



Special Meeting

- A. Presentation of FY 2019-20 Manager's
Recommended Budget



FY 20 Recommended Budget

County Services

- Medicaid Administration
- Crisis Intervention
- Rabies Testing
- Tax Assessments
- Tax Collection
- DSS Child Protective Services
- DSS Adult Protective Services
- DSS Economic Assistance
- Child Support Enforcement
- Health Education
- Restaurant Inspections
- Septic and Sewer Permits
- Immunizations
- Communicable Disease Detection and Response
- Building Code Enforcement- Safe Structures
- Building Code Enforcement- Electrical
- Building Code Enforcement- Mechanical
- Building Code Enforcement- Plumbing
- Jail Prisoner Transport
- Census Support
- Floodplain Management
- Public Building Maintenance

- Public Building Housekeeping
- Fiscal Management
- DSS Services to the Blind
- DSS Foster Care
- Employment Training
- Accounting
- Contract Management
- Accounts Payable
- Payroll
- Record Keeping
- Elections
- Budgeting
- Legal Research
- Auditing
- Agendas/Minutes/Meeting Schedules
- Education Capital Funding
- Emergency Management- Floods, Snow Storms, Hazardous Spills
- Jail Operations
- Civil Service
- Court Security
- Inmate Health Services

- Sheriff and 2 Deputies
- Elderly Heating Assistance
- Custody for abandoned elderly
- Child Adoptions
- Emergency Medical Services
- Marriage Licences
- Death Certificates
- Autopsies required by medical examiner
- Unclaimed Corpses
- Birth Certificates
- Deed Recording
- Land Plat Recording
- Insurance Management (property, liability, workers compensation)
- Court Facilities
- Probation and Parole Facilities
- Mental Health (Vaya)
- Substance Abuse Assistance (Vaya)
- Community College- Cap/ Ops

County Services

Landfill
Solid Waste Recycling (25% of waste stream)
School Nurses
Joint Historic Preservation Council
Public Transportation
Watershed Protection
Transportation Planning
Mapping (Used by visitors, realtors, etc)
Information Technology
Human Resources
Education Operational (Partial) Funding
911 Emergency Dispatch- EMS, Fire, Law Enforcement, Rescue
Property Addressing (allows for better dispatch)
Community College- Personnel
Home and Community Care Block Grants

Animal Shelter and Adoptions
Animal Control
Solid Waste Convenience Centers
Library Books and Resource Check out
Library Programs for Children (story time, legos)
Library Programs for Adults
Library Speaker Series
Library Concerts
Library Public Computers and Internet Access
Genealogy and History Documentation
Community Center Wifi Access
New Adventure Early Child Development Center
Child Health
Reproductive Health/Family Planning
Land Planning
Sign Ordinance Enforcement
Scenic Highway Ordinance Enforcement
Small Area Planning/Comp Planning
Cooperative Extension- 4H
Cooperative Extension- Local Foods
Cooperative Extension- Agriculture Support
Cooperative Extension- Master Gardeners
Veteran's Services
Noise Ordinance Enforcement
Subdivision Regulation

Economic Development Recruitment
Economic Development Expansion
Adult Recreation Programs
Summer Camp for Kids
Children's Recreation Programs
Special Olympics
Senior Games
Senior Center Programs
Silvermont Museum
Senior Center Operations
Parks Maintenance- Mowing
Parks Maintenance- Playground Inspections
Parks Maintenance- Field Striping
Parks Maintenance- Landscaping
Parks Maintenance- Trash Collection
Parks Scheduling
Law Enforcement Patrol
DARE
School Resource Officers
Investigations- Property Theft
Investigations- Murder
Investigations- Rape/Sex crimes
Investigations- Domestic Violence
Investigations- Drug Trafficking
Fire Marshall- Plan Review
Fire Marshall- Commercial Building and School Safety

County Services

Fire Marshall Fire Investigations
Inmate Work Crews
Senior Services Task Force
Get Set Early Childhood Initiative
Pet Adoptions
Rescue Squad- Vehicle Extrications
Rescue- Searches, swift water, etc
State Forest Fire Protection
Technology Assistance (library)
Community Meeting Spaces (maintenance, scheduling, clean up_
Outside Agencies (Pisgah Legal, Sharing House, Farmer's Market, etc)
Community Center Facility Grants
Soil and Water Environmental Education
Soil and Water Agriculture and Farm Support
River Clean Up- French Broad River
Workforce Housing

☐ Key Functions:

- ☐ Education
- ☐ Public Safety
- ☐ Health and Human Services
- ☐ Physical and Economic Development
- ☐ Culture and Recreation
- ☐ General Government
- ☐ Transfers
- ☐ Debt Service

How do we budget?

Strategic Plan, Goal 6D: Enhance fiscal planning for public dollars while leveraging available revenues to the fullest

- ☐ Look at trends for revenue and look at resources that help suggest what to expect with those trends
 - ☐ Limited information from state on revenues they control because they are on same cycle
- ☐ Gather information from various sources on price changes including gas, utility rates, economic predictions, etc
- ☐ Make, but document, assumptions and layer review so that staff feels comfortable those projections are reasonable
- ☐ Seek to understand Board of Commissioner's priorities, community needs, and funding partner needs
- ☐ Estimate service demands by examining existing demands- what is growing, decreasing?
- ☐ Understand mandated services and non-mandated services
- ☐ Review fees charged
- ☐ Consider local economy
- ☐ Factor in long term fiscal health and long term planning in addition to annual

Budgets are math and statistics problems, but also establish policy and reflect priorities

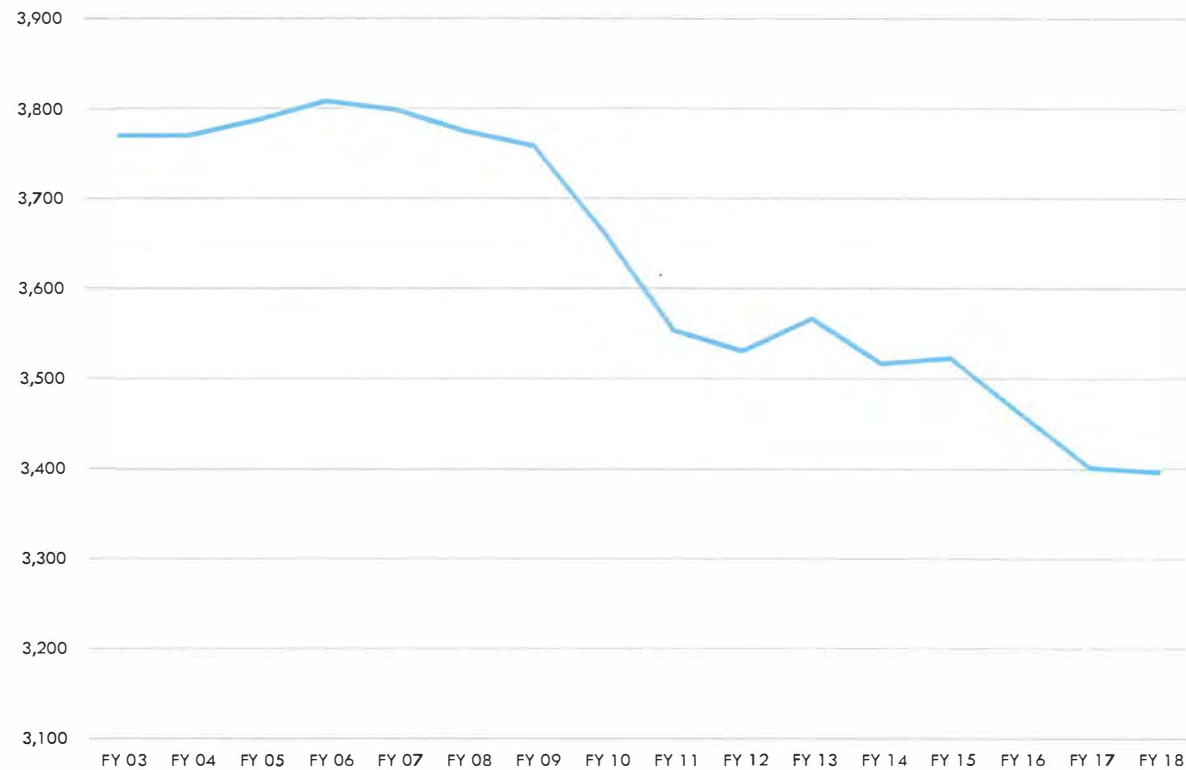
Trends by Function- Education

Strategic Plan, Goal 6D: Enhance fiscal planning for public dollars while leveraging available revenues to the fullest

