

2020-2021 RECOMMENDED BUDGET



5/26/2020

Jaime Laughter, County Manager

In accordance with NC G.S. 159-11, the County Manager of Transylvania County presents the following recommended budget for fiscal year 2020-2021 to the Transylvania County Board of County Commissioners.

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MESSAGE FROM THE COUNTY MANAGER

Transylvania County Commissioners and Citizens,

County government in North Carolina is charged with many essential functions during a pandemic including emergency services and public health. These services are intended to support communities during a time of crisis that include both the active phases of the pandemic and the economic recovery to follow as a result. County government functions are important and essential all the time, but are emphasized during the historic impact of COVID-19 on our communities across the country.

Transylvania County leadership always follows a careful budget process that balances mandated services, service needs and citizen expectations against the ability to generate revenue. With a data driven approach to understanding both the need and our effectiveness, we work to achieve maximum efficiency while maintaining quality in good stewardship of public funds. This budget was prepared with the same eye to balance and performance as you would expect, but does present unique challenges that we have never before considered possible. Usually an economic downturn is predicated with a cooling of economic indicators and provides time to modify economic strategies. COVID-19 has resulted in a sudden and dramatic change to our economy and our daily lives that did not afford time to carefully react. Instead, we have been navigating a time period where policy is created in real time, answers to the behavior of the virus are fluid and we must be prepared to adapt in short order.

The experience of a modern pandemic is changing how we operate and the demands for our services. It has the potential to change what infrastructure we need to operate including our office spaces. Our fiscal and legal responsibilities as service providers and employers face uncertainty that could not have been predicted prior to COVID-19. The impacts to revenue required to fund necessary functions remains uncertain as well as we enter into this budget cycle. With these unknowns, it will remain critical that we position ourselves to be nimble in our management of county government as we cross into a new budget year.


Even beyond the coming budget year, we will likely see changes of expectations and requirements for how we operate that will remain permanent after the experience of a global pandemic. These changes will take time to reveal and to gauge the impact on local governance. While this level of uncertainty about the immediate and long range future can seem intimidating, I have found in navigating the first 3 months of COVID-19 that our county is blessed with leaders- on staff and elected- that are committed to Transylvania County's success through this virus and beyond it. This demonstrated commitment has left me with the solid belief that we have the resilience as a community to navigate whatever changes may come as a result of COVID-19.

County Department and Office Leaders submitted budget requests during a booming economy. Two months later, budget review occurred after the realization that COVID-19 would have a lasting impact on our economic outlook and that our world was changing. Across the board, department and office leaders worked collaboratively with administration on what to forestall or eliminate entirely to craft this budget so that service to our citizens remains resilient while minimizing the fiscal impact with no expectation of increased funding levels. Partner agencies reliant on county funding such as the Rescue Squad were held harmless from reduction while Blue Ridge Community College and Transylvania County Schools include small increases due to increased SRO personnel costs in the recommended

budget from last year's appropriation. Overall, this budget reflects a spending decrease of 9% from the revised FY 20 budget and a 6.7% decrease from the original FY 20 budget. Further cuts would require net reduction in services and could endanger the capacity to provide essential services. Likewise, any increases from the recommended budget would require a revenue source that is limited to property tax increase under state law or to modify designated funding policy to accommodate the increase.

Finally, I want to thank staff who worked diligently to prepare this budget with great thought and care with me during this challenging time. All county department and office leaders should be commended for their work to minimize expenses and still provide exemplary service to our county's citizens. It is my pleasure to be serving Transylvania County with such a dedicated and talented team. Together we will remain nimble and responsive to the citizens of Transylvania County and together we will make it through the COVID-19 pandemic.

Sincerely,



Jaime Laughter, AICP, ICMA-CM

County Manager

OVERVIEW OF THE TRANSYLVANIA COUNTY BUDGET PROCESS

The budget process for Transylvania County, North Carolina is a combination of local policies and procedures and mandates by the North Carolina Local Government Budget and Fiscal Control Act which defines a budget as “a proposed plan for raising and spending money for specified programs, functions, activities, or objectives during a fiscal year.” [NC G.S. 159-7(b)(10)]

The chief official responsible for the development, recommendation and execution of the budget for Transylvania County is the County Manager, who is defined as the Budget Officer by NC G.S. 159-9.

Budget Event	Date or Deadline	Relevant Statutes
All County Department Heads Submit Requests to the Budget Officer	Deadline February 28 th , 2020	NC G.S. 159-10
The Budget Officer reviews requests in discussion format with department heads	Various Dates in April 2020	
Private entities partnering with the County apply through a uniform process, submitting applications to County Finance	Deadline April 1st, 2020	
Transylvania County Schools Superintendent submits the budget for Transylvania County Schools	Deadline May 15 th , 2020	
The County Manager submits a recommended budget for consideration to the Board of County Commissioners	May 25 th , 2020 Regular Meeting of the Board	NC G.S. 159-11
The recommended budget is published in the office of the Clerk to the Board		NC G.S. 159-12 (a)
The Board conducts a workshop-format meeting to review and make changes to the recommended budget	June 1 st , 4 th and 8 th , 2020 Budget Workshop Dates	
The Board conducts a public hearing on the proposed budget for 2019-2020	June 8 th , 2020 Budget Public Hearing	NC G.S. 159-12 (b)
The Board makes final approval of the budget ordinance prior to July 1, 2019	June 29 th , 2020 Regular Meeting of the Board	NC G.S. 159-13
The Board may amend the budget ordinance after approval at any time unless otherwise restricted by law.	July 1 st , 2020 through June 30 th , 2021	NC G.S. 159-15

DESCRIPTIONS OF MAJOR POLICIES IMPLEMENTED IN THE PROPOSED BUDGET

In the coming year, the county will implement a number of initiatives that consistent with a data driven and citizen focused approach to government. These modifications will also retain the ability to stay nimble during a period of economic uncertainty:

- The primary goal of this budget is to protect core and essential County functions by limiting budget cuts where possible to avoid cutting back on services to citizens and meeting state mandates.
- Solidify and maintain implementation of the adopted compensation philosophy, while recognizing that additional components of compensation philosophy remain to be addressed in the future such as performance.
- The County Personnel Policy will be amended for a period of at least one year: professional development and travel expenses for County employees that involve out of state travel and county expenses will require Board of County Commissioners pre-approval.
- The County's fleet of vehicles outside of the Sheriff's Office will be evaluated and revised to reflect assignment of vehicles to individual staff. Vehicles left unassigned will be classified for general use and pooled into the Administration Fleet. Departments will schedule vehicles from the County Manager's office for a fixed period and return them to the combined motor pool. Management believes this will be a key efficiency improvement and allow the County to surplus additional vehicles by maximizing usage and limiting down time of vehicles.
- Implement deviated fixed route service and limited Saturday service between the municipalities of Rosman and Brevard, a key goal for the County's transit system to improve accessibility of public transit. This provides support to economic development by connecting citizens to jobs through reliable transportation.
- The creation of two special revenue funds to account for legally restricted revenues in keeping with the best practices implemented by other Counties and the recommendations of the UNC School of Government. These revenues were previously budgeted in the County's General Fund:
 - The Automation Enhancement and Preservation Special Revenue Fund, to account for fees levied on transactions in the Register of Deeds office pursuant to 161-11.3.
 - The Court Facilities Fee Special Revenue fund, to account for court facility fees levied by the Court system and transmitted to the County by the Clerk of Superior Court.

STATEMENT OF GOALS AND STRATEGIES
FOR TRANSYLVANIA COUNTY GOVERNMENT

Transylvania County adopted the first county strategic plan in 2015 to guide policy and priorities of county government from 2016 to 2021. The plan outlines 6 Goal statements with strategies on how to achieve those ideals for Transylvania County. They are:

Goal 1: The local economy has a more diversified tax base, an increase in living wage jobs and has more stability. The community has capitalized on the unique quality of life and environment unique to the area.

Goal 2: The educational environment facilities learning and students are being prepared for a successful future. There are more available resources for enhancing education for all ages.

Goal 3: The community has vibrant nodes of economic and civic activity that create a draw for tourism as well as a platform for community engagement.

Goal 4: The wealth of natural resources in Transylvania County have been well managed and maintained to support the local economy and quality of life with plans in place to assure sustainability.

Goal 5: The community's quality of life includes resources that promote health, transportation connectivity, a sense of place, cultural heritage and public safety.

Goal 6: County government is service driven, transparent and performance based with more active and engaged citizens.

Each county department, office and funding partner is expected to develop objectives each year that support goals and strategies in the strategic plan with measures, both quantitative and qualitative, that can be evaluated at mid year and end of year alongside the budget to reflect how the budget is utilized to provide services and measure progress towards realizing the goal statements for Transylvania County citizens.

DESCRIPTIONS OF MAJOR FINANCIAL RISKS

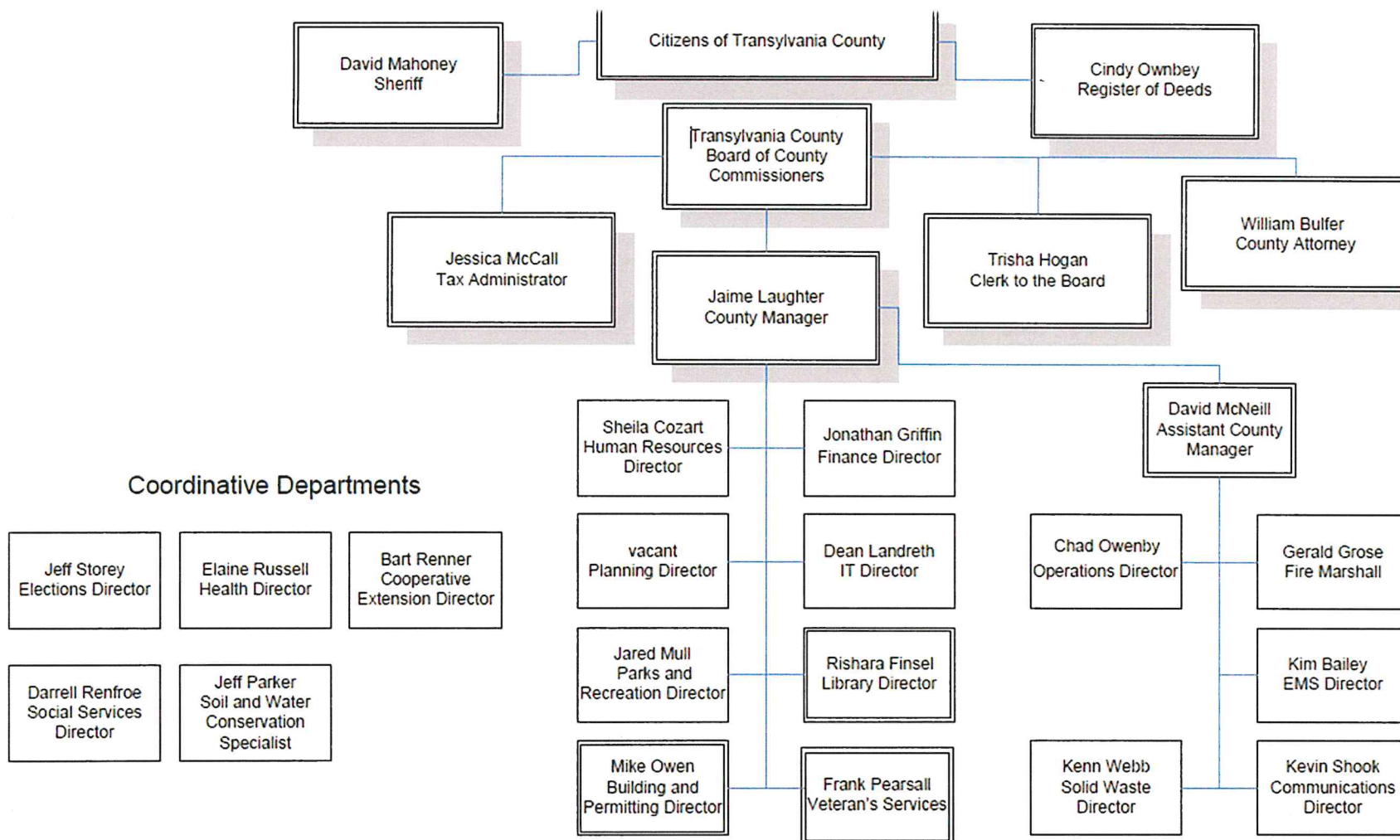
ASSOCIATED WITH THE PROPOSED BUDGET

During the budget review process, each department of County government was asked to assess the financial risks inherent in their budget requests. Many indicated that they felt the needs of their department were met in the near term in their requests, and therefore that the Board would not need to plan appropriately for any changes.

However, some identified that there were potential risk factors in their budgets and those are outlined here for review by Board of County Commissioners and the community.

- 1.) The coronavirus outbreak continues to loom large in the minds of County staff and could yet further impact County services including how business is conducted and the use of technology. The revenue impacts for FY 2021 are uncertain, and changes in consumer spending will drive unpredictable swings in the County's local option sales and use tax collections and other revenues. At the same time, we will see some shifts in operations that may require investment in infrastructure both for the short and long term.
- 2.) The potential for a wave of infections in the fall or a surge of infections after re-opening, continues to drive uncertainty across all levels and functions of County government. Many county services are essential during a pandemic and could see strain on existing capacity.
- 3.) Overtime and compensatory time costs could be unpredictable if the pandemic were to negatively impact staffing levels. We have already seen in the EMS department this fiscal year the need to cover additional shifts due to paramedics needing to self-quarantine after potential exposure. State legislation around essential workers and responsibilities of employers has potential for additional employer related expenses that are uncertain at the time of budget preparation and could include benefit related expenses in addition to standards for safety and protection as more is known about COVID-19.
- 4.) County facilities staff identified the Transylvania County Courthouse's central heating and cooling system as a significant risk if it were to go out of service, as that would negatively impact Court operations and be costly to address. However, the County has delayed or deferred all annual capital projects for this year due to revenue shortfalls and the need to protect core services. In the event this issue were to develop, staff would recommend use of the \$200,000 general fund balance assigned for emergency maintenance to meet this need. As final revenue figures are known this summer, management will be working with the board to evaluate whether additional capital funds should be accessed via budget amendment to continue HVAC replacement, a high maintenance related risk to delay.
- 5.) The County is exposed to a variety of interest rate risks that may impact the budget. Lower investment returns could cause investment returns to come in lower (thus placing a higher burden on other revenues) or it could cause the County's liabilities because lower investment returns don't keep pace with the need to save for the future.

ORGANIZATIONAL CHART FOR TRANSYLVANIA COUNTY GOVERNMENT



STATISTICAL ABSTRACT FOR TRANSYLVANIA COUNTY

Transylvania County was established in 1861 under North Carolina General Statute 153A-10. Located in the southwestern portion of North Carolina, the county is 35 miles southwest of Asheville, North Carolina; 136 miles southeast of Knoxville, Tennessee; 60 miles north of Greenville, South Carolina; and 170 miles northeast of Atlanta, Georgia. Seventy-five percent of the United States' population lives within a day's drive of Transylvania County. The county has a land mass of 379.7 square miles, approximately 50% of which is held in three state parks and two national forests.

Elevations in the county range from 1,265 feet in the Horsepasture River Valley to 6,045 feet near the Blue Ridge Parkway.

