

October 21, 2016

## ***Economic Development – Corporate Survey Data***

The 30<sup>th</sup> Annual Survey of Corporate Executives revealed some interesting information about factors leading to business location decisions. Below please find a list of the top 10 factors based on importance:

	<b>Factors</b>	<b>% Executives Rank Items as Important</b>
1.	Availability of skilled workforce	92.9
2.	Highway accessibility	88.0
3.	Quality of Life*	87.6
4.	Occupancy or construction costs	85.4
5.	Available buildings	83.7
6.	Labor costs	80.8
7.	Corporate tax rate	78.8
8.	Proximity to major markets	76.3
9.	State & local incentives	75.8
10.	Energy availability & cost	75.3

With respect to defining quality of life, the following key attributes were identified in the survey data:

- \* High performing schools
- \* Affordable housing with a variety of options
- \* Efficient public transportation
- \* Short commute times
- \* Low crime rate
- \* High quality healthcare
- \* Competitive child care costs
- \* Good balance of shopping, dining, entertainment, sports, recreation and weather

As the Board explores strategies to enhance economic growth, it will be important to consider the key factors that influence investment decisions such as available product, a skilled workforce, highway access, high quality schools and crime rates.

## ***General Fund Balance Analysis***

The County’s preliminary audit suggests General Fund balance increased by \$2.3 million as of June 30, 2016.

The County’s projected available General Fund balance as of June 30, 2016 will be approximately 30% of expenditures. This percentage is consistent with the average fund balance for counties of similar size in North Carolina.

The projected level of fund balance enhances the County’s long-term solvency, reduces interest rates on long-term borrowing and gives the Board the flexibility to evaluate and consider one-time investments in capital improvement projects.

## ***Group Health & Worker’s Comp Fund***

Based on preliminary financial audit results, the County’s Group Health and Worker’s Comp Fund experienced a net decrease of \$84,340 in FY 2015-2016. This decrease was not unexpected given \$300,000 in fund balance was actually budgeted.

Based on an analysis of average monthly group health and worker’s compensation claims, the Fund currently has reserves to cover approximately seven (7) months of average claims. Best practice suggests a self-insured fund maintain sufficient reserves to cover at least three (3) months of claims. Thus, the Fund is currently fiscally sound and solvent.

Below please find the fund balance history for the Group Health and Worker’s Comp Fund over the past five (5) fiscal years:

<b>Fiscal Year</b>	<b>Fund Balance</b>
FY 2011-2012	\$1,143,160
FY 2012-2013	\$1,223,767
FY 2013-2014	\$2,269,512
FY 2014-2015	\$2,893,759
FY 2015-2016	\$2,809,419