

# Fiscal Year 2027 – Work Session on Debt Leveling



# Proposed Work Session Calendar

	February 5	February 19	March 5	March 19	Late March – Early April	April 16
<b>Topic 1</b>	<p>Debt Service Leveling Plan (Honor School Capital)</p> <p><b>Requested Action:</b> Consensus for Manger to include option into the recommended budget</p>	<p>Tax Revaluation Update, Revised Budget Estimates &amp; Program Overview of the Low-Income Tax Relief Program</p> <p><b>Requested Action:</b> Receive update on tax revaluation budget estimates and an update on the Low-Income Homeowner Assistance Program</p>	<p>Strategies to advance services for unhoused</p> <p><b>Requested Action:</b> (1) Dedicated revenue source to support strategies to assist unhoused</p>	<p>Guilford Technical Community College</p> <p><b>Requested Action:</b> 1. Receive budget request</p>	<p><b>Town Halls</b></p>	<p><i>Tentative</i> - Guilford County School Funding Strategies</p> <p><b>Requested Action:</b> (1) Receive staff budget recommendations</p>
<b>Topic 2</b>	<p>Advancing Our Livability Strategic Plan – Edits to Goals and Public Engagement</p> <p><b>Requested Action:</b> Direct staff to move forward with a public engagement plan</p>	<p>County Capital Plan</p> <p><b>Requested Action:</b> (1) Deferred Capital (2) Deferred Capital and Service/Space Optimization (3) Al La Carte Approach</p>	<p>Opioid Recovery and Response Plan</p> <p><b>Requested Action:</b> (1) Additional County Investment (2) Scale Services</p>	<p>Public Safety Market Competitiveness &amp; New Position Requests</p>		<p>Advancing Our Livability Strategic Plan</p> <p><b>Requested Action</b> 1. Approval of Strategic Plan</p>
<b>Topic 3</b>			<p>County ERP Needs</p>			

# Objectives

Review the current debt leveling plan based on the adopted FY26 budget and review updated assumptions and three options for consideration:

1. Continue the planned FY2026 Adopted model
2. Reduce the FY2026 Adopted Model
3. Establish a consistent dedicated tax rate

# Progress Towards Addressing Identified Needs

\$2 billion will only address half of Phase 1 identified in the 2019 Master Facilities Report

	Initial Plan	Revised Program
New Construction	5	2
Rebuild	23	15
Fully Renovate	14	3
Capital Renovation	\$363 million	\$500 million

- Capital initiative timeline was projected over 10 years; however, with only half of phase 1 addressed, the plan is now over 20 to 25 years; requiring concurrent planning to sustain county obligations
- Future evaluation of funding needs to complete remaining projects is projected to require a continued model of debt issuance due to the size of need.
  - Smaller bond referendums over time support statutory compliance (issue within 7 years) and cash flow maximization (spend within 3 years of issuing).



# Reflecting on Initial Plan

- Plan adopted in FY2023 created a \$50 million set aside to pay down future debt service. This plan's cumulative balance at that time was a negative (\$2.8 million) in FY2038
  - This means the revenues set up in FY2023 met the debt service requirements on the \$2 billion but did not generate additional capacity.
- Cash flows allowed issuing debt on a revised timeline, generating additional capacity as debt service payments are extended over a longer timeframe.
- Lower interest rates (~4%) vs. planned (5%) also generated additional capacity.

	Initial Plan	Revised Program
\$120 million	April 2022	March 2022
\$180 million	March 2023	February 2024
\$570 million	March 2024	<b>March 2025</b>
\$565 million	March 2027	<b>August 2028</b>
\$565 million	March 2029	<b>August 2031</b>



# Debt Repayment

This budget utilizes \$34.4 million in General Fund transfer to the debt service fund to use a recurring revenue source to develop a structurally balanced budget in the general fund to restore the utilization of fund balance in prior years. This aligns with the bond model principles to limit change in property tax rate to provide predictability and stability for our residents and businesses. The future modeled transfer will need to be restored to continue moving forward with the current plan to issue the remaining \$1.17 billion.

Note: FY2026 assumed debt issuances in FY2028 and FY2030. Current estimates support pushing back issuance into FY2031, resulting in an increase in cumulative surplus from \$87m to \$156m.