The following statistics were used to develop the following budget:

- Population growth in Transylvania County between 2010 and 2019 was 7%, lower than rate of growth for North Carolina overall (10%) but ahead of the average rate of growth reported for all one hundred counties.
- The median age of Transylvania County citizens is increasing and projected to continue doing so for the foreseeable future:

Geography Name	Median Age		
	2010	2020	2030
North Carolina	37.4	39.5	40.4
Transylvania County	48.8	51.58	52.2

- Since 2010, the average daily membership (ADM) of Transylvania County's public school system has fallen 8%, driven by demographic changes and a higher than average % of children enrolled in charter, private or home school compared to peer counties.
- The County's unemployment rate was 4.1% as of March 2020, (state at 4.4%) in 2020 prior to the widespread economic closures and shutdowns. This number is expected to see sharp increases due to COVID-19 requiring consideration of workforce support such as fixed route transportation. The State's rate rose to 12.2 percent as economic closures began, county-level data was not available.
- Median Household Income (SAIPE) 2018 was \$46,629 (NC \$52,413). Transylvania County's median household income has grown 12 percent since 2008, lower than the state average of 13 percent.
- Average Private Sector Wages in Transylvania County were \$34,018 as of January 2020. The county ranks 74 out of 100 counties. This difference from the median income statistic is correlated to the County's older/retiree population. Median income includes pension, investment and benefit related income making the median income reported for Transylvania County less reflective of the economic capacity of those working within the county.
- Average Weekly Wage for Workers as of 2019's third quarter was \$672, a slight increase from \$645 in the equivalent period of 2018. This figure remains in the bottom third of the 100 counties of North Carolina. The State average for the third quarter of 2019 was \$972.
- Median Value of Single Family Occupied Housing in 2018 was \$211,300, higher than the state median of \$165,900.
- 2018 Market Rate for Infant Care in Transylvania County was \$1,048 (13th highest in the state), the NC Dept of Child Care has not published updated figures for 2019.

DESCRIPTION OF FUNDS SUBJECT TO APPROPRIATIONS

MAJOR GOVERNMENTAL

GENERAL FUND: The General Fund is the primary operating fund for the County's governmental operations. Eighty six percent of all revenue for the County general fund is ad valorem property tax revenue, local option sales tax and restricted and unrestricted intergovernmental revenues. Approximately seventy five percent of all financial activity undertaken by the County in a given year occurs within the general fund. The accounting basis for this fund is the modified accrual basis.

The General Fund also contains several internal service funds which are maintained separately for accounting purposes but consolidated into the General Fund for reporting purposes. These funds are the following:

- i. The Self Insurance Fund (accounting for activity in the County's health insurance plans for employees)
- ii. The Law Enforcement Officers' Special Separation Fund (accounting for activities and accruals related to the special pension plan established for sworn law enforcement officers established by NC G.S. 143-166.42)
- iii. The Retiree Health Plan Fund (accounting for activities and accruals related to the County's other post-employment benefit plan established for retired employees of the County in 2006)
- iv. 457 Contribution Fund (accounting for activities related to the County's contributions to deferred compensation for County employees with more than five years of local service)

NONMAJOR GOVERNMENTAL FUNDS

EDUCATION PROJECT CAPITAL RESERVE FUND

In 2020, the County established a new capital reserve fund to house and plan for the expenditures of the forthcoming general obligation bond financed projects. These major renovations for Brevard High and Rosman High and Middle School have been pre-funded at a level of \$6.2 million through the 2020 tax levy, with the expectation that the County will reimburse itself once the bonds have been issued. The recommended budget reduces the transfer into this fund from the 2020 levels in anticipation of debt service rolling onto the general fund some time in 2021.

FIRE SERVICE DISTRICTS FUND

Transylvania County maintains a special revenue fund for the collection and disbursement of ad valorem property tax revenue funded to maintain fire protection services established under NC G.S. 153A-301. The Fire Districts Special Revenue Fund contains the proceeds of ad valorem tax levies on seven separate and distinct fire districts. The accounting basis for this fund is the modified accrual basis.

EMERGENCY TELEPHONE SYSTEM FUND

Transylvania County maintains a special revenue fund to account for the receipt, expenses and local distributions of revenues received from the North Carolina 911 Board intended to supplement and

offset the costs of operating a 911 telecommunications system. There will be significantly lower amounts passed through to the City of Brevard for the maintenance and upkeep in FY 2021 due to state policy changes and the City's management of their own special revenue fund.

PROPRIETARY FUNDS

SOLID WASTE FUND

Transylvania County has a single major proprietary fund, established for the operation, maintenance and development of various landfills and disposal sites. Consistent with North Carolina law and Governmental Accounting standards, the Solid Waste Fund is governed by the full accrual basis of accounting.

FUNDS NOT SUBJECT TO APPROPRIATIONS

Transylvania County also has the following funds which are permanent, fiduciary or agency funds and not subject to appropriations by the Transylvania County Board of County Commissioners:

- a.) The Silvermont Permanent Fund, established to house a donation held in trust for the upkeep, operation and improvement of the historic Silvermont Mansion
- b.) The Inmate Trust Fund established to account for monies held in trust for inmates of the Transylvania County Detention Center
- c.) The Social Services Agency Fund
- d.) The Register of Deeds State Treasurer Agency Fund
- e.) The Cooperative Extension Agency Fund
- f.) The Sheriff's Department COPs 4 Kids Fund
- g.) The Sheriff's Department DARE and SHIELD Camp Funds

SUMMARY OF RECOMMENDED APPROPRIATIONS

GENERAL FUND

REVENUES

The recommended budget keeps the County's general fund ad valorem tax rate steady at \$.636. The value of property subject to the property tax is levied at a rate per \$100 of value by the Board of County Commissioners.

The estimated assessed value of the FY2020 in Transylvania County is \$5,974,460,000, an increase of \$96,000,000 or 1.725 over the estimated assessed value for FY2019. Administration believes this small growth relative to many other neighboring counties is impacted by the growth of publicly owned and conservation easement lands, which now comprise fifty percent of the County's land area. Remaining developed and developable area comprise the approximate land mass of Polk County, one of the smallest counties in the state and have limitations due to floodplains and lack of infrastructure that make economic development challenging. With non-residential developed property making up less than 9% of the existing tax base, the burden to pay for services falls on residential households and efforts to increase that percentage will help stabilize the tax rate over the long term.

Exhibit A below articulates that the value of a penny has, in the past five years, not grown back to its level prior to the 2016 revaluation of all County real and personal property.

Exhibit A

	Assessed Value	Tax Rate	One Penny
2021	\$5,952,150,000.00	0.6360	\$595,215.00
2020	\$5,878,460,000.00	0.6360	\$587,846.00
2019	\$5,779,200,000.00	0.5110	\$577,920.00
2018	\$5,761,193,227.00	0.5110	\$576,119.32
2017	\$5,711,148,026.00	0.5110 *	\$571,114.80
2016	\$6,124,053,495.00	0.4499	\$612,405.35

The second largest source of County general fund revenue is the local option sales tax, which comes in two major forms: \$7.9 million comprising the total of Article 39, 40, 42 and distributions of Article 44 revenue by the state. An additional \$600,000 is anticipated in distributions of sales tax collected by the State of North Carolina intended to hold the County harmless from changes in Medicaid, a long standing appropriations practice of the General Assembly of North Carolina.

The impact of the COVID-19 pandemic and the related economic shutdowns and closures have cast a significant level of uncertainty over sales tax receipts for the last quarter of FY 20 and projections for FY 21. Given that the County is a tourism destination, staff have estimated that the decline in sales and use tax collections will be significant. For reference, the projected decrease between net ad valorem sales

taxes and the Medicaid Hold Harmless distribution is \$1.4 million from Fiscal Year 2019, equivalent to the entire budgeted sales tax collections for the City of Brevard, the County's largest municipalities.

FY 2020 was the first in recent years where sales tax appeared, at the beginning and throughout the year, to come in over the budgeted estimates as it was trending close to the statewide average of a 10 percent increase throughout the year. In prior years, the growth in sales tax collections has lagged behind statewide averages, which County staff believe to be the product of the limited amount of developable land in Transylvania County. Without further diversity of development that could generate sales tax and diversify property tax base, economic fluctuations will take longer to recover. This was evident in the late 2008 recession and will likely be seen due to the pandemic.

The third and largest significant source of revenue for the County is restricted and unrestricted intergovernmental revenue, reflecting predominantly state and federal funds passed through the County to offset the cost of carrying out human service activities mandated by state and federal law. The primary recipients of these revenues are the Department of Social Services and Departments of Public Health. In FY 2021, staff expect the County to receive approximately \$6.0 million in intergovernmental revenue, approximately the same as in FY 2020.

The County is proposing no significant changes to governmental fee schedules for FY 2020, given the unknown impact on household finances as the result of the economic closures, although some adjustments are included.

EXPENDITURES

The recommended budget then lays out approximately \$61 million in general fund expenditures.

The following major items represent major factors driving expenditures from the FY 2020 revised budget:

- The full year effects of the County's recently adopted and implemented compensation philosophy and related classification program.
- A base increase in the Employer Contribution rate for all County Employees (with a rate higher for Law Enforcement Officers) costing approximately \$350,000 more over the FY2020 original budget for all employees. In consultation with the State Treasurer, the board of trustees of the Local Government Retirement system has implemented increases above and beyond prior recommendations. This expense is becoming increasingly difficult for the County to manage and is an issue for local government organizations statewide.
- A full freeze on capital projects until at least September 2020, with no additional projects being authorized until consideration of revenue impacts can begin to be assessed.
- Fully funded implementation of fixed route services for the County Transportation Department with limited Saturday service.
- Partner agencies being held flat at their FY 2020 appropriation levels including any midyear appropriations made.

Generally, the recommended budget recommends flat or lower funding levels for all functions of County government given the nature of uncertain revenue impacts. Staff have taken great care to ensure that

this budget represents fair cost conservation measures while also assuring that proper resources are allocated to provide for essential functions and to maintain operational capacity . However, if revenues continue to decay beyond the already conservative estimates, further cuts would be necessary that would absolutely impact services and service levels.

The General Fund also contains several internal service funds, necessary to carry out the work of the County and account for several benefit programs established by the County Commissioners for the benefit of county employees.

SELF INSURANCE FUND

The Self Insurance Fund accounts for all financial activity related to the health insurance plan established for County Employees. It is financed in two ways; first by an annual appropriation of a flat amount per full-time employee, and secondly by contributions made by county employees whose family participate in the plan. In FY 2020, the per capita appropriation per employee was \$10,750. If revenues had been stronger, staff would have recommended an increase.

Self Insurance	FY18 (act)	FY19 (act)	FY20 (est)	FY21 (est)
Claims Costs	2,580,498	2,580,498	2,900,000	3,280,079
Administrative Costs	862,321	978,871	1,318,873	1,159,764
	3,442,819	3,559,369	4,218,873	4,439,863

The approximate \$4.4 million cost of the program would be offset by approximately \$3.6 million in transfers from the General Fund and Solid Waste fund (\$10,750 per full-time employee), an estimated \$400,000 in premiums paid for dependents and family members by county employees, \$35,000 in anticipated interest earned and an appropriation of the Self Insurance Fund’s fund balance.

At the end of the year, staff estimate that the Self Insurance Fund would have approximately 33 weeks of medical claims cost in reserve as opposed to the 35 weeks estimated to be held in reserve at the end of the fiscal year. Realistically, staff do not anticipate to incur the full amount of estimated claims cost as Transylvania County’s employee health plan continues to see claims growth significantly below the national and state average, as you can see from the actual and estimated totals for FY 18 through FY 20. However, in order to plan conservatively, the claims cost estimate is based on national and state market trends and not local trends.

For additional information on the Self Insurance Fund, please see the Self Insurance Fund table in the appendices.

457 CONTRIBUTION AND RETIREE HEALTH PLAN FUNDS

The 457 Contribution Fund and Retiree Health Plan funds are grouped together here because they are financed through the same mechanism – a base appropriation per full time equivalent county employee. For certain employees with ten years of service in the year 2006, they were offered a one time choice

between participating in the County's health plan after they retired or receiving \$1,500 contributed to a 457 deferred compensation plan annually. Employees who entered county service after this choice was initially offered only receive the deferred compensation benefit after 5 years of service. Unlike the Self Insurance Fund, this appropriation is split between the 457 Contribution and Retiree Health plan funds.

In FY2020, staff recommended reducing that appropriation to \$1,095 per employee. This is achieved by eliminating the ARC (actuarially required contribution) to the retiree health plan. Staff recommend this as the current committed fund balance for the retiree health plan stands at \$2.6 million, funding approximately 70% of the total liability for the program and the outstanding liability continues to fall as employees reach Medicare eligibility age.

As employees continue to age out of retiree health plan, we expect the liability to continue to decline as it has over the course of the last four fiscal years. There are currently 57 members of the plan, 21 retirees receiving benefits and 36 employees eligible to receive benefits in future years. By FY2028, we estimate that fewer than 15 former staff will still be eligible to receive the retiree health benefit, beyond that the pool of eligible employees will rapidly shrink.

LAW ENFORCEMENT SPECIAL SEPARATION ALLOWANCE FUND

The County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service.

Staff recommend a contribution to this fund of \$130,000 to meet the County's pension needs for FY 2021 based on the increase in liability reflected in the most recent actuarial report.

SOLID WASTE ENTERPRISE FUND

FY2020 will be a pivotal year for the provision of solid waste services in Transylvania County. For the first time, the Solid Waste Fund's total expense appropriations exceed \$3.0 million. This is the product of the County's class and compensation study and the need to continue facility improvements at the main landfill facility. Several major capital items are deferred in this budget, in the hopes that revenues will improve and that consideration will be made by the board to consider long term revenue stability. At this time, the Solid Waste budget is balanced an appropriation of Solid Waste net position (fund balance) and a comparably smaller transfer from the General Fund.

It is important to note that citizens do not pay for the Solid Waste management system through their ad valorem property taxes, rather pay for services only when they engage with the Solid Waste Department, either through bringing waste to the County's four solid waste facilities or in paying for a private entity to take their waste into the system. At this time, the operating revenues of the Solid Waste department are insufficient to meet the operating needs. This is not sustainable, but

management is hesitant to implement a different method of funding Solid Waste management during this uncertain period. Neither tipping fees levied on waste carried into the main landfill facility nor the sale of stickers at the collection centers are sufficient to cover the cost of those methods of waste collection and management given the scale of operations in tonnage received and operating multiple sites.

A summary of the proposed revenues and expenditures in the Solid Waste Fund is presented here, with a more complete summary to be found in the appendices.

Estimated Revenues

Operating Revenues	1,928,790	2,128,750	2,042,250
NCDOR Revenue	82,213	46,200	64,000
Investment Earnings	171,989	75,000	40,000
Transfer from General Fund	624,722	767,324	210,000
Appropriation of Fund Balance		36,376	257,994
	<u>2,807,714</u>	<u>3,053,650</u>	<u>2,614,244</u>

Expenditures	Actual 2019	Revised 2020	Recommend 2021
Personnel Costs	1,040,264	1,232,844	1,283,890
Contracted Services	251,437	511,958	392,676
Operating Expenses	159,296	214,875	216,300
Maint. & Repairs	163,513	346,000	301,000
Utilities	241,000	221,201	183,200
Remittances	49,082	54,000	54,000
Equipment	2,707	36,758	5,746
Capital Outlay	84,250	440,057	159,600
Special Projects	7,878	7,700	13,500
Employee Development	4,810	6,715	4,332
Transfers to Reserve	133,425	-	-
	<u>2,137,663</u>	<u>3,072,108</u>	<u>2,614,244</u>

A discussion in Fall 2020 with the Board will be necessary to chart a revenue and service philosophy that is sustainable.

FIRE SERVICE DISTRICTS FUND

Transylvania County has eight fire service districts. Individual volunteer fire departments making requests within those districts have requested a total of \$4.4 million in resources across all eight districts. Fully funding these districts would require tax increases in some districts, while other districts would be able to remain at the same level. This is driven by a large disparity in the assessed value between districts. The value of a penny in ad valorem property tax is lowest in the Balsam Grove service district, at \$9,070 and highest in the Lake Toxaway service district where it is \$167,435.

County staff make no representations about the validity of these requests aside that they have been assessed for accuracy and added to a summary document for Board consideration. Management makes no representations about which method the Board should or should not use to fund fire and rescue services for the upcoming fiscal year. Staff do recommend against balancing the fire department contract funding with fund balance as was chosen last year when all districts were set at 5.5 cents. The demands on fund balance to navigate the impacts of COVID-19 are instead prioritized.

EMERGENCY TELEPHONE SYSTEM FUND

The Emergency Telephone System Fund serves to channel restricted intergovernmental revenues from the State of North Carolina to local governments operating 911 systems. Transylvania County receives some funds, which it expends to pay for equipment necessary to operate the 911 communications system and some which it transmits to the City of Brevard.

