

# Public Hearing

FY 19 Budget

June 12, 2018

# Highlights for FY 19

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

- Continue to identify data tracking and benchmarking methods
- Bring senior center operation in house under Parks and Recreation
  - ▣ Partner with WCCA as they continue the feeding program on site
- Implement Free Public Wifi in 9 Community Centers and support capital improvements
- Library Program with Schools so each child has a library card, waive fines for juvenile material to remove barriers for children to access resources
- Partner EMS and Rescue Squad to provide an additional response unit for emergencies
- Prepare the Early Childhood Initiative for partnership with Sesame Streets in Communities
- Continue the partnership with NCACC with another grant funded fellowship position- focus on Operations and GIS
- Increase DSS social workers to cover growing caseloads for children and adults and Child Health Nurse coverage in Health Department

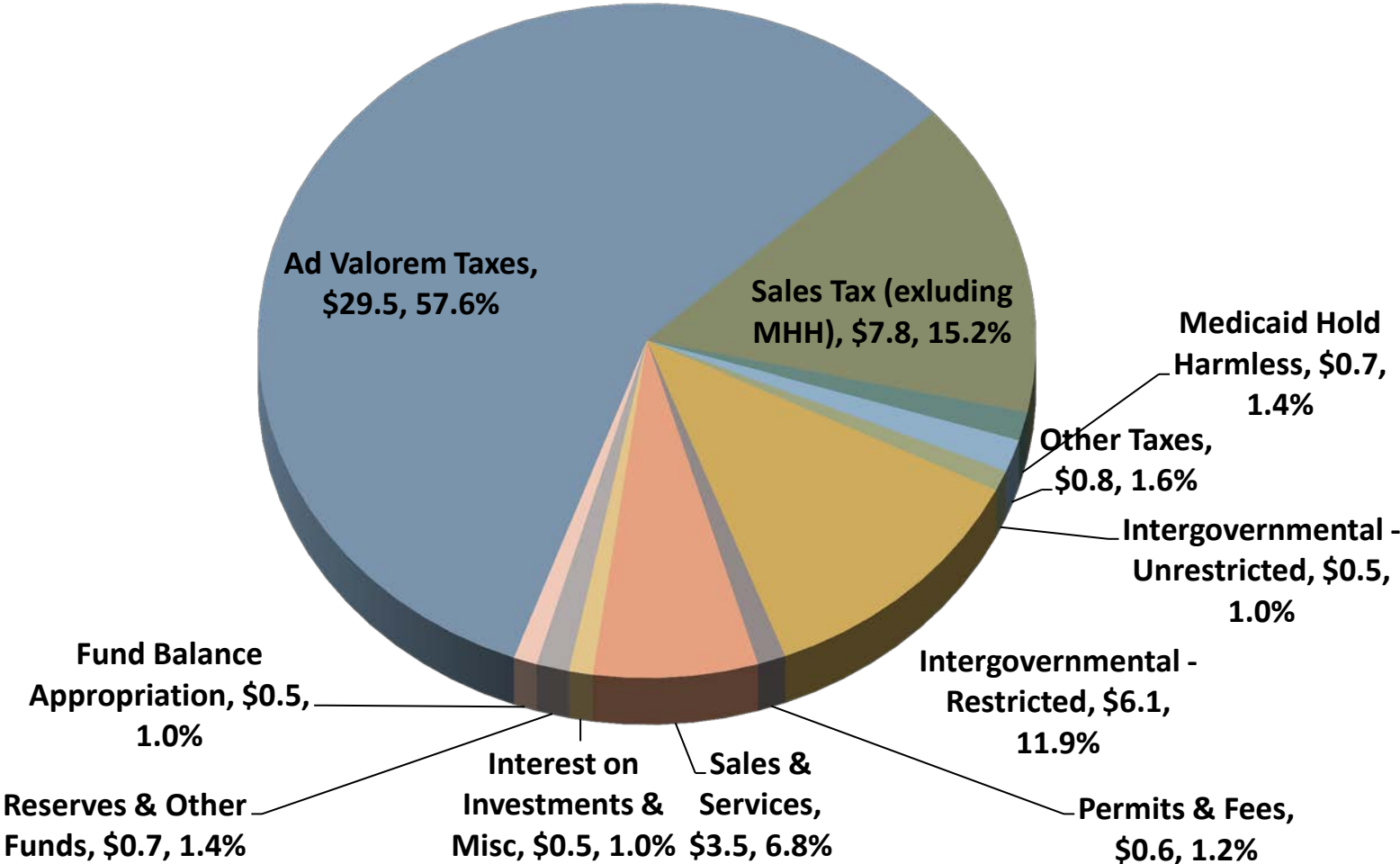
# Highlights for FY 19

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

- Continue to re-establish solid waste program and catch up on deferred capital
- New Finance Software (losing staff time to modifying, fixes and creating liability)
- Make recommendations on pay plan
- New Adventure Re-envisioning
  - ▣ School System is taking Developmental Day Program in house
  - ▣ Expand with more slots for children in the community, NC Pre-K partnership
- Process Steps to facilitate Bond Referendum for Brevard High, Rosman High and Rosman Middle Schools
- USDA Loan Application Process (funding cycle changes in October)
- Funds Education at more than \$106k over request for operational spending and changes the paperwork process for capital project spending for transparency purposes \*incorrectly reported in the newspaper as a formula