Blue Ridge Community College

Academic Year	FTEs
2016-17	275
2017-18	264
2018-19*	302

Transylvania County Schools 1st Month ADM, per DPI

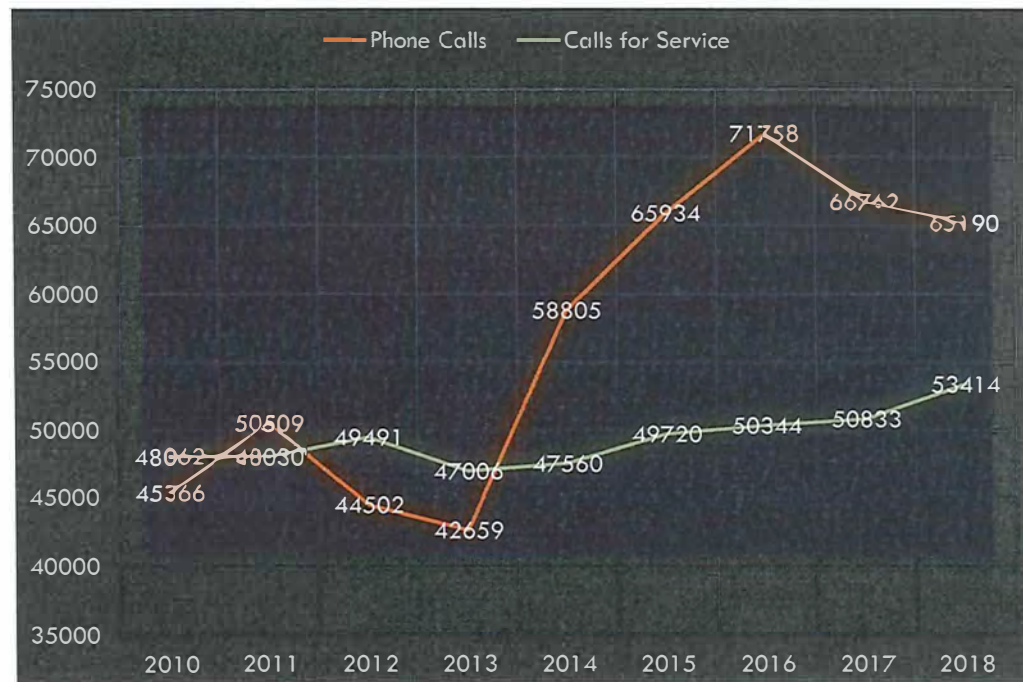


Trends by Function- Public Safety

Strategic Plan, Goal 6D: Enhance fiscal planning for public dollars while leveraging available revenues to the fullest

Steady increase of calls for service over the last five years.

Based on current projections, we should be around 56000 calls for service in 2019.



Trends by Function- Health and Human Svcs

Strategic Plan, Goal 6D: Enhance fiscal planning for public dollars while leveraging available revenues to the fullest

Trends

- 19% increase in CPS reports as of January 2019 compared to January 2018.
- 25 children placed in DSS custody for SFY 2018.
- NCFast launched with CPS Intake and Assessments in January 2019 and will move to Foster Care and Adoptions in July 2019.
- Appointed as guardian of 6 new wards since SFY 2018
- Increase of younger adults with severe mental illnesses in APS/Guardianship cases.

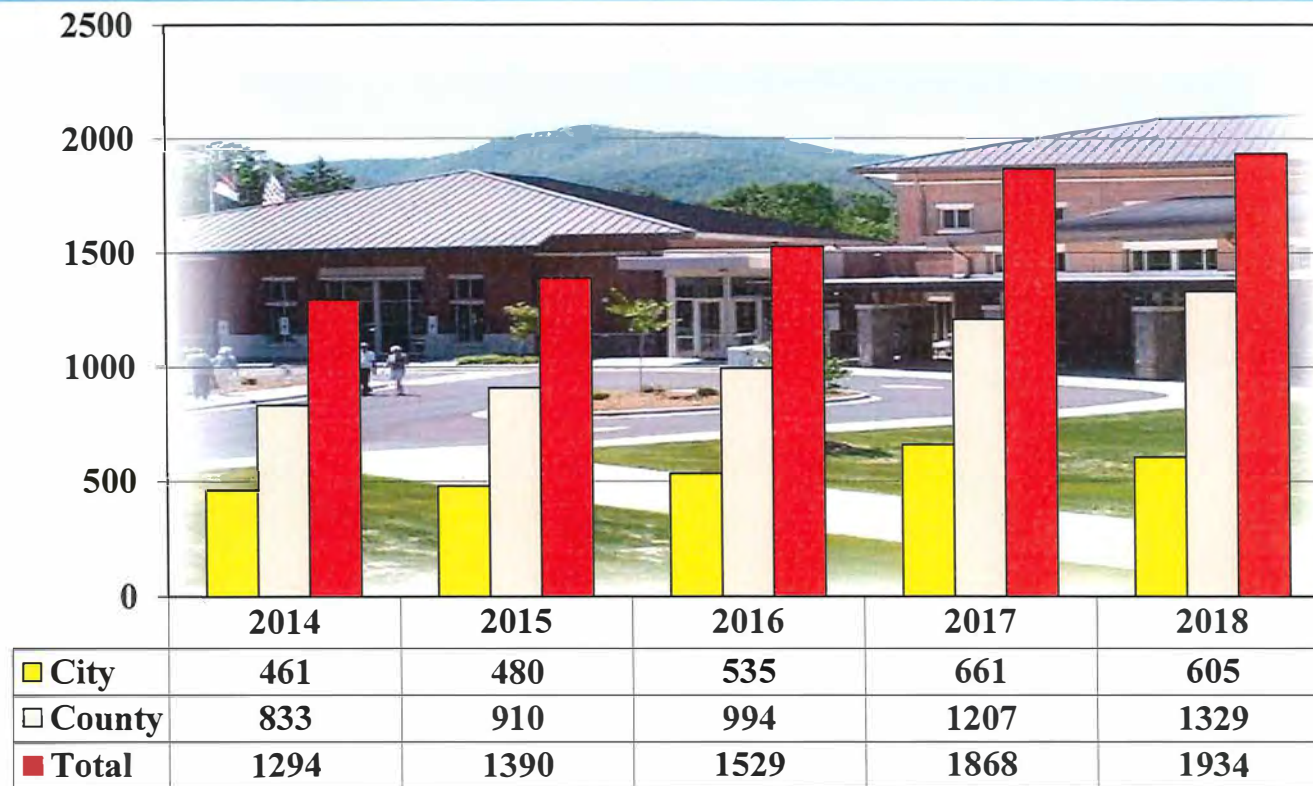
Children Ordered into DSS

Custody

	2017-18	2018-19
July	3	1
Aug	1	2
Sept	1	2
Oct	0	5
Nov	0	2
Dec	1	0
Jan	1	13
Feb	1	
Mar	1	
Apr	2	
May	8	
June	1	
TOTAL	20	25

Trends by Function- Phys and Econ Dev

Strategic Plan, Goal 6D: Enhance fiscal planning for public dollars while leveraging available revenues to the fullest



Trends by Function- Culture and Recreation

Strategic Plan, Goal 6D: Enhance fiscal planning for public dollars while leveraging available revenues to the fullest

	Legal Service Population	Visits Per Capita	% Users	Program Attendance Per Capita	Total Collection Use Per Capita	E-Circ Per Capita
Transylvania Library	34,139	5.9	51.3	0.42	10.50	2.484
Appalachian Region (incl. Ashe)	153,363	2.5	48.4	0.20	4.37	0.507
Bladen	34,667	0.9	36.4	0.05	0.97	0.032
Buncombe	258,406	8.0	54.0	0.33	6.95	1.644
East Albemarle (incl. Dare)	113,059	2.8	56.7	0.24	4.23	0.650
Haywood	61,771	3.5	65.9	0.22	5.48	0.929
Henderson	114,385	4.7	81.4	0.21	9.02	2.077
Scotland	35,789	2.1	29.7	0.14	1.52	0.195
Fontana (incl. Jackson & Macon)	91,321	4.3	64.1	0.40	4.75	0.989
Sandhill (incl. Montgomery)	232,868	1.7	56.4	0.14	1.59	0.243

Trends by Function- General Government

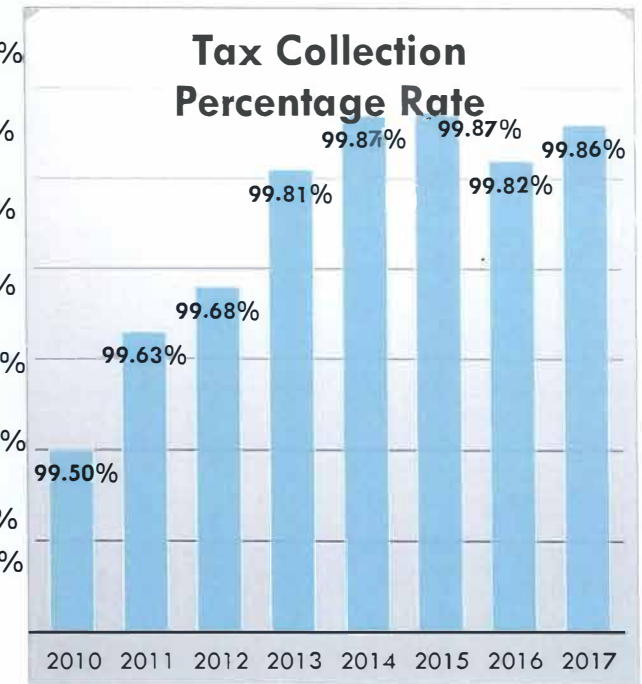
Strategic Plan, Goal 6D: Enhance fiscal planning for public dollars while leveraging available revenues to the fullest

Finance Metrics

	FY14	FY15	FY16	FY17	FY18	▲ %
General Ledger Entries	825	1,077	1,403	1,422	1,219	11.97%
AP Checks Written	7,358	7,635	7,824	7,658	7,426	0.27%
Payroll Direct Deposits	10,255	10,580	10,696	11,208	11,057	1.93%
Purchase Orders Issued	999	1,058	1,366	1,833	1,000	5.94%
Occupancy Tax Collections	507,944	544,350	626,955	706,547	846,535	13.71%
Occupancy Tax Payers	145	173	183	234	251	15.06%
EMS Bills	3,424	3,741	3,498	3,528	3,498	0.69%
EMS Bill Revenues	1,211,648	1,284,234	1,276,553	1,181,003	1,157,083	-1.03%

