

## E. Presentation of Manager's FY 2026 Recommended Budget

- ❑ The County Manager is required by NC general statute to present a recommended and balanced budget to the governing board by June 1
- ❑ Following presentation of the budget, the Board should schedule budget workshops for Monday, June 2 at 6pm and Thursday, June 5 at 6pm (if needed)
- ❑ A public hearing on the FY 2026 Budget will be scheduled for the June 23 Board of Commissioners' meeting



# Fiscal Year 2026 Recommended Budget

# FY2026 Budget: Key Factors

- ❑ **Capital Planning Implementation (10-year arc from FY 16):** Cash savings to facilitate the debt service transition on the EMS Base, School Project, the new Courthouse, and other capital projects
- ❑ **Cost Escalations:** Rapid increases in the cost of equipment and contracts, especially in emergency services. For example:
  - ❑ In Fiscal Year 2016, the County was able to purchase equipped patrol vehicles at \$45,100 each and a new ambulance for \$176,000.
  - ❑ In Fiscal Year 2026, the budget estimates are \$98,000 per equipped patrol vehicle, with \$43,500 per unit in upfit costs, and \$355,409 for a new ambulance.
- ❑ **Cyber Security:** The need for new software, VPN, and two-factor authentication to protect IT infrastructure and public data
- ❑ **Federal:** Uncertainty surrounding the impact of tariffs and state/federal cuts in some sectors
- ❑ **Policy Changes:** County must meet the standards for ADA Digital Compliance by 2027.
- ❑ **Recruitment and Retention:** Maintaining competitive pay in county, schools, and fire departments.
- ❑ **Supplements:** The County General Fund also supplements the Solid Waste Enterprise Fund and has historically supplemented fire department budgets. With the new single district, this budget removes fire department supplements from the general fund but leaves Transylvania Rescue Squad and NC Forestry Service in the general fund.

# Tax Reappraisal: How It Works

- ❑ A county's revaluation process is required by state statute, and the process is determined under state law and governed by the Dept. of Revenue.
- ❑ Assessors in the Tax Office are trained and certified by the state to conduct the reappraisal, and values are set on objective criteria determined under state regulation. Any change to that system would have to be under state level legislative change.
- ❑ Property owners can file an appeal if they feel their property is valued outside the demonstrated market in their area of the county or if the information on the property has an error. Appeals are currently being heard.
- ❑ Informational videos about the revaluation are available on the Tax Office web page at [www.transylvaniacounty.org/2025-tax-reappraisal-educational-videos](http://www.transylvaniacounty.org/2025-tax-reappraisal-educational-videos)
- ❑ State law provides a formula and requires publishing a revenue neutral tax rate for transparency. Even with revenue neutral, individual tax bills would change.
- ❑ With the change in tax rate, we will see a shift from vehicle tax bills to property tax bills because the value of vehicles does not appreciate in the same way as real estate. Residents can expect to see vehicle tax bills go down and shift to property tax bills.

# Tax Rate: Transylvania Considerations

- ❑ Official population is artificially low due to seasonal population without residency here meaning that service levels required are higher to meet the demand of additional people (such as emergency services in the forest)
- ❑ Property Tax is the only way commissioners can meaningfully raise funds. This makes tax base very important!
  - ❑ Our current mix skews heavily residential meaning that residential bears the burden of any increase and differentiates Transylvania from other counties in the area
  - ❑ Half of Transylvania County is nontaxable (Federal and State Parks/Forests) but requires county services
  - ❑ Residential costs the most in local government services over other types (chart below shows 2023 tax mix example)
  - ❑ Some of that residential is second homes, air B&B, etc. State constitution does not allow charging a differential tax rate so legislative action would be required

	Transylvania (33,130)			Henderson County (121,151)			Dare County (38,537)		
Residential Property	5,040,167,342.00	79%		10,467,439,798.00	63%		14,154,651,775.00	85%	
Commercial/Industrial Real Property	654,111,462.00	10%		3,094,688,800.00	18%		1,552,167,500.00	9%	
Present-use value	35,135,730.00	1%		170,197,216.00	1%		13,500.00	0%	
Personal Property	501,220,379.00	8%		2,671,648,195.00	16%		1,026,345,520.00	6%	
Public Service Companies	116,731,987.00	2%		326,671,538.00	2%		144,451,838.00	1%	
	6,347,366,900.00			16,730,645,547.00			16,877,630,133.00		
	Macon (38,575)			Rutherford (64,482)					
Residential Property	\$ 6,448,116,725	78%		\$ 4,412,408.00	74%				
Commercial/Industrial	\$ 1,071,450,830	13%		\$ 495,788.00	8%				
Present-use value	\$ -			\$ -					
Personal Property	\$ 561,673,699	7%		\$ 657,378.00	11%				
Public Service Companies	\$ 173,065,385	2%		\$ 417,796.00	7%				
	8,254,306,639			5,983,370					

# Tax Rate: Comparisons

- Tax rates for NC counties reappraised in the last 2 years vary widely, from \$0.27 to \$0.92 per \$100 valuation of property.
- After a reappraisal, a county identifies a revenue neutral tax rate to adjust to the new property values.
- The county then uses the revenue neutral rate as a base for any future tax increases.

