

State of the County Report – May 2010

These past few years have provided a number of challenges to local governments across the nation and here in North Carolina. While Buncombe County has not been immune to the many challenges presented by the economic recession, we can report that the state of our County continues to be strong. Standard and Poor’s analysts said “The County has demonstrated the ability to manage the recession better than many of its peers”. It is the mission of Buncombe County to promote a healthy, safe, well-educated, and thriving community with a sustainable quality of life; to provide an efficient and effective government our citizens can trust and to deliver needed services through a responsive work force committed to excellence, integrity and teamwork.

The County exists to enhance the lives of our citizens and we have continued to focus on being strong in delivering the core responsibilities of County government. The county provides a wide array of services and programs available to citizens through the hard work and dedication of Buncombe County employees. We hope you will share our sense of pride in the many accomplishments of the county government that exemplify our commitment to public service. In this report we will provide general information about the State of the County, highlight some of our accomplishments and review some of the challenges we continue to face.

Growth and Demographics

The county recognizes the critical importance of tracking demographic changes in the population in order to design and implement appropriate programs and services for our citizens. Looking forward, a challenge facing the County is our changing demographics. Buncombe County’s population, like that in the rest of the country, is both aging and more ethnically diverse than at any other time in our history. Estimates indicate we will continue to see a significant increase in the Hispanic and Ukrainian populations as well as adults over the age of 65. The County will continue to monitor updated demographic information as it becomes available based on the new *U.S. Census 2010*. Responding to these demographic changes, through appropriate policy decisions and provision of services will be an important step in assuring the continued success of our community.

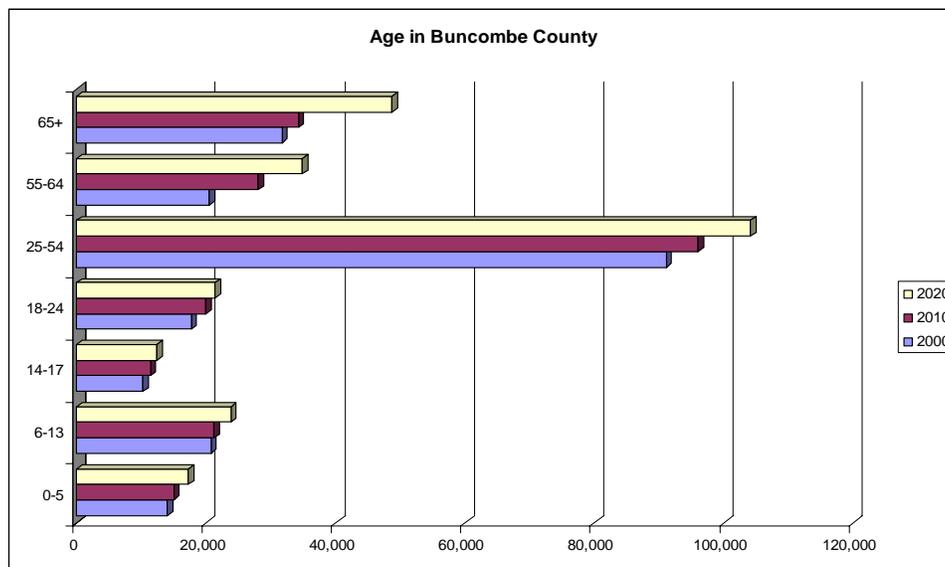
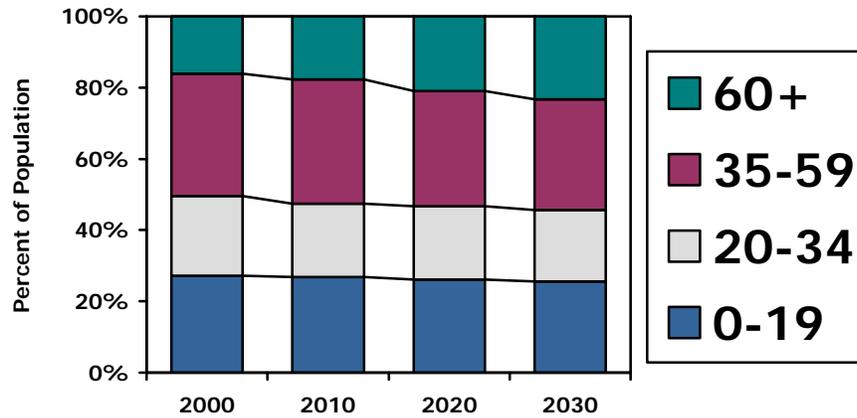
Between 2000 and 2008, the population of Buncombe County grew from 206,330 to an estimated 229,047, or approximately 8%. Estimates indicate continued growth of approximately 1.3% per year. More than 90% of the local population growth is from in-migration largely from other North Carolina communities and Florida. Census projections estimate that this reasonably moderate growth rate is expected to continue.

