency Services Headquarters building.

Solid Waste Management Fund

Under our contract with Waste Management, they will be providing certain post-closure services, thereby reducing the County's costs. The Solid Waste Management Fund, formerly called the Landfill Closure Fund, has a total budget of \$146,500. These expenditures are funded by investment earnings of \$2,000 and appropriated fund balance of \$144,500.

Fire Districts Fund

Five fire departments requested increases in their respective district property tax rates. All five received the requested increases. The total budget for all eighteen fire districts is \$8,324,449.

Water Fund

Randolph County has an allocation of treated water from its involvement in the Piedmont Triad Regional Water Authority. The County will sell its allotment to municipal systems. The total budget is \$1,805,520, and includes a transfer of \$1,800,000 from the General Fund.

RANDOLPH COUNTY, NORTH CAROLINA
Comparative Schedule of Revenues, Expenditures and Other Financing Sources (Uses)
All Annually Budgeted Funds
 Fiscal Year 2016-2017
 With Comparative Amounts From Fiscal Years 2014-2015 and 2015-2016

	Actual 2014-2015	Budget 2015-2016	Budget 2016-2017
General Fund			
Revenues and Other Financing Sources:			
Ad valorem Taxes	\$ 67,848,811	\$ 67,537,867	\$ 68,447,375
Local Option Sales Tax	19,272,541	19,131,651	22,570,238
Other Taxes	1,613,749	1,520,000	1,588,000
Intergovernmental:			
Unrestricted	402,916	405,000	350,000
Restricted	19,971,968	19,313,189	19,674,602
Permits and Fees	1,079,217	973,000	1,025,800
Sales and Services	9,162,779	8,800,365	8,711,782
Investment Earnings	80,831	85,000	101,000
Miscellaneous	362,477	344,892	274,410
Interfund Transfers In	160,157	55,625	61,250
Debt Issued	826,267	-	-
Total Revenues and Other Financing Sources	\$ 120,781,713	\$ 118,166,589	\$ 122,804,457
Expenditures and Other Financing Uses:			
General Government	\$ 10,544,384	\$ 11,429,015	\$ 11,865,915
Public Safety	23,887,928	25,304,153	27,189,784
Economic and Physical Development	2,392,966	2,588,562	2,747,632
Environmental Protection	2,419,588	2,504,795	2,458,793
Human Services	26,726,065	29,196,400	30,227,206
Cultural and Recreational	1,879,390	1,896,181	2,041,389
Education	28,861,995	28,921,400	29,675,900
Debt Service	14,542,880	12,363,616	12,337,424
Interfund Transfers Out	10,679,581	4,058,795	4,400,000
Total Expenditures and Other Financing Uses	\$ 121,934,777	\$ 118,262,917	\$ 122,944,043
Beginning Total Fund Balances	\$ 41,968,104	\$ 40,815,040	\$ 40,718,712
Ending Total Fund Balances	\$ 40,815,040	\$ 40,718,712	\$ 40,579,126

Note: Fund balance amounts for years after 2015 are estimated.

RANDOLPH COUNTY, NORTH CAROLINA
Comparative Schedule of Revenues, Expenditures and Other Financing Sources (Uses)
All Annually Budgeted Funds
Fiscal Year 2016-2017
With Comparative Amounts From Fiscal Years 2014-2015 and 2015-2016