County	Tax Rate	Latest Reappraisal
CABARRUS	\$ 0.58	2024
CASWELL	\$ 0.59	2024
EDGECOMBE	\$ 0.89	2024
FRANKLIN	\$ 0.51	2024
GRANVILLE	\$ 0.63	2024
HALIFAX	\$ 0.70	2024
HYDE	\$ 0.92	2024
MADISON	\$ 0.36	2024
NASH	\$ 0.63	2024
PERQUIMANS	\$ 0.52	2024
PITT	\$ 0.57	2024
RICHMOND	\$ 0.75	2024
ROBESON	\$ 0.75	2024
ROCKINGHAM	\$ 0.58	2024
SAMPSON	\$ 0.63	2024
VANCE	\$ 0.71	2024
WAKE	\$ 0.51	2024
WILSON	\$ 0.60	2024
YANCEY	\$ 0.52	2024

County	Tax Rate	Latest Reappraisal
ALAMANCE	\$ 0.47	2023
ALEXANDER	\$ 0.65	2023
ASHE	\$ 0.44	2023
BRUNSWICK	\$ 0.34	2023
BURKE	\$ 0.56	2023
CAMDEN	\$ 0.73	2023
CATAWBA	\$ 0.40	2023
CRAVEN	\$ 0.44	2023
GASTON	\$ 0.60	2023
GRAHAM	\$ 0.59	2023
HENDERSON	\$ 0.43	2023
IREDELL	\$ 0.50	2023
LEE	\$ 0.65	2023
LINCOLN	\$ 0.50	2023
MACON	\$ 0.27	2023
MCDOWELL	\$ 0.57	2023
MECKLENBURG	\$ 0.48	2023
MOORE	\$ 0.31	2023
NORTHAMPTON	\$ 0.83	2023
RANDOLPH	\$ 0.50	2023
ROWAN	\$ 0.58	2023
RUTHERFORD	\$ 0.45	2023
YADKIN	\$ 0.65	2023

# Budget Growth: Comparisons

- ❑ Comparing Budgets to peers is an exercise we routinely complete. This provides us with opportunities to explore better ways to provide services at less cost. However, it takes more than just looking at totals and requires looking deeper at budgets to get apples to apples comparisons.

		County	FY 15	FY 25	Delta	%
FY 25 Lowest County Tax Rates	1	Macon	\$45,721,122	\$63,704,651	\$17,983,529	39%
	2	Moore	\$93,277,963	\$145,341,165	\$52,063,202	56%
	3	Watauga	\$43,586,346	\$82,066,362	\$38,480,016	88%
	4	Carteret	\$81,526,400	\$130,020,000	\$48,493,600	59%
	5	Brunswick	\$148,475,105	\$277,925,747	\$129,450,642	87%
	6	Madison	\$22,218,191	\$33,068,798	\$10,850,607	49%
	7	Jackson	\$55,141,090	\$93,803,495	\$38,662,405	70%
	8	Catawba	\$177,595,263	\$250,435,039	\$72,839,776	41%
	9	Avery	\$26,000,000	\$39,639,298	\$13,639,298	52%
	10	Dare	\$100,454,649	\$136,171,205	\$35,716,556	36%
					Average	58%
		Transylvania	\$46,788,000	\$76,209,010	\$29,421,010	63%
		Henderson	\$117,076,752	\$204,542,012	\$87,465,260	75%

\*1/3 of increase from solid waste, fire department supplement and school bond in general fund

# Budget Growth: Comparison Example

- ❑ A deeper dive into one of Transylvania County's closest similar counties would be to explore Macon. Counties in North Carolina have a vast majority of their services mandated by the state so it is not uncommon for costs to be similar when comparing regions with similar populations. Variances in accounting and specific department functions do vary and require more information than just budgets, but some key differences can be identified quickly in looking at funding for external partners on easily accessible budget documents. The FY 25 Budget reflected a budget difference of \$12,504,369 between Macon and Transylvania Counties. Most of that difference can be attributed to funding decisions related to outside agencies including:
  - ❑ Transfers Out (Capital, Fire Dept Supplement, Solid Waste fee supplement: \$6,224,676
  - ❑ K-12 Education operation funding level: \$3.6 million
  - ❑ Community College: \$300,000
  - ❑ Rescue Squad: \$548,000
  - ❑ Economic Development: \$200,000Another large difference is in animal services (\$300,000) which is currently being discussed as severely underfunded in Macon County with concerned veterinarians and citizens. These items alone total \$11.2 million.
- ❑ Note that Macon County revenues have a heavier reliance on fees in the general fund and operate the solid waste entirely on fees and with a higher annual budget.