Human Resource Metrics

Year	2016	2017	2018
New Hires Processed	73	93	113



Highlights for FY 20

Strategic Plan, Goal 6D: Enhance fiscal planning for public dollars while leveraging available revenues to the fullest

- ☐ Tax increase of 10.5 cents based on voter approval of the \$68 million school construction bond to renovate and expand Rosman High, Rosman Middle and Brevard High Schools for a new tax rate of \$.616/\$100 valuation.
- ☐ Total budget of \$60,476,611
- ☐ Recommend keeping consistent with the fire department feedback preferring to fund fire departments from district funds and not to fund supplements through the general fund.
- ☐ Total tax increase will vary across the county from 10.4 cent increase in Lake Toxaway to 21.8 cent increase in Cedar Mountain

	FY 20 Rate Fully Funded	FD Rate Change vs FY 19	School Bond	Total June 1 Tax Increase
<u>Fire District</u>	<u>Requests</u>	<u>Approved</u>	<u>Tax Increase</u>	
Sylvan Valley 2	\$0.055	\$0.000	\$0.105	\$0.105
Rosman	\$0.143	\$0.022	\$0.105	\$0.127
Little River	\$0.102	\$0.012	\$0.105	\$0.117
Conestee Falls	\$0.083	\$0.000	\$0.105	\$0.105
Cedar Mountain	\$0.251	\$0.113	\$0.105	\$0.218
Lake Toxaway	\$0.054	-\$0.001	\$0.105	\$0.104
Balsam Grove	\$0.111	-\$0.001	\$0.105	\$0.104
North Transylvania	\$0.222	\$0.082	\$0.105	\$0.187

Highlights for FY 20

Strategic Plan, Goal 6D: Enhance fiscal planning for public dollars while leveraging available revenues to the fullest

- ☐ Support the United States Census 2020 work in Transylvania County to assure an accurate count. This helps to bring federal tax dollars back to the county for service support.
- ☐ Explore operational efficiency and best practices throughout county services
- ☐ Facilitate preparation of the first small area plan for the county with the Cedar Mountain community.
- ☐ Facilitate a plan to address workforce housing and economic development needs in the community including exploration of the role of infrastructure in providing these services. (\$50k for action plan in reserve as of June 30, 2019)
- ☐ Continue facilitating the work of Get Set Transylvania in partnership with Sesame Street in Communities including providing topic based resource toolkits to children along with resources including services provided by county departments.
- ☐ Continue facilitating the work of the Senior Services Task Force including continued operations and programming of the Senior Center at Silvermont.
- ☐ Manage the construction of a sewer line that will provide expansion support to Gaia Herbs and extend service by the Town of Rosman along the US 64 Corridor. The county will hire and manage the contracts for design and construction in addition to the grant funding responsibilities and then turn over the line for ongoing maintenance and operation to the Town of Rosman.
- ☐ Explore options that have been studied and any additional viable options to meet the facility needs of the courthouse and develop a path forward to meet those needs.

Highlights for FY 19

- ❑ Facilitate the education construction bond issuance as needed by the Transylvania County Board of Education.
- ❑ Merge the Transportation Department and the Planning and Community Development Department to allow for more robust cross training and support.
- ❑ Continue funding \$50,000 per year to provide free wi-fi at 9 qualifying community centers and issue a grant cycle in FY 20 for capital improvements for community centers.
- ❑ Implement compensation study and establish a compensation philosophy for implementation going forward.
- ❑ Work to mitigate revenue loss from collection of City of Brevard Taxes with efficiency measures in the tax office.
- ❑ Maintain service levels throughout county services.
- ❑ Continue to identify and implement reasonable replacement schedules for equipment and capital purchases. The County has made progress in replacement of aging HVAC units, but will need to accelerate progress on those replacements due to the number that are reliant on R-22, which will be federally restricted as of 2020 for manufacture.
- ❑ Establish capital improvements schedules that take into account reasonable life of capital improvements such as roof replacement in addition to new capital items such as a replacement EMS base location.
- ❑ Work with tax administration on identifying operational efficiencies to offset the loss of revenue from tax collections on behalf of City of Brevard (Letter received today terminating 1950s agreement effective July 1)

Fiscal Policy Goals

Strategic Plan, Goal 6D: Enhance fiscal planning for public dollars while leveraging available revenues to the fullest

- Develop a long term capital improvement plan
 - ▣ Include regular replacement schedules and capital needs identified in master plans
 - ▣ Courthouse
 - ▣ EMS Base
- Identify revenue to fund capital needs
 - ▣ Economic Development and Infrastructure Support- Ecusta Road Project Lease Payments
 - ▣ Education Facilities Bond
 - ▣ Parks and Recreation- PARTF Grant
- Work towards multi-year budget planning in General Fund
 - ▣ Vehicle prioritization, computer replacement schedule, long range maintenance evaluation
- Implement Performance Based Budgeting with outcome measures
 - ▣ Annual Work Plan according to Strategic Plan in second year of implementation
- Consensus on this year's county needs from commissioners for recommended budget

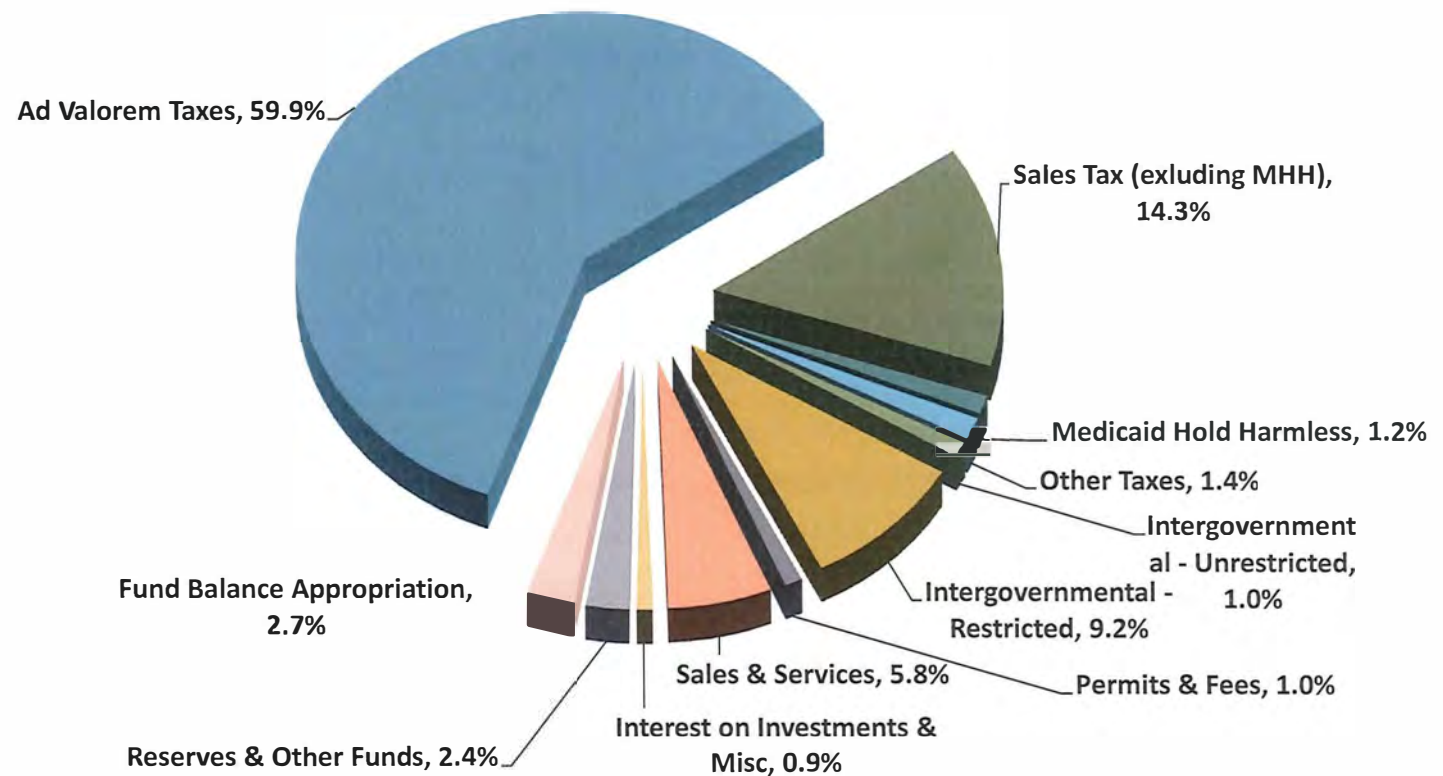
Process with Changes Implemented this Year

- Internal Departments turned in budget requests with justification including proposed work plans
 - 6 month reviews were evaluated for FY 19 work plans in February
- Nonprofit Requests
 - Open call for applications in March
 - Per policy, subcommittee reviewed and scored on a rubric in April
 - Scoring accompanied by discussion, particularly on state statute restrictions
- School Funding
 - March presentation from Blue Ridge Community College President, Dr. Leatherwood
 - FY 19 Recommendation was to cease use of local formula for county schools
 - Submitted requests for additional information and questions to county schools
 - Superintendent presentation in May on behalf of Board of Education for county schools
- Outside Agencies- Fire Departments, Rescue Squad, etc
 - Budget requests due in April
- Priorities and Preliminary Discussion
 - Commissioner meetings in May to clarify priorities, discuss justifications
 - Commissioners included in budget package review for ROD, Sheriff's Office, BRCC and County School Request

Revenue Projections

FY 2020 RECOMMENDED REVENUES GENERAL FUND

- Increasing reliance on property tax. Projected growth of tax base is 1.6% 22.8% growth in the total due to the 10.5 cent tax increase
- Sales Tax growth 10.3 %
- Positive growth indicators in interest on investment, permitting and property transfer fees reflect economic growth
- Revenue Growth is steady, but administration continues to raise concern that funding increases are outpacing revenue growth in some areas. This budget reflects use of reserved and unreserved fund balance.