In terms of composition, Buncombe County’s population is approximately 48% male and 52% female. The racial make up of the County is approximately 88% non-Hispanic white, 7.3% Black/African American, 4% Hispanic/Latino (up from 2.8% in 2000), and less than 1% Native American, Asian and Pacific Islander.

The age of the County’s population has been slowly increasing throughout the last several years, though there are possible dramatic changes in the foreseeable future. In real numbers, each of the age groupings have increased from 2000 to 2008. However, as a result of the “baby boom” generation reaching their 60’s and internal migration, the number of individuals 65 or older is estimated to increase by more than 30,000 by the year 2020, more than any other age group. This trend is not unique to Buncombe County and is being seen throughout North Carolina and the rest of the United States.



Population Shift in North Carolina



Human Services

The demand for support services has dramatically increased as many individuals and families within our community struggle to make ends meet during these economically challenging times. While other sectors of the economy have slowed, the counter-cyclical nature of Human Services is illustrated through the unparalleled demand for services. Consider the following increases:

- 62% increase in individuals served through Adult Protective Services (FY 07 to FY 09)
- 76% increase in Food Assistance caseload (with 47% of that occurring in the last year)
- 23% increase in Disease Control visits
- 12% increase in Medicaid/Health Choice cases (July 2007 to January 2010)
- 9% increase in WIC caseload

One example of the tremendous need within our community is the demand for Food Assistance. In Buncombe County 1 in 10 adults and 1 in 5 children receive Food Assistance. Over \$33.5 million dollars were dispersed to Food Assistance recipients in the County in FY09; this number is projected to grow to \$46 million in FY10. These federal funds are reinvested in our local economy as families buy healthy and nutritious food.

Due to a strong performance-based management system, the County has met this need and provided timely, efficient support services for individuals and families - many of whom never have needed help before. Despite a 76% growth in cases, an average caseload of 490, Food Assistance caseworkers have continued to decrease lobby wait time and days to process applications, while maintaining a 100% quality control rate. Those eligible for services are usually approved 8 days after applying for services; important results for a parent needing help feeding their family.

The County's commitment to focus on core County services has allowed the County to enter into a number of SMART partnerships that increased capacity in our community for services, leveraged community resources and ultimately increased community ownership for the safety and health of our citizens.

- A partnership with Irene Wortham transferred administration of the County's Community Child Care Center. This partnership increased capacity by 20%, serving an additional 10 special needs children within the first year of the transition. This partnership supports the County strategic plan to realign our investment in child care to leverage increased capacity and support building a skilled workforce while enhancing the quality of care for our children.
- The County entered into a partnership with WNCCHS, a federally qualified health center, to provide primary care services beginning in January 2010. Through this partnership, an additional 12,000 unduplicated patients will have access to health care services the first year and the safety net will be strengthened by adding 90 walk-in acute care slots each day. The partnership will leverage additional non-County funds, supporting the County Strategic Plan to expand access to healthcare for the uninsured and underinsured.
- \$1.6 million in Shelter and Utility Assistance was distributed throughout the community via smart partnerships with ABCCM, Eblen-Kimmel Charities, and Swannanoa Valley Christian Ministry. These funds keep families whole and self-sufficient by providing assistance necessary to overcome temporary crises.
- The County invests \$609,000 in aging services, leveraging \$1.3 million in block grants to serve older adults in the community. Current efforts, such as strategic planning and coordination of the County funding plan for aging services, are essential as the total number of individuals age 60+ in Buncombe County is expected to nearly double by 2030, requiring expanded levels of resources, supports, and services for elderly populations.