# Budget Growth: Comparison Example

- ❑ Budgets also reflect priorities even within mandated service categories. Transylvania County's Budget reflects these realities:
  - ❑ Transylvania has the highest percentage of population over 65 of all 100 counties. The county is 95<sup>th</sup> for population under 18. Older populations require more investments in health, human services and public safety like EMS.
  - ❑ Transylvania's average weekly wage in 2023 was 48<sup>th</sup> of 100 counties. It was 75<sup>th</sup> in 2013 reflecting the investments in economic development over those years.
  - ❑ Transylvania boasts a highly educated population with only 7% of adults without a diploma (14<sup>th</sup> lowest) and prioritizes education funding:
    - ❑ 25<sup>th</sup> ranked school district, state level
    - ❑ 7<sup>th</sup> per student funding level, 2024
    - ❑ #2 of 115 school districts for best teachers, niche.com
    - ❑ 29<sup>th</sup> teacher supplement, 2023
    - ❑ 91.07% overall my school is a good place to work, annual teacher working conditions survey, 2024
  - ❑ Transylvania County prioritizes public health and safety
    - ❑ 14<sup>th</sup> lowest county overall crime index
    - ❑ 5<sup>th</sup> lowest county for overdose deaths
    - ❑ Has maintained over 90% live release rate (threshold for no kill) for over 6 years and our SOP is the example used by NC Dept of Agriculture who regulate shelters.

# Revenue Highlights for Fiscal Year 2026

## ☐ **Property Tax:**

- ☐ The property tax rate in Fiscal Year 2025 was set at \$0.6033 per \$100 valuation of property.
- ☐ For Fiscal Year 2026, the recommended tax rate is \$0.4105 per \$100 valuation of property. *Note: For FY 25, this would have put Transylvania in the lowest 10 counties for tax rate*
- ☐ The recommended rate is a \$0.0268 increase over revenue neutral at \$0.3837. If implemented, this will be the first increase not dedicated to capital needs in the last ten years. Fire Department supplement revenue from general fund would have been \$.01 on new valuation. The proposal moves full funding to a single proposed district for revenue.
- ☐ Decline in Vehicle Tax revenue expected due to lower tax rate. Vehicles bills will go down and shift to property bill.

## ☐ **Sales Tax:**

- ☐ FY 2025 Sales Tax revenue was impacted by Helene (down almost 22% in the September Sales/October collections).
- ☐ However, Sales Tax shows signs of rebounding slowly and may finish the year on track.
- ☐ Based on limited data, budget projection in FY 2026 reflects no growth.

☐ **Investment income** was higher in FY2024 and FY2025. Continued growth will depend on economic factors.

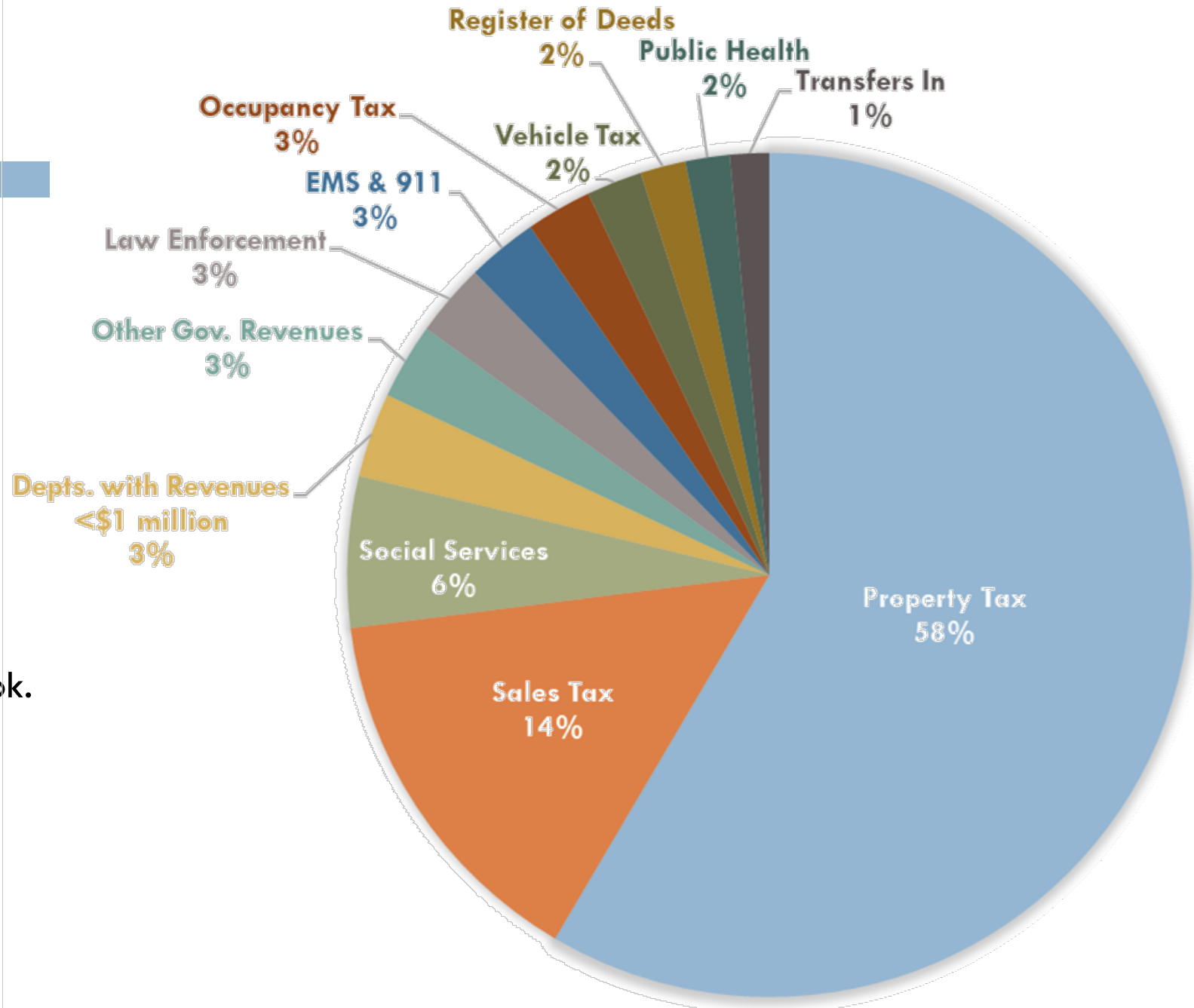
☐ **Fee adjustments** in several departments including Public Health, Fire Marshal, EMS, and Library.