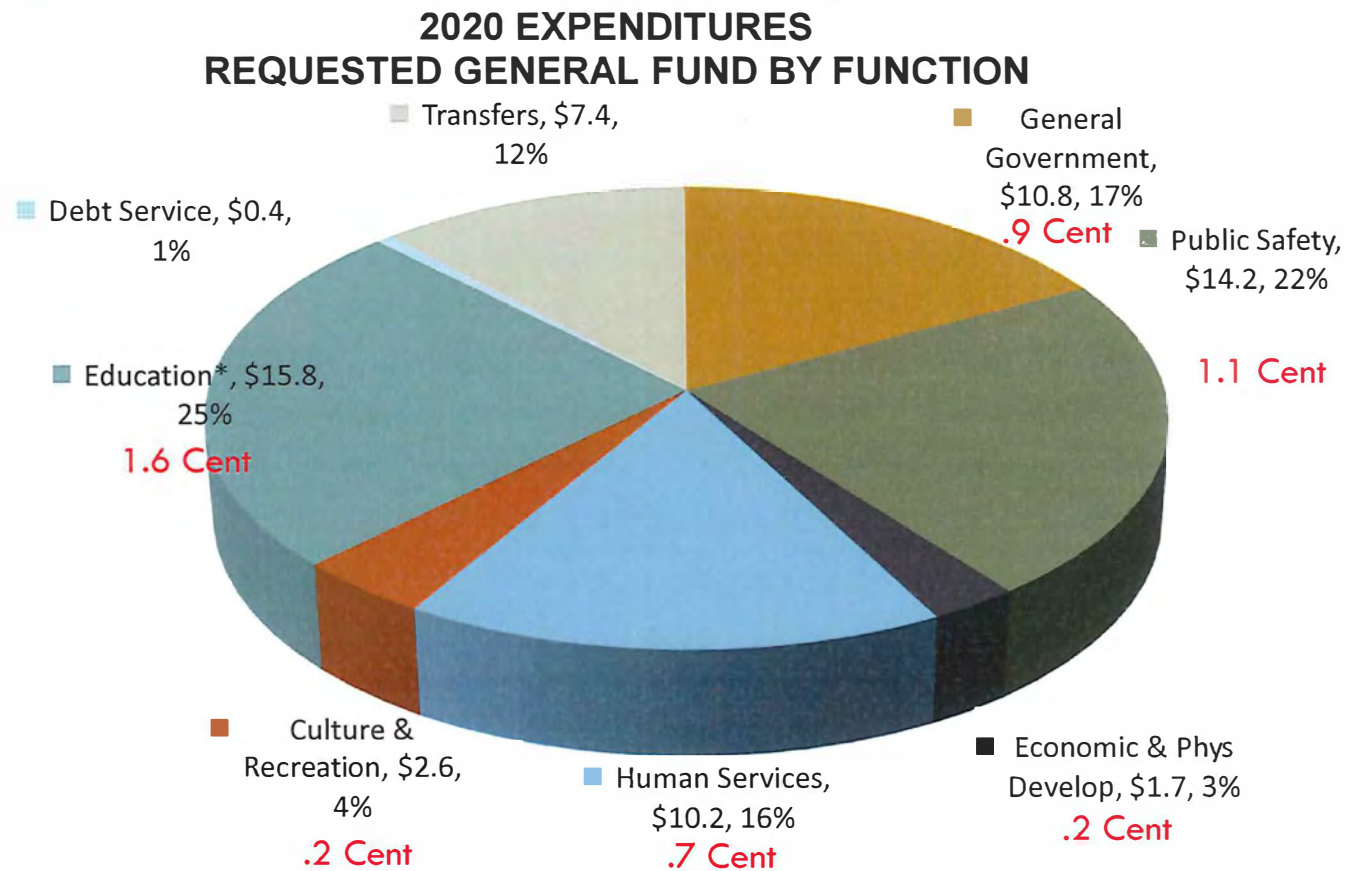


Requests vs Projections- Analysis



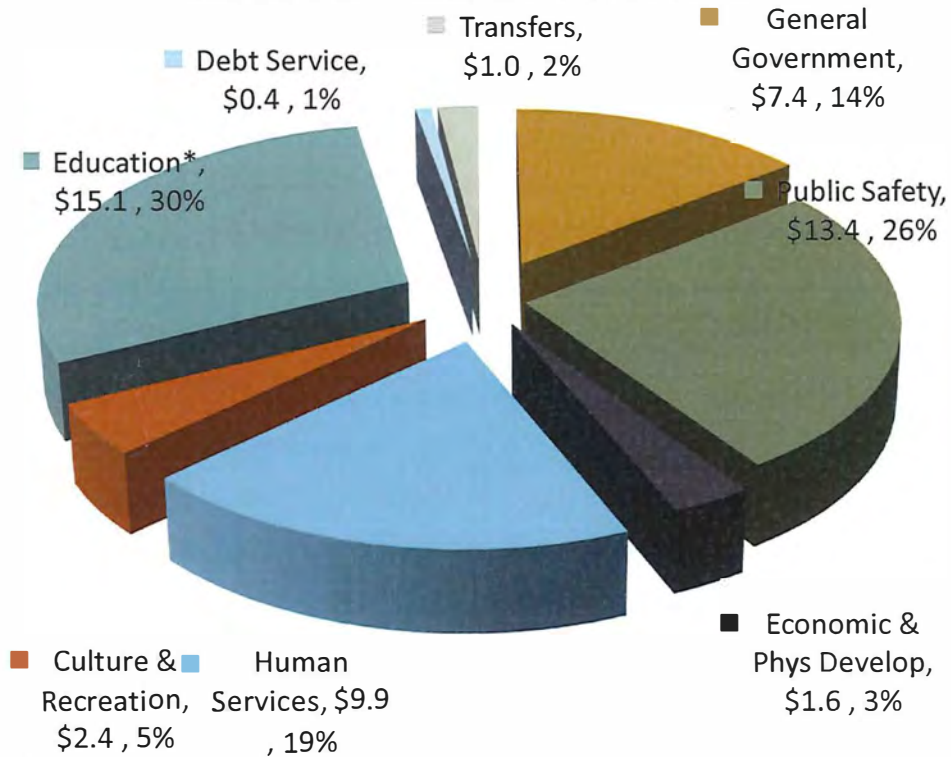
- Full funded requested expenditures vs projected total revenue started with a deficit of requested funds vs projected revenues.
 - ▣ If all requests were recommended, that would net in a 4.6 cent tax increase
 - ▣ Justifications have generally improved over the years
 - ▣ Data submitted for increases and comparing to standards or peer counties is standard
- Utilized commissioner feedback to prioritize needs reducing deficit
- Limited personnel requests in the recommendations to support the compensation study
- Did not cut back capital in order to keep making capital progress
- Recommended funding is NOT an indication that all needs are met or that requests will not be seen again in the future, but does attempt to maintain existing service levels with this budget

Expenditures- Requested with tax rate IF fully funded increases taxes 4.6 cents total