	Actual 2014-2015	Budget 2015-2016	Budget 2016-2017
Emergency Telephone System Fund			
Revenues:			
Restricted Intergovernmental	\$ 573,955	\$ 581,017	\$ 1,838,378
Investment Earnings	559	-	-
Total Revenues	\$ 574,514	\$ 581,017	\$ 1,838,378
Expenditures:			
Public Safety	\$ 829,950	\$ 581,017	\$ 1,838,378
Beginning Total Fund Balances	\$ 389,238	\$ 133,802	\$ 133,802
Ending Total Fund Balances	\$ 133,802	\$ 133,802	\$ 133,802
Solid Waste Management Fund			
Revenues:			
Sales and services	\$ -	\$ 1,000,000	\$ -
Investment Earnings	3,335	2,000	2,000
Total Revenues	\$ 3,335	\$ 1,002,000	\$ 2,000
Expenditures:			
Environmental Protection	\$ 60,574	\$ 101,500	\$ 146,500
Beginning Total Fund Balances	\$ 313,221	\$ 255,982	\$ 1,156,482
Ending Total Fund Balances	\$ 255,982	\$ 1,156,482	\$ 1,011,982
Fire Districts Fund			
Revenues:			
Ad valorem Taxes	\$7,585,978	\$8,039,343	\$8,324,449
Expenditures:			
Public Safety	\$7,585,978	\$8,039,343	\$8,324,449
Beginning Total Fund Balances	\$ -	\$ -	\$ -
Ending Total Fund Balances	\$ -	\$ -	\$ -
Water Fund			
Revenues:			
Sales and Services	\$ 232,010	\$ 725,278	\$ -
Investment Earnings	437	200	200
Interfund Transfers In	1,526,300	1,558,795	1,800,000
Total Revenues	\$ 1,758,747	\$ 2,284,273	\$ 1,800,200
Expenditures:			
Bulk Water Purchases	\$1,763,921	\$1,785,000	\$1,805,520
Beginning Total Fund Balances	\$ 7,078	\$ 1,904	\$ 501,177
Ending Total Fund Balances	\$ 1,904	\$ 501,177	\$ 495,857

Note: Fund balance amounts for years after 2015 are estimated.

RANDOLPH COUNTY, NORTH CAROLINA
Combining Schedule of Revenues, Expenditures and Other Financing Sources (Uses)
All Annually Budgeted Funds
Fiscal Year 2016-2017

	General Fund	Emergency Telephone System	Solid Waste Management	Fire Districts	Water Fund	Total - All Annual Budgets
Revenues and Other Financing Sources:						
Ad valorem Taxes	\$ 68,447,375	\$ -	\$ -	\$ 8,324,449	\$ -	\$ 76,771,824
Local Option Sales Tax	22,570,238					22,570,238
Other Taxes	1,588,000					1,588,000
Intergovernmental:						-
Unrestricted	350,000					350,000
Restricted	19,674,602	1,838,378				21,512,980
Permits and Fees	1,025,800					1,025,800
Sales and Services	8,711,782				-	8,711,782
Investment Earnings	101,000	-	2,000		200	103,200
Miscellaneous	274,410					274,410
Interfund Transfers In	61,250				1,800,000	1,861,250
Total Revenues and Other Financing Sources	\$ 122,804,457	\$ 1,838,378	\$ 2,000	\$ 8,324,449	\$ 1,800,200	\$ 134,769,484
Expenditures and Other Financing Uses:						
General Government	\$ 11,865,915	\$ -	\$ -	\$ -	\$ -	\$ 11,865,915
Public Safety	27,189,784	1,838,378		8,324,449		37,352,611
Economic and Physical Development	2,747,632					2,747,632
Environmental Protection	2,458,793		146,500			2,605,293
Human Services	30,227,206					30,227,206
Cultural and Recreational	2,041,389					2,041,389
Education	29,675,900					29,675,900
Debt Service	12,337,424					12,337,424
Water					1,805,520	1,805,520
Interfund Transfers Out	4,400,000					4,400,000
Total Expenditures and Other Financing Uses	\$ 122,944,043	\$ 1,838,378	\$ 146,500	\$ 8,324,449	\$ 1,805,520	\$ 135,058,890
Beginning Total Fund Balances	\$ 40,718,712	\$ 133,802	\$ 1,156,482	\$ -	\$ 501,177	\$ 42,510,173
Ending Total Fund Balances	\$ 40,579,126	\$ 133,802	\$ 1,011,982	\$ -	\$ 495,857	\$ 42,220,767

Note: Fund balance amounts are estimated.