Buncombe County is in the business of serving its citizens. However, traditionally it has been the responsibility of our citizens to come to us when seeking our programs and services. We are working diligently to face the challenge of bringing more of our programs and services to our citizens. As we look to the future to meet community need, the County remains committed to ensuring easy access to services. The opening of a satellite office, HS West, and community-based staff has allowed us to increase access while avoiding the cost of new buildings, supporting the County Strategic Plan to improve convenience and accessibility of County Human Services for all residents. Additionally, we are working to better integrate services within Human Services and across community agencies. One example of this is the start of a new program, the Nurse-Family Partnership, which focuses on helping first-time parents succeed by providing in-home nurse visits to low-income women during their first pregnancy and throughout the first two years of their child's life. This program has been shown to improve pregnancy outcomes, child health and development, and economic self-sufficiency of

families, as well as significantly reduce involvement with child protective services. As this program grows we will look for opportunities to further integrate services for these families.

In providing a wide array of services, ranging from employment assistance to pregnancy support, how we manage information is critical to our continued success. Significant effort over the last few years to build integrated case management systems and to outfit workers with laptops and air cards so they can access these systems anywhere have allowed us to disperse our staff within the community while keeping them connected to vital resources needed to support individuals and families.

Human Services will continue to explore smart partnerships that build community capacity and strengthen the County's core services as well as ways to reallocate resources and efficiencies in operations in order to meet these challenges. As we move forward, we will look for ways to create a sustainable approach to providing services at a local level that meets this tremendous need and keeps our community strong.

Sustainability

Our Commissioner's commitment to the environment runs deep. The health of our environment is essential, and we can proudly tell you that we are working hard to preserve our natural landscape, resources and quality of life. In that regard Buncombe County provides direction in maintaining orderly and responsible growth by supporting projects and developing and enforcing ordinances, policies, and procedures with careful consideration for our natural environment. The Commissioners have put into action a number of projects and ordinances that have positively impacted our environment for both the short and long term.

- **Flood Damage Prevention** - The State of North Carolina partnered with the Federal Emergency Management Agency (FEMA) to update the National Flood Insurance Rate Maps throughout North Carolina. Buncombe County joined the National Flood Insurance Program (NFIP) in 1980, which is required by FEMA in order for County residents to be able to carry flood insurance coverage. The County first received floodplain maps in 1980, and received an update to these maps in 1996. New draft maps for the County became available in 2007, and a number of public meetings were held to apprise residents of the adoption process. The State undertook a more detailed study of many watercourses, and as such, the new draft maps included base flood elevation data on all waterways mapped within the 100-year floodplain, as well as non-encroachment areas. The County updated its Flood Damage Prevention Ordinance over the past year, and these changes were adopted in conjunction with the new Flood Insurance Rate Maps, effective January 6, 2010. These will provide residents with additional protections against future flooding by requiring more precautionary building practices in identified flood hazard areas.
- **Hillside Development Regulations (slope development)** - The Hillside Development Regulations are a subsection of the Buncombe County Land Development and Subdivision Ordinance, and take effect when the average natural slope of the tract to be subdivided is at or above 25 percent. The goal of these regulations is to ensure that responsible development occurs on steeper areas, setting forth standards to counter the possible adverse visual and environmental effects of such development.

The Buncombe County Board of Commissioners will be considering amendments to the Hillside Development Regulations in 2010. Proposed changes would limit the adverse impact of development by decreasing the allowed density and disturbance. The amendments also set forth standards whereby the developer can earn density bonuses by further limiting disturbance, conserving open space and keeping development on less steep slopes.

Public safety would be enhanced by proposed requirements for engineering certifications for development in steep areas and in areas shown as high or moderate hazard on the Buncombe County Slope Stability Index Map.