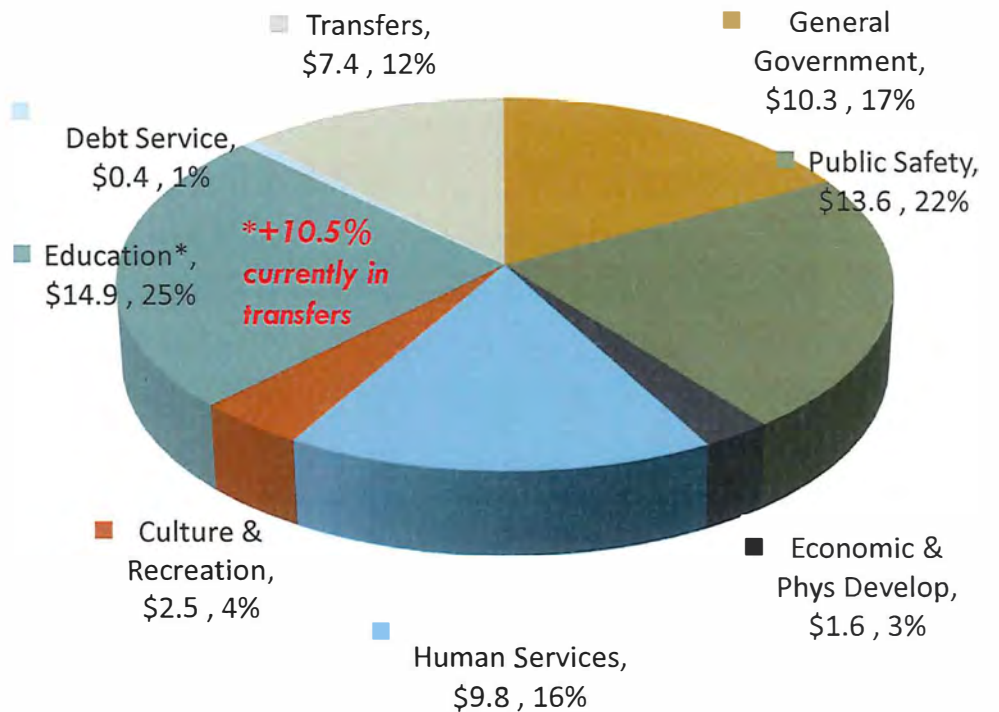


Expenditures

**FY 19 BUDGETED EXPENDITURES -
GENERAL FUND BY FUNCTION**

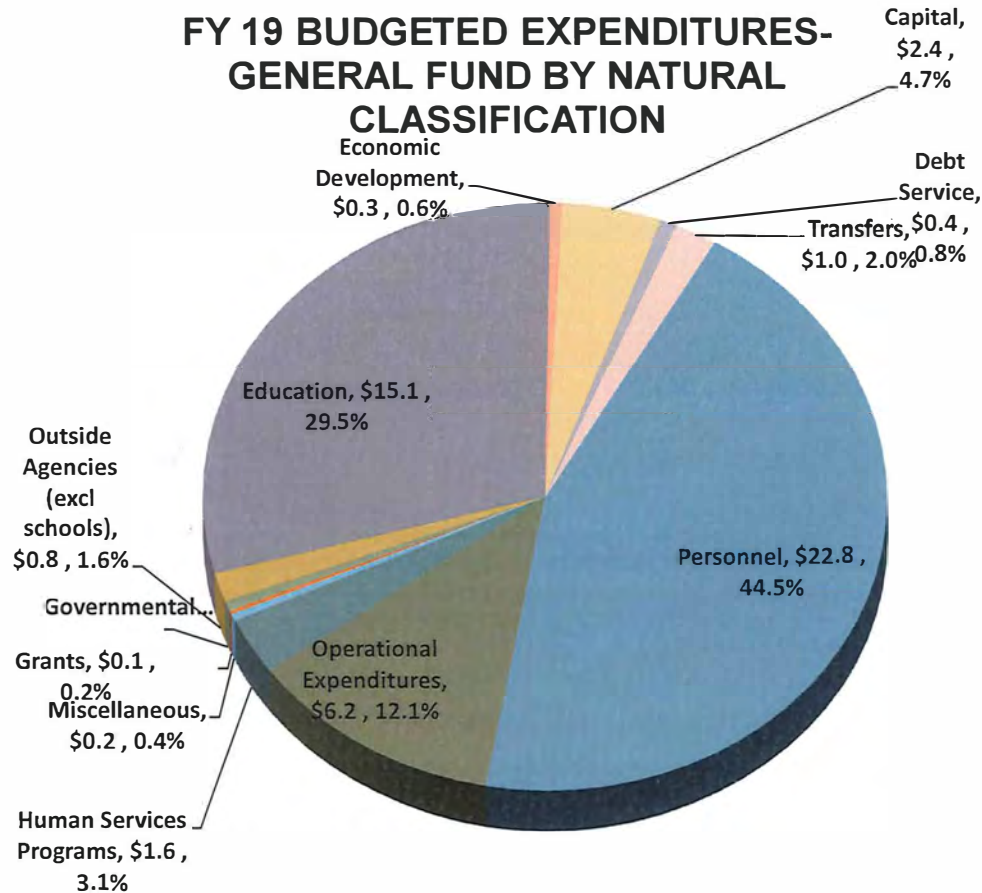


**2020 EXPENDITURES - RECOMMENDED
GENERAL FUND BY FUNCTION**

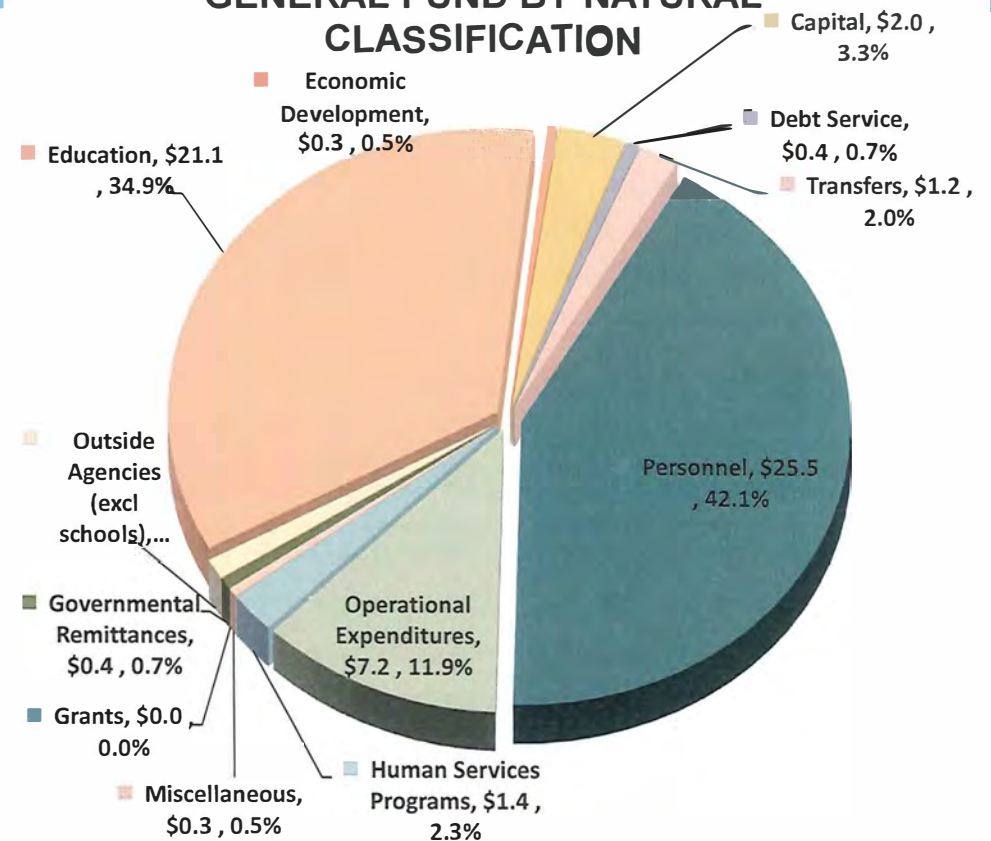


Expenditures

FY 19 BUDGETED EXPENDITURES- GENERAL FUND BY NATURAL CLASSIFICATION



FY 2020 RECOMMENDED GENERAL FUND BY NATURAL CLASSIFICATION



Summary

- Balanced budget of \$60,517,611
- Recommended budget includes the FY 16 capital 2 cent tax increase as a \$1.2 million transfer to fund balance with designations to be made at the end of FY 20.
- Recommended budget includes \$6.2 million in FY 20 to go to designated reserve for the education capital bond payments per voter's approval
- Recommended budget includes setting fire tax rates by district after approving funding levels by district as requested by the majority of fire departments.
- Implement the compensation study once complete
 - Budgeted for implementation for July 1, but may have to enter in August 1 to process the recommendations into payroll.
- Recommend continued policy implementation
 - Require complete budget requests unilaterally for all county departments, offices and funding partners to be submitted during the budget process.
 - Continue capital planning and identify long term capital investments along with maintenance schedules for existing assets.
 - Develop compensation philosophy after compensation study implementation



Revenues- Assumptions & Trends

Revenue



- Highest revenue source is property tax 59.9% (57.6% FY 19) of Budget and projected to grow 1.6% for property valuation
 - ▣ \$.616/\$100 valuation for general fund with collection rate of 99.5% presumed netting in an increase in property tax revenue of 22.8%
 - ▣ FY 20 Projected Tax Base is \$5.88 Billion. Without the tax increase, tax base revenue would have generated \$497,000 in additional revenue and does not offset the annualized growth in operational needs.
- Sales Tax this year is projected to grow 10.3%
- Revenue reflects use of some designated reserve funds for capital projects at Silvermont Park, purchase of elections equipment to meet state statute and other similar planned projects
- \$1.7 million of fund balance is appropriated to balance this budget compared to \$827,236

Other Revenues- Trends



- ❑ Jail inmate revenues from other counties is projected to decrease as other counties improve facilities, but we do project some housing revenue next year.
- ❑ Restricted intergovernmental revenue shows a decrease due to a change in block grant administration
- ❑ Seeing some increase in funds related to economic growth in building permits and property transfers
- ❑ PARTF grant application for FY 20 will be submitted, but is not budgeted and will require amendment if awarded and accepted.

