



TRANSYLVANIA
— COUNTY —
N O R T H C A R O L I N A

BOARD OF COMMISSIONERS

Monday, May 31, 2018 @ 6 pm



Comments from Sheriff Mahoney

Workshop

- A. Summary of Recommended Budget
- B. Workshop items for discussion

Workshop Format

- Facilitator
- Present prior information and any known options for each item
- 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
- *Be patient, be kind, be courteous and be cordial*

Changes to recommended budget made thus far

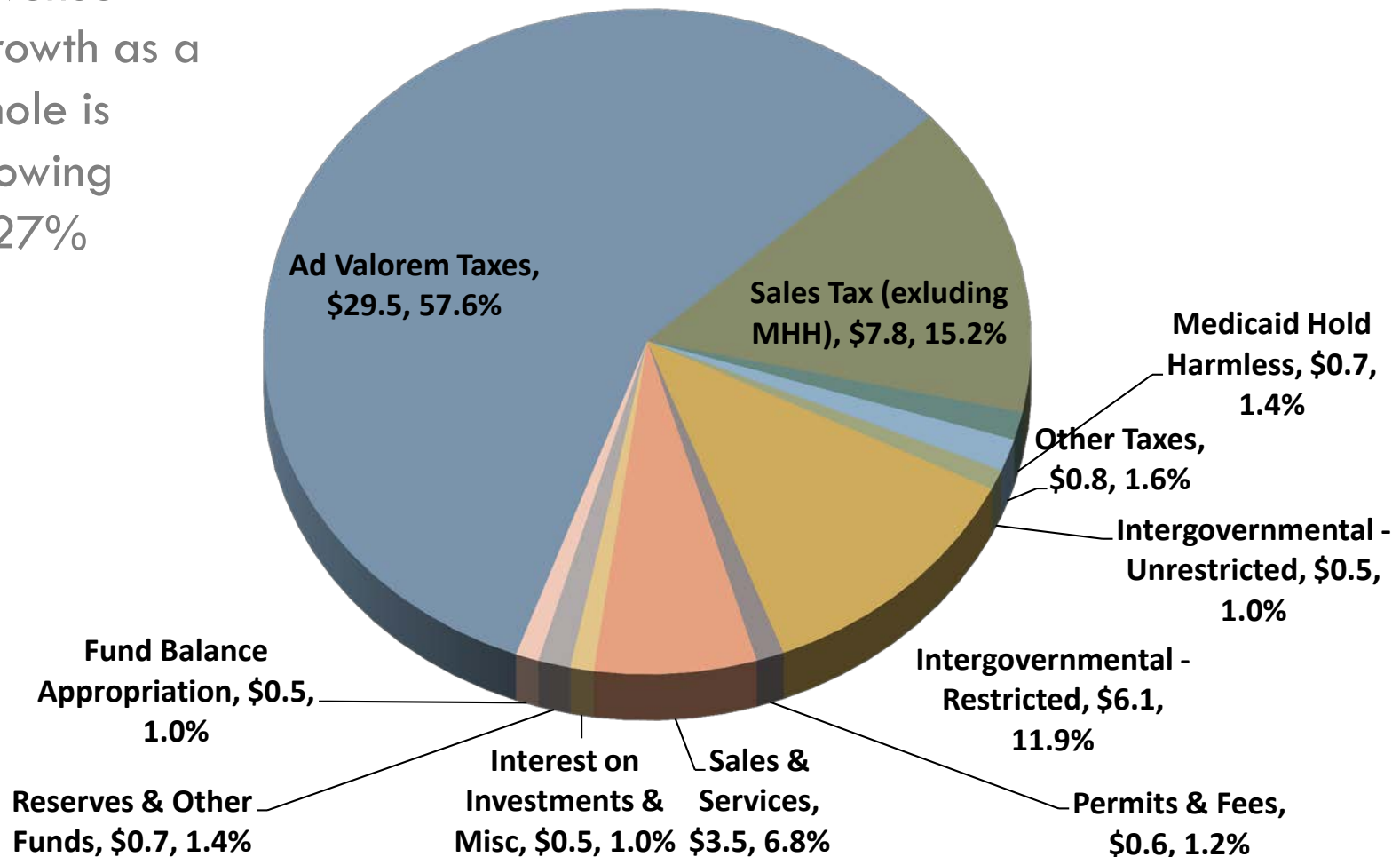
- Minor corrections based on new information result in a recommended budget of \$51,275,273 with Fund Balance Appropriation at Budget of \$508,824 (\$7k change due to new information on estimates)
- Draft State Budget includes funds for Transylvania County specifically- Thank you to Representative Henson and Senator Edwards!!!
 - \$50,000 for Transylvania County Government's involvement with the Early Childhood Initiative to prepare programs and community activities to enhance early childhood education. This will be instrumental in getting the ECI ready for partnership with Sesame Street in Communities
 - \$126 for Stop the Bleed Kits and training for 250 classrooms in Transylvania County Schools- a pilot program to prevent deaths due to violence in schools.
 - Also \$3.6 million included for WNC Landslide Mapping which has been an interest of our TNRC