☐ **Revenue for capital:** County is exploring grants and/or USDA loan options for the new Courthouse

☐ **Total budgeted revenue** of \$81,342,524, a 6.7% gross increase from original Fiscal Year 2025 budget. (Note: There is a budgeted revenue offset based on new accounting standards. Without it, the increase is 4.1% of actual revenue and actual expenditure)

# Fiscal Year 2026: Revenue Projections

- Property Tax remains the primary revenue source.
- The recommended tax rate for Fiscal Year 2026 is \$0.4105 per \$100 valuation of property.
- Sales Tax is expected to remain static (no growth but no decline anticipated).
- Investment income is up, but continued growth will depend on economic outlook.
- Some fee adjustments in the Fee Schedule for FY 2026.
- Occupancy Tax funds Tourism Development Authority (TCTDA).



# FY2026: Expense Highlights

- ❑ **Balanced budget of \$81,342,524**, an actual 4.1% increase (gross 6.7% increase over FY25).
  - ❑ Recent GASB standards require the County to include a liability placeholder for the full multiyear amount of leases and subscriptions over \$5,000, which are then offset by a corresponding revenue. \$2 million in expense and in revenue in the FY26 budget is this amount for multiyear leases/subscriptions, largely due to a new multiyear contract for EMS ambulance equipment. This inflates the total budget number but does not actually receive or spend revenue.
  - ❑ Setting aside the \$2 million multiyear lease placeholder and its corresponding revenue, the regular General Fund budget stands at \$79,345,732.24, a 4.1% increase over FY25.
- ❑ **General:** Continuing to evaluate contracts for quality and cost, including running comparisons of internal costs vs. contracts for services that can be delivered either way. Annual capital budgeted, but actual projects pending Axios study.
- ❑ **Personnel Changes:**
  - ❑ 2 new full-time positions (Project Manager-School Projects, Narcotic Investigator- Sheriff)
  - ❑ Additional part-time hours in some departments including IT, Register of Deeds (Passports), Housekeeping, and Maintenance
  - ❑ 9 job code reclassifications
- ❑ **Personnel Committee Recommendations:**
  - ❑ 2% 401K contribution for all county employees (already offered in most NC counties, all law enforcement receive 5% 401K contribution per statute requirement)
  - ❑ Longevity cap increase (first longevity cap increase since 2007)
  - ❑ Lower mental health copay to \$10 to reduce barriers to mental health services