Fiscal Year	Total Requirements			Total Revenues Available							Cumulative Surplus/ (Deficit)
	Current Debt	Proposed Debt	Total Debt Service	Property Tax	Investment Earnings	Restricted Sales Tax	Lottery & ARRA	Est. Bond Premium	Honor School Capital	Total	
2022-23	\$73,884,234	\$0	\$73,884,234	\$38,078,223	\$0	\$27,700,000	\$6,504,430	\$4,258,758	\$50,000,000	\$126,541,411	\$52,657,177
2023-24	73,324,974	0	73,324,974	38,920,000	0	29,000,000	6,496,474	4,717,394	51,100,000	130,233,868	109,566,072
2024-25	79,542,637	14,250,000	93,792,637	32,920,000	4,000,000	31,580,000	6,448,546	24,334,742	52,130,000	151,413,288	167,186,722
<b>Figures above are shown for reference and not in totals</b>											
2025-26	87,858,186	-	87,858,186	-	4,000,000	32,211,600	6,399,627	33,980,345	47,273,000	123,864,572	203,193,109
2026-27	96,869,743	-	96,869,743	39,249,685	-	32,855,832	6,349,620	24,847,054	54,236,052	157,538,243	263,861,608
2027-28	113,315,546	14,125,000	127,440,546	40,034,678	-	33,512,949	6,298,276	14,125,000	55,320,773	149,291,676	285,712,739
2028-29	108,187,029	28,250,000	136,437,029	40,835,372	-	34,183,208	6,245,694	14,125,000	56,427,189	151,816,462	301,092,172
2029-30	99,017,154	28,250,000	127,267,154	41,652,079	-	34,866,872	6,192,123	-	57,555,732	140,266,806	314,091,825
2030-31	95,837,888	87,104,167	182,942,055	42,485,121	-	35,564,209	6,138,056	28,250,000	58,706,847	171,144,233	302,294,003
2031-32	107,582,556	85,534,722	193,117,278	43,334,823	-	36,275,493	6,111,023	-	59,880,984	145,602,323	254,779,048
2032-33	82,096,294	115,354,167	197,450,461	44,201,520	-	37,001,003	4,750,000	-	61,078,604	147,031,127	204,359,714
2033-34	79,407,945	112,215,278	191,623,223	45,085,550	-	37,741,023	4,750,000	-	62,300,176	149,876,749	162,613,240
2034-35	76,940,752	109,076,389	186,017,141	45,987,261	-	38,495,844	4,750,000	-	63,546,179	152,779,284	129,375,383
2035-36	74,458,044	105,937,500	180,395,544	46,907,006	-	39,265,761	4,750,000	-	64,817,103	155,739,870	104,719,708
2036-37	71,980,473	102,798,611	174,779,084	47,845,147	-	40,051,076	4,750,000	-	66,113,445	158,759,667	88,700,291
2037-38	62,989,375	99,659,722	162,649,097	48,802,050	-	40,852,097	4,750,000	-	67,435,714	161,839,861	87,891,054
2038-39	60,706,913	96,520,833	157,227,746	49,778,091	-	41,669,139	4,750,000	-	68,784,428	164,981,658	95,644,966
2039-40	57,869,450	93,381,944	151,251,394	50,773,652	-	42,502,522	4,750,000	-	70,160,116	168,186,291	112,579,863
2040-41	55,695,700	90,243,056	145,938,756	51,789,125	-	43,352,573	4,750,000	-	71,563,319	171,455,017	138,096,124
2041-42	54,155,250	87,104,167	141,259,417	52,824,908	-	44,219,624	4,750,000	-	72,994,585	174,789,117	171,625,824
2042-43	46,264,800	83,965,278	130,230,078	53,881,406	-	45,104,016	4,750,000	-	74,454,477	178,189,899	219,585,646
2043-44	44,598,200	80,826,389	125,424,589	54,959,034	-	46,006,097	4,750,000	-	75,943,566	181,658,697	275,819,755
2044-45	32,931,600	77,687,500	110,619,100	56,058,215	-	46,926,219	4,750,000	-	77,462,438	185,196,871	350,397,526
2045-46	-	74,548,611	74,548,611	57,179,379	-	47,864,743	4,750,000	-	79,011,687	188,805,809	464,654,724
2046-47	-	71,409,722	71,409,722	58,322,967	-	48,822,038	4,750,000	-	80,591,920	192,486,925	585,731,926
2047-48	-	68,270,833	68,270,833	59,489,426	-	49,798,479	4,750,000	-	82,203,759	196,241,663	713,702,756
2048-49	-	34,527,778	34,527,778	60,679,215	-	50,794,448	4,750,000	-	83,847,834	200,071,497	879,246,475
2049-50	-	32,958,333	32,958,333	61,892,799	-	51,810,337	4,750,000	-	85,524,790	203,977,927	1,050,266,069
2050-51	-	-	-	63,130,655	-	52,846,544	4,750,000	-	87,235,286	207,962,485	1,258,228,554
2051-52	-	-	-	64,393,268	-	53,903,475	4,750,000	-	88,979,992	212,026,735	1,470,255,289

FY27 includes additional \$46 million from property taxes

The lowest balance was \$87 million

Annual surplus starting in FY45 would advance 1 new school project a year



# Developing Options

Policy considerations include:

- Creating model options that fully fund the \$2.0 billion bond program
- Recognizing assumptions have changed since model was originally developed, and revenues can be optimized.
- Risk tolerance to cash flow and county's ability to float.
- Awareness of other funding considerations, including strategic priorities and revenue optimization/stewardship.

# Options for Consideration

## Option 1 – FY2026 Adopted

- Requires additional \$46.2 million in reoccurring revenue with growth at 2% per year.
- As revenues and debt service grow, this model would generate \$156 million more than debt service requirements on the existing and planned issuances, generating additional capacity prior to the debt peak.
- Future bond issuances would require additional revenue to address the identified list.

## Option 2 – Reduced FY2026 Adopted

- Requires additional \$34.0 million in reoccurring revenue with growth at 2% per year.
- As revenues and debt service grow, this model would fully fund the \$2.0 billion, with \$0 million in additional capacity prior to the debt peak.
- Future bond issuances would require additional revenue to fund.

## Option 3 – FY2027 Revised

- Establishes a dedicated property tax rate of 7.10 cents moving forward, requiring an additional \$22.3 million in reoccurring revenue.
- As revenues and debt service grow, this model would fully fund the \$2.0 billion, with \$0 million in additional capacity prior to the debt peak.
- Future bond issuances would require additional revenue to fund.

# Options for Consideration

## Option 1 – FY2026 Adopted

- Requires additional \$46.2 million to continue funding plan, or 4.8 cents.
- As revenues and debt service grow, this model would generate \$156 million more than debt service requirements on the existing and planned issuances, generating additional capacity prior to the debt peak.
- Future bond issuances would require additional revenue to address the identified list.

### Pros:

- Debt issuances can be pulled forward to issue within 7-year LGC window, without additional revenues.
- Could buy down future debt issuances or provide flexibility to develop an allocation plan for the additional capacity.

### Cons:

- Setting aside more revenue now than needed to repay \$2 billion bond program.