SUMMARY OF FINANCIAL POLICIES

The following are excerpts from the adopted policies of the Transylvania County Board of County Commissioners and do not represent the full financial policies and procedures of Transylvania County Government.

Budget Policy

The County shall adhere to the Local Government Budget and Fiscal Control Act (LGBFCA), NCGS §159-7:17, to prepare a balanced budget. A balanced budget, defined by statute, is when the sum of estimated net revenues and appropriated fund balance is equal to appropriations. The County's Annual Budget Ordinance shall be adopted by each July 1, for the period July 1 to June 30, making appropriations and levying taxes for the budget year.

The Board approves all budget amendments except for those that fall under the following criteria, which are left to a system of dual control between the County Manager and Finance Officer:

- 1.) The County Manager may initiate or approve transfers within departments on a line item basis without a report being required.
- 2.) The County Manager may initiate or approve transfers up to \$50,000 from one department to another within the General Fund. Reports on transfers exceeding \$10,000 will be provided to the Board on a quarterly basis and entered into the minutes.
- 3.) The County Manager may initiate or approve transfers of up to \$50,000 from the General Fund to another fund within the budget ordinance. Reports on such transfers will be provided by the Finance officer on a quarterly basis.
- 4.) The County Manager may modify the budget for additional revenues of up to \$5,000 without a report being required.
- 5.) The County Manager may initiate or approve additional revenues and expenditures up to \$5,000 from any state, federal or other intergovernmental sources providing no local funding is stipulated without a report being required.

Investment Policy

The County's priorities for investments are safety, liquidity, and yield with the emphasis on safety of principal and timely payment of all County liabilities. Staff manages the County's funds in conjunction with the County's investment and financial advisers in accordance with guidelines established by N.C.G.S. §159-30.

Per the County's investment agreement with its official depository, its wealth management policy is investing only in short-term investment instruments to maximize liquidity.

All banks that hold Transylvania County deposits must collateralize those deposits using the pooling method as required by N.C.G.S. § 159-30 and are designated by the Transylvania County Board of Commissioners as an official depository. The Board updates its approved list of depositories each year with each Transylvania County budget ordinance.

Fund Balance Policy

The County complies with the directive of the North Carolina Local Government Commission directive to maintain a fund balance of at least eight percent of the total expenditures authorized in the General Fund.

The Board of County Commissioners has not adopted a formal fund balance policy beyond that required by the North Carolina Local Government Commission.

Debt Policy

The Board of County Commissioners does not have an adopted debt policy but has strived to keep the debt service paid as an annual component of the Transylvania County budget low.

Summary of Accounting Methodology Changes:

County Finance has included the following accounting changes:

- Significant consolidation of accounts continues, with operating supplies being the most significant combination of different supply lines for county departments.
- The consolidation of utilities and telecommunication billings into a single set of account lines in the County's central services cost center, rather than billing those across multiple county departments. The Finance Director views this process as redundant, as the County is required pursuant to federal regulations to prepare a Cost Allocation Plan, which similarly allocates central costs to departments.
- In prior years, the Central Services department (101910 on the County's chart of accounts) was used primarily for recording the County's worker's compensation and property and liability insurance costs, this is department now encompasses most expenses which are centrally billed to the County but utilized by multiple departments.
- Establishing separate funds to account for restricted fee revenue for the Register of Deeds and Courthouse Facilities Fund.

SECTION 3

Please be advised that all subsidiary tables and charts are the result of manual calculations and not directly extracted from the County's financial software system due to technological limitations.

2019 Actual Figures do not correlate with the 2019 Transylvania County Comprehensive Annual Financial Report due to differences between budgeting and accounting methodologies (ex: transfers out of the General Fund to other funds are not reflected as an expenditure in governmental accounting, however they are an expenditure in methodology for developing the County's budget.)

General Fund - Budget Summary of Revenues

	2020	% <u>Total</u>	2021	% <u>Total</u>	<u>Change</u>	
	<u>Revised Budget</u>		<u>Recommended Budget</u>		<u>21 v 20</u>	<u>%</u>
					<u>\$\$</u>	<u>%</u>
Ad Valorem Taxes	37,343,636	57%	37,953,274	64%	609,638	2%
Local Option Sales Tax	8,625,000	13%	7,304,313	12%	(1,320,687)	-15%
Medicaid Sales Tax	750,000	1%	637,500	1%	(112,500)	-15%
Other Taxes	875,000	1%	929,886	2%	54,886	6%
Intergovernmental - Unrestr.	592,000	1%	550,000	1%	(42,000)	-7%
Intergovernmental - Restrict.	5,642,842	9%	5,651,473	10%	8,631	0%
Permits & Fees	605,356	1%	573,800	1%	(31,556)	-5%
Sales & Services	3,202,678	5%	3,615,072	6%	412,394	13%
Misc. Revenue and Interest	525,000	1%	534,976	1%	9,976	2%
Reserves & Other Funds	1,983,674	3%	627,957	1%	(1,355,717)	-68%
Fund Balance Appropriation	5,695,187	9%	1,386,908	2%	(4,308,279)	n/a
Total General Fund Revenues	65,840,373	100%	59,765,159	100%	(6,075,214)	-9%

General Fund Revenues - Actual 2019 vs 2020 Revised Budget vs 2021 Recommended

	2019	2020	2021	Nominal Change vs.		Pct. Change vs.	
	Final	Revised	Recommended	2019	2020	2019	2020
	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Actuals</u>	<u>Revised</u>	<u>Actuals</u>	<u>Revised</u>
CY Advalorem	(28,176,559)	(35,259,396)	(35,718,415)	(7,541,856)	(459,019)	27%	1.3%
PY Advalorem	(36,080)	(38,400)	(32,000)	4,080	6,400	-11%	-16.7%
CY MVT	(1,377,717)	(1,980,240)	(2,137,259)	(759,542)	(157,019)	55%	7.9%
PY MVT	(356,652)	-	-	356,652	-	-100%	n/a
CY Late List	(8,523)	-	-	8,523	-	-100%	n/a
PY Late List	(63)	(8,600)	(8,600)	(8,537)	-	13508%	0.0%
CY Tax Interest	(65,382)	(65,000)	(65,000)	382	-	-1%	0.0%
PY Tax Interest	(11,098)	(13,900)	(13,900)	(2,802)	-	25%	0.0%
CY Adv Cost	(1,165)	(1,000)	(1,000)	165	-	-14%	0.0%
PY Adv Cost	(305)	(500)	(500)	(195)	-	64%	0.0%
MVT Interest	(2,212)	(1,000)	(1,000)	1,212	-	-55%	0.0%
Tax Refunds	6,934	24,400	24,400	17,466	-	252%	0.0%
Total Ad Valorem Taxes, Net	(30,028,821)	(37,343,636)	(37,953,274)	(7,924,453)	(609,638)	n/a	n/a
Article 39 Sales Tax	(3,757,014)	(3,600,000)	(3,039,000)	718,014	561,000	-19%	-15.6%
Article 40 Sales Tax	(2,402,920)	(2,775,000)	(2,342,563)	60,357	432,437	-3%	-15.6%
Article 42 Sales Tax	(1,974,384)	(2,100,000)	(1,772,750)	201,634	327,250	-10%	-15.6%
Article 44 Sales Taxes	(132,972)	(150,000)	(150,000)	(17,028)	-	13%	0.0%
Sales Taxes (excluding MHH)	(8,267,289)	(8,625,000)	(7,304,313)	962,976	1,320,687	n/a	n/a
Medicaid Hold Harmless Sales Tax	(1,007,568)	(750,000)	(637,500)	370,068	112,500	n/a	n/a
Excise Tax - Real Property Transfer	(755,775)	(725,000)	(774,886)	(19,111)	(49,886)	n/a	n/a
Recording/Attest Fees	(131,101)	(150,000)	(155,000)	(23,899)	(5,000)	n/a	n/a
Other Taxes & Licenses	(886,876)	(875,000)	(929,886)	(43,010)	(202,110)	n/a	n/a
Payment in Lieu of Taxes	(241,254)	(265,000)	(265,000)	(23,746)	(265,000)	10%	n/a
CATV 5% Franchise Tax	(101,715)	(111,000)	(110,000)	(8,285)	(33,772)	8%	n/a
ABC Net Revenue	(25,780)	(85,000)	(40,000)	(14,220)	22,500	55%	n/a
.05 Bottle Liquor	(27,401)	(11,000)	(15,000)	12,401	(4,630)	-45%	n/a
Alcohol Beverage Tax Distribution	(111,602)	(120,000)	(120,000)	(8,398)	(120,000)	8%	n/a
Unrestricted Intergovernmental Revenues	(507,751)	(592,000)	(550,000)	(42,249)	(400,902)	n/a	n/a
Restricted Forest Funds	(83,744)	(17,250)	(80,000)	3,744	(5,366)	-4%	363.8%
SCAAP Funds	(3,622)	-	-	3,622	1,124	-100%	#DIV/0!
Fed/State Certified Local Government	-	-	-	-	-	#DIV/0!	#DIV/0!
Adult Health - Medicaid	(1,254)	(450)	(1,500)	(246)	1,091	20%	233.3%
Medicaid Immunizations	(12,433)	-	(12,000)	433	(159)	-3%	#DIV/0!

General Fund Revenues - Actual 2019 vs 2020 Revised Budget vs 2021 Recommended

	2019	2020	2021	Nominal Change vs.		Pct. Change vs.	
	Final	Revised	Recommended	2019	2020	2019	2020
	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Actuals</u>	<u>Revised</u>	<u>Actuals</u>	<u>Revised</u>
Child Health-Medicaid	(741)	(500)	(1,000)	(259)	(279)	35%	100.0%
Child Services Coord-M	-	(53,946)	(52,000)	(52,000)	(4,161)	#DIV/0!	-3.6%
CCWNC - Pregnancy Case Management	-	(60,000)	(60,000)	(60,000)	(6,759)	#DIV/0!	0.0%
Maternity Care - Medicaid I	-	(47,127)	(47,127)	(47,127)	(30,097)	#DIV/0!	0.0%
Maternity Care - Medicaid II	(111)	(200)	(200)	(89)	(81)	81%	0.0%
Family Planning - Medicaid I	-	-	-	-	-	#DIV/0!	#DIV/0!
Family Planning - Medicaid II	(18,045)	(11,500)	(12,500)	5,545	(647)	-31%	8.7%
WIC Nutrition State Programs	(144,539)	(128,396)	(116,524)	28,015	(703)	-19%	-9.2%
Drug Free Community Grant	(129,540)	(124,982)	(125,000)	4,540	(59,150)	-4%	0.0%
Mountain Wise Grant	(4,235)	-	(7,500)	(3,265)	(3,813)	77%	#DIV/0!
STOP Grant	(44,077)	-	-	44,077	20,390	-100%	#DIV/0!
Program Staff/Administ	(2,371,225)	(2,679,141)	(2,522,192)	(150,967)	(423,417)	6%	-5.9%
Adult Day Care Service	(60,390)	(73,452)	(73,452)	(13,062)	(23,504)	22%	0.0%
AFDC/IV-E Foster Care	(254,288)	(319,550)	(291,000)	(36,712)	(7,004)	14%	-8.9%
Crisis Intervention	(143,241)	(130,637)	(118,166)	25,075	(69,849)	-18%	-9.5%
Food Stamp Fraud Colle	(2,490)	(746)	(1,000)	1,490	3,618	-60%	34.0%
IV-D Serv-Client Reimb	-100.00	-100.00	0.00	100	85	-100%	-100.0%
IV-E/IV-B Vendor Payme	(1,590)	(1,500)	(1,500)	90	(612)	-6%	0.0%
LIEAP	(147,000)	(136,237)	(118,166)	28,834	12,234	-20%	-13.3%
LINKS	(11,724)	(7,500)	(5,000)	6,724	482	-57%	-33.3%
LINKS-Special Funds	(8,890)	(2,500)	(5,000)	3,890	(14,110)	-44%	100.0%
Returns Fr IV-D Collec	(27,006)	(16,947)	(16,947)	10,059	10,122	-37%	0.0%
Block Grant - Aging Gr	(288,748)	(19,990)	-	288,748	12,428	-100%	-100.0%
State/Federal Subsidy	(263,942)	(235,800)	(281,100)	(17,158)	(202,879)	7%	19.2%
E-Rate Reimbursements	-	(17,616)	(17,616)	(17,616)	(13,212)	#DIV/0!	0.0%
LSTA Grants	-	(652)	-	-	652	#DIV/0!	-100.0%
Court Facility Fees	(28,322)	(30,750)	(30,000)	(1,678)	(5,676)	6%	-2.4%
National Forest Patrol	(9,064)	(10,364)	(10,364)	(1,300)	(1,300)	14%	0.0%
Emergency Management	(20,625)	(20,625)	(20,625)	-	-	0%	0.0%
Emergency Grant Supple	(17,899)	(18,016)	(18,016)	(117)	8,939	1%	0.0%
SmartStart CCHC	(8,003)	(10,000)	(10,000)	(1,997)	18	25%	0.0%
Golden Leaf Grant	(20,077)	(18,655)	-	20,077	18,655	-100%	-100.0%
CARE - Other Restricted Funds	(540)	(4,000)	(4,000)	(3,460)	(4,000)	641%	0.0%
Soil and Water Matching Funds	(3,600)	(4,000)	(3,600)	-	(3,600)	0%	-10.0%
Soil and Water Technical Assistance	(27,320)	(25,500)	(25,500)	1,820	1,735	-7%	0.0%
SHIIP Grant	573	(3,500)	(4,540)	(5,113)	-	-892%	29.7%
HIV/STD State Funds	(542)	(1,060)	(1,060)	(518)	(969)	96%	0.0%
TB Control State Funds	(2,411)	(2,250)	(2,250)	161	(1,241)	-7%	0.0%
TB Medical State Funds	-	-	-	-	-		
General Aid to Counties - Public Health	(75,407)	(75,407)	(75,407)	-	(18,860)	0%	0.0%
Child Fatality Prevention	(206)	(303)	(303)	(97)	(303)	47%	0.0%
Child Health Grant Sta	(33,685)	(17,196)	(17,196)	16,489	(5,732)	-49%	0.0%