Revenue Projections

FY 19 RECOMMENDED REVENUES BY TYPE-GENERAL FUND - \$51.2

Million

Revenue Growth as a whole is growing 2.27%



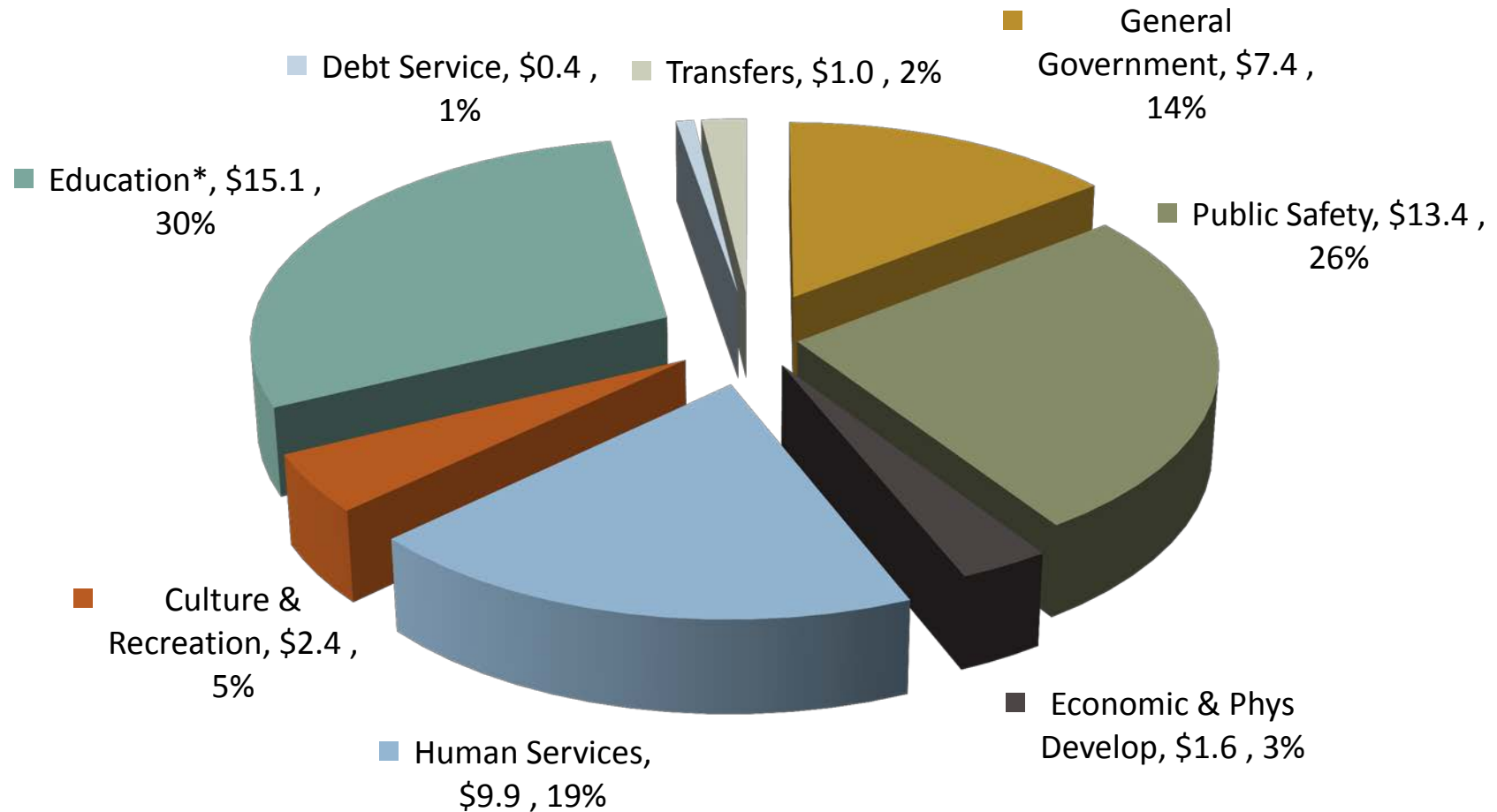
Future Year Planning and Tax Rate

General Fund - Budget Summary of Expenditures by Function				
	FY 18-19	%	Change	
	Proposed		FY 19 vs. FY 18	
	<u>Budget</u>	<u>Total</u>	<u>\$\$</u>	<u>%</u>
General Government	\$7.4	14.5%	\$0.1	0.9%
Public Safety	\$13.4	26.0%	\$0.9	6.1%
Economic & Phys Develop	\$1.6	3.2%	(\$1.1)	-39.7%
Human Services	\$9.9	19.3%	(\$0.2)	-1.8%
Culture & Recreation	\$2.4	4.7%	\$0.0	2.2%
Education*	\$15.1	29.5%	\$0.1	1.1%
Debt Service	\$0.4	0.8%	\$0.0	-2.8%
<u>Transfers</u>	<u>\$1.0</u>	<u>2.0%</u>	<u>\$0.2</u>	<u>26.8%</u>
Total General Fund Expenditures	\$51.2	100.0%	\$0.0	0.0%

- Revenue Growth 2.27%
- Prior classification analysis showed expenditure growth outpacing revenue growth in two areas historically- public safety and education
- Education growth has been offset by roll-off of bond payments for local system. Public k-12 schools is growing 4.7% Total this year and Community College 20% (partially due to a decrease with state bond two years prior)
- Continuing increases above revenue growth will require tax increase for operations