- **County-Wide Zoning** - The goal of the Buncombe County Zoning Ordinance is to create compatible development throughout the County by more closely guiding development within the Metropolitan Sewerage District (MSD) service area. For properties located outside the MSD district, regulations only limit uses that could have significant impacts on communities and surrounding properties. Knowledge of zoning classifications allows homeowners, homebuyers, and developers alike to more easily ascertain the nature of development that might take place in their community.

The Buncombe County Board of Commissioners will be considering amendments to the Zoning Ordinance in 2010. Proposed changes would establish Steep Slope/High Elevation and Protected Ridge Overlay Districts. The districts would establish development standards that limit the intensity of development, preserve the viewshed and protect the natural resources of the county. The districts would reduce the permitted uses in number and size as well as set limits on density, building height and disturbed and impervious area. The overlay districts would also require screening of the downhill surfaces of structures. Public safety would be enhanced by proposed requirements for engineering certifications for development in steep areas and in areas shown as high or moderate hazard on the Buncombe County Slope Stability Index Map.

- **Landfill Wastewater Pretreatment System and Gas-to-Energy Project** - This project is a product of partnerships with the United States Environmental Protection Agency (USEPA) and North Carolina Department of Environment and natural Resources (NCDENR), using Leachate recirculation as a means of reducing wastewater flow to the MSD and improving the quality of the discharged Leachate. This project will expand an existing pre-treatment system, a by-product of which would be the production of larger quantities of landfill gas through enhanced waste decomposition. The electrical energy produced by the gas-to-energy facility would be enough to supply renewable energy to power approximately 1,100 homes. This project offers significant water quality protections, as well as a source for alternative energy and reduction of greenhouse gases.
- **Conservation Easements: Protecting Buncombe County's Natural Beauty** - The *Buncombe County Land Conservation Advisory Board* was created by the County Commissioners in 2004. Together with the *Farmland Advisory Board*, which was created in 1989, they have worked diligently to promote the use of voluntary land conservation easements to preserve the beauty and ecology of Buncombe County.

Conservation easements are voluntary and include permanent deed restrictions placed on an owner's property prohibiting or limiting future development on the property. Since the easements are voluntary, there is considerable flexibility afforded an owner in tailoring the easement to the owner's needs. The owner can continue to own, use, and live on the land and is generally given federal and state income tax incentives for their land donation.

Buncombe County selected ten high priority focus areas for preservation using conservation easements. Focus areas are in the beautiful mountain ranges throughout the County; the French Broad and Swannanoa rivers; and lands adjacent to the Blue Ridge Parkway. Since 2004 the County has invested \$5.3 million, which leveraged over \$25 million in private donations, grants and owner donations, and preserved 3,640 acres.

Transportation

We are excited to announce that Mountain Mobility is celebrating its 20th anniversary of providing public transportation services in Buncombe County. Mountain Mobility was established to provide transportation services for residents of

Buncombe County and since its inception, the system has grown to serve a wide variety of organizations, as well as provide general public transportation services outside of the City of Asheville.

Recently, Mountain Mobility has enacted a number of changes to enhance efficiency and improve services. In November of 2009, they went live with the implementation of on-board data terminals and GPS units on the entire Mountain Mobility fleet. The implementation of this technology was paid for with North Carolina Department of Transportation (NCDOT) /Public Transportation Division (PTD) grant funds (90%) with a 10% local match. It has allowed them to go digital and virtually paperless in the collection of real-time locational data on all fleet vehicles; improved the overall efficiency of their service as well as customer service; and expanded capacity to transport more people within the same resources.

In addition, Mountain Mobility has been approved for federal stimulus funds to purchase new radios, pay for preventive maintenance and purchase natural gas and liquid propane gasoline dual fuel vehicles. These projects are steadily moving forward as funding contracts continue to be worked through at both the state and federal levels.