Fund Balance

- ❑ Projected increase in total fund balance at close of FY 19 books of \$1.8 million
- ❑ The County's 2 cents for capital improvement programs continues to accumulate faster than the Board authorizes projects to be spent from it, with approximately \$2.4 million to be added by FY19 and FY20 while only two projects (the approx \$1.2 million VHF radio upgrade and the approx. \$600,000 software upgrade) are actively drawing fund balance down. This estimate would change should the Board authorize a major parks and recreation, another economic development project or public safety project.
- ❑ Unassigned Fund Balance increases are mostly driven by employee turnover and unused operational resources

TRANSYLVANIA COUNTY YEAR-END FUND BALANCE				
GENERAL FUND				
FISCAL YEARS 2018 through 2020				
	Actual	Estimate	Estimate	
	2018	2019	2020	
Nonspendable	37,238	-	-	
Restricted	4,589,513	4,965,513	5,064,823	
Committed	4,601,399	4,976,399	4,576,399	
Assigned	11,948,327	10,548,327	12,048,327	
Unassigned	<u>5,415,837</u>	<u>7,915,837</u>	<u>6,415,837</u>	
	26,592,314	28,406,076	28,105,386	

Solid Waste Fund

- ❑ No change in fee structures
- ❑ No transfer from General Fund scheduled
- ❑ Use of solid waste fund balance to fund operational deficiencies projected in FY 20
- ❑ Continued improvement of management and business practices

TRANSYLVANIA COUNTY YEAR-END FUND BALANCE				
SOLID WASTE FUND				
FISCAL YEARS 2018 through 2020				
	Actual 2018	Estimate 2019	Estimate 2020	
Fund Balance	5,380,921.00	5,830,921.00	5,080,921.00	
	5,380,921.00	5,830,921.00	5,080,921.00	

Expenditures	2018	2019	2020
Personnel	919,971	1,024,255	1,085,845
Operating	1,077,713	991,832	1,392,206
Capital	202,752	571,360	421,872
	2,200,436	2,587,447	2,899,923
Estimated Revenues			
Sales and Services	2,166,360	2,020,421	2,250,000
Transfer from General Fund	624,722	767,324	
Appropriation of Fund Balance		36,376	649,923
	2,791,082	2,824,121	2,899,923



Expenditures

Expenditure Trends



- ❑ No Service Expansion, but this budget does maintain existing services at existing levels
- ❑ Continue catching up on capital needs deferred
 - Impacts of R-22 Federal Legislation for HVAC units
- ❑ 90% of the budget is mandated or required to meet state mandates
- ❑ Voter approved school bond capital reflects 10.5% of budget
- ❑ Economic Development support is a key strategy in future sustainability
 - Property tax base loss with properties going into conservancy or other long term tax abatement programs is impacting revenue growth but not decreasing service demands that must be budgeted to provide

Personnel Detail Changes

Personnel Requests FY2020

Department	New Position	Salaries, Wages and Benefits	Health Ins	Benefit Costs	Other Exp	Total	Offset	Net Additional Cost
EMS	Paramedic	\$55,529	\$10,750	\$1,095	\$1,200	\$68,574		\$68,574
EMS	Paramedic	\$55,529	\$10,750	\$1,095	\$1,200	\$68,574		\$68,574
Coop Ext	Cooperative Extension Agent	\$23,432	\$0	\$0	\$0	\$23,432		\$23,432
Transportation	Administration Assistant	\$32,543	\$10,750	\$1,095	\$0	\$44,388		\$44,388
Social Services	SW Supervisor III	\$65,411	\$10,750	\$1,095	\$3,000	\$80,256	(\$40,730)	\$39,526
Health	School Nurse	\$55,465	\$10,750	\$1,095	\$0	\$67,310		\$67,310
Health	School Nurse	\$55,465	\$10,750	\$1,095	\$0	\$67,310		\$67,310
Sheriff	DV Investigator	\$43,056	\$10,750	\$1,095	\$1,500	\$56,401		\$56,401
Subtotal		\$386,430	\$75,250	\$7,665	\$6,900	\$476,245	(\$40,730)	\$435,515
Department	Reclassification Description	-	-	-	-	-	-	-
Animal Services	Admin Asst PT to FT	\$11,822	\$10,750	\$1,095		\$23,667		\$23,667
Social Services	IMC Administrator I	\$24,635			\$1,366	\$26,001	(\$13,000)	\$13,001
Health	PH Educator II to HSP/E I	\$4,074				\$4,074		\$4,074
Health	PH Educator I to PH Ed II	\$5,722				\$5,722		\$5,722
Health	Processing Assist IV to V	\$2,386				\$2,386		\$2,386
Subtotal		\$48,639	\$10,750	\$1,095	\$1,366	\$61,850	(\$13,000)	\$48,850
Total		\$435,069	\$86,000	\$8,760	\$8,266	\$538,095	(\$53,730)	\$484,365

Currently funded in the FY19 budget, however the grant funding will end in FY20.

Recommended for consideration.

Personnel Detail Changes

- Requested personnel changes outside of the compensation study total \$484,365
- Recommend against adding new positions and most reclassification requests
 - ▣ Need to compensate existing work force more competitively to maximize human resource productivity currently approved
 - ▣ Reclassifications will be evaluated in compensation study for existing positions
 - ▣ EMS needs will need to be evaluated with HCA sale and in tandem with base locations and systemic impact to response time
- Recommend funding the Domestic Violence Investigator after the grant funds cease
- Recommend upgrading a position in DSS Economic Services to a supervisor position due to supervisor to employee ratio being at an extreme
 - ▣ Total impact of recommended is \$ 69,402 for personnel

TRANSYLVANIA COUNTY CAPITAL IMPROVEMENT PROGRAM						
for FISCAL YEARS 2020 through 2024						
Summary of Capital Outlay						
	2020	2020	2021	2022	2023	2024
	Request	Recomm'd	Request	Request	Request	Request
Totals	2,667,094.34	2,516,036.34	1,793,581.33	2,061,553.33	4,020,017.33	1,633,407.33
Buildings	-	-	-	-	2,000,000.00	-
Bldg Improve- ments	614,795.00	525,295.00	332,000.00	85,000.00	147,000.00	108,000.00
Equip- ment	826,041.00	483,544.00	413,000.00	483,000.00	789,000.00	173,000.00
Vehicles	977,679.00	735,587.00	910,170.00	719,274.00	704,238.00	1,193,628.00
Land Improve- ment	126,000.00	126,000.00	-	678,000.00	278,500.00	109,500.00

Capital Recommended Highlights

Goal 6, Strategy A: Provide facilities that allow for efficient service delivery to the public while creating a secure, inviting and friendly environment for customers and citizens

- Total Capital Expenditures from General Fund at \$2.5 million with \$2.67 million requested
- Major Expenses General Fund:
 - Commissioner meeting room equipment upgrade \$65,000
 - Parks and Recreation Projects: \$161,000
 - Voting machines: \$140,000
 - HVAC Replacements: \$100,000
 - Public Safety Security, Electrical Equipment, Interview Room: \$252,820
 - 7 Sheriff's Vehicles, 1 Maintenance, 1 Animal Control, 1 Building Svs: \$458,235
 - Replacement Van for Transportation: \$62,820
- Major Expenses Not Recommended:
 - 2 Vehicle requests in Tax Office and DSS pending review of entire fleet
 - Inmate work truck was requested, but addressed in FY 19 after submittal
 - Tax and ROD security upgrade request: \$51,500
 - EMS Ballistic Vests: \$22,400 (pending policy adopted by BOC and then appropriate)

Outside Agency Requests

State Law regarding funding outside agencies (SOG Blog, Millonzi)

Constitutional Authority and Requirements. [Article V, Section 2\(7\) of the North Carolina Constitution](#) permits the General Assembly to authorize local governments to “contract with and appropriate money to any person, association, or corporation for accomplishment of public purposes only.” And, in fact, all expenditures of public funds must satisfy the North Carolina Constitution’s public purpose requirement. See [N.C. Const. Art. V, Sect. 2\(1\)](#). I discussed the contours of this requirement in a previous [post](#), but generally the provision requires that all public funds, no matter what their source, be expended for the benefit of the citizens of a unit generally, and not solely for the benefit of particular persons or interests.

Statutory Authority and Requirements. Furthermore, satisfying the public purpose requirement is necessary but not sufficient. A local government also must have statutory authority to expend public funds for a particular purpose. See *Hughey v. Cloninger*, 297 N.C. 86 (1979). The General Assembly has authorized both counties and municipalities to “appropriate money to any person, association, or corporation . . .” [G.S. 160A-20.1](#) (municipalities); [G.S. 153A-449](#) (counties). There is an important limitation on this authority, though. The appropriations ultimately must be used to “carry out any public purpose that the [local governments are] authorized by law to engage in.” *Id.*

Outside Agency Requests

Non-profit Sub-committee review overall comments

- ❑ Criteria for scoring was consistent and included:
 - ❑ Ability to enhance/supplement county services
 - ❑ Outcomes in line with strategic plan
 - ❑ Scale out outcomes vs. expense “bang for the buck”
- ❑ \$120,500 requested, \$78,500 Recommended
- ❑ Additional trends in review:
 - ❑ Some requested more funds than granted
 - ❑ \$10,000 for historic/culture preservation entities was allocated by JHPC, but only \$9,000 applied
 - ❑ Feedback from discussion to be shared as requested

Outside Agency Requests

*Strategic Plan, Goal/Strategy 5C: Preserve
and educate about cultural heritage of the
community*

*Goal/Strategy 3B: Support community
involvement in civic activities across
demographics and geographies*

Community Centers Partnership

- Recommend including \$50,000 for grant funds to fund the new grant system for community centers with a FY 19 call for applications in June
 - Will have free wifi available to the public soon at 9 community centers and is intended to support students to have a place in their community to access the internet for homework
 - Will be implementing four capital improvement grant projects and reporting back to commissioners with first report this summer from FY 18