# FY2026: Expense Highlights (continued)

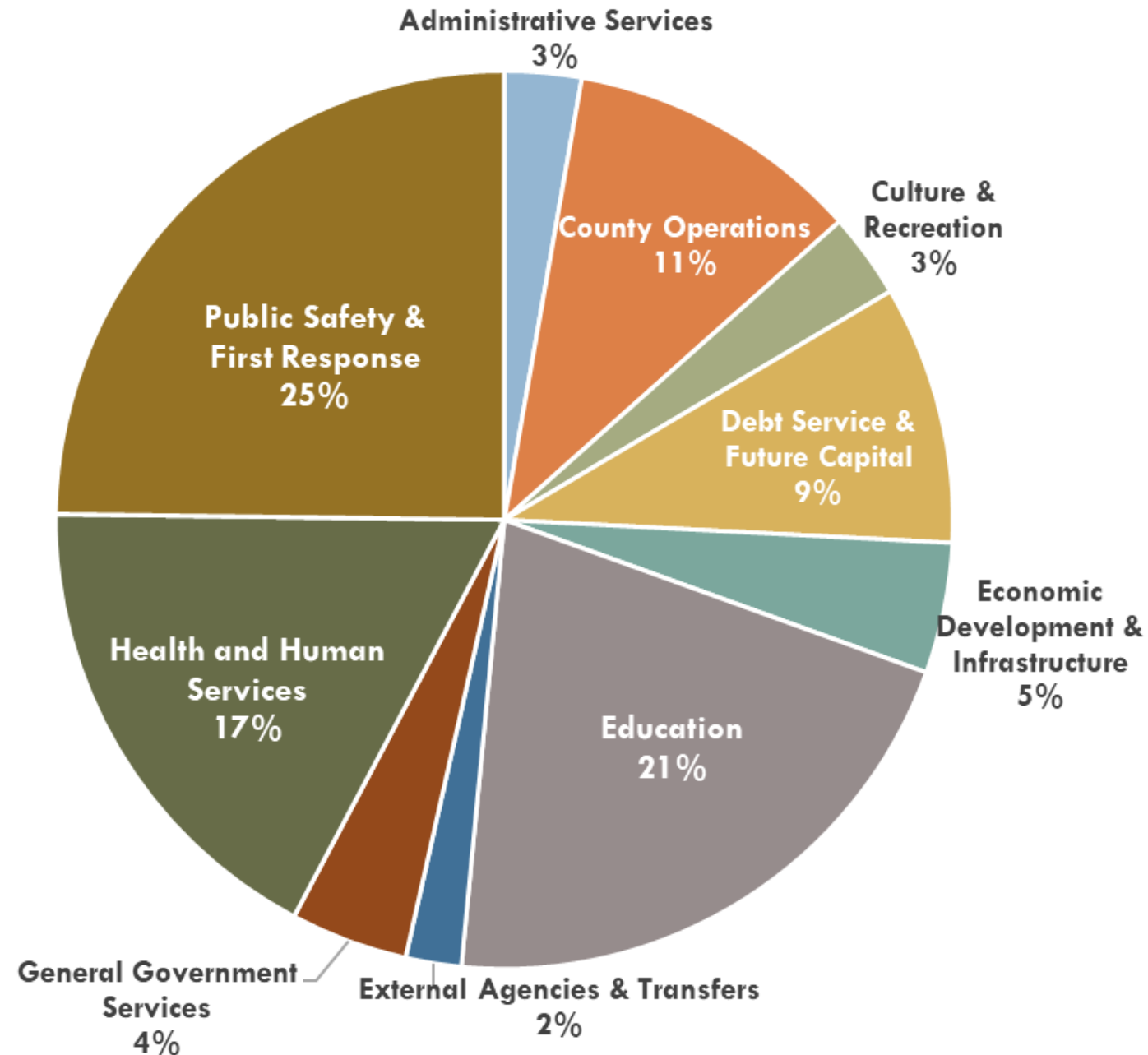
- ❑ **Debt Service:** Capital planning from previous years—EMS base, school bond projects, and new courthouse—are now becoming reality and require continued planning for debt service.
- ❑ **Information Technology:**
  - ❑ Audiovisual system support and equipment upgrades (Library, Elections, Commissioners' chambers, etc.) to improve public AV experience.
  - ❑ Core network switches upgrade (critical infrastructure)
  - ❑ Impact of cybersecurity evolution and digital ADA compliance by 2027
- ❑ **Emergency Response Equipment Costs:**
  - ❑ Equipment costs increasing, while equipment lifespan based on service agreements and software integration is decreasing.
  - ❑ Restore Sheriff's Office vehicle replacement schedule to 5 vehicles per year.
  - ❑ New Sheriff's Office leases for bodycams and tasers
  - ❑ Body scanner to reduce inmate overdose occurrence; jail oven replacement
  - ❑ AED replacements county-wide including jail
  - ❑ New lease for EMS equipment including stretchers, powerlifts, and cardiac monitors
  - ❑ Ambulance replacement

# FY2026: Expense Highlights (continued)

- ☐ **Emergency Communications:** Communication Tower location study to identify optimal location for new tower to enhance first responder communication coverage in the county
- ☐ **Planning & Transit:**
  - ☐ Grants for community centers, including new software for facility rentals and continue public Wi-Fi
  - ☐ Replacement transit vehicles – partially state-funded with county match
- ☐ **Debt Service & Capital Planning:**
  - ☐ Capital planning over previous 10 years has focused on cash savings to fund pay-as-you go capital projects and anticipated debt service. The four-year plan uses the budgeted funds for that purpose along with a portion of sales tax to fund a four-year payment plan.
  - ☐ Must consider additional/future capital needs and the need to cover existing debt service. The current four-year plan does not leave room for other capital. Includes existing debt service and estimated payments for courthouse and school bond sale 2.
  - ☐ Capital projects moving to debt service: EMS Base, School Bond Projects
  - ☐ Upcoming capital projects: Courthouse, School bond sale 2 and other projects indicated by the County Maintenance & Capital Reserve Study from Axias
  - ☐ Future capital discussion: Blue Ridge Community College, Infrastructure, Parks and Recreation Facilities, Future School Improvements