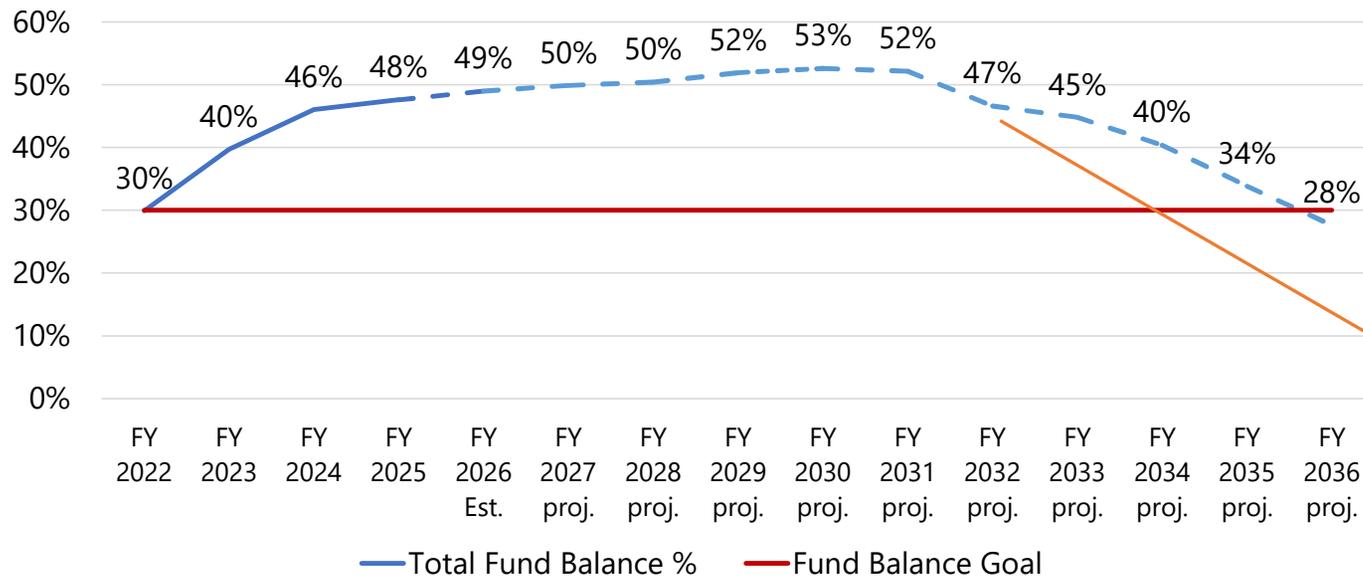
# Option 1 – FY2026 Adopted

Fiscal Year	Total Requirements	Property Tax	Sales Tax	Lottery Proceeds	Federal Subsidy	Premium on Existing Bonds	Premium on Proposed Bonds	Interest Earnings	Total Revenues Available	Annual Surplus/(Deficit)	Cumulative Surplus / (Deficit)	Annual Penny Growth
2022										\$0		
2023	\$ 73,884,234	\$ 88,078,223	\$ 27,700,000	\$ 4,750,000	\$ 1,754,430	\$ 4,258,758	\$ -	\$ -	\$ 126,541,411	\$52,657,177	52,657,177	0.00%
2024	73,324,974	86,020,000	29,000,000	4,750,000	1,746,474	4,717,394	-	4,000,000	130,233,868	56,908,894	109,566,072	2.25%
2025	79,542,637	85,050,000	30,552,952	4,750,000	1,698,546	10,084,742	-	4,000,000	136,136,240	56,593,603	166,159,674	2.07%
2026	87,858,186	47,273,000	31,164,011	4,750,000	1,649,627	33,980,345	-	4,000,000	122,816,983	34,958,797	201,118,472	3.57%
2027	96,869,743	93,485,736	31,787,291	4,750,000	1,599,620	24,847,054	-	-	156,469,702	59,599,959	260,718,431	32.50%
2028	126,028,046	95,355,451	32,423,037	4,750,000	1,548,276	-	14,125,000	-	148,201,764	22,173,718	282,892,149	2.00%
2029	133,612,029	97,262,561	33,071,498	4,750,000	1,495,694	-	14,125,000	-	150,704,753	17,092,725	299,984,873	2.00%
2030	124,442,154	99,207,811	33,732,928	4,750,000	1,442,123	-	-	-	139,132,862	14,690,708	314,675,582	2.00%
2031	164,658,027	101,191,968	34,407,586	4,750,000	1,388,056	-	28,250,000	-	169,987,610	5,329,583	320,005,164	2.00%
2032	187,702,695	103,215,807	35,095,738	4,750,000	1,361,023	-	-	-	144,422,568	(43,280,127)	276,725,037	2.00%
2033	160,803,933	105,280,124	35,797,653	4,750,000	-	-	-	-	145,827,777	(14,976,156)	261,748,882	2.00%
2034	187,385,723	107,385,726	36,513,606	4,750,000	-	-	-	-	148,649,332	(38,736,391)	223,012,490	2.00%
2035	182,093,530	109,533,440	37,243,878	4,750,000	-	-	-	-	151,527,318	(30,566,212)	192,446,278	2.00%
2036	176,785,822	111,724,108	37,988,756	4,750,000	-	-	-	-	154,462,864	(22,322,958)	170,123,320	2.00%
2037	171,483,251	113,958,591	38,748,531	4,750,000	-	-	-	-	157,457,122	(14,026,129)	156,097,192	2.00%
2038	159,667,153	116,237,763	39,523,501	4,750,000	-	-	-	-	160,511,265	844,112	156,941,303	2.00%
2039	154,559,690	118,562,519	40,313,971	4,750,000	-	-	-	-	163,626,490	9,066,800	166,008,103	2.00%
2040	148,897,228	120,933,768	41,120,251	4,750,000	-	-	-	-	166,804,019	17,906,791	183,914,894	2.00%
2041	143,898,478	123,352,443	41,942,656	4,750,000	-	-	-	-	170,045,099	26,146,621	210,061,515	2.00%
2042	139,533,028	125,819,493	42,781,509	4,750,000	-	-	-	-	173,351,002	33,817,974	243,879,490	2.00%
2043	128,817,578	128,335,883	43,637,139	4,750,000	-	-	-	-	176,723,022	47,905,445	291,784,934	2.00%
2044	124,325,978	130,902,600	44,509,882	4,750,000	-	-	-	-	180,162,482	55,836,504	347,621,438	2.00%
2045	109,834,378	133,520,653	45,400,079	4,750,000	-	-	-	-	183,670,733	73,836,355	421,457,793	2.00%
2046	74,077,778	136,191,067	46,308,081	4,750,000	-	-	-	-	187,249,148	113,171,370	534,629,164	2.00%

Switching to a pay-go model would be possible starting in FY2045, funding ~1 school per year, assuming no additional bond issuances.