General Fund Revenues - Actual 2019 vs 2020 Revised Budget vs 2021 Recommended

	2019 Final <u>Actuals</u>	2020 Revised <u>Budget</u>	2021 Recommended <u>Budget</u>	Nominal Change vs.		Pct. Change vs.	
				2019 <u>Actuals</u>	2020 <u>Revised</u>	2019 <u>Actuals</u>	2020 <u>Revised</u>
CC4C Non-Medicaid	(1,554)	(4,602)	(4,602)	(3,048)	(2,271)	196%	0.0%
School Nurse Initiativ	-	(50,000)	(50,000)	(50,000)	(13,640)	n/a	0.0%
Immunization Action PI	(7,558)	(8,598)	(8,598)	(1,040)	(1,076)	14%	0.0%
Fam Plan State Gr	(82,605)	(81,407)	(80,534)	2,071	(17,870)	-3%	-1.1%
UNC SOG BCBS GRANT	(10,000)	(11,600)	-	10,000	12,400	-100%	-100.0%
CARA Grant	(16,624)	-	(61,367)	(44,743)	(41,355)	269%	
Health Promotion	(38,653)	(35,750)	(34,354)	4,299	(12,989)	-11%	-3.9%
Food & Lodging State F	(5,060)	(16,000)	-	5,060	6,212	-100%	-100.0%
Mosquito & Tick Funds	-	-	(23,500)	(23,500)	(16,940)	n/a	
Communic Disease State	(9,923)	(10,656)	(10,656)	(733)	(7,260)	7%	0.0%
Breast & Cervical Canc	(6,375)	(6,375)	(7,475)	(1,100)	(4,875)	17%	17.3%
BT Preparedness State	(25,418)	(30,783)	(30,783)	(5,365)	(2,565)	21%	0.0%
Helping Each Member Co	(24,597)	(28,572)	(39,290)	(14,693)	(29,477)	60%	37.5%
Medicaid Transportatio	-	(53,820)	(60,000)	(60,000)	3,183	n/a	11.5%
State Foster Home Fund	(64,517)	(100,000)	(50,000)	14,517	(1,309)	-23%	-50.0%
Div of Veterans Affair	(2,216)	(3,000)	-	2,216	2,182	-100%	-100.0%
NC Pre-k	(124,950)	(126,000)	(126,000)		(30,800)	1%	0.0%
NC School Food Service	(43,861)	(35,750)	(50,000)		(20,125)	14%	39.9%
Pre-school Aged Special Education	(12,049)	-	-		-	-100%	
Section 5311 Transport	(132,999)	(188,892)	(135,048)	(2,049)	(69,399)	2%	-28.5%
NCDOT EDTAP	(62,961)	(62,961)	(73,562)	(10,601)	2	17%	16.8%
NCDOT EMPL	-	(9,194)	(10,600)		(10,600)	n/a	15.3%
NCDOT RGP	(66,569)	(66,569)	(78,551)		(19,637)	18%	18.0%
5310 Operating Revenue	(8,778)	(28,000)	(52,000)	(43,222)	(34,941)	492%	85.7%
NCDOT Transit Capital	(100,217)	-	(131,578)		(131,578)	31%	
Children's Center - CV	(43,804)	(80,000)	(20,000)	23,804	5,893	-54%	-75.0%
Juvenile Crime Prevention Council	(107,750)	(104,212)	(158,609)		(50,582)	47%	52.2%
Center of Merit Funds	(7,128)	(7,500)	(7,050)		-	-1%	-6.0%
Senior Games Grants	(12,436)	-	-	12,436	-	-100%	
State Aid to Libraries	(87,549)	(88,291)	(82,000)	5,549	(8,510)	-6%	-7.1%
TDA Admin Fee	(19,233)	(18,500)	(18,500)	733	(18,500)	-4%	0.0%
TDA Grants to County	(10,133)	-	-	10,133	-	-100%	
TCS - QSCB Share	-	(57,465)	(57,465)	(57,465)	(0)	n/a	0.0%
Restricted Intergovernmental Revenues	(5,405,621)	(5,642,842)	(5,651,473)	(245,852)	(1,332,338)	n/a	n/a
Elections Filing Fees	\$ -	\$ -	\$ -	-	1,846	n/a	
Marriage License Fee	\$ (10,826.92)	\$ (13,200.00)	\$ (12,900.00)	(2,073)	(2,188)	19%	-2.3%
Other Fees	\$ (38,334.14)	\$ (35,356.00)	\$ (40,000.00)	(1,666)	(6,459)	4%	13.1%
Copy Machine Fees	\$ (10,544.00)	\$ (10,000.00)	\$ (10,000.00)	544	(10,000)	-5%	0.0%
Statewide Birth Certificate Fees	\$ (2,685)	\$ (1,800)	\$ (900)	1,785	1,441	-66%	-50.0%
Inspection Permits	\$ (574,624)	\$ (545,000)	\$ (510,000)	64,624	(152,582)	-11%	-6.4%

General Fund Revenues - Actual 2019 vs 2020 Revised Budget vs 2021 Recommended

	2019	2020	2021	Nominal Change vs.		Pct. Change vs.	
	Final	Revised	Recommended	2019	2020	2019	2020
	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Actuals</u>	<u>Revised</u>	<u>Actuals</u>	<u>Revised</u>
Permits, Fines & Fees	(637,014)	(605,356)	(573,800)	63,214	31,556	n/a	n/a
EMS Medicaid Cost Settlement	(437,085)	(263,000)	(177,000)	260,085	(58,116)	-60%	-32.7%
State Misdemeanant Program Revenues	(315,067)	(302,500)	(253,500)			-20%	-16.2%
ROD - Escrow for Copy Costs	(198)	-	(100)	98	(270)	-50%	#DIV/0!
Civil Process Service	(28,655)	(32,500)	(32,500)	(3,845)	(7,522)	13%	0.0%
Civil Process Sheriff	(94)	(500)	(500)	(406)	(157)	433%	0.0%
DWI Revenue	(2,365)	(2,500)	(2,500)	(135)	(1,804)	6%	0.0%
Inmate Services Rev	-	-	-	-	7,674	n/a	#DIV/0!
Event Coverage Fees	(2,925)	(1,500)	(2,000)	##	475	-32%	33.3%
Concealed Handgun Perm	(39,805)	(45,000)	(45,000)	##	(8,870)	13%	0.0%
Court - Jail Fees	(11,680)	(18,775)	(16,500)	##	(3,560)	41%	-12.1%
Court - Officer Fees	(4,819)	(6,750)	(5,100)		(916)	6%	-24.4%
Jail Fees Other Counti	(141,192)	(100,000)	(100,000)	41,192	20,498	-29%	0.0%
Jail Phone and Visitation System	(35,451)	(28,560)	(26,500)	8,951	(3,346)	-25%	-7.2%
Medical & Prescription Claims	(2,323)	(1,000)	(1,000)	1,323	1,063	-57%	0.0%
Animal Rabies Vaccinations	(5,750)	(5,500)	(5,500)	250	(2,150)	-4%	0.0%
Animal Shelter Fees	(49,476)	(40,000)	(40,000)	9,476	(24,171)	-19%	0.0%
Animal Transport Fees	(1,640)	(3,500)	(3,500)	(1,860)	(3,300)	113%	0.0%
Animal Veterinary Care Fees	(45)	(1,000)	(1,000)	(955)	(975)	2122%	0.0%
Animal Services Citations	(2,600)	(3,000)	(3,000)	(400)	(1,898)	15%	0.0%
Ordinance Fees	(10,455)	(2,000)	(2,000)	8,455	715	-81%	0.0%
Pending Credit Card Payments	(898)	-	(200)	698	4,094	-78%	
Vending Machine Proceeds	(595)	-	(80)	515	0	-87%	
Rent	(9,300)	(9,300)	(9,300)	-	(300)	0%	0.0%
Immunization Fees	(87,757)	(75,000)	(75,000)	12,757	(4,543)	-15%	0.0%
Adult Health Fees	(6,034)	(3,000)	(3,000)	3,034	(1,123)	-50%	0.0%
Child Health Fees	(250)	(300)	(1,000)	(750)	(320)	300%	233.3%
Family Planning Fee	(3,819)	(4,000)	(3,500)	319	(277)	-8%	-12.5%
Environmental Health Permit Fees	(102,505)	(100,000)	(100,000)	2,505	(16,145)	-2%	0.0%
Well Inspection Fee	(43,170)	(50,000)	(45,500)	(2,330)	(4,115)	5%	-9.0%
Child Development Fee	(248,819)	(253,400)	(264,000)	(15,181)	(19,670)	6%	4.2%
Health Choice Fees	(8,450)	(6,309)	(6,600)	1,850	(800)	-22%	4.6%
Transit Fares	(4,610)	(4,500)	(8,000)	(3,390)	(3,083)	74%	77.8%
Tax Collection Fee-Bre	(123,167)	(135,000)	-	123,167	-	-100%	-100.0%
Tax Collection Fee-Ros	(2,639)	(2,400)	(2,600)	39	(21)	-1%	8.3%
Election Expense - Brevard Municipal	-	(12,224)	-	-	13,471	n/a	-100.0%
Election Expense - Rosman Municipal	-	(3,971)	-	-	3,270	n/a	-100.0%
Election Printout Reve	(87)	(20)	-	87	-	-100%	-100.0%
Access Reimbursements from City	(1,200)	(1,200)	(1,200)	-	(1,200)	0%	0.0%
Garnishment Fees	(2,569)	(1,200)	(1,200)	1,369	(570)	-53%	0.0%

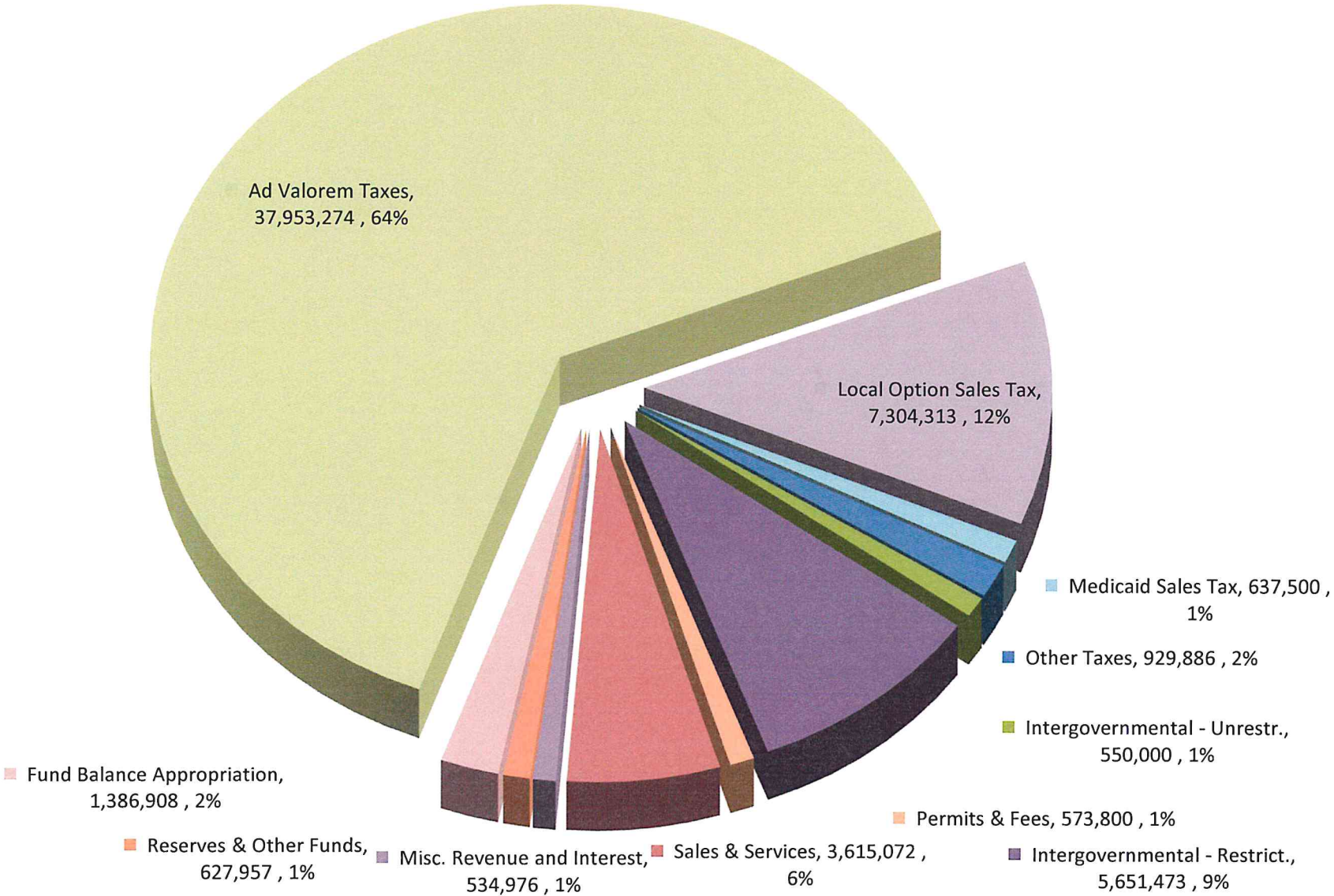
General Fund Revenues - Actual 2019 vs 2020 Revised Budget vs 2021 Recommended

	2019 Final Actuals	2020 Revised Budget	2021 Recommended Budget	Nominal Change vs.		Pct. Change vs.	
				2019 Actuals	2020 Revised	2019 Actuals	2020 Revised
Tax Maps/MBP Receipts	(1,705)	(3,000)	(3,000)	(1,295)	(412)	76%	0.0%
JHPC Fees	(175)	-	-	175	100	-100%	
Extradition & Other Fe	(4,635)	(3,700)	(3,200)	1,435	(355)	-31%	-13.5%
Fingerprint Fees	(3,110)	(3,000)	(3,000)	110	(140)	-4%	0.0%
Commissary Sales	(8,262)	(7,000)	(9,200)	(938)	(336)	11%	31.4%
Work Release Program	(540)	-	-	540	315	-100%	
SRO Fee - TCS	(589,176)	(473,543)	(589,482)	(306)	(153,402)	0%	24.5%
SRO Fee - BRCC	(54,705)	(53,710)	(59,165)	(4,460)	(8,848)	8%	10.2%
SRO Fee - BA	(53,710)	(53,300)	(68,553)	(14,843)	(31,432)	28%	28.6%
School Nurse Fee - TCS	(143,988)	(142,717)	(142,717)	1,271	(39,146)	-1%	0.0%
EMS Fees	(1,123,952)	(1,354,578)	(1,300,000)	(176,048)	(465,747)	16%	-4.0%
Medical Supply Sales	-	(1,500)	(1,500)	(1,500)	228	n/a	0.0%
Stand-By Fees	(1,900)	-	(500)	1,400	850	-74%	
Cell Tower Rental	(66,631)	(82,221)	(112,000)	(45,369)	(42,550)	68%	36.2%
Activity Center Rent	(12,066)	(12,000)	(12,000)	66	(4,377)	-1%	0.0%
Rental of Field	-	(500)	-	-	-	n/a	-100.0%
Equipment Rental Fees	(1,670)	(500)	(1,500)	170	(35)	-10%	200.0%
Recreation Room/Facility Rentals	(3,970)	(2,500)	(2,500)	1,470	(190)	-37%	0.0%
Recreation Program Revenues	(48,974)	(30,000)	(45,000)	3,974	(7,166)	-8%	50.0%
Rec. Senior Program Revenues	-	(10,000)	(10,000)	(10,000)	(7,110)	n/a	0.0%
Library Fines and Fees	(17,898)	(15,000)	(13,375)	4,523	(1,513)	-25%	-10.8%
Sales & Services	(3,122,210)	(3,202,678)	(3,615,072)	(492,862)	(412,394)	16%	n/a
Donations	(34,007)	(11,700)	(3,500)	30,507	19,473	n/a	-70.1%
Donations	(34,007)	(11,700)	(3,500)	30,507	8,200	n/a	-70.1%
Interest on Investments	(526,675)	(500,000)	(500,000)	26,675	(67,338)	n/a	0.0%
Interest of Investments	(526,675)	(500,000)	(500,000)	26,675	-	n/a	0.0%
Tax Collections Over/Under	(27)	-	-	27	31	-100%	
County Recovery Fund	(341)	(300)	(280)	61	(22)	-18%	-6.7%
Bank of America Rebates	-	(3,000)	(3,000)	(3,000)	(3,000)	n/a	0.0%
Proceeds from Insurance Settlements	(58,376)	(10,000)	-	58,376	-	-100%	-100.0%
Delta Dental Foundation Grants	-	-	(3,200)	(3,200)		n/a	
Miscellaneous Revenues	(14,242)	-	-	14,242	265,386	-100%	
NCACC Fellowship	-	-	(24,996)	(24,996)	(8,246)	n/a	
Miscellaneous	(72,986)	(13,300)	(31,476)	41,510	(18,176)	n/a	n/a