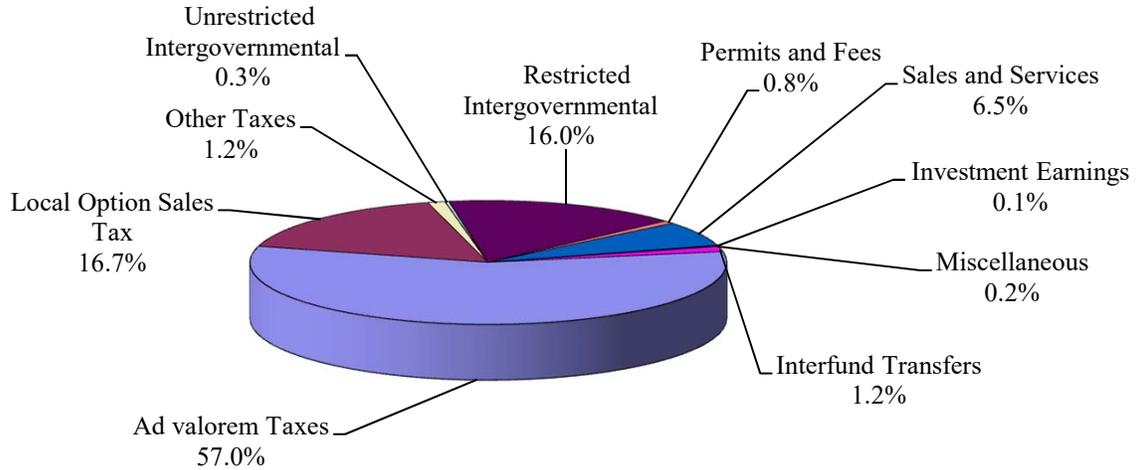
RANDOLPH COUNTY, NORTH CAROLINA
Combined Schedule of Revenues, Expenditures and Other Financing Sources (Uses)
All Annually Budgeted Funds
Fiscal Year 2016-2017
With Comparative Amounts From Fiscal Years 2014-2015 and 2015-2016

	Total All Annually Budgeted Funds		
	Actual 2014-2015	Budget 2015-2016	Budget 2016-2017
Revenues and Other Financing Sources:			
Ad valorem Taxes	\$ 75,434,789	\$ 75,577,210	\$ 76,771,824
Local Option Sales Tax	19,272,541	19,131,651	22,570,238
Other Taxes	1,613,749	1,520,000	1,588,000
Intergovernmental:			
Unrestricted	402,916	405,000	350,000
Restricted	20,545,923	19,894,206	21,512,980
Permits and Fees	1,079,217	973,000	1,025,800
Sales and Services	9,394,789	9,525,643	8,711,782
Investment Earnings	85,162	1,087,200	103,200
Miscellaneous	362,477	344,892	274,410
Interfund Transfers In	1,686,457	1,614,420	1,861,250
Debt Issued	826,267		
Total Revenues and Other Financing Sources	\$ 130,704,287	\$ 130,073,222	\$ 134,769,484
Expenditures and Other Financing Uses:			
General Government	\$ 10,544,384	\$ 11,429,015	\$ 11,865,915
Public Safety	32,303,856	33,924,513	37,352,611
Economic and Physical Development	2,392,966	2,588,562	2,747,632
Environmental Protection	2,480,162	2,606,295	2,605,293
Human Services	26,726,065	29,196,400	30,227,206
Cultural and Recreational	1,879,390	1,896,181	2,041,389
Education	28,861,995	28,921,400	29,675,900
Debt Service	14,542,880	12,363,616	12,337,424
Water	1,763,921	1,785,000	1,805,520
Interfund Transfers Out	10,679,581	4,058,795	4,400,000
Total Expenditures and Other Financing Uses	\$ 132,175,200	\$ 128,769,777	\$ 135,058,890
Beginning Total Fund Balances	\$ 42,677,641	\$ 41,206,728	\$ 42,510,173
Ending Total Fund Balances	\$ 41,206,728	\$ 42,510,173	\$ 42,220,767

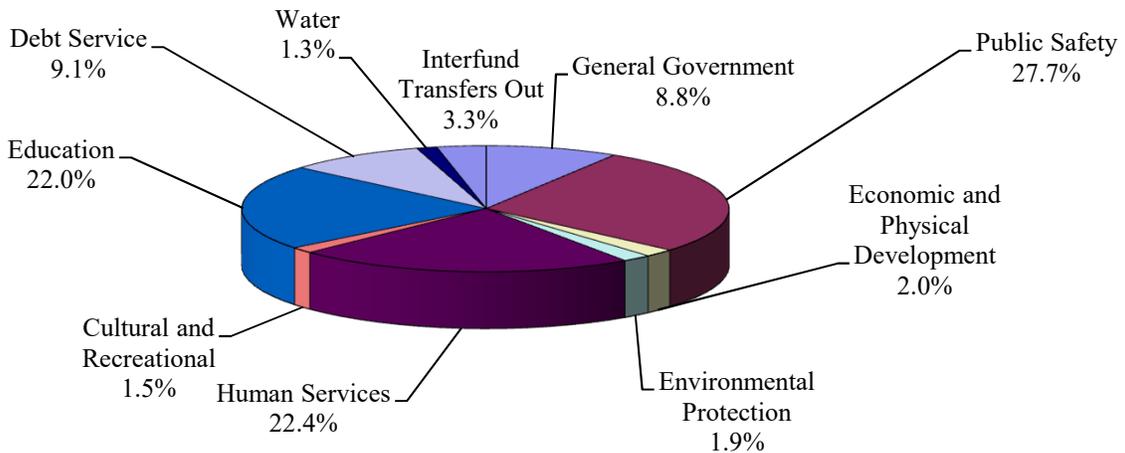
Note: Fund balance amounts for years after 2015 are estimated.