# Option 1 – FY2026 Adopted



Fiscal Year	Annual Surplus/ (Deficit)	Cumulative Surplus / (Deficit)
2022		\$0
2023	\$52,657,177	52,657,177
2024	56,908,894	109,566,072
2025	56,593,603	166,159,674
2026	34,958,797	201,118,472
2027	59,599,959	260,718,431
2028	22,173,718	282,892,149
2029	17,092,725	299,984,873
2030	14,690,708	314,675,582
2031	5,329,583	320,005,164
2032	(43,280,127)	276,725,037
2033	(14,976,156)	261,748,882
2034	(38,736,391)	223,012,490
2035	(30,566,212)	192,446,278
2036	(22,322,958)	170,123,320
2037	(14,026,129)	156,097,192
2038	844,112	156,941,303
2039	9,066,800	166,008,103
2040	17,906,790	183,914,893
2041	26,146,621	210,061,514
2042	33,817,974	243,879,489
2043	47,905,445	291,784,933
2044	55,836,504	347,621,437

Option 1 would support maintaining the County's fund balance position above the target of 30% through FY2036.

# Options for Consideration

## Option 2 – Reduced FY2026 Adopted

- Requires additional \$34 million to continue funding plan, or ~3.5 cents.
- As revenues and debt service grow, this model would fully fund the \$2.0 billion, with \$0 million in additional capacity prior to the debt peak.

### Pros:

- Enhances flexibility to address other strategic priorities and revenue optimization/stewardship by reducing new revenue needed by \$12.2 million.

### Cons:

- Does not provide flexibility to pull forward bond issuance, potentially causing County to float.