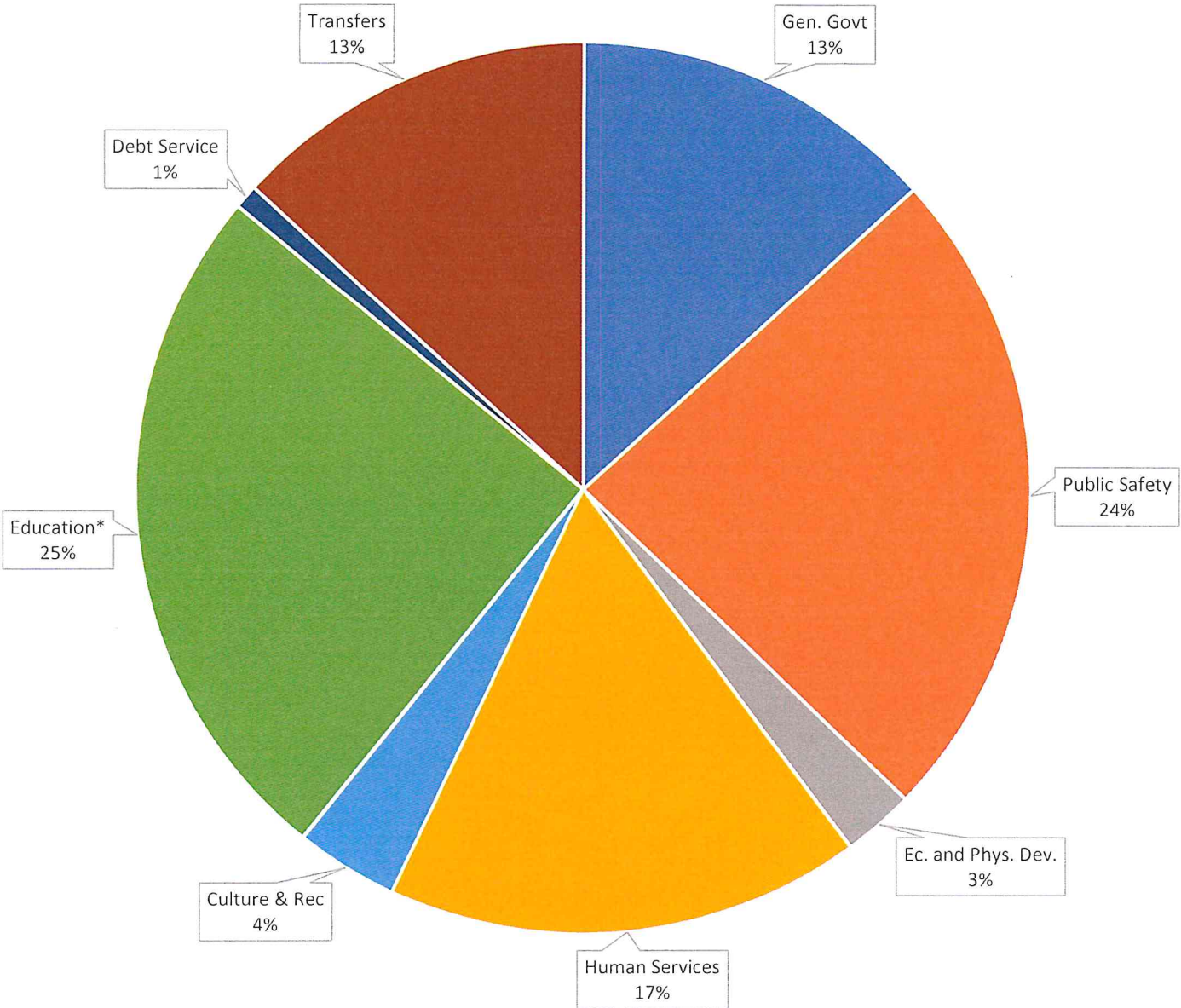
General Fund Revenues - Actual 2019 vs 2020 Revised Budget vs 2021 Recommended

	2019 Final <u>Actuals</u>	2020 Revised <u>Budget</u>	2021 Recommended <u>Budget</u>	Nominal Change vs.		Pct. Change vs.	
				2019 <u>Actuals</u>	2020 <u>Revised</u>	2019 <u>Actuals</u>	2020 <u>Revised</u>
Total Revenues	(50,496,820)	(58,161,512)	(57,750,294)	(7,253,474)	411,218	14%	-0.7%
Transfer from Capital Projects	-	(470,000)	-	-	-		
Transfer from Golden Leaf Fund	-	(474,320)	-	-	-		
Transfer from Silvermont Fund	-	(80,000)	-	-	-		
Transfer From QZAB Fund	-	(20,275)	-	-	-		
Transfers from Other Funds	-	(1,044,595)	-	-	-		
Total Income	(50,496,820)	(59,206,107)	(57,750,294)	(7,253,474)	1,455,813		
Assigned and Committed Funds	\$ -	\$ (919,079.00)	\$ (607,957.00)	(607,957)	(607,957)		
Sale of Surplus Equipment	\$ -	\$ (20,000.00)	\$ (20,000.00)	(20,000)	(2,636)		
Transfer from Facility Fund	\$ -	\$ -	\$ -	-	-		
Transfer From Pictometry Reserve	\$ -	\$ -	\$ -	-	-		
		-					
Other Financing	-	(939,079)	(627,957)	(627,957)	311,122		
Fund Balance Appropriated	-	(5,695,187)	(1,386,908)	(1,386,908)	(1,386,908)		
Fund Balance Appropriation	-	(5,695,187)	(1,386,908)	(1,386,908)	4,308,279		
					-		
TOTAL ALL	(50,496,820)	(65,840,373)	(59,765,159)	(9,268,339)	6,075,214		

FY2020 RECOMMENDED REVENUES GENERAL FUND



FY 2021 General Fund Request by Government Function



General Fund - Budget Summary of Expenditures by Function

(in millions)

<u>Type of Expenditure</u>	2019 Act.	2020 Rev	2021 Req	2021 Rec	% Total	<u>Rec vs.</u>	
						2021 vs 2020 \$\$	%
General Government	7.01	9.62	8.75	8.29	14%	(0.46)	-14%
Public Safety	12.83	17.53	15.88	14.54	24%	(1.34)	-17%
Econ and Phys Dev.	1.44	1.71	1.73	1.69	3%	(0.03)	-1%
Human Services	9.53	10.68	11.42	10.86	18%	(0.56)	2%
Culture & Recreation	2.23	2.78	2.47	2.32	4%	(0.15)	-17%
Education*	14.79	15.05	16.66	15.09	25%	(1.57)	0%
Debt Service	0.50	0.50	0.58	6.64	11%	6.06	1232%
Transfers	1.10	9.18	8.72	0.33	1%	(8.39)	-96%
Total GF Exp.	49.4	67.1	66.2	59.8		(6.43)	1089.3%

General Fund Expenditures by Department and Function for FY 2020

	2019	2020	2021	2021	Dollar Change Recomm'd vs		
					2018	2019	2020
	<u>Actual</u>	<u>Rev.</u>	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Original</u>	<u>Requested</u>
General Government							
Governing Board	251,287	321,962	284,560	277,510	26,223	(44,452)	(7,050)
Administration	402,404	563,508	571,271	518,271	115,867	(45,237)	(53,000)
Human Resources	212,829	261,370	250,744	250,744	37,915	(10,626)	0
Finance	794,067	1,220,440	752,628	749,128	(44,939)	(471,312)	(3,500)
Elections	528,429	578,692	529,044	527,038	(1,391)	(51,654)	(2,006)
Tax Administration	1,139,344	1,301,774	1,490,031	1,336,782	197,438	35,008	(153,249)
Legal	71,909	94,535	0	0	(71,909)	(94,535)	0
Register of Deeds	785,659	831,992	832,088	791,856	6,197	(40,136)	(40,232)
Facility Maintenance	1,328,499	1,943,209	1,231,141	845,361	(483,138)	(1,097,848)	(385,780)
Facility Housekeeping	325,859	334,667	399,531	393,202	67,343	58,535	(6,329)
Court Facilities	47,574	18,100	17,800	0	(47,574)	(18,100)	(17,800)
Information Technology	498,346	661,036	637,379	587,404	89,058	(73,632)	(49,975)
Miscellaneous	509,631	1,353,037	1,617,745	1,878,146	1,368,515	525,109	260,402
Project Management	89,428	105,725	108,888	108,888	19,460	3,163	0
External Agencies	27,949	28,000	28,000	28,000	51	0	0
Total General Government	7,013,214	9,618,047	8,750,850	8,292,330	1,279,116	(1,325,717)	(458,520)
Public Safety							
Office of the Sheriff	3,092,631	4,333,427	3,581,470	3,228,770	136,139	(1,104,657)	(291,671)
Special Response Team	-	20,221	20,026	20,026	20,026	(195)	0
School Resource Officers	744,594	728,555	832,117	831,486	86,892	102,931	0
County Detention Center	2,566,666	2,424,779	2,636,186	2,628,386	61,720	203,607	(7,800)
Courthouse Services	428,140	441,451	548,988	527,457	99,317	86,006	(21,531)
Narcotics Task Force	191,521	212,861	249,030	247,138	55,617	34,277	(1,892)
Investigations	728,861	783,544	987,728	975,852	246,991	192,308	(11,876)

Emergency Management	245,541	444,206	443,473	342,563	97,022	(101,643)	(100,910)
Fire Marshall	280,513	233,309	224,566	224,566	(55,947)	(8,743)	0
Emergency Medical Services	2,479,362	2,837,439	2,903,368	2,647,261	167,899	(190,178)	(256,107)
Animal Services	454,484	554,210	564,125	509,991	55,507	(44,219)	(54,134)
911 Communications	1,117,806	2,689,469	2,119,737	1,769,315	651,509	(920,154)	(350,422)
911 Implementation	10,782	-	-	-	(10,782)	0	0
External Agencies	487,717	1,829,058	767,639	586,689	98,972	(1,242,369)	(180,950)

Total Public Safety	12,828,621	17,532,529	15,878,452	14,539,500	1,710,879	(2,993,029)	(1,277,293)
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Bldg Permitting & Enforcement	518,782	593,078	624,468	612,875	94,093	19,797	(11,593)
Planning	181,020	362,812	344,922	342,882	161,862	(19,930)	(2,040)
Economic Development	315,000	315,000	315,000	315,000	0	0	0
Cooperative Extension	226,481	237,737	234,407	218,440	(8,041)	(19,297)	(15,967)
Soil & Water Conservation	195,906	204,078	206,540	204,356	8,450	278	(2,184)

Total Econ & Phys Dev.	1,437,188	1,712,705	1,725,337	1,693,553	256,365	(19,152)	(31,784)
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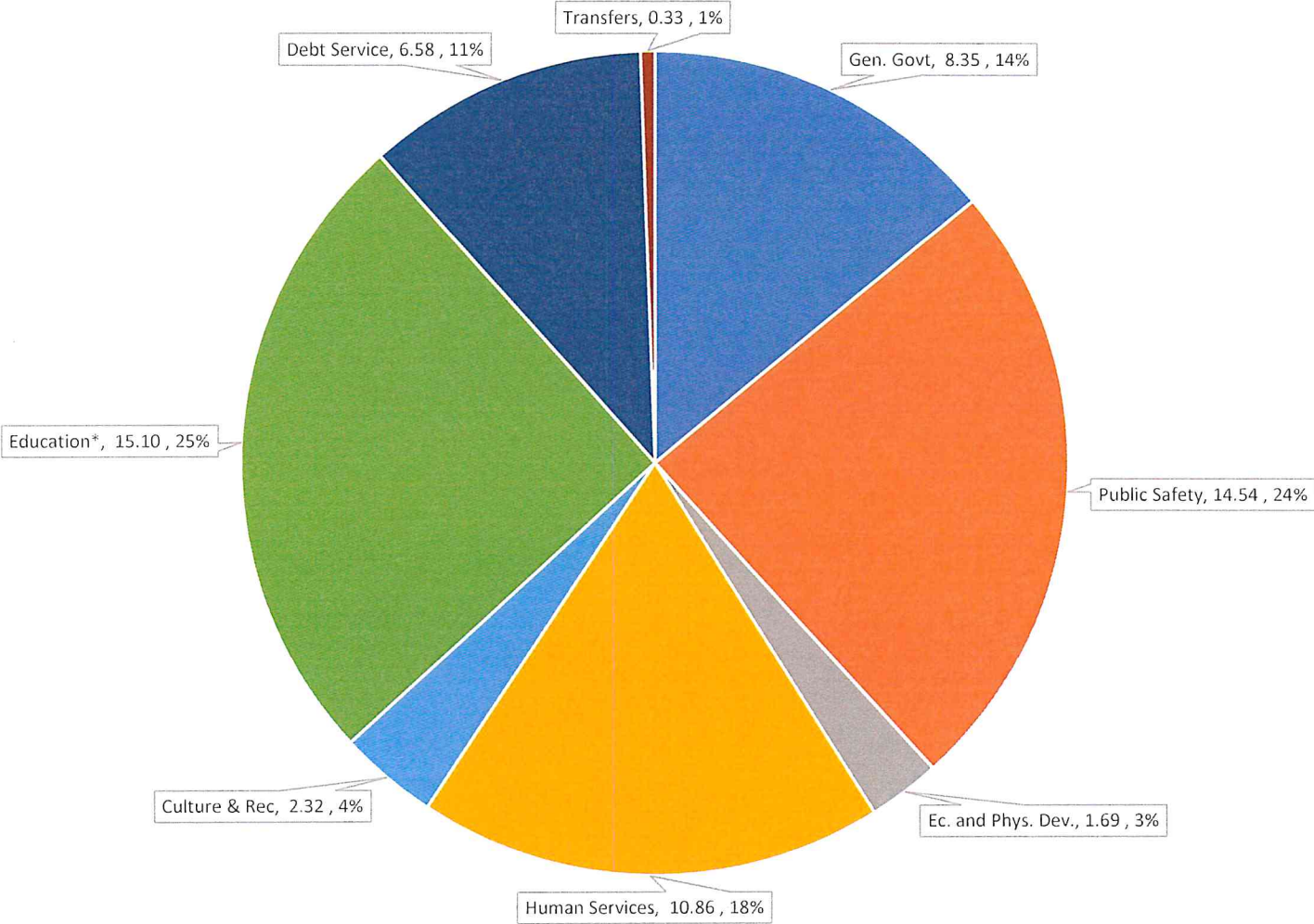
Human Services

Public Health Administration	998,270	1,324,491	1,268,850	1,251,470	253,200	(73,021)	(17,380)
Children's Health	57,835	75,867	75,171	75,171	17,336	(696)	0
Children Case Management	57,526	73,032	76,633	76,633	19,107	3,601	0
School Nurses I	81,919	83,490	100,626	100,626	18,707	17,136	0
School Nurses II	153,788	161,342	300,432	175,374	21,586	14,032	(125,058)
Pregnancy Case Management	55,017	55,737	66,527	66,527	11,510	10,790	0
5137 Hiv/Std Program	2,756	3,550	3,200	3,200	444	(350)	0
5138 Immunization Action	2,206	2,700	2,700	2,700	494	0	0
Tuberculosis Control	43,753	52,706	51,600	51,600	7,847	(1,106)	0
UNC Opioid Response	3,079	12,391	0	0	(3,079)	(12,391)	0
WIC Nutrition	197,098	200,453	247,032	247,032	49,934	46,579	0
Mountain Wise Partnership	2,237	13,950	7,500	7,500	5,263	(6,450)	0
Health Promotion	35,233	34,706	35,046	35,046	(187)	340	0
Environmental Health	545,301	581,176	663,645	635,974	90,673	54,798	(27,671)
Drug Free Community	114,749	139,609	125,000	123,200	8,451	(16,409)	(1,800)

