

Manager's Address 2016

As you know Hyde County has 811 square miles of water (530,000 acres). We have 140,000 acres of public trust lands and we have 14 miles of ocean to sound on Ocracoke Island. All basically preserved and pristine.

We have what most counties would die for. We have the brightest future of any rural county in North Carolina, all because of our natural resources.

Hyde's economy is tied almost exclusively to farming, fishing and tourism. Our economic development plan now and for the future will be tied almost exclusively to growing and promoting these three.

We may chase a boat builder or a fish meal manufacturer, or an unmanned aerial vehicle company but usually that is exactly what we are doing – (CHASING)!

Hyde's future is right before our eyes. It's our farm and timber lands. It's the quality of our local farmers and land owners and their ability and willingness to reach out and explore beyond the box. Sweet corn, green beans, potatoes, sweet onions – all grown, harvested, packaged and sold in and from Hyde County.

Acres and acres of available land for the best deer, bear, turkey, duck, goose and swan hunting in the world. People come from all around the world to experience this resource and it's our locals who make this happen. Those who experience this come back year after year and generation after generation. Many buy land of their own many build houses.

It's our fishermen and women who battle the daily changing rules and regulations and change and adapt accordingly – when the state makes it hard to survive flounder-fishing they switch to crabbing and shrimping and when the state jumps on crabbers they switch to oysters and clams. They catch dog fish and blue fish and drum. They supply our wonderful restaurants and fish houses with the best seafood anywhere. Hyde County must continue to do everything in their power to support our farmers and fishermen and women. We must be there side-by-side working for less restrictions and for state and federal monies for research and development, pumps and drainage, and for elimination of salt water intrusion.

Now to Hyde's sleeping giant – tourism currently the second of the big three in revenue generation. Our opportunity is to help in the development of nature based tourism on the mainland and grow the shoulder seasons on mainland and Ocracoke. We must ensure that the heart of our mainland (The Mattamuskeet Lodge) reopens and serves as a catalyst and spring board for much that our county offers.

- Bird Watching
- Kayaking
- Biking and Hiking
- Hunting and Fishing
- Photography
- Weddings and Other Occasions
- Camping
- Exhibits and Education

We will partner with Ocracoke and Dare County and make coming to mainland a must. From this will come room rent and food and activities and jobs and INCREASED SALES TAX which brings me to our budget.

To maintain and support the vision and future as outlined above we must maintain safety, health, education, youth development (4-H) and infrastructure (water, streets, ferries, drainage). The budget I will hand out is balanced and does a very good job of this objective. Let's talk about balanced. Balanced means we have a means of revenue to support and equal our spending.

After you exhaust all other avenues of revenue, real estate taxes, sales taxes, rent, inspection fees

and permits, EMS billings, grants, state and federal restricted funds – we always turn to our savings account (our fund balance) to be the equalizer.

My 1st budget 2013 we never used the fund balance and in fact grew it by \$400,000 to (27.7%) for a total of \$3,167,880.

My 2nd budget 2014 we never used the fund balance and in fact grew it again by 1.1 million to (37.35%) for a total of \$4,292,016.

My 3rd budget 2015 we never used the fund balance and in fact grew it another \$330,000 to (37.79%) for a total of \$4,622,833 which is where it is officially today.

Years 2016 and 2017 look much more challenging. The reason – shortage of revenue due to a declining tax base and a very poor tax collection rate. Our tax base is estimated to shrink by \$56,000,000 from 2014 to 2015. That's over \$300,000 in revenue. Our collection rate is 94.67%, 5th worst in North Carolina. (State average is 98%). That's another \$333,000 lost revenue – that's \$633,000. We have a plan! My requested budget as presented is \$200,000 less than that presented last year. In it we have three significant additions:

- A. Creation of an internal IT department, which will be self-sustaining and in addition save the county \$100,000.
- B. Creation of non-emergent ambulatory services to our EMS. We already have all the equipment to do this. We will need only two employees. This pays for itself plus makes the county an additional \$100,000.
- C. Install fiber/broadband to Community Center – will be done by the end of July.

Other game changers:

- Consolidated 911 - \$150,000 savings a year for 20 years
- Increased sales tax collection - \$100,000

So when you combine increase in tax base, increased collection rate, savings from IT, increased income from EMS, increased revenue sales tax and 911 savings you top out at \$1,050,000 of additional revenue.

I project our fund balance will reduce to approximately 31% from transfers in 2016 and 2017. It will then level off with the changes above and maintain itself at a minimum of 31% (still very healthy) and grow somewhat from year to year thereafter.

We must maintain education with all we can afford and help grow the quality of our schools and instructors.

We must continue our full support of EMS. It is our hospital and it saves the lives of family and friends.

We must continue our full support of our volunteer firefighters and our law enforcement. They secure our safety and are the best.

We must continue our support of 4-H, Hotline, Food Bank, Chamber of Commerce and Engelhard Recreational Park to the level our budget allows.

We are recognized and respected and actually revered thru-out the state. We have an ever growing relationship with NPS, DOT Ferry Division, State and Federal Legislators and the North Carolina Wildlife Resources Commission.

In conclusion, we will maintain a fund balance of above 31% while continuing to provide the level of service in health, safety, education, youth recreation and fulfillment and infrastructure to help ensure our desirability, liveability and sustainability for now and for generations to come.

Thank you.