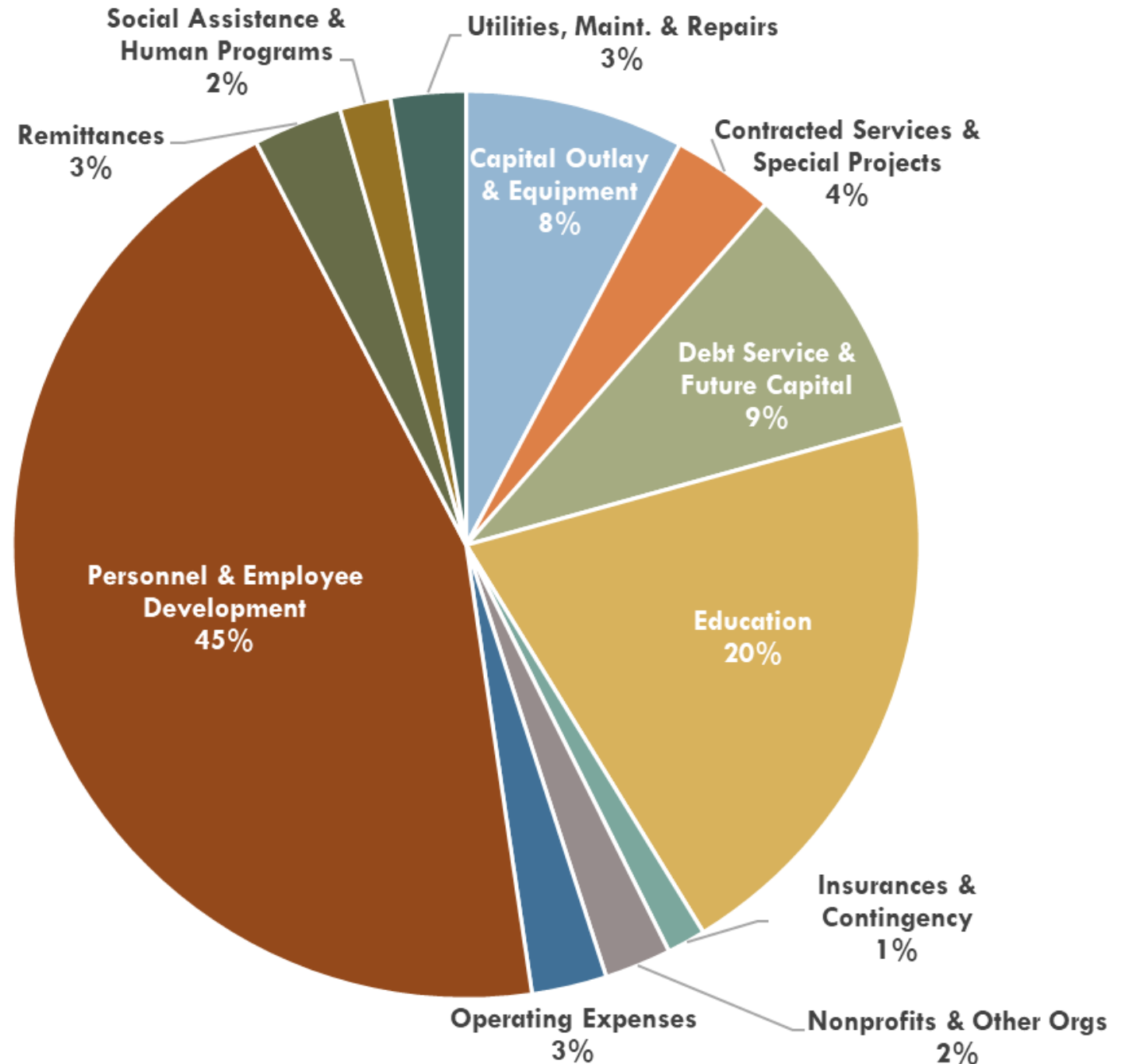
# Fiscal Year 2026: Expenditures by Function

- The Public Safety & First Response category includes Sheriff's Office, EMS, 9-1-1 Communications, and Emergency Management. Broad challenges for first responder staffing and rapid increase in equipment costs have impacted public safety budgets.
- Health & Human Services, which includes Public Health and Social Services, are partially funded by state and federal revenue.
- The General Government category includes Elections, Register of Deeds, and Tax Administration.
- County Operations includes departments like Facilities Maintenance, IT, Facilities Housekeeping, and Capital Project Management.
- Administrative Services includes departments like Finance, Human Resources, and County Administration.
- The Debt Service & Future Capital category includes committed debt and planned debt services including the courthouse and second tranche bond sale for 2027.