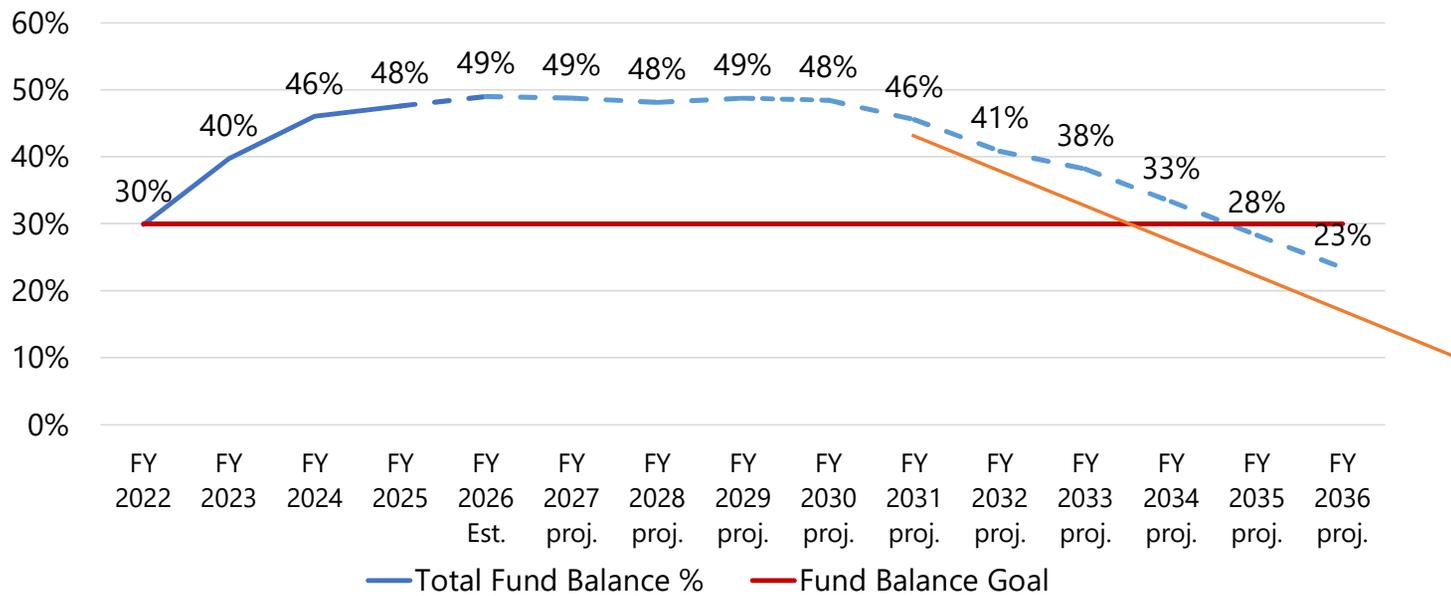
# Option 2 – Reduced FY2026 Adopted

Fiscal Year	Total Requirements	Property Tax	Sales Tax	Lottery Proceeds	Federal Subsidy	Premium on Existing Bonds	Premium on Proposed Bonds	Interest Earnings	Total Revenues Available	Annual Surplus/ (Deficit)	Cumulative Surplus / (Deficit)	Annual Pennng Growth
2022										\$0		
2023	\$ 73,884,234	\$ 88,078,223	\$ 27,700,000	\$ 4,750,000	\$ 1,754,430	\$ 4,258,758	\$ -	\$ -	\$ 126,541,411	\$52,657,177	52,657,177	0.00%
2024	73,324,974	86,020,000	29,000,000	4,750,000	1,746,474	4,717,394	-	4,000,000	130,233,868	56,908,894	109,566,072	2.25%
2025	79,542,637	85,050,000	30,552,952	4,750,000	1,698,546	10,084,742	-	4,000,000	136,136,240	56,593,603	166,159,674	2.07%
2026	87,858,186	47,273,000	31,164,011	4,750,000	1,649,627	33,980,345	-	4,000,000	122,816,983	34,958,797	201,118,472	3.57%
2027	96,869,743	81,223,881	31,787,291	4,750,000	1,599,620	24,847,054	-	2,000,000	146,207,847	49,338,104	250,456,575	32.50%
2028	126,028,046	82,848,359	32,423,037	4,750,000	1,548,276	-	12,712,500	2,000,000	136,282,172	10,254,126	260,710,701	2.00%
2029	133,612,029	84,505,326	33,071,498	4,750,000	1,495,694	-	15,537,500	2,000,000	141,360,018	7,747,989	268,458,691	2.00%
2030	124,442,154	86,195,433	33,732,928	4,750,000	1,442,123	-	-	2,000,000	128,120,483	3,678,329	272,137,020	2.00%
2031	164,658,027	87,919,341	34,407,586	4,750,000	1,388,056	-	12,712,500	2,000,000	143,177,483	(21,480,544)	250,656,476	2.00%
2032	187,702,695	89,677,728	35,095,738	4,750,000	1,361,023	-	15,537,500	2,000,000	148,421,989	(39,280,706)	211,375,770	2.00%
2033	160,803,933	91,471,283	35,797,653	4,750,000	-	-	-	2,000,000	134,018,935	(26,784,997)	184,590,773	2.00%
2034	187,385,723	93,300,708	36,513,606	4,750,000	-	-	-	-	134,564,314	(52,821,409)	131,769,364	2.00%
2035	182,093,530	95,166,722	37,243,878	4,750,000	-	-	-	-	137,160,600	(44,932,930)	86,836,434	2.00%
2036	176,785,822	97,070,057	37,988,756	4,750,000	-	-	-	-	139,808,812	(36,977,009)	49,859,425	2.00%
2037	171,483,251	99,011,458	38,748,531	4,750,000	-	-	-	-	142,509,989	(28,973,262)	20,886,162	2.00%
2038	159,667,153	100,991,687	39,523,501	4,750,000	-	-	-	-	145,265,188	(14,401,964)	6,484,198	2.00%
2039	154,559,690	103,011,521	40,313,971	4,750,000	-	-	-	-	148,075,492	(6,484,198)	0	2.00%
2040	148,897,228	105,071,751	41,120,251	4,750,000	-	-	-	-	150,942,002	2,044,774	2,044,774	2.00%
2041	143,898,478	107,173,186	41,942,656	4,750,000	-	-	-	-	153,865,842	9,967,364	12,012,139	2.00%
2042	139,533,028	109,316,650	42,781,509	4,750,000	-	-	-	-	156,848,159	17,315,131	29,327,270	2.00%
2043	128,817,578	111,502,983	43,637,139	4,750,000	-	-	-	-	159,890,122	31,072,544	60,399,814	2.00%
2044	124,325,978	113,733,043	44,509,882	4,750,000	-	-	-	-	162,992,925	38,666,947	99,066,761	2.00%
2045	109,834,378	116,007,704	45,400,079	4,750,000	-	-	-	-	166,157,783	56,323,405	155,390,166	2.00%
2046	74,077,778	118,327,858	46,308,081	4,750,000	-	-	-	-	169,385,939	95,308,161	250,698,327	2.00%

Switching to a pay-go model would be possible starting in FY2046, funding ~1 school per year, assuming no additional bond issuances.



# Option 2 – Reduced FY2026 Adopted



Fiscal Year	Annual Surplus/ (Deficit)	Cumulative Surplus / (Deficit)
2022		\$0
2023	\$52,657,177	52,657,177
2024	56,908,894	109,566,072
2025	56,593,603	166,159,674
2026	34,958,797	201,118,472
2027	49,338,104	250,456,575
2028	10,254,126	260,710,701
2029	7,747,989	268,458,691
2030	3,678,329	272,137,020
2031	(21,480,544)	250,656,476
2032	(39,280,706)	211,375,770
2033	(26,784,997)	184,590,773
2034	(52,821,409)	131,769,364
2035	(44,932,930)	86,836,434
2036	(36,977,009)	49,859,425
2037	(28,973,262)	20,886,162
2038	(14,401,964)	6,484,198
2039	(6,484,198)	0
2040	2,044,774	2,044,774
2041	9,967,364	12,012,139
2042	17,315,131	29,327,270
2043	31,072,544	60,399,814
2044	38,666,947	99,066,761

Option 2 would result in a quicker spend down of the County's committed fund balance, resulting in total fund balance falling below 30% in FY2035.

# Option 3 – FY2027 Revised

## Option 3 – FY2027 Revised

- Establishes a dedicated property tax rate of 7.10 cents moving forward, requiring an additional \$22.3 million.
- As revenues and debt service grow, this model would fully fund the \$2.0 billion, with \$0 million in additional capacity prior to the debt peak.

### Pros:

- Enhances flexibility to address other strategic priorities and revenue optimization/stewardship by reducing new revenue needed by \$23.9 million.
- Creates a clear communication around 7.1 cents of the property tax being dedicated to school debt service.

### Cons:

- Commits future budget revenue growth based on the value of a cent increasing, but the # of cents remaining consistent.

