

Budget Message for Chatham County Budget Fiscal Year 2008-2009

*Two men look out through the same bars; one sees mud
and one the stars.*

-Frederick Langbridge

The above quote caught my eye quickly because it captures, I believe, by metaphor the way many will see this recommended budget. Many will see it as incomplete, lacking in intensity to get the job done. Others will see it not as stars, but as having some light; as that of a full moon shrouded with early morning fog. There is truth to both perspectives, but necessary given the state of the economy in which we find ourselves.

The theme of this budget is “Managing Change Effectively.” I think overall, that is what this budget is doing. It keeps pace with the changes we are seeing in our service needs, but does not over stimulate the strong appetite for revenue that growth sometimes spawns.

This budget evolved over time. Many factors made impressions which over time created an image, a footprint, and a tangible document.

I mentioned in passing the state of the economy as part of our environment, so I’m not shedding any new light when I say the economic climate is unstable. Nationally, prices of fuel and

food are soaring; locally we have some areas in the county where the market values of homes are actually declining, and over the last few weeks, more than 1,100 people have lost jobs for a variety of economic reasons.

On the other hand, the county is growing significantly, and that growth requires attention. This combination of factors places a lot of pressure on our efforts to address growth issues, on one hand, and be cognizant of the economic conditions within our circle of influence, on the other.

I believe this recommended budget manages change effectively by balancing needs realistically, given present economic conditions.

The recommended budget for Fiscal Year 2008-2009 is \$83,455,961 for General Fund. Total property valuation for this budget is \$7.4 billion, and the recommended tax rate is 67.2 cents per \$100 valuation. One penny is anticipated to generate \$722,266.

You will find this budget to be largely continuation. The total expansion requests, if approved, total \$2,986,021. I think it is appropriate to point out here that all the requests have merit. Given the recession and our residents' difficulties in making ends meet, we limit our expansion recommendations. Major requests include the following. A more detailed explanation of these requests and other recommended expansion can be found in the budget document.

- Creation of the Department of Community Development: This adds \$362,889 to the recommended budget and includes the positions of Director and Administrative Assistant. The department will incorporate Planning, Central Permitting, Soil and Sedimentation Control, Environmental Services and Affordable Housing. Given the work being done in land use, zoning, subdivision, and environmental regulations, we believe it is imperative that this retooling take place. Most of these units will be highly interactive as regards review, regulation, oversight and management of growth coming to Chatham County. This will more effectively meet citizen, county and staff needs. I also note here that the continuation budget includes a contingency of \$150,000 for additional staff and operating expenses that might be needed in this department. Many of the rules being explored by various task groups are still being assembled and further refined. We don't know at this time the extent of the review and oversight that may

have to be performed upon ratification of the new rules by the Board of Commissioners.

- We propose to increase funds for Chatham Sheriff's Office (CSO) and Jail. Our expansion request adds \$297,255 for seven new positions. The focus of the recommended increase is drug interdiction, detention, and civil process.
- Economic Development: We propose increasing funds to Economic Development by \$89,941. These funds are earmarked for addressing the strategic recommendations of the consultant work recently reported to the Board of Commissioners and the community.
- Recreation: We propose adding two staff positions to assist with the growing responsibilities of the department. As recreation services grow and as new park sites come on line, our limited staff is sometimes stretched to the breaking point.
- Administrative: Budget/human resource analyst, which we propose to be support for Human Resources and budget-related work.
- Management Information System (MIS): An Emergency Systems Specialist position is recommended for Emergency Services and the CSO.
- For your review and consideration in the Expenditures Assumptions Section, we have listed all recommended expansion requests and how much each adds to the tax rate, if you wish to make changes.

- Implementation of the Pay Study: Funding to bring all county positions up to at least the minimum market pay rate. A pay consultant found that overall pay rates are 15.5 percent below the average pay of surrounding jurisdictions. Because of the large cost associated with bringing every employee to market pay and the poor economic conditions of many of the county's residents and job losses, I am recommending that it be implemented in two phases. The first phase is included in the Recommended FY 2009 budget and will bring every employee up to at least the minimum of the market salary grade. Depending on economic conditions, the second phase may be included in the FY 2010 budget. This phase would bring every county employee up to the market rate for their position and experience. Phase 2 would require a 15.5 percent increase in salaries, at a cost of \$2.1 million. In order to retain quality employees, I believe strongly that we must implement this second phase when economic conditions improve.

I would be remiss if I didn't make special note of your staff for making this recommended budget less difficult. Our process involves many. They do a super job working together, explaining needs, listening to peers, and before moving forward, to rank needs of the county as objectively as possible.

Special thanks and applause must go to Renee Paschal and Vicki McConnell for their tireless efforts in working, reworking and doing all the hard work that goes into this very complex document.

Respectfully Submitted May 5, 2008,

Charlie Horne

Charlie Horne
County Manager

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