RANDOLPH COUNTY, NORTH CAROLINA
All Annually Budgeted Funds
 Fiscal Year 2016-2017

Combined Revenues By Type - All Annually Budgeted Funds



Combined Expenditures By Function - All Annually Budgeted Funds





RANDOLPH COUNTY

Summary of Allocated Positions



	2014-15		2015-16		2016-17					
	Final Amended		Final Amended		Department Request		Manager Proposed		Final Approved	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
GENERAL FUND										
General Government										
Governing Body										
Administration	21.0	-	21.0	1.0	21.0	1.0	21.0	1.0	21.0	1.0
Information Technology	15.0	-	16.0	-	17.0	-	17.0	-	17.0	-
Tax	32.0	-	31.0	-	31.0	-	31.0	-	31.0	-
Elections	4.0	1.0	4.0	1.0	4.0	1.0	4.0	1.0	4.0	1.0
Register of Deeds	9.0	-	9.0	-	9.0	-	9.0	-	9.0	-
Public Buildings	14.0	1.0	18.0	-	20.0	-	20.0	-	20.0	-
			-	-						
Public Safety			-	-						
Sheriff	231.0	12.0	232.0	12.0	238.0	12.0	234.0	12.0	238.0	12.0
Emergency Services	89.0	7.0	98.0	7.0	104.0	7.0	99.0	7.0	99.0	7.0
Inspections	9.0	-	9.0	-	9.0	-	9.0	-	9.0	-
Adult Day Reporting Center	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Juvenile Day Reporting Center	6.0	1.0	6.0	1.0	6.0	1.0	6.0	1.0	6.0	1.0
			-	-						
Economic and Physical Development			-	-						
Planning and Zoning	9.0	-	9.0	-	9.0	-	9.0	-	9.0	-
Cooperative Extension Service (a)	10.0	-	9.0	-	10.0	-	10.0	-	10.0	-
Soil and Water Conservation	3.0	-	3.0	-	3.0	-	3.0	-	3.0	-
			-	-						
Environmental Protection			-	-						
Public Works	5.0	-	5.0	-	5.0	-	5.0	-	5.0	-
			-	-						
Human Services			-	-						
Public Health	91.0	4.0	90.0	4.0	90.0	4.0	90.0	4.0	90.0	4.0
Social Services	177.0	-	179.0	-	179.0	-	179.0	-	179.0	-
Veteran Services	2.0	-	2.0	-	2.0	-	2.0	-	2.0	-
Child Support Services	13.0	-	13.0	-	14.0	-	14.0	-	14.0	-
			-	-						
Cultural and Recreational			-	-						
Public Library	28.0	4.0	29.0	3.0	29.0	3.0	29.0	3.0	29.0	3.0
Total General Fund	770.0	32.0	785.0	31.0	802.0	31.0	793.0	31.0	797.0	31.0