# Option 3 – FY2027 Revised

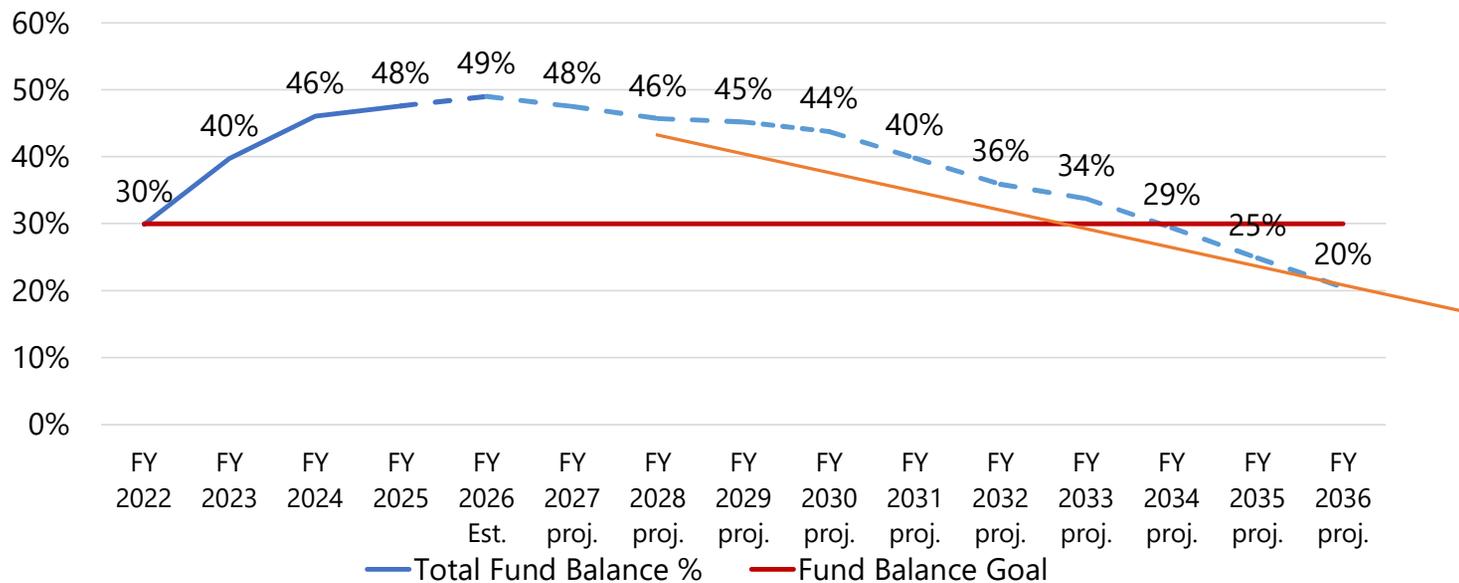
Fiscal Year	Total Requirements	Property Tax	Sales Tax	Lottery Proceeds	Federal Subsidy	Premium on Existing Bonds	Premium on Proposed Bonds	Interest Earnings	Total Revenues Available	Annual Surplus / (Deficit)	Cumulative Surplus / (Deficit)	Number of Pennies	Annual Penny Growth
2022										\$0			
2023	\$ 73,884,234	\$ 88,078,223	\$ 27,700,000	\$ 4,750,000	\$ 1,754,430	\$ 4,258,758	\$ -	\$ -	\$ 126,541,411	\$52,657,177	52,657,177	12.87¢	0.00%
2024	73,324,974	86,020,000	29,000,000	4,750,000	1,746,474	4,717,394	-	4,000,000	130,233,868	56,908,894	109,566,072	12.29¢	2.25%
2025	79,542,637	85,050,000	30,552,952	4,750,000	1,698,546	10,084,742	-	4,000,000	136,136,240	56,593,603	166,159,674	11.90¢	2.07%
2026	87,858,186	47,273,000	31,164,011	4,750,000	1,649,627	33,980,345	-	4,000,000	122,816,983	34,958,797	201,118,472	6.39¢	3.57%
2027	96,869,743	69,615,500	31,787,291	4,750,000	1,599,620	24,847,054	-	2,000,000	134,599,465	37,729,722	238,848,194	7.10¢	32.50%
2028	126,028,046	71,007,810	32,423,037	4,750,000	1,548,276	-	12,712,500	2,000,000	124,441,623	(1,586,423)	237,261,771	7.10¢	2.00%
2029	133,612,029	72,427,966	33,071,498	4,750,000	1,495,694	-	15,537,500	2,000,000	129,282,658	(4,329,370)	232,932,401	7.10¢	2.00%
2030	124,442,154	73,876,526	33,732,928	4,750,000	1,442,123	-	-	2,000,000	115,801,576	(8,640,578)	224,291,823	7.10¢	2.00%
2031	164,658,027	75,354,056	34,407,586	4,750,000	1,388,056	-	12,712,500	2,000,000	130,612,198	(34,045,829)	190,245,994	7.10¢	2.00%
2032	187,702,695	94,192,570	35,095,738	4,750,000	1,361,023	-	15,537,500	2,000,000	152,936,831	(34,765,864)	155,480,130	7.10¢	25.00%
2033	160,803,933	96,076,421	35,797,653	4,750,000	-	-	-	2,000,000	138,624,074	(22,179,859)	133,300,272	7.10¢	2.00%
2034	187,385,723	97,997,950	36,513,606	4,750,000	-	-	-	-	139,261,556	(48,124,167)	85,176,104	7.10¢	2.00%
2035	182,093,530	99,957,909	37,243,878	4,750,000	-	-	-	-	141,951,787	(40,141,743)	45,034,361	7.10¢	2.00%
2036	176,785,822	101,957,067	37,988,756	4,750,000	-	-	-	-	144,695,823	(32,089,999)	12,944,362	7.10¢	2.00%
2037	171,483,251	117,250,627	38,748,531	4,750,000	-	-	-	-	160,749,158	(10,734,093)	2,210,268	7.10¢	15.00%
2038	159,667,153	119,595,640	39,523,501	4,750,000	-	-	-	-	163,869,141	4,201,988	6,412,257	7.10¢	2.00%
2039	154,559,690	121,987,552	40,313,971	4,750,000	-	-	-	-	167,051,524	12,491,833	18,904,090	7.10¢	2.00%
2040	148,897,228	124,427,303	41,120,251	4,750,000	-	-	-	-	170,297,554	21,400,326	40,304,417	7.10¢	2.00%
2041	143,898,478	126,915,850	41,942,656	4,750,000	-	-	-	-	173,608,505	29,710,028	70,014,444	7.10¢	2.00%
2042	139,533,028	145,953,227	42,781,509	4,750,000	-	-	-	-	193,484,736	53,951,708	123,966,152	7.10¢	15.00%
2043	128,817,578	148,872,292	43,637,139	4,750,000	-	-	-	-	197,259,431	68,441,853	192,408,005	7.10¢	2.00%
2044	124,325,978	151,849,737	44,509,882	4,750,000	-	-	-	-	201,109,619	76,783,641	269,191,646	7.10¢	2.00%
2045	109,834,378	154,886,732	45,400,079	4,750,000	-	-	-	-	205,036,812	95,202,434	364,394,080	7.10¢	2.00%
2046	74,077,778	157,984,467	46,308,081	4,750,000	-	-	-	-	209,042,548	134,964,770	499,358,850	7.10¢	2.00%

Switching to a pay-go model would be possible starting in FY2044, funding ~1 school per year, assuming no additional bond issuances.

Dedicated tax rate would hold consistent, resulting in additional revenue of \$19m investment in FY2032.