Expenditures

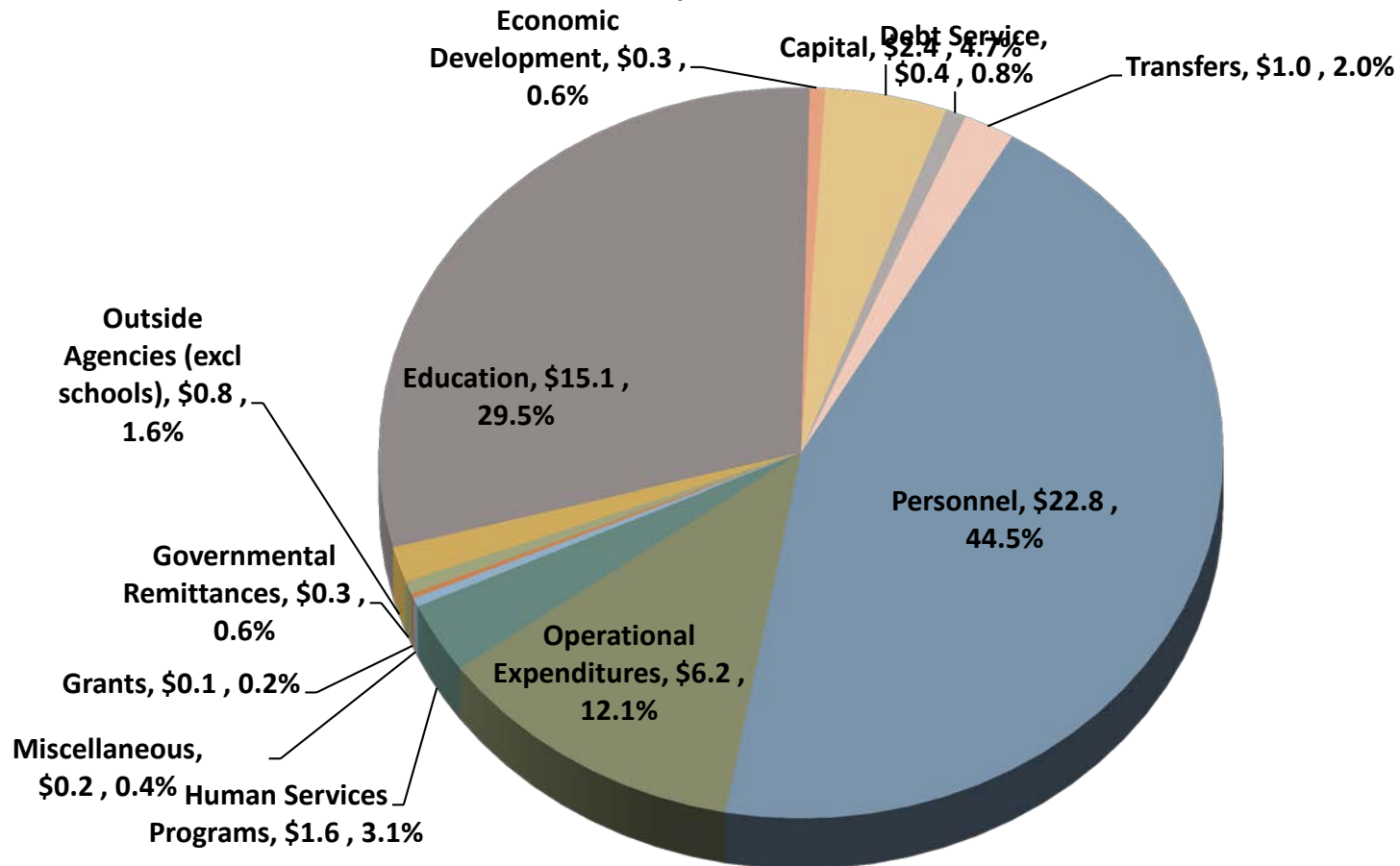
FY 19 BUDGETED EXPENDITURES - GENERAL FUND BY FUNCTION TOTAL \$51.2 Million



Most % Growth in public safety,
Decrease in % Economic Dev due to Ecusta Rd Project FY 18

Expenditures

FY 19 BUDGETED EXPENDITURES-GENERAL FUND BY NATURAL CLASSIFICATION Total \$51.2 Million



Most % Growth in personnel,
Decrease in % Economic Dev, Human Services (Subsidy pass through)

Summary

- Balanced budget of \$51,268,153 reflecting less than 1% increase total
 - ▣ \$1 million Goldenleaf grant was booked as revenue in FY 18- 2 % increase if that is factored into account
 - ▣ Increases for capital expenditures to move forward on deferred maintenance (5 year projections put together on facility needs) and a large increase in transfer from general fund for solid waste
- Recommended budget does not include prior tax increase for capital needs as an expenditure line, but project a surplus at end of year that will allow distributions into those capital reserves
- No tax rate change proposed in the recommended budget
 - ▣ 11th lowest tax rate in the state for FY 18
- Recommend continued policy development
 - ▣ Capital prioritization funding strategies next steps, work with BOE on referendum, evaluate expenditure growth vs revenue growth to avoid operational increases in addition to known capital increases on the horizon

Education- Summary

Operations Funding

- Current Expense Funding Requested by Board of Education: \$12,323,074, 4.05% increase from FY 18 County appropriation
 - Along with a budget of \$110k Fines and Forfeitures for a Total of \$12,433,074 local expense budget proposal
- Current Expense Recommended: \$12,429,623, 4.9% increase
 - Recommended Funding is \$106,000 higher than requested by Board of Education for operational expenses. Per Superintendent McDaris email on May 25th in response to Chairman Correspondence, BOE would prefer the excess to be in operational funds and not apply to capital. Commissioners may elect to leave as is or move to capital prior to budget adoption.
 - Current Expense Allocation FY 18: \$11,842,443