Honor Guard

- Funding for reimbursement of supplies and uniforms at \$5,000 in budget

Rescue Squad and Vaya Health Partnerships

- Rescue Squad reflects small increase for salary adjustments
- Vaya Health funding for mental health remains steady

Outside Partner Agencies

Strategic Plan, Goal/Strategy 4A: Protect and preserve natural resources with long term plans including water, air and forest resources to insure long term sustainability

- ❑ Co-operative Extension \$10,874 Increase recommended (5%)
 - ❑ Funding salary increases established by the state
 - ❑ Not recommending kitchen replacement or position requests (total requested increase was \$31,823)
- ❑ NC Forest Service \$101,825 as requested
- ❑ Land of Sky membership \$28,000
- ❑ River Stewards Tree removal fund in solid waste budget \$20,000
- ❑ Transylvania Economic Alliance requested: \$392,500, recommended at \$315,000

Outside Agency Requests- Snapshot

	Requested	Recommended
703 Land-of-Sky	28,000	28,000
705 Community Centers	50,000	50,000
720 NC Forest Service	101,825	101,825
723 Brevard Rescue Squad	576,450	369,000
740 Mental Health Services	99,261	99,261
747 Center for Dialogue- Mediation Center	6,000	-
749 Boys & Girls Club	9,500	9,500
750 Blue Ridge Community Health	10,000	10,000
752 Pisgah Legal Services	35,000	27,500
755 Bread of Life	5,000	5,000
757 Transylvania Christian Ministry	10,000	10,000
763 Cemetery Board	300	300
766 Transy. Heritage Museum	4,500	4,500
768 JHPC	1,000	1,000
769 Historical Society	2,500	2,500
772 TCArts	5,000	3,000
773 Brevard Music Center	25,000	-
774 Farmers' Market	12,000	9,000

Education

Strategic Plan, Goal/Strategy 2A: Provide
resources to support quality educational
opportunities with a standard of excellence

Legislative Responsibility

“include appropriations sufficient, when added to appropriations from [the State], for current operating expense of the public school system in conformity with the educational goals and policies of the State and the local board of education, within the financial resources and consistent with the fiscal policies of the board of commissioners,” -NCGS

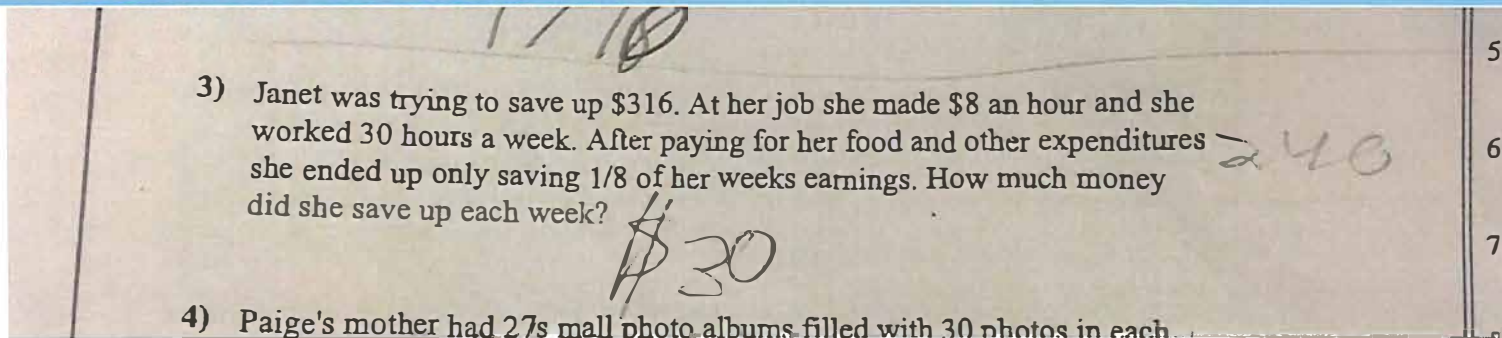
115C-426

“the entire school budget shall be considered carefully and judiciously”

-NCGS 115C-431(a)

- *115C-426(c) defines a budget to include state, federal and local funding.*
- *115C-425(a) requires the budget be balanced for “all funds” – this presents only two of the funds they are required to have by law.*
- *115C-429 requires that the Board of Education approve their “entire budget” prior to submission to a Board of County Commissioners.*

Education



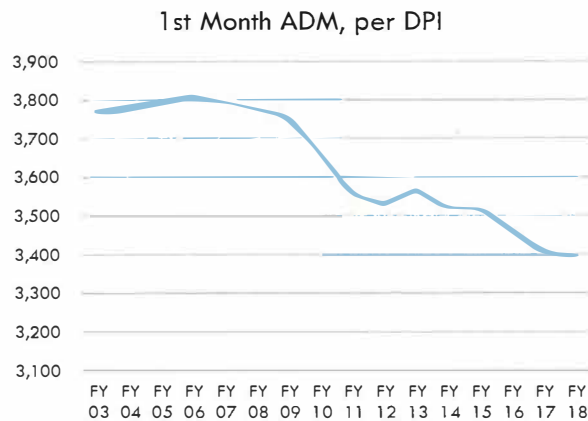
Budget Practicalities

- If you removed any of the above variables, two people could not come up with the same answer. When evaluating requests, understanding the variables aids in building consensus
- Our citizens need transparency and communication so that we are both providing a sound education for our children and being good stewards of the taxation responsibility
- Budgeting is hard, but there are tools to help make assumptions and communicate them

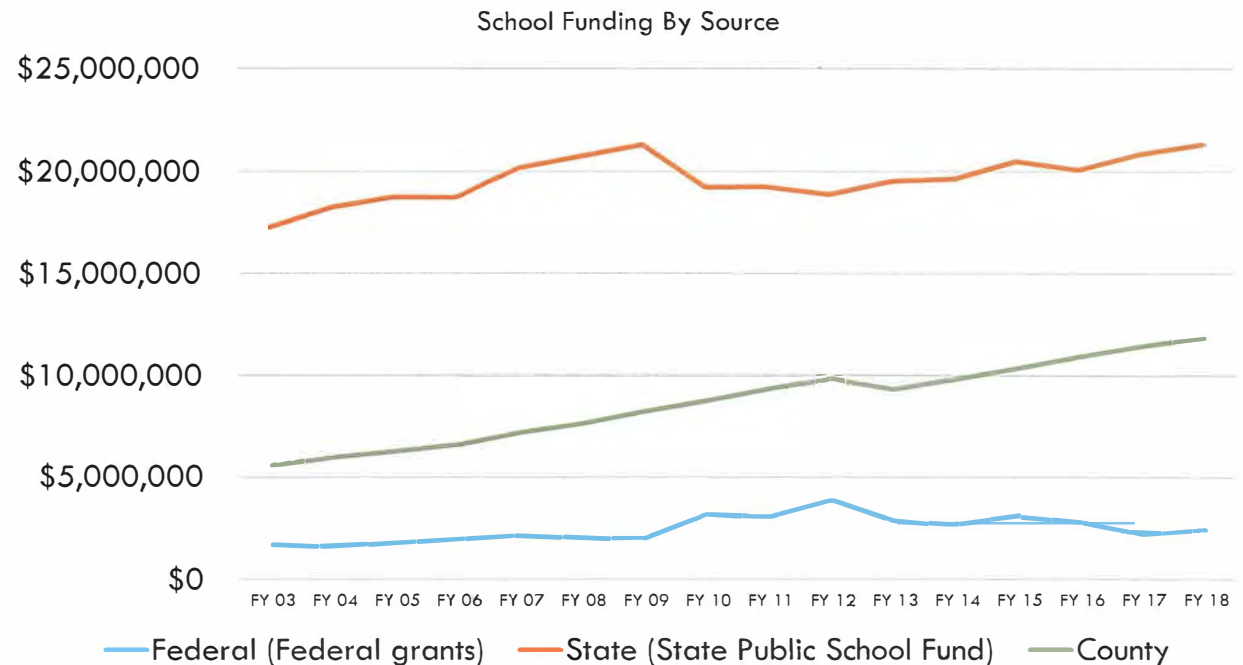
Education- a TOP local priority

Fast Facts

- Transylvania County advanced in placement to 4th in per student current spending FY19(operations/ personnel) for all 100 counties
- Transylvania also ranks 70th out of 100 for number of students in public schools



Funding Level Changes- Local, State and Federal- excluding capital



Education- Board of Education Request

Transylvania Public Schools Request Notes

- ▣ Requested increase in county funds of \$582,196 or 7.9%
- ▣ Net increase in personnel of 1 positions for county funding
 - Board of Education Change sheet reflects 4 teachers at high school decrease, same as last year
 - Unable to get an answer on total position changes from school administration, second year in a row
- ▣ Includes continuing SRO program
- ▣ Indicates impact of state legislation for class size ratios but unable to get even existing ratios for K-3. We have requested this to be looked into at state level since our state representation assures that was intended to be funded in full by increases in state funding.
- ▣ Requests \$250k for food and nutrition fund
- ▣ Request does not provide full revenue projections for all funds and projected expenditures which is provided from all funding partners- county departments and otherwise. Out of the top 5 per student funders, all but Transylvania County Schools provide complete revenue and expenditures budget requests (Buncombe, Durham, Orange and Dare). Dare and Buncombe County have with-held operational funds based on inadequate justification to correct these issues. Both report that now relationships are better due to transparency

Education- Operations Funding

Summary

- Recommendation last year included ceasing use of local formula and netted in \$106k more than requested by school system
 - Would have netted in total increase of 2.27% of total or 5.48% in per student funding at \$3,801.32 (last year commissioners approved funding for \$3,603.83 but schools saw loss of around 100 students from projections)
 - Student numbers continue to decline
- State formula adopted last spring for use in arbitration
 - Would net in a decrease of funding of .57% in total funding
- Recommendation for FY 20 is to hold the total funding flat at \$12,429,613 which still results in a 3.1% increase in per student funding based on projections (\$3,714.77)
 - Any increase in funding needs to be based on thorough and transparent information for review- all of the requests made should be available to public and BOC
- Recommend against special allocations due to concern that is not yet resolved about whether the food and nutrition fund should be considered by law to include a share for charter school students. This is the same as last year's recommendation where all local funding was appropriated by the county commissioners to local current expense, but school finance booked it separately so there is discrepancy in the audit numbers under review now. This is under county attorney advisement.

