

2nd Public Hearing

FY 19 Budget

June 25, 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

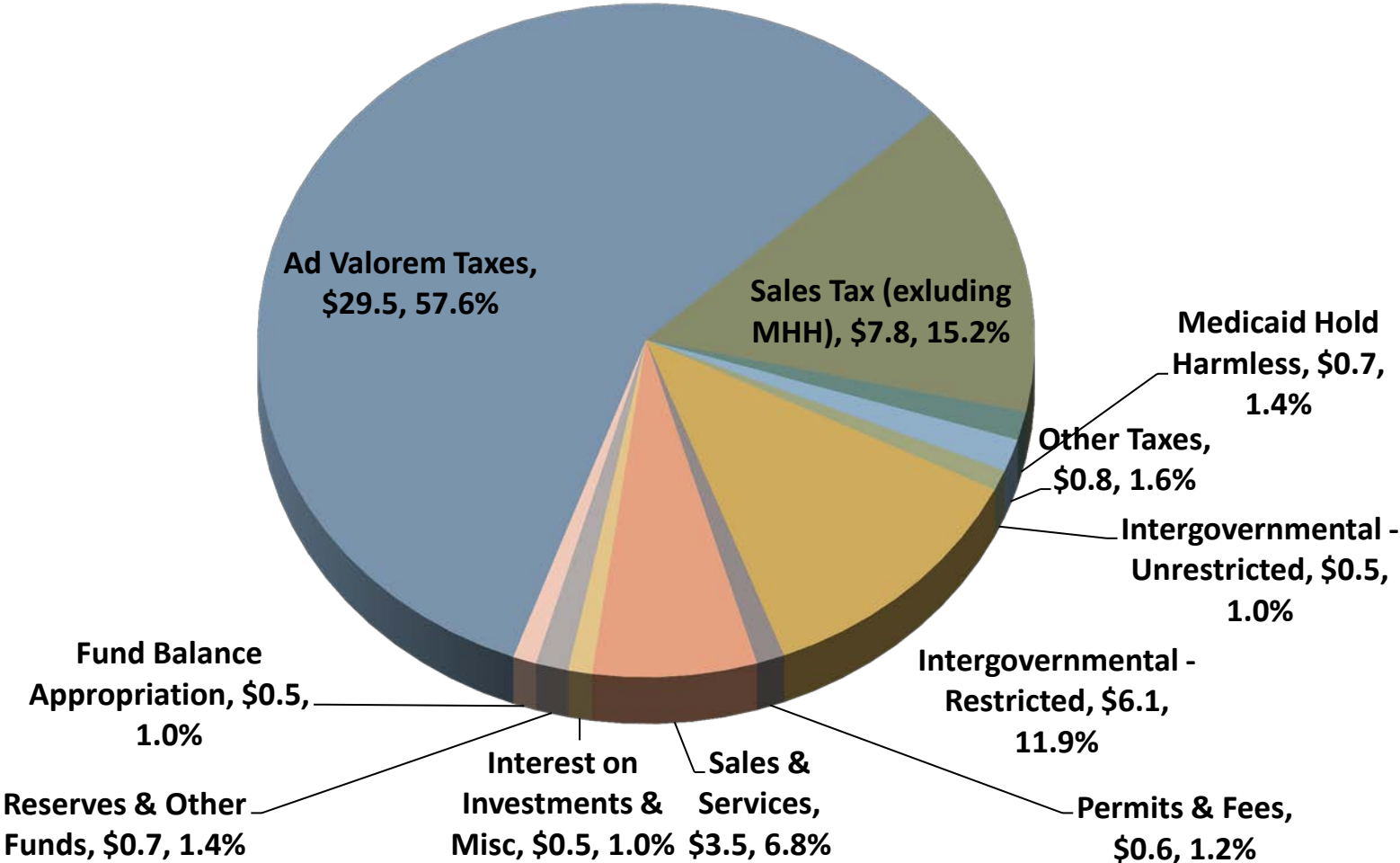
Highlights for FY 19

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

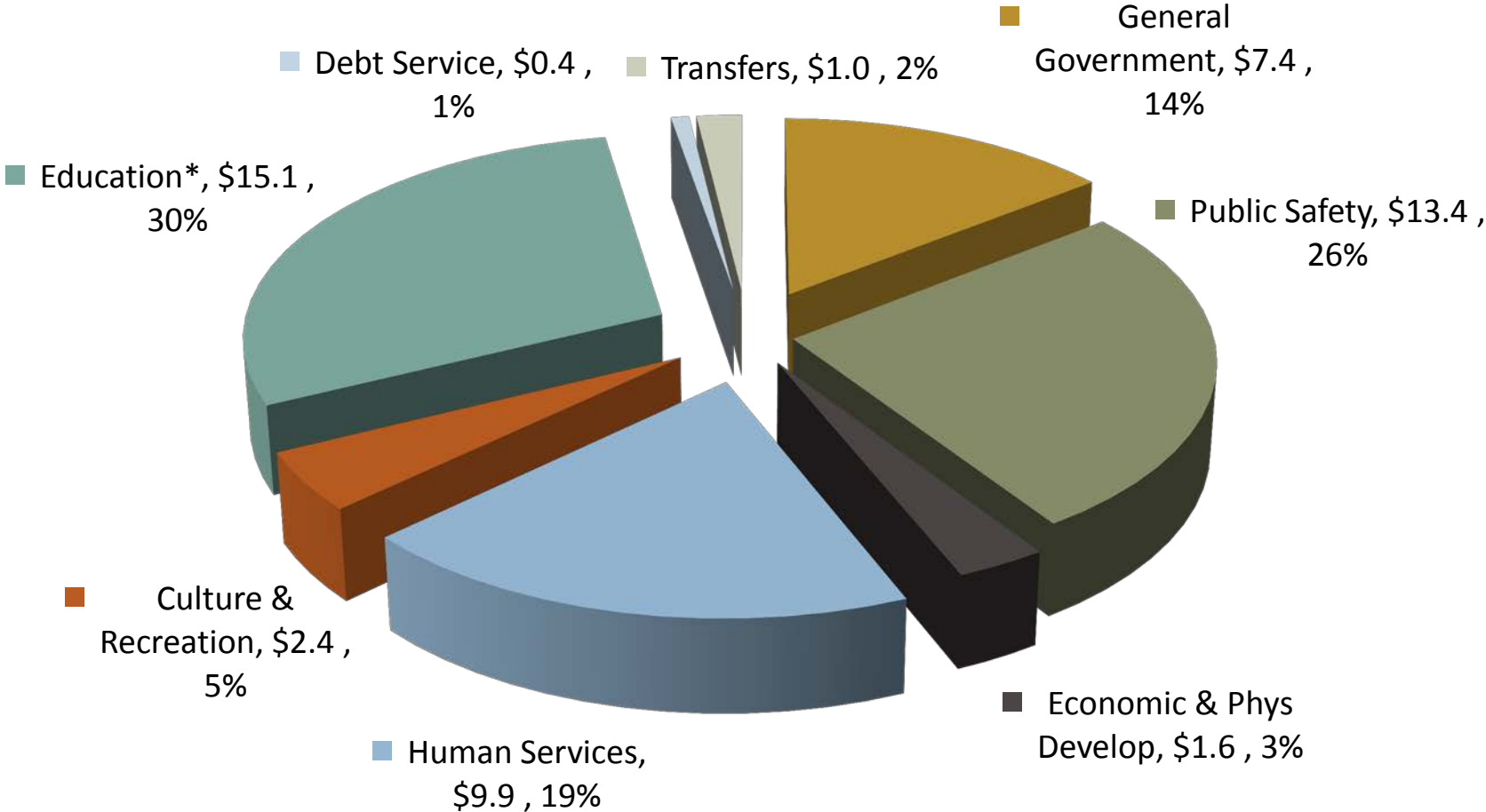
Future Year Planning and Tax Rate

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

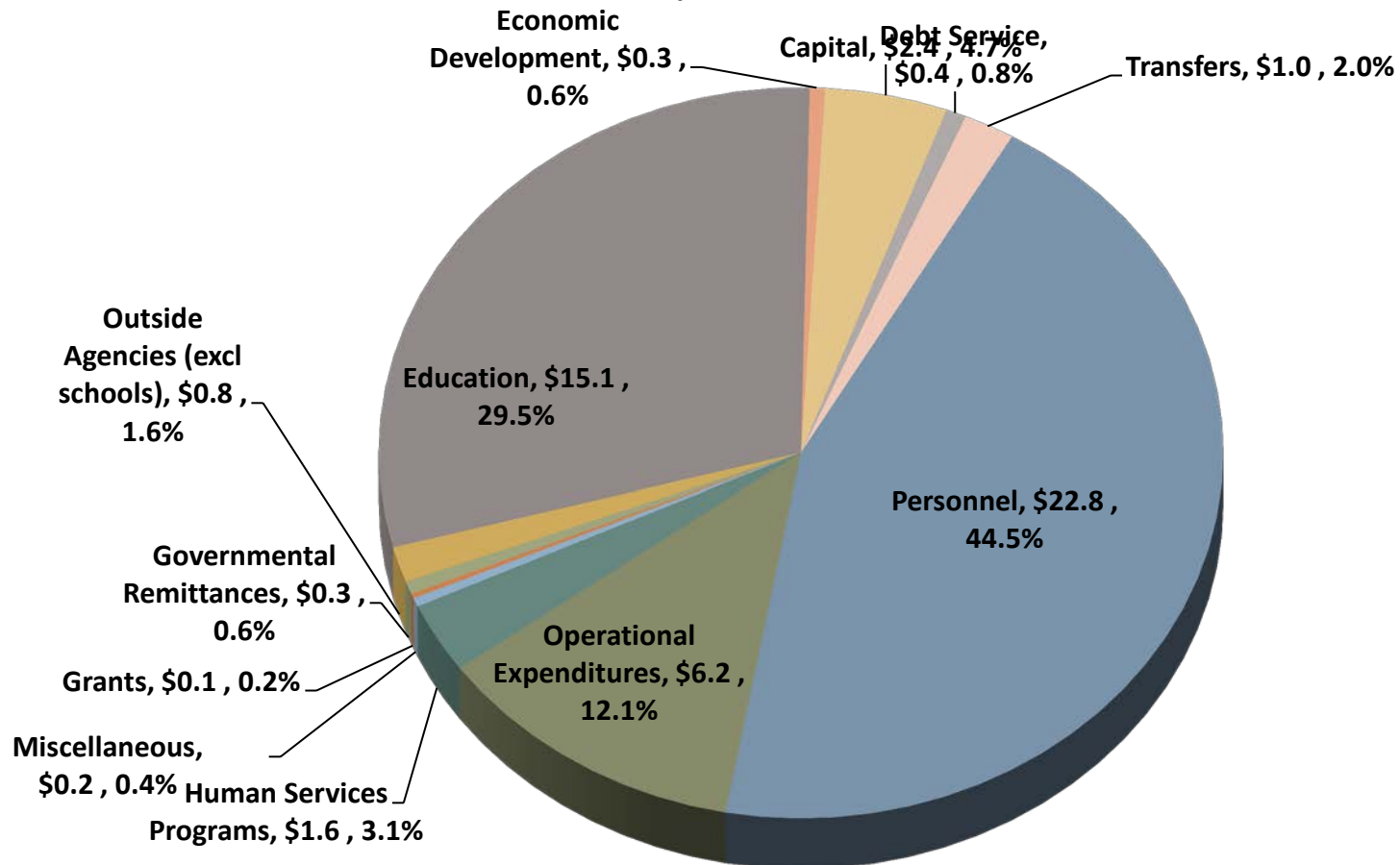
FY 19 BUDGETED EXPENDITURES - GENERAL FUND BY FUNCTION TOTAL \$51.2 Million



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
 - ▣ 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

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

Additional Changes from June 12

- Following the public hearing of the budget and presentation of fire and rescue funding options on June 12, Commissioners directed staff to make the following changes to the Manager's recommended budget:

- For FY 19, cap the fire districts' tax rates at 14 cents, which fully funds the approved fire department budgets with the exception of North Transylvania Fire Department
- Fund the amount over the 14 cent cap for North Transylvania Fire Department, totaling \$102,112 from fund balance

District	Budget Request	Current Fire Tax Rate	District Fire Funding Method Rate with cap*
City of Brevard Residents	None (City Budget)	City Tax only	City Tax only
Brevard/Sylvan Valley II	\$480,000	5.5 cents	5.5 cents
Rosman	\$554,125	11.59 cents	12.09 cents
Little River	\$457,230	9.11 cents	9.06 cents
Connestee	\$782,258	7.67 cents	8.33 cents
Cedar Mountain	\$193,100	13.78 cents	13.76 cents
Lake Toxaway	\$892,786	4.79 cents	5.44 cents
Balsam Grove	\$100,207	10.98 cents	11.18 cents
North Trans.	\$276,655	12.70 cents	14 cents