Education- Summary

Summary

- School Capital Requested by Board of Education: \$5.2 million, 193% increase
- School Capital County Funds: \$1,850,000, 2.78% increase and additional \$221,900 in lottery revenue budgeted (consistent with history of availability)
 - \$713,071 appropriation for furniture and equipment (9200 category)
 - Request totaled for over 5,000 ADM at \$24 per student figure for furniture, this was adjusted to projected ADM by school
 - Allocate by project for renovation projects totaling \$895,129
 - All projects paid in full or as a sum of payments exceeding \$50,000 will need contracts, purchase orders 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

2019 Fire Department Budgets

- Fire Department Budget requests are due by April 1 of each year.
 - Full packets shared with Commissioners May 3 for review
- Staff identified major items in fire department budgets for Board Consideration
- Requesting direction from the board on which items to approve to include in the fire department budgets

District	County Funding Budget Request	Dollar Change from FY 18 approved
Sylvan Valley II	\$480,000	\$7,000
Rosman	\$654,125	\$129,221
Little River	\$457,230	\$12,036
Connestee	\$782,258	\$75,046
Cedar Mountain	\$193,100	-\$900
Lake Toxaway	\$1,012,786	\$232,443
Balsam Grove	\$97,277	\$0
North Trans.	\$291,655	\$134,455

Fire District Requests

- Brevard Fire/Sylvan Valley II
 - Nominal increases, continue to contract with three agencies for coverage in Sylvan Valley III and save for future substation
- Rosman Fire
 - Annual Payment Building: \$12,000 Increase
 - Communications: \$5,000 Increase
 - Paid Staffing: \$100,000 Increase
- Little River Fire Dept
 - Small increases in multiple lines. Overall small budget increase and small tax rate decrease.
- Connetsee Falls Fire
 - Deposits Down Payments: \$45,000 (Down Payment on Property for main station)
 - Annual Payment Building to begin FY 20: Proposed Construction of new main station

Fire District Requests

□ Cedar Mountain Fire

- Removed Grant Revenue and Expenditure (Department is applying and may request funds for reserve if grant approved)

□ Lake Toxaway Fire

- Annual Payment Apparatus: \$33,979 Increase (Rescue Pumper / Early Delivery)
- Breathing Apparatus: \$6,825 Increase (Rescue Pumper 5 sets)
- Capital Cash Purchase Building: \$65,000 for 3 bay building
- \$30,000 Remodel Kitchen with Commercial Kitchen
- Fire Suppression Equipment: \$70,000 Increase for equipment for Rescue Pumper
- Paid Staffing: \$90,000 Increase

Fire District Requests

□ Balsam Grove

- No funding for firefighters pension- haven't participated due to expense so volunteers will not be eligible for benefits
- The cost to begin the Firefighters Pension is minimal. \$10/member/month x 24 members = \$2,880. The department already pays membership to the NC firefighters association which is required for pension eligibility.
- The department stated in the meeting that they did not participate due to the cost of pension program. It would be significantly more to pay the back payments on members of Balsam Grove Fire Department based on years of service so they are eligible at 20 years of service. Carole Hogsed is trying to get that cost but she will have to submit the proper forms to the State for an estimate.

□ North Transylvania Fire

- Increases in budget that have been discussed over last two cycles throughout reflecting needs not funded previously due to tax impact
- Part time upgraded to full time staff person: \$15,000
- Protective Gear: \$6,000 increase
- Grant matching for breathing apparatus and fire apparatus: \$68,500
- Security Cameras: \$6,500

2019 Sheriff's Office Budget Overview

- Sheriff's Office Budget request received in March and budget review with two commissioners in April
- Major Requests:
 - ▣ Personnel- SRO for Brevard Academy (offset by revenue) \$54,515
 - Investigator Position* \$60,258
 - Increase transport officer time \$5,557
 - Reclass. Admin Assistant- Concealed Carry/Records Assistant
 - ▣ Capital- Tactical Vehicle*, \$274,210
 - Vehicles (6 replace, 1 new) \$410,037
 - Combi Oven for Jail, \$35,210
 - ▣ Certification/Education Bonus Proposal: \$68,752