FT - Full Time PT - Part Time

(a) Includes state employees funded partially by County

RANDOLPH COUNTY

Requests for New Positions

FY 2016-2017



Requested New Positions - Included in the Departmental Budgets

Included in
Budget

Fund Department Position	# of positions	Beg. Date	Salary	FICA	Retirement	Health Insurance	Total	General County Revenues Required (a)	Requested	Proposed	Final
General Fund											
Information Technology											
Infrastructure Svcs Spec I	1	7/1	\$ 39,231	\$ 3,002	\$ 3,665	\$ 6,840	\$ 52,738	\$ 52,738	✓	✓	✓
Public Buildings											
Maintenance Worker	1	7/1	30,728	2,351	2,317	6,840	42,236	42,236	✓	✓	✓
Maintenance Technician	1	7/1	35,573	2,722	2,682	6,840	47,817	47,817	✓	✓	✓
			66,301	5,073	4,999	13,680	90,053	90,053			
Emergency Services											
Em Mgt Coordinator	1	7/1	52,302	4,001	4,885	6,840	68,028	68,028	✓	✓	✓
EMS Manager	1	7/1	55,188	4,222	5,155	6,840	71,405	71,405	✓		
Community Paramedics	4	1/1	78,460	6,002	7,328	13,680	105,470	105,470	✓		
			185,950	14,225	17,368	27,360	244,903	244,903			
Sheriff											
Deputy Sheriffs	4	7/1	161,020	12,320	21,083	27,360	221,783	221,783	✓		✓
Captain - Standards	1	7/1	65,410	5,004	8,460	6,840	85,714	85,714	✓	✓	✓
Clerk III	1	7/1	29,378	2,249	2,745	6,840	41,212	41,212	✓	✓	✓
			255,808	19,573	32,288	41,040	348,709	348,709			
Cooperative Extension											
Livestock Extension Agent	1	7/1	49,392	3,779	3,378	6,840	63,389	62,121	✓	✓	✓
Child Support Services											
Office Assistant III	1	7/1	26,540	2,031	2,479	6,840	37,890	12,883	✓	✓	✓
Total Additions:											
In Requested Budget	17		\$ 623,222	\$ 47,683	\$ 64,177	\$ 102,600	\$ 837,682	\$ 811,407	✓		
In Proposed Budget	8		\$ 328,554	\$ 25,139	\$ 30,611	\$ 54,720	\$ 439,024	\$ 412,749		✓	
In Final Budget	8		\$ 489,574	\$ 37,459	\$ 51,694	\$ 82,080	\$ 660,807	\$ 634,532			✓

RANDOLPH COUNTY, NORTH CAROLINA
Appropriated Fund Balances
Fiscal Year 2016-2017



Fund balances are maintained in all funds to supply emergency reserves, to provide resources during periods when disbursements exceed cash deposits, and to generate investment earnings. The County attempts to maintain an unassigned fund balance of at least twenty percent of the total General Fund budget in order to have adequate reserves to offset revenue volatility, to maintain liquidity despite the timing of cash inflows/outflows, and to meet unforeseen contingencies. As of June 30, 2016, the County will have an unassigned fund balance of approximately twenty percent.

Occasionally, fund balances may be appropriated in the budget to fund anticipated expenditures beyond those possible with current revenues. In the General Fund, usually those expenditures are non-recurring, such as capital items or economic development incentives. For the Emergency Telephone System Fund and the Solid Waste Management Fund, special revenues collected but not used in prior years have accumulated as fund balance. The fund balances available in those funds are frequently appropriated to fund their respective operations beyond those possible with current resources.

Under state law, only a portion of fund balance is available for appropriation. G.S. Statute 159-8 defines fund balance available for appropriation as “cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget year.”

The following summarizes the amount of appropriated fund balance in the Proposed 2016-17 Budget:

General Fund

For Law Enforcement - Restricted Funds	\$ 20,700
For Health Appropriations from Restricted Medicaid Funds	118,886
For Departmental Operations	-
Total Appropriated Fund Balance - General Fund	<u><u>\$ 139,586</u></u>