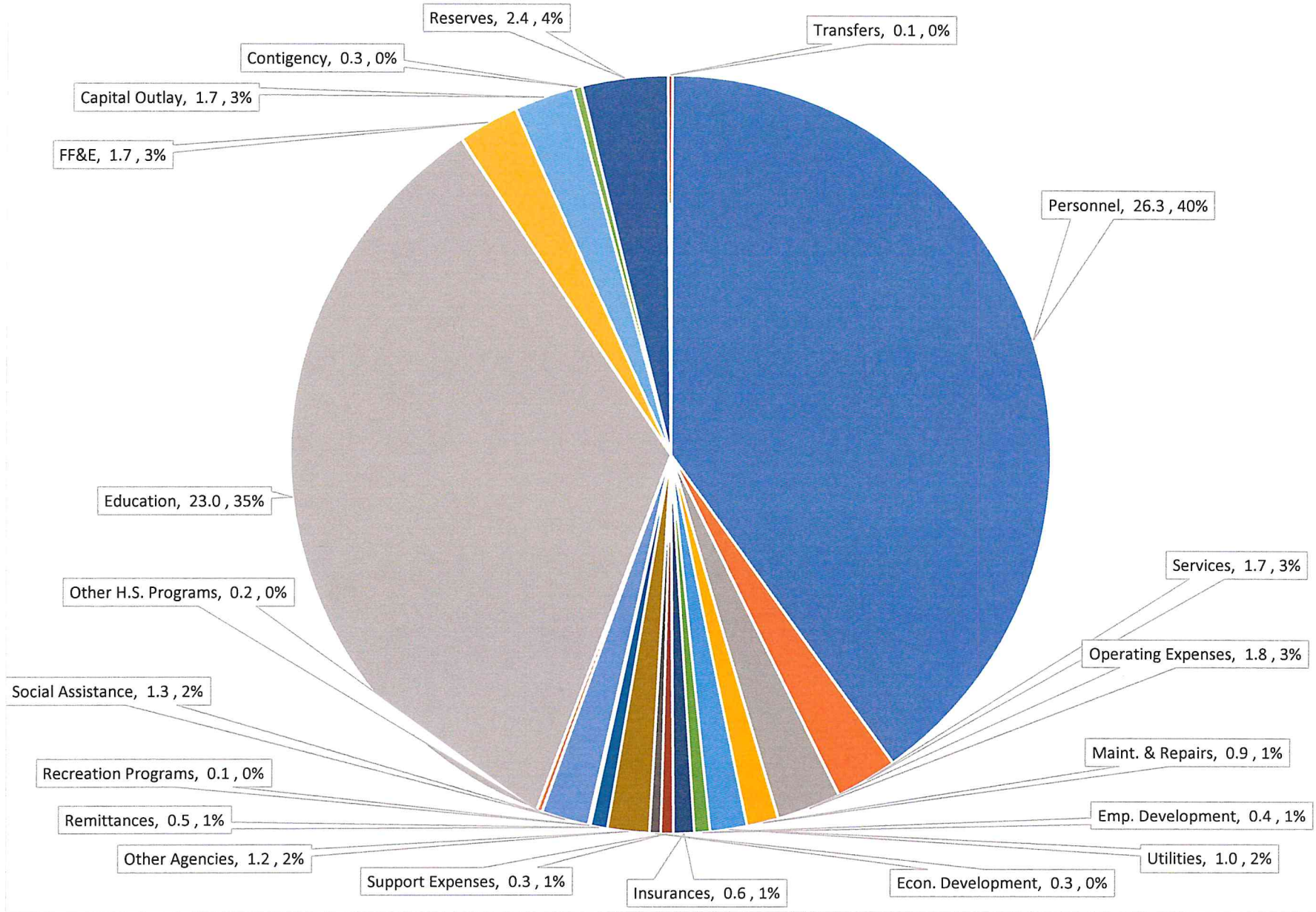
STOP	32,030	53,831	47,127	47,127	15,097	(6,704)	0
Disease Control	120	1,300	800	800	680	(500)	0
Cancer Prevention	6,901	11,800	11,800	11,800	4,899	0	0
Dental Projects	40,207	42,635	49,308	49,308	9,101	6,673	0
CARA / Care Coalition	16,518	41,403	61,367	61,367	44,849	19,964	0
BT Preparedness	41,814	43,813	46,645	46,645	4,831	2,832	0
Public Health Misc.	4,259	15,063	8,200	8,200	3,941	(6,863)	0
Social Services	3,829,085	4,299,207	4,368,074	4,282,079	452,994	(17,128)	(85,995)
Social Assistance	205,471	254,191	250,431	250,431	44,960	(3,760)	0
General Assistance	1,102,635	1,188,262	1,095,423	1,095,423	(7,212)	(92,839)	0
Office of Special Counsel	0	109,727	139,541	139,541	139,541	29,814	0
Veteran's Services	30,180	42,036	46,510	45,550	15,370	3,514	(960)
HCCBG	281,523	23,740	3,750	3,750	(277,773)	(19,990)	0
New Adventure Learning Center	710,257	829,849	991,605	870,771	160,514	40,922	(120,834)
Transportation Administration	147,759	172,044	174,845	174,082	26,323	2,038	(763)
Transportation Operations	400,299	389,776	683,908	572,324	172,025	182,548	(111,584)
Juvenile Crime Prevention	107,779	104,201	158,609	158,609	50,830	54,408	0
Human Services (Ext. Agencies)	225,306	241,261	256,561	191,761	(33,545)	(49,500)	(64,800)
Total Human Services	9,532,909	10,679,339	11,418,466	10,861,621	1,328,712	182,282	(556,845)
Culture and Recreation							
Parks and Recreation	590,748	898,452	650,672	558,672	(32,076)	(339,780)	(92,000)
Parks and Grounds Maintenance	231,164	411,842	315,504	284,725	53,560	(127,118)	(30,779)
Public Library	1,359,240	1,442,929	1,469,485	1,450,815	91,575	7,886	(18,670)
Culture & Recreation Agencies	47,014	29,300	32,300	25,600	(21,414)	(3,700)	(6,700)
Total Culture and Recreation	2,228,166	2,782,523	2,467,961	2,319,812	91,646	(462,712)	(148,149)
Education							
Transylvania County Schools	14,279,613	14,302,198	15,907,159	14,356,380	76,767	54,182	(1,550,779)
Blue Ridge Community College	506,239	749,279	756,235	736,235	229,996	(13,044)	(20,000)
Total Education	14,785,852	15,051,477	16,663,394	15,092,615	306,763	41,138	(1,570,779)

Debt Service	498,045	498,045	575,352	6,635,729	(22,794)	6,137,684	6,060,377
Transfers to Other Funds	1,100,993	9,180,168	8,720,000	330,000	(770,993)	(8,850,168)	(8,390,000)
Total Transfers	1,100,993	9,180,168	8,720,000	330,000	(770,993)	(8,850,168)	(8,390,000)
Total GF Expenditures	49,424,988	67,054,833	66,199,811	59,765,159	10,340,172	(7,289,674)	(6,434,652)

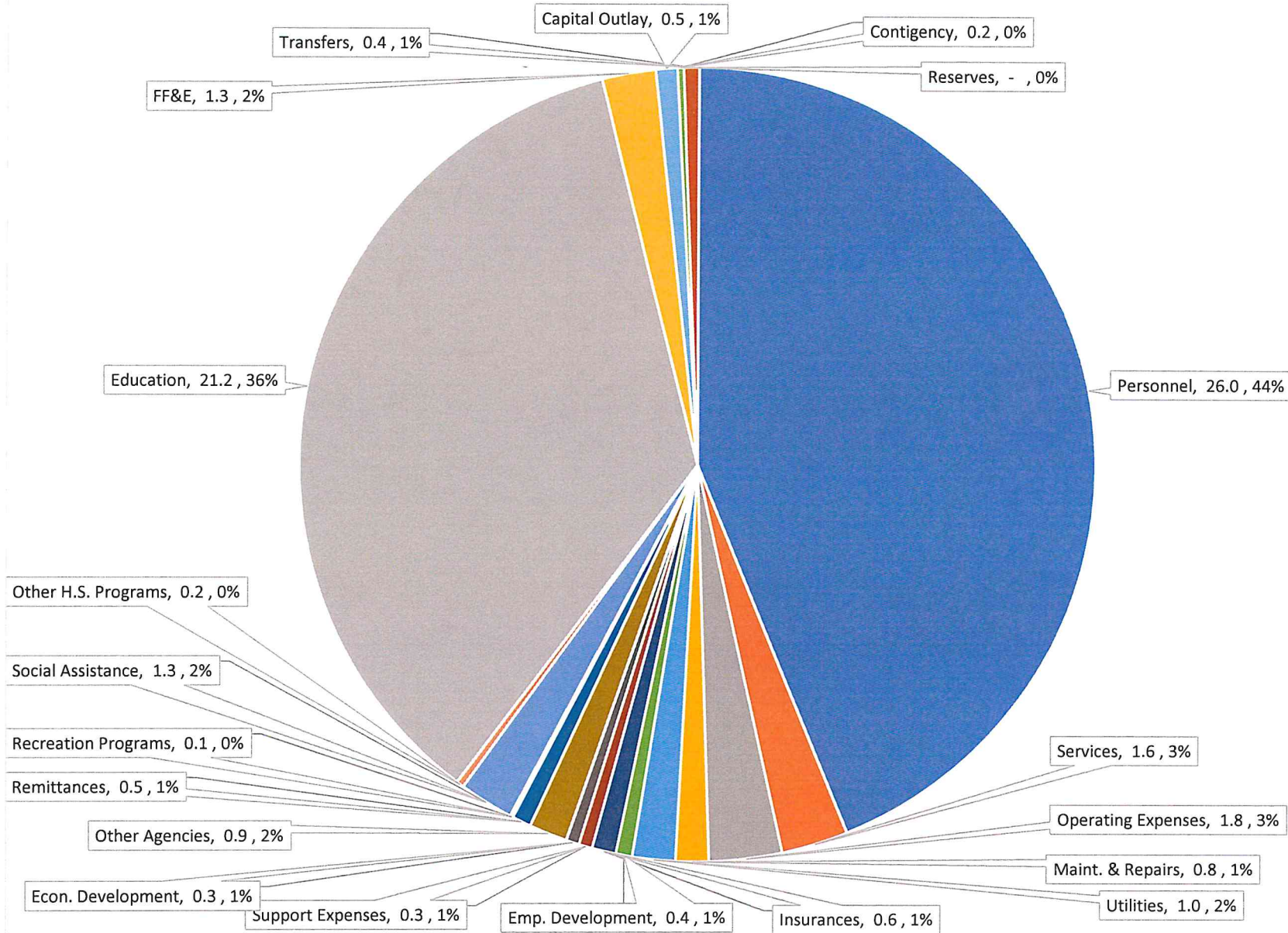
FY 2021 General Fund Recommendation by Function



FY 2021 General Fund Requests by Natural Classification



FY 2021 General Fund Recommendation by Natural Classification



General Fund Expenditures for FY 20 by Natural Classification

	2019 <u>Actual</u>	2020 Rev. <u>Budget</u>	2021 Req. <u>Budget</u>	2021 Rec. <u>Budget</u>	Nominal Change - Rec. vs		
					2019 <u>Act.</u>	2020 <u>Rev.</u>	2021 <u>Req.</u>
Salaries and Wages	13,485,636	16,980,751	16,734,813	16,560,989	3,075,353	(419,762)	(173,824)
Part-time Wages	797,762	876,817	940,934	893,263	95,501	16,446	(47,671)
Overtime Wages	517,783	594,132	640,191	639,831	122,048	45,699	(360)
Holiday Wages	173,590	191,067	196,664	196,644	23,054	5,577	(20)
On-Call Pay	4,150	8,480	8,480	8,480	4,330	-	-
Longevity	180,131	177,468	186,480	186,480	6,349	9,012	-
Vacation Pay-outs	60,509	500	-	-	(60,509)	(500)	-
Travel Allowance	400	400	400	400	-	-	-
FICA	1,117,682	1,222,688	1,423,124	1,407,173	289,491	184,485	(15,951)
LGERS Retirement	1,206,979	1,401,543	1,826,690	1,800,450	593,471	398,907	(26,240)
Supplemental Pension Expense	6,122	7,050	7,458	7,458	1,336	408	-
LEOK Contributions (5%)	142,580	158,719	189,328	189,328	46,748	30,609	-
Health Insurance	3,584,860	3,600,880	3,582,755	3,565,555	(19,305)	(35,325)	(17,200)
Retiree/457 Contributions	657,733	393,194	383,814	383,814	(273,919)	(9,380)	1
Personnel Expenses (Extension)	203,495	207,194	207,194	207,194	3,699	-	-
Cost of Living Adjustments	-	207,866	-	-	-	(207,866)	-
Personnel	22,139,414	26,028,749	26,328,325	26,047,059	3,907,645	18,310	(281,266)
Board Member Fees	800	1,200	1,200	1,200	400	-	-
Legal Fees	24,738	51,327	41,900	41,900	17,162	(9,427)	-
County Attorney & Lega	-	-	50,000	50,000	50,000	50,000	-
Auditing	76,598	103,771	94,000	94,000	17,402	(9,771)	-
Medical Fees	40,526	47,400	47,400	47,400	6,874	-	-
Physicals & Substance	15,885	17,598	16,796	16,796	911	(802)	-
Prisoner Medical Expen	211,284	182,729	195,139	195,138	(16,146)	12,409	(1)
Contract Services	604,597	942,127	1,083,828	960,204	355,607	18,077	(123,624)
Engineering Services	-	-	10,000	10,000	10,000	10,000	-

Web Services	9,472	11,600	14,309	14,309	4,837	2,709	-
Cleaning Services	3,550	3,600	3,600	3,600	50	-	-
Laundry Services	3,600	3,600	3,600	3,600	-	-	-
Autopsy Expense	16,200	29,000	30,000	30,000	13,800	1,000	-
Juvenile Detention	5,856	4,000	4,000	4,000	(1,856)	-	-
Overflow of Prisoners	2,200	2,000	2,025	2,025	(175)	25	-
Towing Services	3,855	3,600	3,600	3,600	(255)	-	-
Spay & Neuter Clinic	19,381	14,000	19,700	19,700	319	5,700	-
Rabies Clinic	406	-	2,500	2,500	2,094	2,500	-
Equipment Rental	14,170	35,698	28,427	24,427	10,257	(11,271)	(4,000)
Storage Room Rental	-	2,400	2,400	2,400	2,400	-	-
Office Rental	27,772	31,000	31,000	31,000	3,228	-	-
Equipment Lease Paymen	-	-	35,000	35,000	35,000	35,000	-
Advisory Boards	22,014	18,000	2,925	2,925	(19,089)	(15,075)	-
Lease of Property	2,621	3,477	3,477	3,477	856	-	-
Honor Guard Services	5,000	5,000	5,000	5,000	-	-	-
Outside Services	1,110,525	1,513,127	1,731,826	1,604,201	493,676	91,074	(127,625)
Office Supplies	63,531	95,203	98,252	98,251	34,720	3,048	(1)
Safety Supplies	4,337	6,250	5,250	5,250	913	(1,000)	-
Safety Incentives	3,000	3,000	3,000	3,000	-	-	-
Janitorial Supplies	76,663	81,200	88,540	88,540	11,877	7,340	-
Tools	3,674	6,500	7,300	6,500	2,826	-	(800)
Operating Supplies	215,141	261,106	283,522	266,612	51,471	5,506	(16,910)
Commissary Supplies	15,953	4,000	4,000	4,000	(11,953)	-	-
Allocated Copy Costs	88,471	83,580	76,375	76,375	(12,096)	(7,205)	(0)
Books	79,353	82,700	85,200	82,700	3,347	-	(2,500)
Periodicals	7,962	9,000	9,950	9,000	1,038	-	(950)
Audiovisuals	17,446	18,000	20,000	20,000	2,554	2,000	-
Processing	3,229	6,000	7,250	7,250	4,021	1,250	-
Printing	-	1,500	2,850	2,850	2,850	1,350	-
Online Resources	55,043	57,000	57,500	57,500	2,457	500	-
Medical Supplies	107,333	124,996	133,863	133,863	26,530	8,867	-
Vaccines	39,672	47,119	45,500	45,500	5,828	(1,619)	-