# Fiscal Year 2026: Expenditures by Type

- Personnel-related costs remain the highest cost within the budget. Fundamentally, county government is people serving people.
- Education funding is the second largest expenditure, and education funds are also included in the Debt Service and Future Capital category. 60.2% of the county funding for current expense is personnel based on TCS Superintendent presentation.
- Remittances, assistance dollars and transfers out are significant portions of the budget.
- Debt Service will continue to shift in FY 2026 with bond payments and EMS payments as planned in capital planning.
- Capital outlay and maintenance is increasing in the categories of Public Safety and Emergency Services in particular due to equipment cost increases and integrated technology.



# Education Funding: K-Community College

## □ **Transylvania County Schools:**

- K-12 Education recommended for a slightly higher increase as the recommended total budget, at 7% for operations (\$14,567,870.75). The Schools determine how to allocate the increase, but the increase should allow for at least a match of the Henderson County teacher supplement. This also funds the state projected increase in teacher pay of 5%, the maximum proposal going into budget negotiations in Raleigh. The state legislature has sole control over teacher salaries.
- All School capital requests funded in full (\$1,572,006.28). \$432,690 additional is anticipated from lottery funds for a new safety system.
- School Capital Projects Fund stands at \$83,931,993.77 to date, including the first step of bond and legacy approved capital projects.
- Total new FY 2026 funding for K-12 Education increases 10%.
  - Includes County-funded Project Manager position for the school bond projects.
  - Does not include education debt service amounts scheduled this year.

## □ **Blue Ridge Community College** is recommended for a 6% increase in operational expenses.

- Operational Funding: \$731,920 | Capital Funding: \$75,000

# Fire and Rescue Services Highlights

- ❑ The county's public safety relies on our community fire departments having the resources they need to provide fire and rescue services. Recent forest fires emphasized how important those partnerships are, and the outcome of the fires would not have been possible without the mutual aid support from across the county and beyond.
- ❑ The county's fire and rescue departments are recommended to fund solely from the new single district proposed with a total increase in county funding of 5.86% for fire and rescue departments. Transylvania Rescue Squad and NC Forestry Service funding stays in the general fund
- ❑ The big need identified this year is to increase baseline paid staffing. Volunteers are still utilized, but work schedules make it hard to staff solely with volunteers. Commissioners initially approved funding one firefighter position per district in 2013 for the FY 14 budget. This year, the fire budget review subcommittee is recommending a new minimum staffing funding level to include 4 positions and to fund those at a standard salary and benefits rate per position. Some departments received approval for funding to staff at this level in prior years (2) so the increase is not the same for each department.
- ❑ Equipment cost increases discussed earlier as part of the general fund budget are also impacting fire departments.

# Proposed Fire Service Tax District

- ❑ Transylvania County is currently divided into 8 different fire protection service districts not including the City of Brevard. Each of the 8 districts has a very different property tax value, ranging from \$1.7 million to \$1.9 billion.
- ❑ This means the ability of fire/rescue departments to generate revenue, if restricted to their response district, varies widely. For this reason, the county does not approve fire department budgets based on district property tax value.
- ❑ Proposed change is on the revenue side only: The tax for fire and rescue services would be levied for a single district that would include most of the county. This DOES NOT change response areas for fire departments, contracts they have with the county or how each fire department operates. Funds would continue to be distributed to fire departments based on their approved budgets.
- ❑ This would provide a more efficient way to collect funds without changing the budget process or changing a responding fire department (i.e., fewer taxing districts means fewer steps and fewer resources needed to collect the taxes for the fire departments).
- ❑ The district would include the entire unincorporated area of Transylvania County and the Town of Rosman just like the existing fire districts. The City of Brevard would continue to collect fire taxes and operate their services independently.

# Proposed Fire Service Tax District (continued)

- ❑ Across the board, the fire departments are demonstrating a need for some paid staff to ensure coverage is in place when volunteers may be at work or unavailable.
- ❑ In 2013 (FY 14), Commissioners approved one paid staff member per district and provided funding for that purpose. Since that time, fire departments have added staffing at different rates.
- ❑ Adding staffing was particularly challenging during a time period when budgets were bound by the service district's property valuation, which range widely across the county.
- ❑ This old way of funding meant each fire department budget was bound by property tax valuation in their district and not based on the needed resources for fire departments to provide services including mutual aid to other districts. Funding purely by district when the supplement from general fund started would have required district rates ranging from 5.4-22.2 cents to provide necessary resources on top of the county tax rate. The single district will eliminate the supplement and keep fire taxes stable across the county.
- ❑ The Single District is not yet in place; so, a revenue neutral tax rate must be estimated based on current-year fire department budgets and valuation projections. If the single district had been implemented in 2024, the fire service tax rate would have been \$0.08 based on approved fire department budgets. The revenue neutral rate for FY26 would therefore be \$0.055.