# Option 3 – FY2027 Reset



Fiscal Year	Annual Surplus/ (Deficit)	Cumulative Surplus / (Deficit)
2022		\$0
2023	\$52,657,177	52,657,177
2024	56,908,894	109,566,072
2025	56,593,603	166,159,674
2026	34,958,797	201,118,472
2027	37,729,722	238,848,194
2028	(1,586,423)	237,261,771
2029	(4,329,370)	232,932,401
2030	(8,640,578)	224,291,823
2031	(34,045,829)	190,245,994
2032	(34,765,864)	155,480,130
2033	(22,179,859)	133,300,272
2034	(48,124,167)	85,176,104
2035	(40,141,743)	45,034,361
2036	(32,089,999)	12,944,362
2037	(10,734,093)	2,210,268
2038	4,201,988	6,412,257
2039	12,491,833	18,904,090
2040	21,400,326	40,304,417
2041	29,710,028	70,014,444
2042	53,951,708	123,966,152
2043	68,441,853	192,408,005
2044	76,783,641	269,191,646

The FY27 revised option results in a quicker spend down of the current committed fund balance, resulting the total fund balance falling below 30% one year sooner than the *Reduced FY2026 Model* (FY2034).

# Revisiting the Guiding Principles

1. Address County **current and future capital needs and deferred major maintenance** in a timely manner to provide adequate public facilities and services.
2. Protect County's ability to **provide and enhance other services** for our residents.
3. Design a **stable funding model that fits existing revenue sources** as much as possible.
4. **Reduce overall cost of infrastructure** for our residents by incorporating a more **fiscally conservative "Pay-as-You-Go" model** for construction, renovation, and maintenance.
5. **Limit change in property tax rate** to provide **predictability and stability** for our residents and businesses.

All options align with funding the \$2.0 billion bond program.

All three options generate insufficient revenues to fund total identified needs without new revenue.

Option 2 & 3 provides additional flexibility to address other strategic priorities and revenue optimization/stewardship

# Addressing the Entire Plan: Future GSC Bond Issuance Cycle Forecasting

- The address entire list of the GCS capital plan, future bond referendums could support the next phase of projects. No action required today.
- Current spend rate of \$150 million a year (\$12.5m per month) would support constructing/rebuilding ~5 schools every 3 years.
- Two (2) \$600 million bond referendums (4 tranches of \$300 million)
- Future referendums would require additional revenue based on timing and size of tranches.

	Forecast #1	Forecast #2
FY2026-27*		
FY2027-28	\$565 million	
FY2028-29		
FY2029-30		
FY2030-31	\$565 million	
FY2031-32*		
	<b>Referendum (Nov 2032)</b>	<b>Referendum (Nov 2032)</b>
FY2032-33		
FY2033-34	\$300 million	\$450 million
FY2034-35		
FY2035-36	\$300 million	
	<b>Referendum (Nov 2036)</b>	\$450 million
FY2036-37		
FY2037-38	\$300 million	
FY2038-39		<b>Referendum</b>
FY2039-40	\$300 million	

# Requested Direction

**Option 1)** Continuing the funding plan as adopted with the FY2026 budget and add \$46.2 million in reoccurring property tax revenue to the FY2027 budget.

**Option 2)** Revising the funding plan and add \$34.0 million in reoccurring property tax revenue to the FY2027 budget.

**Option 3)** Dedicating 7.10 cents of property tax revenue to funding plan and add \$22.3 million in reoccurring property tax revenue to the FY2027 budget.



# ADVANCING OUR LIVABILITY **STRATEGIC PLAN**

# Objectives

- Consensus on five (5) identified goal areas and definitions for each goal area
- Consensus on a public engagement plan

# Our Lens of Livability

**Guilford County defines livability as the degree to which people of all ages, abilities, and incomes can experience the opportunity to live, learn, work, and play in a desirable and supportive environment that honors the uniqueness of individuals, a vibrant culture, and access to amenities and resources.**



# Our Goal Areas:



**Healthy and  
Thriving People**



**Lifelong Success**



**Safe and Resilient  
Communities**



**Sustainable & Vibrant  
Communities**



**Operational Support  
and Fiscal  
Sustainability**

# Our Goal Areas:



**Healthy and  
Thriving People**

Guilford County supports individuals **of all ages** and families to thrive by ensuring access to high-quality health and human services and by promoting **opportunities for** physical, mental, and social wellbeing.

# Our Goal Areas: Strategies



**Healthy and  
Thriving People**

**Strategy G1:S1** - Enhance collaborative solutions with community partners to address longstanding health disparities and disparate health outcomes, including infant mortality, firearm violence and injury, and food insecurity.

**Strategy G1:S2** - Enhance services to reduce the harms of substance use through a continuum of care with a focus on families, children, veterans, and other vulnerable populations.

**Strategy G1:S3** - Enhance individual and community wellbeing through the lens of whole person care to address complex challenges faced by vulnerable families and individuals.

**Strategy G1:S4** - Promote second chance and recovery pathways for justice-involved adults and youth through community collaboration.

# Our Goal Areas:



Guilford County **provides learning opportunities for individuals across the childhood and active aging lifespan that supports upward mobility, cultural awareness, and a sustainable economy.**

# Our Goal Areas:



**Lifelong  
Success**

**Strategy G2:S1** - Explore and address barriers to accessing affordable, quality childcare and the associated workforce development needs to sustain success.

**Strategy G2:S2** - Partner with Guilford County Schools to fund and sustain safe, modern, and future-ready schools while fulfilling statutory obligations per NCGS 115C-426(f).

**Strategy G2:S3** - Explore opportunities to support market competitiveness for the delivery of quality education by investing in a highly skilled workforce while fulfilling statutory requirements of NCGS 115C.

**Strategy G2:S4** - Promote sustainable local prosperity and economic development by creating a seamless educational and credentialing pipeline to prepare the workforce for high-demand careers in advanced manufacturing, aerospace, healthcare, life science, clean energy, and other skilled trades.

**Strategy G2:S5** - Partner to strengthen the local business network to support small businesses and startups with a focus on historically underserved entrepreneurs.

# Our Goal Areas:



Guilford County **intentionally** creates a safe, prepared, and resilient community by investing in public safety, emergency response, disaster readiness, and community resilience.

# Our Goal Areas:



**Strategy G3:S1** - Enhance the public safety system by aligning staffing and resources with service demand to ensure timely response to emergencies and calls for service.

**Strategy G3:S2** - Explore community partnerships and processes to increase the live release rate by reducing intake and preventing crises before animals reach the shelter.