Flu Vaccines	15,820	27,381	29,500	29,500	13,680	2,119	-
Hep, TB, Other Shots	-	-	360	360	360	360	-
Vector Programs	-	-	23,500	23,500	23,500	23,500	-
Project Lifesaver	874	2,000	2,000	2,000	1,126	-	-
Freight and Shipping Costs	-	-	1,000	1,000	1,000	1,000	-
Weapons	63,058	75,043	64,439	64,439	1,381	(10,604)	-
Crime Prevention	5,215	6,500	6,800	6,800	1,585	300	-
DARE Supplies	7,525	8,000	10,236	10,236	2,711	2,236	(0)
Concealed Weapons Perm	20,920	22,950	22,950	22,950	2,030	-	-
Food Supplies (Child Development)	-	55,000	75,000	75,000	75,000	20,000	-
Undercover Funds	9,416	16,500	16,500	16,500	7,084	-	-
Uniforms	89,830	103,332	128,991	125,885	36,055	22,553	(3,106)
Road Signs	11,822	22,100	22,100	22,100	10,278	-	-
Food (Detention Center)	175,551	205,000	205,247	205,246	29,695	246	(1)
Grant-related Expendit	1,982	11,200	-	-	(1,982)	(11,200)	-
Vehicle Fuel	235,730	237,393	260,208	247,661	11,931	10,268	(12,547)
Operating Supplies	1,418,550	1,679,553	1,797,183	1,760,368	341,818	80,815	(36,815)
Vehicle Maintenance	255,538	295,061	360,555	291,784	36,246	(3,277)	(68,771)
Equipment Maintenance	105,888	152,498	176,149	157,748	51,860	5,250	(18,401)
Facility Maintenance	180,874	186,900	224,700	210,300	29,426	23,400	(14,400)
Bldg. Facility Improvements	-	90,915	77,000	84,500	84,500	(6,415)	7,500
Comp. Hardware Maintenance	60,190	56,910	47,446	49,141	(11,049)	(7,769)	1,695
Maintenance	602,490	782,284	885,850	793,473	190,983	11,189	(92,377)
Postage	53,750	65,174	65,586	62,086	8,336	(3,088)	(3,500)
Telephone Equipment and Fees	324,910	387,502	344,750	353,090	28,180	(34,412)	8,340
Solid Waste Disposal	2,588	2,725	2,725	2,725	137	-	-
Cellphone Equipment and Fees	-	-	41,220	40,500	40,500	40,500	(720)
Internet Equipment and Fees	22,476	22,500	22,500	22,500	24	-	-
Water, Sewer and Electric Util.	476,649	544,213	555,144	555,894	79,245	11,681	750
Utilities	880,372	1,022,114	1,031,925	1,036,795	156,423	14,681	4,870

Travel and Training	242,609	363,597	387,444	346,284	103,675	(17,313)	(41,160)
Memberships and Subscr	44,356	45,987	47,266	45,866	1,510	(121)	(1,400)
Licenses & Certifications	1,291	1,500	1,500	1,500	209	-	-
Employee Training & Education	288,256	411,084	436,210	393,650	105,394	-17,434	-42,560
Unemployment Insurance	9,982	15,000	15,000	15,000	5,018	-	-
Medical Malpractice Insurance	7,302	8,032	9,532	9,532	2,230	1,500	-
Worker's Compensation	274,205	285,000	295,000	295,000	20,795	10,000	-
Property & Liability Insurance	193,903	195,000	215,000	219,000	25,097	24,000	4,000
Insurance and Bonds	2,580	2,275	2,600	2,600	20	325	-
Insurance Claims	2,238	-	10,000	10,000	7,762	10,000	-
Inmate Insurance	20,171	17,759	25,200	25,200	5,029	7,441	-
Insurance (other than health)	510,381	523,066	572,332	576,332	65,951	53,266	4,000
Implemental Functions	(111,689)	-	5,000	5,000	116,689	5,000	-
Advertising	27,294	41,438	41,600	40,600	13,306	(838)	(1,000)
Educational Programs	11,643	11,350	6,250	6,250	(5,393)	(5,100)	-
Publications	1,892	1,970	1,970	1,970	78	-	-
Court Operations Cost	13,295	15,300	15,000	-	(13,295)	(15,300)	(15,000)
Debt Set-Off Adjustments	20	-	-	-	(20)	-	-
Emergency-related expe	-	500	500	500	500	-	-
Banking Fees & Services	21,177	26,258	27,258	32,258	11,081	6,000	5,000
Family Resource Center	-	-	-	-	-	-	-
Permits & Fees	2,529	17,280	30,483	2,300	(229)	(14,980)	(28,183)
Miscellaneous Expenses	-	-	25,000	25,000	25,000	25,000	-
CARE Donation Expenses	-	10,863	4,000	4,000	4,000	(6,863)	-
Delta Dental Foundatio	3,496	3,200	3,200	3,200	(296)	-	-
SmartStart CCHC	267	1,000	1,000	1,000	733	-	-
Special Projects	62,499	88,329	186,162	149,030	86,531	60,701	(37,132)
Miscellaneous Expense	253	2,021	675	675	422	(1,346)	-
Hazardous Spills Respo	-	1,500	1,500	1,500	1,500	-	-
Cemetary Board	-	300	300	300	300	-	-

Support Expenses	32,675	221,309	349,898	273,583	240,908	52,274	(76,315)
Economic Development Services	315,000	315,000	315,000	315,000	-	-	-
Economic Development	315,000	315,000	315,000	315,000	0	0	0
Municipalities	56,500	50,000	50,000	50,000	(6,500)	-	-
Mental Health Services	99,261	99,261	99,261	99,261	-	-	-
Community Centers	50,082	94,000	85,000	85,000	34,918	(9,000)	-
Fire Department Supplements	-	1,261,783	-	-	-	(1,261,783)	-
Transylvania Rescue Squad	386,950	436,450	617,400	436,450	49,500	-	(180,950)
Human Services Nonprofits	67,000	62,000	137,000	72,500	5,500	10,500	(64,500)
Culture and Rec. Nonprofits	25,000	19,000	32,000	25,000	-	6,000	(7,000)
NC Forest Service	84,567	101,825	120,239	120,239	35,672	18,414	-
Land-of-Sky Regional Council	26,690	28,000	28,000	28,000	1,310	-	-
Nonprofits and Other Governments	796,050	2,152,319	1,168,900	916,450	120,400	(1,235,869)	(252,450)
DMV VTS Fees	75,065	71,000	82,000	82,000	6,935	11,000	-
Conveyance Tax Passthr	370,330	351,824	379,694	379,694	9,364	27,870	-
Statewide Birth Cert. System	1,589	1,800	900	900	(689)	(900)	-
Children's Trust	940	1,100	1,075	1,075	135	(25)	-
Domestic Violence Fund	5,640	6,600	6,450	6,450	810	(150)	-
Remittances	453,564	432,324	470,119	470,119	16,555	37,795	0
Program Expense	46,185	47,700	60,700	51,700	5,515	4,000	(9,000)
NC Senior Games	6,939	7,200	8,500	8,500	1,561	1,300	-
Recreation Programs	53,124	54,900	69,200	60,200	7,076	5,300	(9,000)
Special Assistance to Adults	205,471	182,431	182,431	182,431	(23,040)	-	-
Medicaid Transportation	-	71,760	68,000	68,000	68,000	(3,760)	-
AFDC/IV-E Foster Care	305,332	345,050	375,000	375,000	69,668	29,950	-

State Foster Home Fund	180,152	200,000	100,000	100,000	(80,152)	(100,000)	-
State Foster Supplement	46,940	60,000	40,000	40,000	(6,940)	(20,000)	-
LINKS	12,252	7,500	5,000	5,000	(7,252)	(2,500)	-
LINKS - Special Funds	15,589	2,500	5,000	5,000	(10,589)	2,500	-
IV-E/IV-B Vendor Payments	2,000	5,000	5,000	5,000	3,000	-	-
Adoption Assistance IV-B	12,996	15,162	9,985	9,985	(3,011)	(5,177)	-
Adoption Assistance IV-E	47,993	49,326	48,500	48,500	507	(826)	-
IV-D Services	137	500	1,200	1,200	1,064	700	-
Special Child Adoption	14,065	-	-	-	(14,065)	-	-
SNAP Expenses	6,245	6,883	4,221	4,221	(2,024)	(2,662)	-
Work First Support	-	60,000	60,000	60,000	60,000	-	-
WorkFirst Emergency Assistance	67,959	50,000	50,000	50,000	(17,959)	-	-
LIEAP	147,000	136,237	118,166	118,166	(28,834)	(18,071)	-
Crisis Intervention	143,242	130,637	118,166	118,166	(25,076)	(12,471)	-
Services For The Blind	1,851	1,950	1,950	1,950	99	-	-
Adult Day Care Service	71,299	83,945	83,945	83,945	12,646	-	-
Helping Each Member Cope	23,870	28,572	39,290	39,290	15,420	10,718	-
Emergency Fund	3714.87	5000	5000	5,000	1,285	-	-
Social Assistance	1,308,106	1,442,453	1,320,854	1,320,854	12,748	(121,599)	0
Home and Community Care Block Grant	278,548	19,990	0	0	(278,548)	(19,990)	-
Nutrition Support	2,975	3,750	3,750	3,750	775	-	-
Child Center - CV Gran	59,045	80,000	20,000	20,000	(39,045)	(60,000)	-
JCPC Administration	2,625	2,645	-	-	(2,625)	(2,645)	-
JCPC Programs	105,105	101,566	130,426	158,609	53,504	57,043	28,183
MIPPA Grant	2,733	2,733	-	-	(2,733)	(2,733)	-
SHIIP Grant	3,961	2,280	-	-	(3,961)	(2,280)	-
Misc. Private Social Assistance	497	-	-	-	(497)	-	-
JCPC Refund	49	-	-	-	(49)	-	-
Other Human Service Programs	455,537	212,964	154,176	182,359	(273,178)	(30,605)	28,183
TCS Current Expense	12,429,613	12,740,312	13,424,468	12,794,494	364,881	54,182	(629,974)
TCS Capital Outlay	1,850,000	1,561,886	1,912,691	1,561,886	(288,114)	-	(350,805)

PSBCF Disbursements	-	-	570,000	-	-	-	(570,000)
Transylvania County Schools	14,279,613	14,302,198	15,907,159	14,356,380	76,767	54,182	(1,550,779)
BRCC Annual Operating	363,439	550,279	578,735	578,735	215,296	28,456	0
BRCC Annual Capital	58,300	199,000	177,500	157,500	99,200	(41,500)	(20,000)
BRCC	421,739	749,279	756,235	736,235	314,496	(13,044)	(20,000)
2010 QSCB (Principle)	108,148	108,148	108,148	108,148	(0)	0	0
2010 QSCB (Interest)	9,041	6,781	6,781	6,781	(2,260)	0	0
2021 G.O. Debt	-	-	6,200,000	6,060,377	6,060,377	6,060,377	(139,623)
Reserve for Current Expense	-	-	-	-	0	0	0
Transfer to Education Capital	-	6,490,000	-	-	0	(6,490,000)	0
Other Education	117,189	6,604,929	6,314,929	6,175,306	6,058,117	(429,623)	(139,623)
Total Education	14,818,541	21,656,406	22,978,323	21,267,921	6,449,380	(388,485)	(1,710,402)
Computers and Printers	168,275	149,794	185,012	182,512	14,237	32,718	(2,500)
Office Furniture and E	65,567	29,202	48,083	9,540	(56,027)	(19,662)	(38,543)
Maint. Equipment and Supplies	-	6,330	500	8,588	8,588	2,258	8,088
Other Equipment - K-9	-	5,500	-	-	-	(5,500)	-
Equipment (<\$5,000)	78,108	40,685	449,182	269,282	191,173	228,597	(179,900)
Equipment (Non-Capital	2,284	239,446	225,788	115,061	112,777	(124,385)	(110,727)
Comp. Software Acquisition	306,514	54,129	153,862	44,322	(262,192)	(9,807)	(109,540)
Comp. Software Maintenance	236,755	482,683	463,835	503,724	266,969	21,041	39,889
Comp. Software Conversion	-	396,890	152,500	152,500	152,500	(244,390)	-
Furniture, Fixtures and Equipment	857,502	1,404,659	1,678,761	1,285,529	428,026	(119,131)	(393,233)
Land Improvements	45,772	394,494	87,340	-	(45,772)	(394,494)	(87,340)
Building Improvements	672,621	2,361,432	390,440	-	(672,621)	(2,361,432)	(390,440)
Vehicles	884,504	876,888	1,056,725	374,843	(509,661)	(502,045)	(681,882)
Other Equipment (>\$5,0	268,653	396,213	146,000	146,000	(122,653)	(250,213)	-

Heavy Equipment	-	27,828	-	-	-	(27,828)	-
Capital	1,871,550	4,056,855	1,680,505	520,843	(1,350,707)	(3,536,012)	(1,159,662)
Elections/Wellness Installment (P)	120,498	120,498	120,498	120,498	-	-	-
Elections/Wellness Installment (I)	35,390	35,390	29,914	29,914	(5,476)	(5,476)	-
PSF Installment (Prin.)	193,334	193,334	193,334	193,334	-	-	-
PSF Installment (Interest)	33,894	33,894	25,677	25,677	(8,217)	(8,217)	-
EMS Capital Lease	-	-	91,000	91,000	91,000	91,000	-
Debt Service	383,116	383,116	460,423	460,423	77,307	77,307	0
Contingency	-	74,383	250,000	150,000	150,000	75,617	(100,000)
Contingency	0	74,383	250,000	150,000	150,000	75,617	(100,000)
Revenues to Reserves	-	2,543,168	2,400,000	-	-	(2,543,168)	(2,400,000)
Transfer to General Fund	0	2,543,168	2,400,000	0	0	(2,543,168)	(2,400,000)
LEO Special Separation Fund	146,335	-	120,000	120,000	(26,335)	120,000	-
Solid Waste Enterprise Fund	504,658	147,000	-	210,000	(294,658)	63,000	210,000
Capital Projects	450,000	-	-	-	(450,000)	-	-
Transfer to Other Funds	1,100,993	147,000	120,000	330,000	(770,993)	183,000	210,000
TOTAL GENERAL FUND	49,395,746	67,056,833	66,199,810	59,765,159	10,369,413	(7,291,674)	(6,434,652)

General Fund - Budget Summary of Expenditures by Type
(in millions)

<u>Type of Expenditure</u>	2019 Act.	2020 Rev	2021 Req	2021 Rec	%	Rec vs.		Rec vs.	
						2021 vs 2020 \$\$	%	2021 vs 2019 \$\$	%
Personnel	22.1	26.0	26.3	26.0	43.8%	(0.0)	0%	\$3.9	17%
Services	1.1	1.5	1.7	1.6	2.7%	0.1	6%	\$0.5	44%
Operating Expenses	1.4	1.7	1.8	1.8	3.0%	0.1	5%	\$0.3	24%
Maint. & Repairs	0.6	0.8	0.9	0.8	1.3%	0.0	1%	\$0.2	32%
Utilities	0.9	1.0	1.0	1.0	1.7%	0.0	1%	\$0.2	18%
Emp. Development	0.3	0.4	0.4	0.4	0.7%	(0.0)	-4%	\$0.1	37%
Insurances	0.5	0.5	0.6	0.6	1.0%	0.1	10%	\$0.1	13%
Support Expenses	0.0	0.2	0.3	0.3	0.5%	0.1	24%	\$0.2	n/a
Econ. Development	0.3	0.3	0.3	0.3	0.5%	-	0%	\$0.0	0%
Other Agencies	0.8	2.2	1.2	0.9	1.5%	(1.2)	-57%	\$0.1	15%
Remittances	0.5	0.4	0.5	0.5	0.8%	0.0	9%	\$0.0	4%
Recreation Programs	0.1	0.1	0.1	0.1	0.1%	0.0	10%	\$0.0	13%
Social Assistance	1.3	1.4	1.3	1.3	2.2%	(0.1)	-8%	\$0.0	1%
Other H.S. Programs	0.5	0.2	0.2	0.2	0.3%	(0.0)	-14%	(\$0.3)	-60%
Education	14.8	21.7	23.0	21.3	35.9%	(0.4)	-2%	\$6.4	44%
FF&E	0.9	1.4	1.7	1.3	2.2%	(0.1)	-8%	\$0.4	50%
Capital Outlay	1.9	4.1	1.7	0.5	0.9%	(3.5)	-87%	(\$1.4)	-72%
Contingency	-	0.1	0.3	0.2	0.3%	0.1	102%	\$0.2	n/a
Reserves	-	2.5	2.4	-	0.0%	(2.5)	-100%	\$0.0	n/a
Transfers	1.1	0.1	0.1	0.4	0.6%	0.2	155%	(\$0.7)	-66%
Total General Fund:	\$49.0	\$66.7	\$65.7	\$59.3	100%	(\$7.4)	-11.1%	\$10.3	21%

RECOMMENDED FULL TIME EQUIVALENT EMPLOYEES

County Total

* 2019 figures represent an average of filled positions during that fiscal year.