*Item requested prior

2019 Sheriff's Office Budget Overview

- Total Requested for FY 19: \$8,143,253, 7.1% increase (\$540,379)
 - FY 18 Approved Budget: \$7,602,874
 - FY 19 Recommended Budget: \$7,851,582, 3.27% increase (\$248,708)
 - Revenue projections for the Sheriff's Office increasing by \$70,759 due to SRO revenue increase (\$158,838) to a total of \$1,172,595
 - Total County Revenue growth at 2.27%
- Recommended Budget Changes based on feedback
 - Removed Tactical Vehicle \$274,210
 - Removed OT and Degrees from Bonus Program (\$51,791 remained in the recommended)

Courthouse

- Late 2017: Commissioners decided to move forward with a new courthouse on Morris Road with a third floor shell for future expansion with a programming cost of \$31 million
- 2018: Commissioners authorized staff to pursue USDA loan funding for the project
 - Tax impact for payments on debt service 2.15 cents – assuming \$31.0 loan, at 3.5% for 40 years with flat annual payments of \$1,451,646 and the value of cent on the tax of \$674,530
 - Limited Obligation Bonds for 20 years would result in a tax rate of around 4 cents for initial payments with similar assumptions
- Architect's Fee set at \$2,236,400 (Contract still under review)
 - Basic Architecture Services including data and technology design: \$2,025,000
 - Furniture Design and Procurement Services: \$85,000
 - USDA loan administrative extra duties billed hourly with a not to exceed of \$126,400

2019 Health Department Budget Overview

- Health Department Budget request received in March and budget review in April (Health Board reviewed and concurred with request)
- Major Requests:
 - ▣ Personnel- Social Worker/Public Health Nurse II \$67,861
 - Environmental Health Specialist \$61,913
 - Reclassify Health Educator \$8,661
 - Part Time Public Health Nurse III Transitional Training \$24,361
 - ▣ Capital- Env Health Vehicle \$27,292
 - ▣ Software for Environmental Health: \$50,000
 - ▣ Data Processing and Lasersfish: \$40,000

2019 Health Department Budget Overview

- Total Requested for FY 19: \$2,717,507, 12.9% increase (\$310,220)
 - ▣ FY 18 Approved Budget: \$2,407,287
 - ▣ FY 19 Recommended Budget: \$2,619,641, 8.11% increase (\$212,354)
 - ▣ Revenue projections for the Health Department decreasing by \$39,791 to a total of \$1,193,542 (Local Appropriations at 54% with prior years under 50%)
 - ▣ Total County Revenue growth at 2.27%
- Recommended Budget Changes based on feedback
 - ▣ Removed Environmental Health Position and Vehicle \$89,205
 - Annual Work Plan FY 17 and FY 18 included to look at efficiency measures for Env Health. This spring completed LEAN process with recommended \$50k software to help better manage workflow. To be developed and implemented FY 19. Same project was implemented in Building Services and created staff time savings.
 - ▣ Removed Reclassification \$8,661

Fire District Tax Rates

District	Budget Request	Dollar Change from FY 18 approved	Current Fire Tax Rate	District Fire Funding Method Rate*
Brevard/Sylvan Valley II	\$480,000	\$7,000	5.5 cents	5.5 cents
Rosman	\$654,125	\$129,221	11.59 cents	14.28 cents
Little River	\$457,230	\$12,036	9.11 cents	9.06 cents
Connestee	\$782,258	\$75,046	7.67 cents	8.33 cents
Cedar Mountain	\$193,100	-\$900	13.78 cents	13.76 cents
Lake Toxaway	\$1,012,786	\$232,443	4.79 cents	6.17 cents
Balsam Grove	\$97,277	\$0	10.98 cents	10.86 cents
North Trans.	\$291,655	\$134,455	12.70 cents	23.39 cents



Commissioners' Comments

Adjournment

Thank you for attending!