# Revenue Projections

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



# Revenue Projections

- Property Tax remains more than half of budget revenues with projected growth of 1.2%
- Sales Tax growth 1.4% over last year's budget
  - Sales tax loss from the County in FY 18 due to GS 105-524 is estimated to be \$99,583 due to the redistribution of taxes required in the statute
- 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

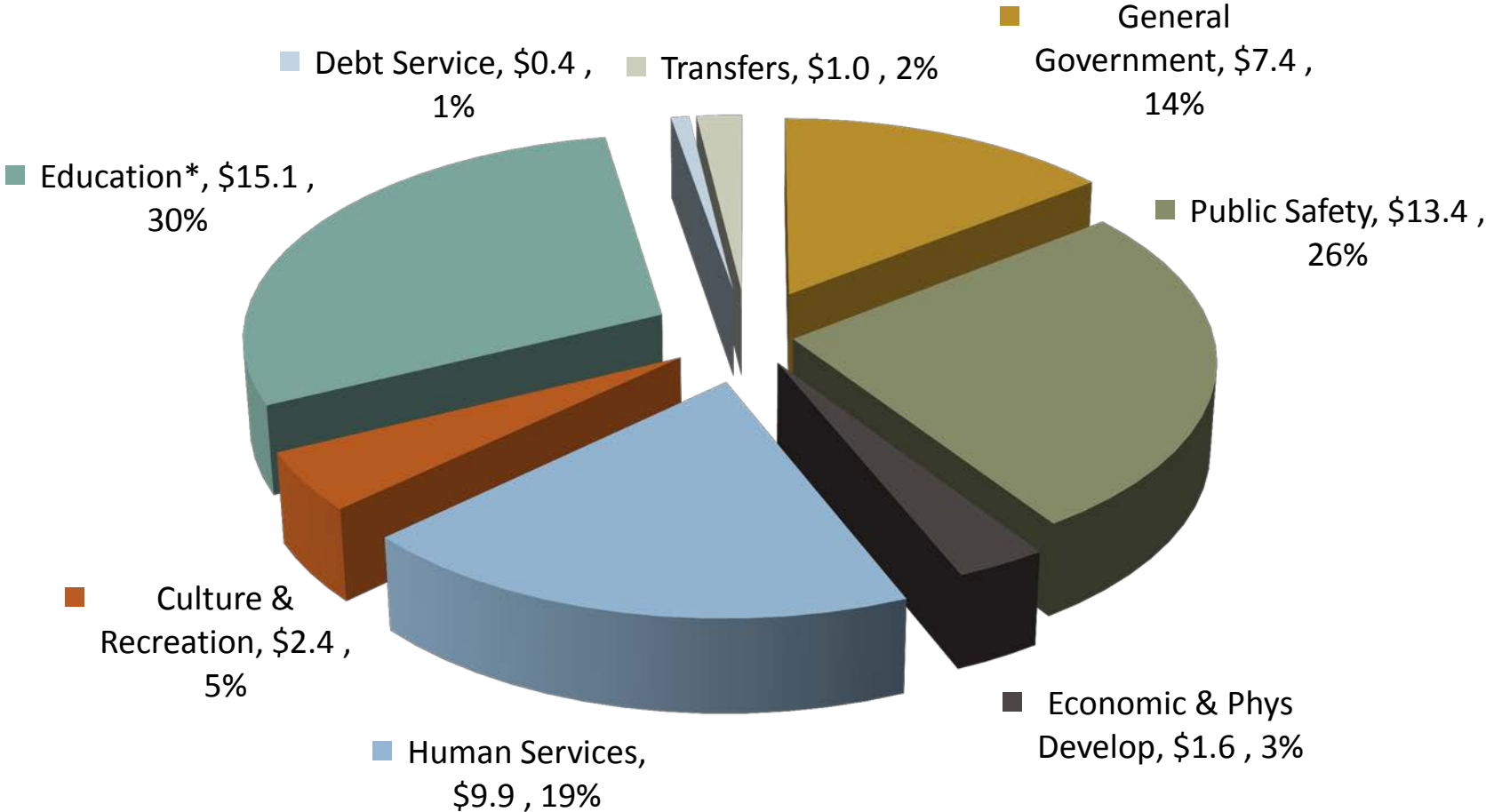
# Future Year Planning and Tax Rate

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

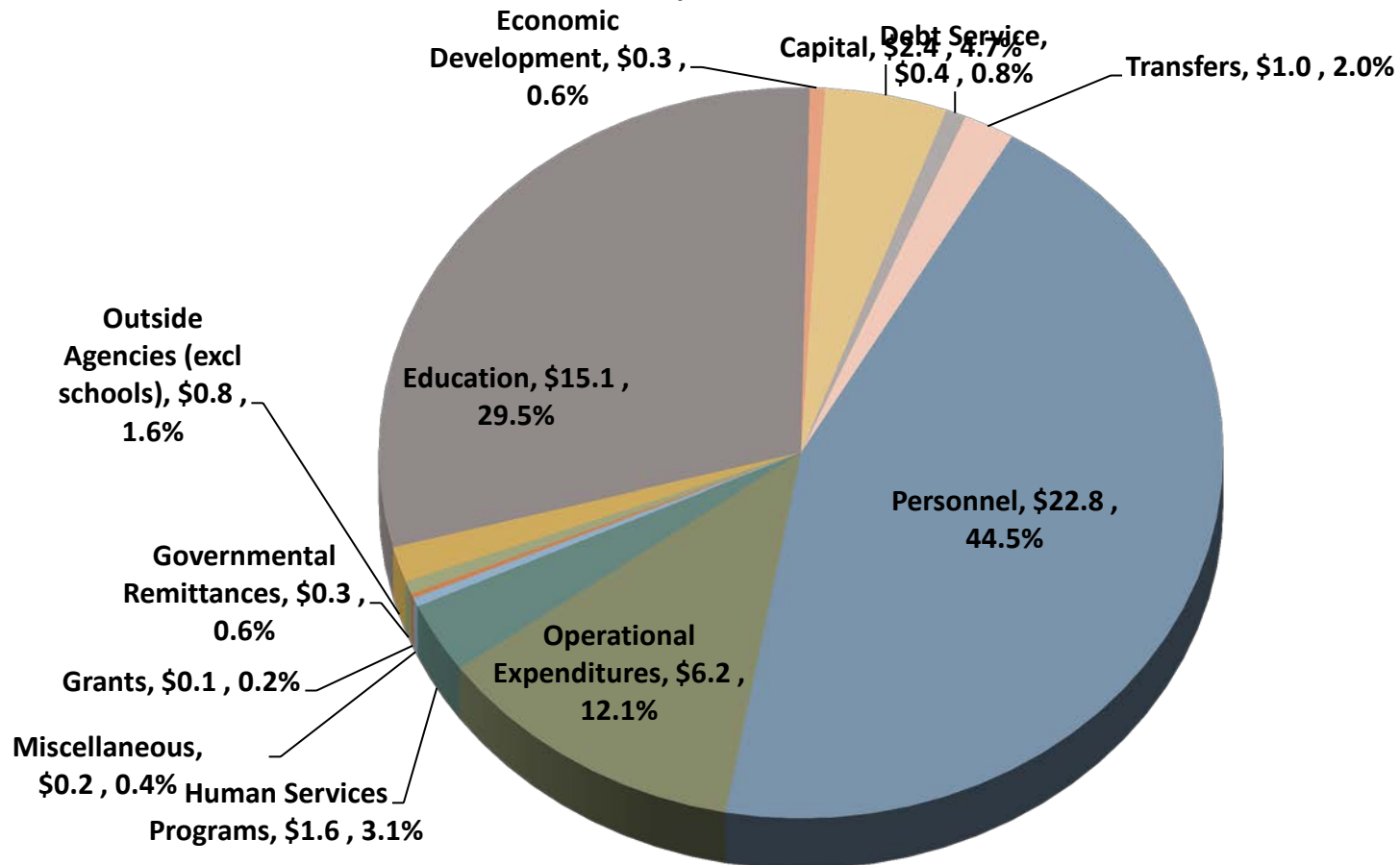
## FY 19 BUDGETED EXPENDITURES - GENERAL FUND BY FUNCTION TOTAL \$51.2 Million



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)



# Manager's Recommended 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
  - ▣ 11<sup>th</sup> 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

# Workshop Changes to Recommended

- Following the budget workshop on May 31, Commissioners directed staff to make the following changes to the Manager's recommended budget:
  - Add 2.5 cent tax increase for the courthouse project
  - Add purchase of tactical rescue vehicle for the Sheriff's Office; remove one vehicle replacement
  - Add position of Environmental Health Specialist
  - Fire departments
    - Remove all requests for additional staffing
    - Remove commercial kitchen request from Lake Toxaway
    - Add funds to Balsam Grove to allow participation in Volunteer Firefighters Pension Program
    - Present options for funding fire department budgets which has potential to change tax rate for the general fund
- Staff was instructed to schedule public hearings for both the June 12 and June 25 meetings