

Johnston County
Fiscal Year 2015 – 2016
Budget Message

Dear Board Members,

The proposed Fiscal Year 2015-2016 General Fund budget is presented at the current 78 cents property tax rate. This proposed \$201 million budget is approximately \$6 million more than the projected Fiscal Year 2014-2015 adjusted General Fund budget, which equates to a 2.9% increase. Based on the April 30, 2015 financial analysis and projections, the June 30, 2016 fund balance percentage is expected to be 16%, which is in compliance with the Board's adopted Financial Policy Guidelines.

Johnston County has maintained excellent bond ratings (AA+, Aa2). As you are aware, bond ratings measure an organization's ability to pay scheduled principal and interest payments to investors. Our strong ratings were affirmed in March by Standard and Poor's and Moody's Investors Service. Based on the positive outlook provided by Moody's for the second year in a row, I anticipate the County will receive a bond rating upgrade in early 2016.

Recent statistics from the US Census show Johnston County was the 10th fastest growing county in North Carolina from July 1, 2013 to July 1, 2014. The County's population has grown by 50% since the year 2000. Johnston County will continue to be one of the fastest growing counties in North Carolina. The current population is 184,000 and Johnston County is expected to eclipse the 200,000 mark in year 2021.

Continued expansion of local industries and businesses is anticipated. New industries and businesses will continue to move into Johnston County. Increases in building permit activity and sales tax revenue are proof the local economy is improving.

Tens of thousands of citizens traveling through Johnston County every day stop and stay in hotels, shop and dine at local restaurants.

Highlights

- The proposed budget includes the following appropriations for Johnston County Schools and Johnston Community College. The actual numbers are as follows:

	<u>Current Expense</u>	<u>Capital Outlay</u>
Johnston County Schools	\$53,193,000	\$1,030,000
Johnston Community College	\$4,095,000	\$500,000

- Included in the proposed budget is a 2.25% pay adjustment for employees, as well as funds for the internal pay classification review with a target implementation date of November 1, 2015.
- There are eight (8) new positions requested. Five are in Public Utilities, two in 911-Communications and one in Register of Deeds. Four of the five positions for Public Utilities are proposed for January 1, 2016 start dates.

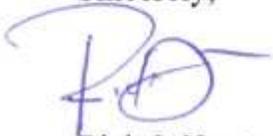
Proposed Fee Increases

- Fee increases are proposed for Public Utilities in water and wastewater with staggered start dates. Those proposed increases are:
 - *The retail water meter fee would increase from \$215.00 to \$240.00 to cover the actual material cost of new meters.*
 - *A tiered residential conservation rate is proposed for all residential retail water services.*
 - *The water district contract services rate would increase from \$1.15 per 1,000 gallons to \$1.25 per 1,000 gallons.*
 - *The residential septage disposal rate would increase from \$14.00 per ton to \$24.00 per ton.*
 - *The bulk sludge processing and disposal rate would increase from \$700 per dry ton to \$850 per dry ton.*

Staff looks forward to discussing the proposed budget at upcoming budget meetings. Please let me know if you have any questions.

Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Hester", with a large, sweeping flourish above the name.

Rick J. Hester
County Manager