Emergency Telephone System Fund

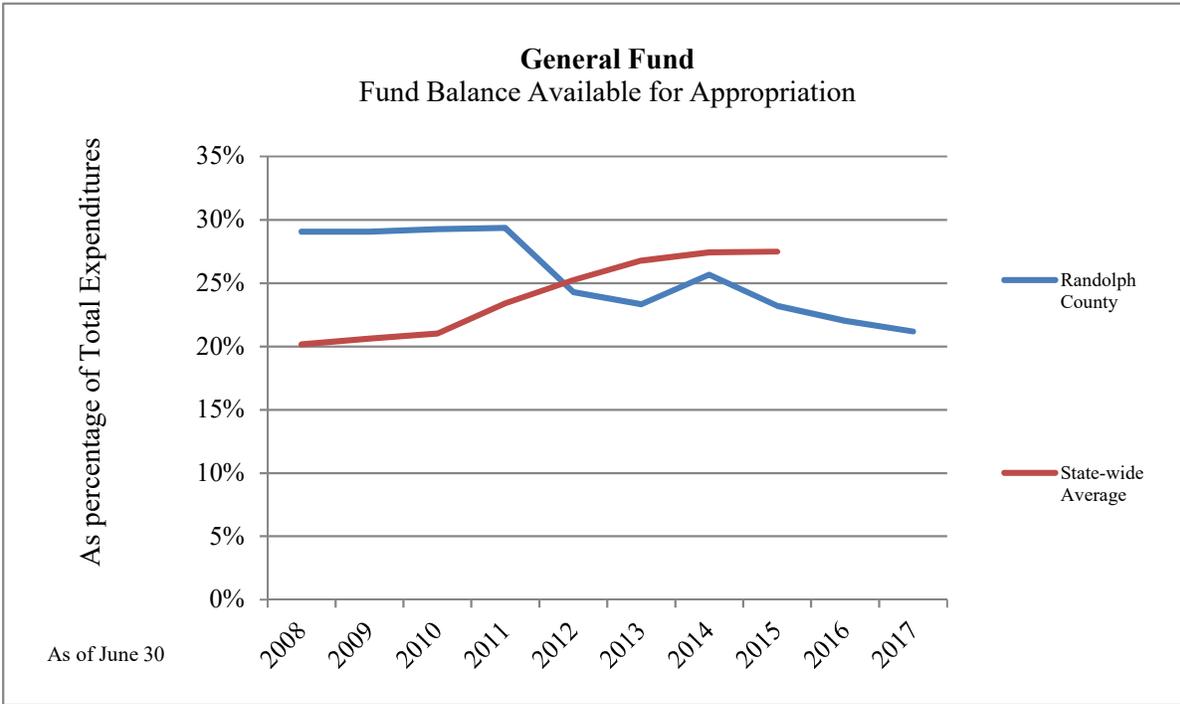
Total Appropriated Fund Balance	<u><u>\$ -</u></u>
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Solid Waste Management Fund

Total Appropriated Fund Balance	<u><u>\$ 144,500</u></u>
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Water Fund

Total Appropriated Fund Balance	<u><u>\$ 5,320</u></u>
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Data is for actual year-end fund balances except for 2016 and 2017, which are estimated.

Randolph County has an official policy to maintain an undesignated fund balance of at least twenty percent of the General Fund budget, which would cover cash flow needs for 2.5 months. For several years, the Board of County Commissioners has elected to budget the use of fund balance reserves for operations. In addition, a portion of reserves have been set aside for land acquisition for our megasite. As a result, Randolph County's reserves have fallen below the state-wide average for all counties.

In June 2014, Randolph County received an up-front lease payment from a company who was granted a franchise to operate a regional landfill. The \$3,500,000 payment was transferred to a capital project in November 2014. This explains the temporary rise in 2014.

As the county budget increases every year but the amount of fund balance remains flat, the overall percentage of fund balance to budget declines. As we add back fund balance due to favorable operating results, the percentage should rise.

RANDOLPH COUNTY, NORTH CAROLINA
Interfund Transfers
Fiscal Year 2016-2017



Although each fund is a separate accounting entity, there are often transfers of financial resources between them. These transactions are generally transfers for operating purposes, not a loan or reimbursement. The disbursing fund budgets an interfund transfer out (similar to an expenditure) and the receiving fund recognizes an interfund transfer in (similar to a revenue).

The Economic Development Reserve is a fund which has a multi-year budget and will remain open until the dedicated monies are fully utilized for economic development projects. Monies are transferred to the General Fund to cover certain costs when due.

In March 2010, voters approved a referendum to raise the County sales tax by one-quarter of a percent. These tax proceeds will be transferred from the General Fund to the Randolph Community College Capital Project to finance improvements to community college facilities.

The transfer to the Water Fund provides cash flow for the operating expenses and debt service payments owed the the Piedmont Triad Regional Water Authority. The Authority's water treatment plant was completed in 2010; the participating governments purchase treated water based upon a pre-determined share, according to a uniform rate structure set by the Authority.

General Fund

Transfers In:

From Economic Development Reserve

Transfers Out:

To Randolph Community College Capital Project

To Water Fund

Total General Fund

Interfund Transfers	
In	Out
\$ 61,250	
	\$ 2,600,000
	1,800,000
\$ -	\$ 4,400,000