Approx. FTE Budgeted		2019*	2020	2021	2021
		FTE	FTE	FTE REQ	FTE REC
Board of Commissioners	1100	0	0	0	0
Administration	1110	4	4	4	4
Human Resources	1120	2	2	2	2
Finance	1130	6	6	6	6
Elections	1210	3	3	3	3
Tax Administration	1310	15	15	15	15
Legal	1410	1	1	1	1
Register of Deeds	1510	5	5	5	5
Maintenance	1610	5.5	5.5	5.5	5.5
Housekeeping	1620	6.5	6.5	6.5	6.5
Information Technology	1810	4	4	4	4
Project Management	1910	1	1	1	1
Sheriff	2110	27	27	27	27
School Resource Officer	2117	11	11	11	11
Detention Center	2120	28	28	28	28
Courthouse Security	2128	7	7	7	7
Narcotics Task force	2150	2	2	2	2
Investigations	2160	9	10	10	10
Emergency Management	2210	2.5	2.5	3.5	2.5
Fire Marshall	2220	2	2	2	2
EMS	2510	24	26	26	26
Animal Control	2710	6	6.5	6.5	6.5
Communications	2910	14.5	14.5	14.5	14.5
Inspections	4010	6	7	7	7
Planning & Community Development	4110	3	3	3	3
Soil and Water	4410	2	2	2	2
Health Department	5110	30	32	34	32
Social Services	5310	55	60	60	60
Veteran's Services	5410	0	0	0	0
Child Development	5610	12	12	14	12
Transportation	5800	7	7	8.0	7.0
Parks and Recreation	6110	5	5	5	5
Grounds Maintenance	6190	2.5	2.5	3.5	2.5
Library	6210	15	15	15	15
Total General Fund		324	335	342	335
Solid Waste Enterprise Fund	Total	18	18	18	18
		341.5	353.0	360.0	353.0

SUMMARY OF CAPITAL INVESTMENT

The County Manager recommends only 31 percent of capital requests be funded in the upcoming year, consistent with the need to defer or otherwise delay capital improvements in order to protect County service levels necessary for pandemic response. This is consistent with policies implemented by many other local governments across the state, who have delayed or otherwise cancelled capital projects as a means of cost savings given significant anticipated revenue shortfalls.

Given the choice between furloughing or laying off employees or postponing investment, in a crisis the protecting the County's core services is more important due to the essential nature of the work performed. For additional detail, please see the full five-year capital plan outlined in the appendices.

Staff do not believe that the proposed capital outlay will materially increase the operating costs of County government. Some capital outlay will reduce operational expenses related to maintenance. As revenues return, funding for maintenance and capital investment will need to be prioritized.

**TRANSYLVANIA COUNTY IDENTIFIED CAPITAL NEEDS
for FISCAL YEARS 2021 through 2025**

GOVERNMENTAL FUNDS

Five-Year Plan Period

<u>Dept.</u>	<u>Items Requested</u>	<u>Five-Year Plan Period</u>					<u>TBD</u>	<u>Total</u>
		<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>		
ADMN	Admin Vehicles	75,000	-	-	-	-	-	\$ 75,000
BRCC	New Facility (Estimated)	-	-	-	-	-	28,622,147	\$ 28,622,147
CH	Major Courthouse Needs	-	-	-	-	-	42,902,404	\$ 42,902,404
DSS	DSS Vehicles	23,000	-	-	-	-	-	\$ 23,000
DSS	DSS Lobby Renovation	-	10,000	-	-	-	-	\$ 10,000
ELX	Express Vote Equipment	116,000	-	-	-	-	-	\$ 116,000
EM	EM Vehicle Replacement	55,900	-	-	-	-	-	\$ 55,900
EM	Campus Security	63,600	-	-	-	-	-	\$ 63,600
EM	Communications Tower	30,000	-	-	-	-	-	\$ 30,000
EM	Anm. Srvcs. Vehicle	46,534	-	-	-	-	-	\$ 46,534
EMS	Ambulance Replacement	231,256	222,869	234,012	245,713	257,999	-	\$ 1,191,849
EMS	Base Replacement	-	-	-	-	-	1,900,000	\$ 1,900,000
FAC	Maintenance Truck	-	-	45,000	-	-	-	\$ 45,000
FAC	HVAC Replacements	100,000	100,000	100,000	50,000	50,000	-	\$ 400,000
FAC	Library Windows	5,000	-	-	-	-	-	\$ 5,000
FAC	PSF Exterior Windows	6,090	-	-	-	-	-	\$ 6,090
FAC	Maint. Shed Replacement	10,500	-	-	-	-	-	\$ 10,500
FAC	CSB Lower Roof Repl.	177,920	-	-	-	-	-	\$ 177,920
FAC	CSB Exterior Locks	5,500	-	-	-	-	-	\$ 5,500
FAC	Maint. Vehicles	-	45,000	-	45,000	-	-	\$ 90,000
FAC	Jail Security Imp.	-	50,000	50,000	50,000	-	-	\$ 150,000
FAC	CSB Learning Lab	-	28,000	-	-	-	-	\$ 28,000
FAC	NALC Roof Repl.	-	50,400	-	-	-	-	\$ 50,400
FAC	CSB Upper Roof Repl.	-	-	80,000	-	-	-	\$ 80,000
FAC	PSF Electrical System	-	50,000	50,000	-	-	-	\$ 100,000
GRNDS	Field Mowers	26,000	16,470	19,000	20,000	11,500	-	\$ 92,970
GRNDS	Continued ADA Upgrades	20,000	20,000	20,000	20,000	20,000	-	\$ 100,000

GRNDS	Maint. Exterior Shed	21,000	-	-	-	-	-	\$	21,000
HLTH	Enviro. Health Vehicles	-	25,000	25,000	25,000	-	-	\$	75,000
LIBR	Library Interior Painting	-	80,000	-	-	-	-	\$	80,000
LIBR	Library Servers	-	-	8,000	-	-	-	\$	8,000
LIBR	Amphitheatre Upgrades	-	-	270,000	-	-	-	\$	270,000
LIBR	Branch Library Facility	-	-	-	2,000,000	-	-	\$	2,000,000
LIBR	Bookmobile	-	-	-	-	300,000	-	\$	300,000
PRKS	Rec. Ops. Vehicle	26,000	-	-	-	-	-	\$	26,000
PRKS	P&R Masterplan	-	-	-	-	-	32,467,541	\$	32,467,541
PRKS	Silvermont Plan	-	-	-	-	-	1,261,700	\$	1,261,700
SHRFF	Law Enforcement Vehicles	438,826	375,783	375,783	375,783	375,378	-	\$	1,941,553
SHRFF	Transport Van	-	75,000	-	-	-	-	\$	75,000
SHRFF	Drug Incinerator	-	4,000	-	-	-	-	\$	4,000
TX	Server	-	15,000	15,000	-	-	-	\$	30,000
TX	Tax Appraiser Vehicles	32,150	-	-	40,000	40,000	-	\$	112,150
TX	Pictometry	24,030	24,030	24,030	24,030	24,030	-	\$	120,150
TCS	RHS/BHS Construction	2,247,000	23,000,000	23,000,000	18,700,000	-	-	\$	66,947,000
TCS	PFES Playground	55,264	-	-	-	-	-	\$	55,264
TCS	Other School Renovations	1,150,226	1,597,626	1,473,421	1,130,421	-	-	\$	5,351,694
TCS	PFE Lottery Project	570,000	-	-	-	-	-	\$	570,000
TRNST	Public Transit Vehicles	146,199	52,000	-	52,000	52,000	-	\$	302,199
W&S	Water Plant	-	-	-	-	-	50,652,000	\$	50,652,000
Totals (in millions)		5.70	25.84	25.79	22.78	1.13	157.81	\$	188,396,065

**TRANSYLVANIA COUNTY IDENTIFIED CAPITAL NEEDS
for FISCAL YEARS 2021 through 2025
SOLID WASTE ENTERPRISE FUND**

<u>Items Requested</u>	<u>Five-Year Plan Period</u>					<u>Total 2021-2025</u>
	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	
Compactor Refurbish	\$446,000	\$0	\$0	\$0	\$0	\$446,000
Collection Center Safety Rails	\$30,000	\$0	\$0	\$0	\$0	\$30,000
Woodruff Fuel Tank Repairs	\$8,500	\$0	\$0	\$0	\$0	\$8,500
Repair Wall, Calvert	\$20,000	\$0	\$0	\$0	\$0	\$20,000
PFCC Security	\$20,000	\$0	\$0	\$0	\$0	\$20,000
Leachate Pump Upgrades	\$18,600	\$0	\$0	\$0	\$0	\$18,600
Roll Off Containers	\$20,000	\$20,000	\$15,000	\$10,000	\$10,000	\$75,000
White Goods/Electronics Pad	\$15,000	\$0	\$0	\$0	\$0	\$15,000
Leachate Carport Station	\$7,355	\$0	\$0	\$0	\$0	\$7,355
Roll Off Truck	\$0	\$150,000	\$0	\$150,000	\$0	\$300,000
Pick Up Truck, replace Escape	\$0	\$40,000	\$0	\$0	\$0	\$40,000
Off Road Dump Truck, used	\$0	\$0	\$200,000	\$0	\$0	\$200,000
Collection Center Upgrades	\$0	\$0	\$100,000	\$0	\$0	\$100,000
Scale Replacements	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Road Repairs	\$200,000	\$0	\$0	\$0	\$0	\$200,000
New Cell Construction	\$0	\$0	\$0	\$0	\$0	\$0
Large Dozer Replacement	\$0	\$0	\$0	\$450,000	\$0	\$450,000
	<u>\$885,455</u>	<u>\$210,000</u>	<u>\$315,000</u>	<u>\$610,000</u>	<u>\$10,000</u>	<u>\$2,030,455</u>

DEBT SERVICE SUMMARY

Transylvania County's debt is limited in part by a statutory limit imposed by NC G.S. 159-55 (which caps a County's outstanding debt at eight percent of the appraised value of the County in a given year) and limited also by the will of the voters of Transylvania County who are given the ability to vote via referendum on large scale projects proposed to be financed by general obligation bonds.

In FY2020, the estimated assessed value is \$5,974,460,000 which leaves the County with a statutory legal debt limit of \$470,276,800. The County currently has three outstanding debts:

- A 2008 installment financing agreement related to the construction of the Transylvania County Public Safety Facility with \$870,000 outstanding as of July 1, 2020.
- A 2010 Qualified School Construction Bond related to the CTE facility at Rosman High School with \$324,444.47 outstanding as of July 1, 2020.
- A 2015 Installment Financing agreement related to the renovation of the County's new \$1,385,717 outstanding as of July 1, 2020.

Staff recommend entering into a capital lease for a period not to exceed five years for the lease of cots and related equipment in the County's ambulances. This would be an approximate \$90,000 increase in the County's annual debt service obligations but would serve the purpose of equalizing payments over the lease term.

A still pending item is the County's issuance of \$68,000,000 of general obligation school construction bonds to finance the building of Brevard High, Rosman High and Rosman Middle Schools. The Transylvania County Board of Education and staff have indicated expected bond sale in 2021, which would leave the County with an anticipated \$6,000,000 in issuance and initial debt payment costs.

Based on these factors, staff recommend setting aside \$6,575,352 in FY 2021 to meet the County's long term obligations.

FUND BALANCE SUMMARY

TRANSYLVANIA COUNTY YEAR-END FUND BALANCE GENERAL FUND FISCAL YEARS 2019 through 2021

	<i>Actual</i> FYE 2019	<i>Estimate</i> FYE 2020	<i>Estimate</i> FYE 2021
<i>Nonspendable</i>	\$ 4,890,501	\$ 4,860,501	\$ 4,679,001
<i>Restricted</i>	\$ 4,599,378	\$ 4,599,564	\$ 5,064,823
<i>Committed</i>	\$ 4,847,861	\$ 4,912,901	\$ 5,186,901
<i>Assigned</i>	\$ 15,239,620	\$ 12,609,950	\$ 12,000,000
<i>Unassigned</i>	<u>\$ 4,200,521</u>	<u>\$ 4,700,521</u>	<u>\$ 4,450,521</u>
	\$ 33,777,881	\$ 31,683,437	\$ 31,381,246

The General Fund's fund balance is expected to increase to slightly above 28 million by the year end fiscal 2020, however unassigned fund balance is expected to end the year at approximately 6.4 million.

The major trends driving these changes are as follows:

- The upcoming general obligation school bond projects will increase restricted fund balance because higher expenses mean that the County must have a higher level of fund balance restricted (and nonspendable).
- The County's dedicated revenue stream of 4 cents on the ad valorem rate to build reserves in the general fund for capital projects will be difficult to sustain in the FY 2020 budget and in the FY 2021 budget. Given unpredictable revenue streams in the current and upcoming fiscal years and higher operating expenditures due to the implemented compensation and classification plan, it will be difficult to make additional fund balance assignments without falling underneath the unassigned fund balance thresholds.

The County Manager recommends the following uses of fund balance to address revenue shortfalls in the 2021 budget ordinance:

- Approximately \$1.3 million from unassigned fund balance, expected to be counterbalanced through the fiscal year through conservative purchasing practices and an extension of the County's hiring and capital project freezes.
- \$315,000 from assigned fund balance for economic development to fund the County's contract for services from the Transylvania Economic Alliance.
- \$99,090 from restricted fund balance to account for the difference between the Building Inspection, Permitting and Enforcement Department's estimated revenues and expenses.
- \$150,000 from assigned fund balance to continue implementation of the County's contract with Tyler Technologies to implement a new HR/Payroll and Asset Management system. HR/Payroll goes live in January 1, 2021, and asset management is expected to occur later over the summer of 2020.

**TRANSYLVANIA COUNTY
YEAR-END NET POSITION
SOLID WASTE FUND
FISCAL YEARS 2019 through 2021**

	<i>Actual</i> FYE 2019	<i>Estimate</i> FYE 2020	<i>Estimate</i> FYE 2021
<i>Investments in Assets</i>	\$ 3,181,547	\$ 3,317,547	\$ 3,462,547
Unrestricted Net Position	<u>\$ 2,200,436</u>	<u>\$ 1,977,436</u>	<u>\$ 1,717,436</u>
	\$ 5,381,983	\$ 5,294,983	\$ 5,179,983

Presented consistent with the County's comprehensive annual financial report is the net position (or "fund balance" when used to refer to governmental funds as opposed to enterprise funds.) Staff again estimate and recommend a decrease in the net position of the Solid Waste fund. The operating revenues of the Solid Waste fund to do not Management believes the planned drawdown of Solid Waste Fund Balance will be partially offset by increasing revenues and streamlining. It will be necessary to either implement a business model that dramatically increases

These figures do not include the current fully funded post closure accrued liability for the Woodruff and Calvert landfill facilities.

Management makes no representations of the year end fund balances for the other governmental funds, such as the Fire Districts Special Revenue fund or the Emergency Telephone System fund.

NEXT STEPS FOR

THE TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS

- The Board must schedule a public hearing to meet the statutory requirement that it advertise a public hearing prior to adopting a budget ordinance, this requires at least 24 hours notice.
- The Board should make determinations about what and how much funding should be appropriated to meet the needs of volunteer fire departments. Management has not recommended either an amount of revenues or an amount of expenditures for the Fire Service Districts for FY 2021.
- If the Board wishes to proceed with the proposed EMS capital lease, staff must schedule a public hearing on the specific issue of the County's indebtedness for the EMS capital lease. For statutory reasons, this item must be heard separately from the County's budget public hearing.
- The Board must determine whether or not it is in agreement with the Board of Education's proposal to draw down \$570,000 from the Public School Building Capital Fund. This item is requested in the Transylvania County Schools budget and requires a joint agreement between both Boards before it can proceed, county management defers any decision to approve this to the Board of County Commissioners.
- The Board should set an agenda item at a meeting in September, after the close of the FY 2020 fiscal year, to provide followup discussion regarding the County's revenue outlook to determine if additional cuts should be made to the budget or if the County has the fiscal capacity to begin making capital investments for needs deferred by this budget.
- The Board must adopt a budget ordinance by June 30, 2020.