Education

Summary

- School Capital Requested by Board of Education: \$1.892 million (2.3% increase) for FY 20 in addition to the \$68 million capital improvements bond projects
- Recommendations for Budget Adoption at \$1,561,886 after review of projects, additional \$114,929 for school debt and the funds for the \$68 million bond capital payments
 - Allocate by project for renovation projects
 - All projects paid in full or as a sum of payments exceeding \$50,000 will need executed contracts or invoices submitted to draw down funds
 - Projects less than \$50,000 will be given in a lump sum as listed on the recommended capital proposal
 - As allowed by statute and as historically included in BOC Budget Ordinance, no funds can be reallocated at greater than 10% between projects without BOC approval
 - Some of the \$1.89 million request were requests to carry forward restricted funds from current year, staff recommend approving this via a separate motion from the budget ordinance.
 - One of the requests was to use project restricted Category I funds at TC Henderson to purchase a PA system for the gym (equipment/Category 2) staff recommend approving this by a separate motion from the budget ordinance.
 - Staff recommend not funding a request for \$250,000 in general repairs as it lacks detail on campuses impacted.
 - Project Detail of recommended approvals in your packet
 - Any additional requests could be reason for the boards to consider use of state allocated lottery funds or Transylvania County that have been requested for use in FY 19 or FY 20.

Education- Community College



Summary

- Blue Ridge Community College request:
 - \$749,279 Total Requested and Recommended
 - Current Expense increase to fund bringing faculty supplement up to same as Transylvania County Schools (8.5% Supplement rate) and to meet utility rate increases. Increase 31% on current expense
 - Capital request totals \$199,000 and is a 130.9% increase. A state bond helped decrease BRCC capital needs for a couple of years, but county is statutorily responsible for capital.

Operational Summary

- Recommended Budget can operate existing services and fund existing obligations as presented with:
 - ▣ No property tax increase for operations
 - ▣ Initial budget reflects fund balance appropriation but anticipate surplus to offset the fund balance appropriation that is shown at budget
- FY 19 projected \$1.8 million to go into fund balance. This also factors in fund balance expenditures from reserves such as the communications upgrade. Additional funds will go back into fund balance after closure of the Sylvan Industrial (Ecusta Road) Capital Project Fund.
- The Sylvan Valley Industrial building is currently netting in lease payments to offset investment from fund balance and provide funding for economic development.
- Budget includes the \$1.2 million transfer to reserved fund balance for the FY 16 2 cent increase for capital reserves
- The Gaia Herb/Town of Rosman \$1.6 million sewer extension is not included in the budget and will require amendment, but it on county staff work plans to administer contracts and construct the project.

Items unresolved in recommended budget that may impact FY 20

- PROJECTS TO BE ADDED LATER ONCE CARRYFORWARDS FINALIZED:
 - ▣ CSB HVAC/ROOF REPLACEMENT (transferred from Capital Outlay Fund)
 - ▣ VHF RADIO (from assigned fund balance)
 - ▣ JHPC (funded by carry forward of restricted grants)
- The Fee Schedule for the Ordinance is not presented tonight in the draft ordinance.
- The Council on Aging needs to approve the HCCBG funding plan for FY2020.

Conservative Budgeting Philosophy- Budgets in Action

- ❑ Revenues are projected conservatively
- ❑ Expenditures are projected using data, but anticipating some cost variance by purchasing (as much as a year away)
- ❑ Organizational culture and procedures require consumerist shopping for best pricing at purchasing
- ❑ Factors of risk in this budget:
 - ❑ Fuel pricing
 - ❑ Investment projections subject to major event or crisis
 - ❑ Sales tax projections increasingly challenging due to formulas and ties to requirements on how those funds are spent

Budget Recommendation Part 2

- Planning for the Future

Strategic Plan, Goal 1B: Plan, advocate and provide for infrastructure to support economic development and to make the community a desirable place to live and work

- Major Capital Planning- Revised \$75.3 million of identified capital needs by Board of Education (previously \$93 million)
 - \$68 million school bond vote this fall- Brevard High, Rosman High, Rosman Middle
- Courthouse- Estimate \$26-\$31 million permanent solution
 - May need to invest in short term solution for small courtroom
- Capital List
 - Water Needs Community Wide- \$40 million
 - EMS Main Station Estimate \$1.6 million
 - Parks and Recreation- \$32.2 million
 - Economic Development- Product and Site Development
 - Gaia Herb/Town of Rosman Sewer project planned
 - Budget amendment to be processed once agreements for county construction and grants complete

Fire District Tax Rates

Budget Requests for funding including additional staffing and Capital requests

	FY 20 Rate Fully Funded	FD Rate Change vs FY 19	Value For each cent
<u>Fire District</u>	<u>Requests</u>	<u>Approved</u>	<u>District Tax</u>
Sylvan Valley 2	\$0.055	\$0.000	\$88,860
Rosman	\$0.143	\$0.022	\$46,700
Little River	\$0.102	\$0.012	\$51,652
Connetsee Falls	\$0.083	\$0.000	\$96,150
Cedar Mountain	\$0.251	\$0.113	\$14,140
Lake Toxaway	\$0.054	-\$0.001	\$166,700
Balsam Grove	\$0.111	-\$0.001	\$9,055
North Transylvania	\$0.222	\$0.082	\$12,739

Fire District Requests

- Brevard Fire/Sylvan Valley II (Total request increase of \$742,604 including \$650k loan proceeds, no tax increase required this year)
 - City is re-requesting a truck previously listed as a 1996 Rescue Truck with 21,000 miles that had a call volume of 40 calls in the last 12 months at a cost to replace of \$650,000 due to custom cab with a 10 year debt note. Comparable stock cab saves \$150,000. Impact of payment does not hit due to loan until FY 21. Requesting increase in paid staffing budget including additional part time 2 days/week.
 - Increase for insurance to part time employees
 - Request to approve fee schedule (ie events). Staff recommends developing a countywide fee schedule for all departments if BOC agrees to concept)
- Rosman Fire (\$100,000, 2.2 cent increase)
 - Increase to hire 2 additional full time employees (currently 2 part time)
- Little River Fire Dept (\$59,880, 1.2 cent increase, requests to use \$20k reserve so tax inc .0967 cents)
 - PT staff pay adjustments
 - Operational increases
 - Capital for UTV \$18,000
- Connetsee Falls Fire (\$14,092 increase, no rate change)
 - Property payment \$45,000
 - Planning new station in 2022 which will increase revenue needs

Fire District Requests

- Cedar Mountain Fire (~~\$249,525~~^{160,000} increase, Requests GF grant \$160k, rate inc 11.3 total or dec .0004 if supplemented)
 - Requested county budget funds of \$160k to replace radios. Grant request not recommended- fund needs from district as requested from fire departments as funding method
 - Could use reserves to fund some of the radio replacements (\$22,606)
- Lake Toxaway Fire (No increase, but requesting to use FY 19 capital funds as operational funds in FY 20, tax dec .0001)
 - Last year approved \$70k in capital items
 - FY 20 funds in budget requested for staffing increase from 2 FT paid staff to 4 FT paid staff
 - Requested reserve funds to use on kitchen upgrade, requests response but not as part of budget consideration.
- Balsam Grove (No increase, .0001 rate dec)
 - Continuing with not paid staffing. Apparatus are 45 and 36 years old

Fire District Requests



- North Transylvania Fire (Increase \$4,000, rate increase 7.39)
 - Truck maintenance costs due to loss of member with that skill
 - Capital request coming
 - Last year rate was capped at 14 cents and supplemented from county tax funds at \$102,112
 - This department has requested consideration of a different funding method not district based

Discussion- *Be patient, be kind, be courteous and be cordial*

- Identify topics for the workshop next Tuesday* that do *not* have consensus tonight either tonight or by Monday so that we can prepare information for discussion
 - ▣ Do you need additional data?
 - ▣ Do you need more detail on an area?

Proposed Workshop Format

- Facilitator- Jaime
- Present prior information and any known options for each item of discussion
- Open for commissioner discussion along with questions
 - Start with person who requested item
 - Opportunity for each to speak
- Once it appears there are 3 in agreement or when 15 minutes is reached I will call for a poll for consensus unless commissioners express interest in continuing discussion
- When consensus is reached, move to the next item
- Fire Department Budget Review already on the agenda
- Additional workshops to be scheduled during Tuesday workshop if needed
- Public Hearings on Budget to be held at both June Board of Commissioner meetings in addition to public comment