**Strategy G3:S3** - Be a well-planned community by promoting housing stability through enhancing emergency supports, pathways to attainable housing, and housing choice in partnership with the NC-504 CoC and municipalities.

# Our Goal Areas:



Guilford County promotes intentionally designed, vibrant, and thriving communities **through collaboration with partners to advance** infrastructure to meet **projected growth demands**, engaging in planning and development practices that balance environmental, social and economic factors for all residents, and establishing high quality recreational and green space amenities.

# Our Goal Areas:



**Strategy G4:S1** - Explore opportunities to promote clean and green spaces, to ensure a safe natural and built environment, and to adopt green practices.

**Strategy G4:S2** - Partner with municipalities and the Piedmont Triad Regional Water Authority to explore opportunities to increase coordinated regional water and sewer infrastructure to expand capacity and meet sustainable future growth needs.

**Strategy G4:S3** - Promote addressing the digital divide to close connectivity gaps and link underserved neighborhoods to essential services.

**Strategy G4:S4** - Explore opportunities to increase transportation access and system integration to connect residents to jobs, education, and other services.

# Our Goal Areas:



Guilford County is committed to attracting and retaining a talented County workforce, thereby ensuring operational excellence and responsible fiscal stewardship for the delivery of sustainable, high-quality public services in partnership with the community.

# Our Goal Areas:



**Strategy G5:S1** - Enhance public communication tools and broaden community engagement to deliver clear, accessible, and transparent information for all residents.

**Strategy G5:S2** - Enhance the use of data and analytics to address community challenges, to better understand community needs, and to prevent recurring crises.

**Strategy G5:S3** - Enhance capital planning through lifecycle cost analysis to ensure reliable, high-quality services that prioritize life/safety and accessibility.

**Strategy G5:S4** - Enhance the County workforce by offering competitive pay and benefits and growth opportunities and by promoting a positive workplace culture.

# Advancing Our Livability Pop-Up Events

Collect qualitative data through activities such as:

- Interactive Prompt Boards
- Mini Intercept Interviews
- “One Thing” Feedback Cards
- Storytelling Wall

Collection would occur at pop-up tables at sporting events, shopping centers, and community canvassing.

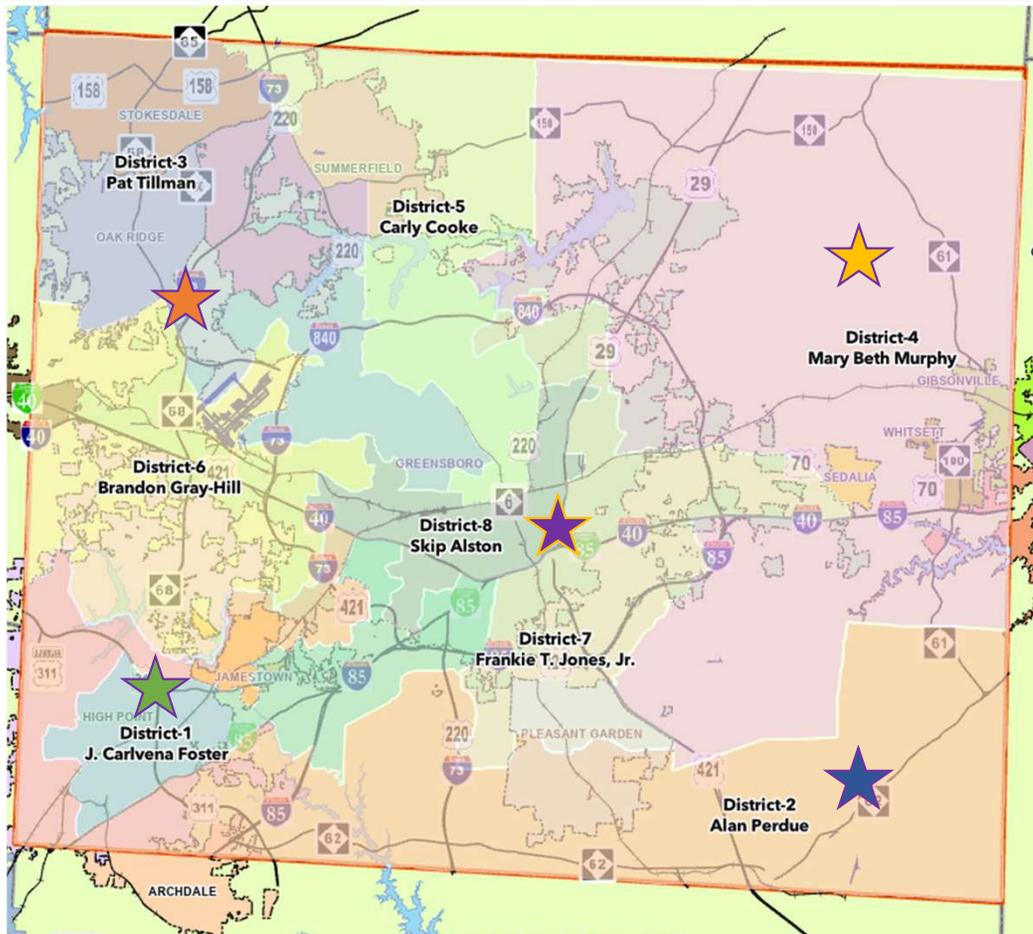
Staff led popup events to gather individual qualitative feedback.

# Guilford in Action: Budget & Livability Forums

- Marketing before events
  - *Guilford in Action – Budget and Livability Forum*
- Gallery walk of goals & strategies
  - *Story sharing prompts*
  - *Comment cards*
  - *“Service fair” but around identified strategy*
  - *Multilingual support*
- Presentation on Budget 101 & Livability Plan Structure
- Small Group Breakout/ Round Table Discussions
  - *Table for each Goal Area*
  - *Table for Budget*
  - *Table for Commissioner Q&A*



# Engagement Quadrants



-  Northeast Park
  -  GCS Community Education Center
  -  Congdon yards
  -  GTCC – Cameron Campus
  -  Pleasant Garden Area / Nathanael Green Elementary/TBD
  -  Boards/Commission Specific Event
- *Virtual or online option*
  - *Available to attend other community meetings as requested by a Commissioner*