# Fire Department Budgets

- ☐ If the single fire service tax district is approved, the recommended tax rate for FY26 for fire and rescue services would be \$0.07 per \$100 valuation of property to fund all fire department budgets. The recommended county funding for fire department contracts is a 5.9% increase from FY 25.
- ☐ Themes from subcommittee meetings with fire departments:
  - ☐ Challenges maintaining volunteers requiring more paid staffing, especially to fill daytime needs for call responses due to few employers with alternate shifts in the area.
  - ☐ Equipment and medical costs for screenings continue to increase.
- ☐ Budget Committee key recommendations:
  - ☐ Bring the staffing level at each fire department up to 4 full-time staff, one per each 24-hour shift and one to work the day shifts with the same funding for salary/benefits for those positions for each department. (Balsam Grove will delay staff ramp up to address equipment needs)
  - ☐ Budget funds to ensure all fire departments have needed capital equipment including protective gear and replacement radios.
- ☐ The recommended fire department budgets for FY2026 total \$7,214,626.
- ☐ Fire Marshall staff will be going over the recommended budgets with each fire department.
- ☐ Needs for staffing levels and equipment costs will continue to impact fire and rescue departments and will require funding to maintain or enhance services.

# Solid Waste Enterprise Fund Summary

- Balanced budget of \$3,905,000, a 5.6% decrease from FY2025 due to no requests for the purchase of heavy equipment in FY2026
  - ▣ Revenue: Measured growth in some fee-based areas of revenue, such as scale sales and sticker sales. Additional revenue brought in through interest on investments.
  - ▣ Balance is supplemented from property tax revenue in the General Fund.
- Existing revenue mix of fees and the operational supplement from the General Fund should be sufficient for a few more years, but there is not currently enough funding to save for future expansions.
- The current landfill cell phase going into construction will extend the life to 2030, but a next phase will require significantly more capital.
- Expenses for the new landfill cell rose from the \$6,564,522 project budget provided by Labella Associates in March 2024, to a total project budget of \$9,907,184. In addition to an already-secured \$7 million grant, the County Commissioners appropriated \$2,477,929 from General Fund balance to fully fund the project. This buys an additional five years of capacity to 2031.
- Solid Waste has contracted with Smith and Gardiner Engineering to conduct both a Solid Waste Disposal Options and a Solid Waste Rate Study. The Solid Waste Disposal Options study will identify and explore options for managing solid waste services. The Solid Waste Rate Study will evaluate Solid Waste fees to determine if they adequately account for solid waste services

# County Budget Recommendation Summary

- Balanced general fund budget of \$81,342,524 with a recommended tax rate of \$0.4105. The proposed tax rate is intended to provide a stable rate for the next four years based on current assumptions.
- Continues existing service levels across the board, but replaces one of two positions in Narcotics previously provided by City of Brevard until FY 24 to support effectiveness of drug enforcement.
- K-12 School increases provide funding to increase teacher supplement to match Henderson County supplement structure. 7% operational increase
- Fire Department funding increases county funded staffing for each department to 4 paid firefighters. Fire department funding is recommended from the single district with a rate of \$.07 cents. Transylvania County Rescue Squad and NC Forestry Service remain in general fund because they support county and city departments, but Rescue Squad staffing adjusted to match fire department per person funding levels.
- Capital Planning starting in FY 16 moving into full implementation. Debt service and capital planning covers EMS base, school bond projects and new courthouse payments for four years using \$1 million in dedicated sales tax and FY 25 level capital transfer amounts. This does not leave annual capital funds for other improvements like economic development or parks and recreation. Operational costs for new courthouse are not included at this time.

# Future Considerations Impacting Budget

- ❑ Continued cost increases for first responder equipment
- ❑ Public Service Workforce future (county services, education systems, fire and rescue departments)
- ❑ Continue to evaluate external funding and external contracts for cost
- ❑ Increasing need for paid staffing for fire services
- ❑ Uncertainty from Hurricane Helene economic impact
- ❑ Operational costs of new courthouse
- ❑ Other capital desired by community- infrastructure, parks and recreation, economic development
- ❑ Uncertainty in state and federal funding- no assumptions available at preparation of budget
  - May be required to evaluate local services that tie back to state/federal funding sources to either eliminate or raise local funds to cover.
- ❑ Future of Solid Waste
  - New landfill cell construction budget increase; construction now in progress
  - Revenues vs. operational expenses- the cost to operate continues to grow and cost planning for future maintenance of landfill continue to grow.
  - Contract with Smith and Gardiner Engineering for a Solid Waste Disposal Options and a Solid Waste Rate Study

# Next Steps



- Copies of Recommended budget available with Clerk, at Library and online. Planned available by 10 am tomorrow.
- June 2 Budget Workshop, 6 PM; back up date June 5<sup>th</sup>.
  - Any items that commissioners want to pull for discussion to staff by Friday
  - Facilitated discussion including backup information, discussion and consensus
- June 23 Budget Public Hearing