NCDOT is also funding a feasibility study to look at cooperation, coordination, and/or consolidation options for public transportation services. The study participants are Henderson County, Buncombe County and the City of Asheville. The study began in early December, 2009 and the consultant is expected to have final recommendations to present to each of the governing bodies late spring/early summer. It is expected that recommendations will be made for areas of formal coordination between two or more of the transit agencies involved for some areas of operations, and recommendations for increased cooperation in other areas. The areas discussed thus far for increased cooperation and/or coordination have been service provision, capital facilities, technology, fare structure, development of routes and schedules, and marketing.

Affordable Housing

As an integral component of the County's Strategic Plan, the Commissioners work diligently to support policies and promote initiatives to help ensure an adequate supply of affordable housing of all types (rental and ownership) in the County. Since 2004 Buncombe County has allocated \$2,102,700 towards various initiatives in the affordable housing services program. This year the County was able to award \$650,000 in funding utilizing returned funds, unallocated funds from prior years and this year's allocation. Programs supported by these funds include Down Payment Assistance, Emergency Repair, Employee Assistance, Single-Family Home Construction and Permit Fee Rebate.

Through the Housing Consortium and Home Investment Partnership Program (HOME), the County matches its HOME allocation level of \$325,000 with \$75,000 annually. These funds are used for Down Payment Assistance, Single-Family Home Construction, Rural Rehabilitation and Multi-Family Rental Housing. Multi-family rental housing that HOME funds have supported include Windridge, a 40-unit rental complex located on Eliada Home Road, Northpoint Commons, a 69 unit rental complex in Woodfin, Compton Place, a 40-unit rental senior apartment community, and Life House, a 20-unit facility for special needs clients with physical disabilities. Additionally, the County has committed \$375,000 for 60 affordable housing units at Glen Rock, a large rental project within the River Arts District, as well as \$500,000 for 60 additional affordable rental units at the Larchmont Property off of Merrimon Avenue in Asheville.

Buncombe County also contributes to the federal Community Development Block Grant every three years. The additional County funding helps support administration cost for the non-profit administration of this grant. In fact, **for every \$1 the County has spent over the past 10 years, it has leveraged \$25 through grants and other funds.** These funds keep homeowners safe in their home through rehabilitation and emergency repair, including activities such as roof replacement, furnace replacement, or electrical work.

Capital Accomplishments and Initiatives

Another challenge we face is with regards to our *infrastructure*. With the anticipated growth in population, the county must continue to invest in the physical facilities necessary to provide important programs and services to our citizens. It is a County goal to balance the need for additional economic and population growth opportunities with environmental stewardship through well-planned infrastructure expansion. Since 2008, Buncombe County has continued to make substantial investments in a number of important community projects such as:

- **Animal Shelter** – Construction is near completion on the new Animal Shelter and Adoption Center. Buncombe County worked with the Asheville Humane Society to co-locate facilities on privately donated land located on Pond Road. The County’s investment of approximately \$4.5 million will provide a new building to shelter quarantined, lost, or found animals; a laboratory, surgical room, and observation area for the Veterinary Medical Technology Program at ABTCC; as well as offices for Buncombe County Animal Control. The animal shelter will be located adjacent to the Asheville Humane Society’s Adoption and Education Center. Construction is expected to be completed in June 2010. Buncombe County is committed to lowering the number of animals admitted to our shelter by working with county animal welfare agencies to provide resources and education to our citizens and by working to increase adoptions by assisting with the spay/neuter costs of animals adopted from our shelter.
- **Courthouse Addition - Life Safety Tower** – Buncombe County will invest approximately \$25 million to implement the initial phase of a comprehensive space study and plan addressing the expected needs of the court system over the next 20 years. This phase outlines a Life Safety Tower addition to the historic Buncombe County Courthouse to provide increased ingress and egress through the provision of secure elevators that will service all fifteen floors of the Courthouse and two separate stairwells, as well as provide additional public restroom facilities. The Life Safety Tower will open up a significant amount of new space in the Courthouse, including 5 upper floors for occupancy and expanded space for approximately 7-9 additional courtrooms.
- **Emergency Operations Center** – Additions and alterations to an existing 15,000 square-foot building in Leicester were completed in June 2008 for the Emergency Operations Center. The facility houses the consolidated dispatch center for Buncombe County Emergency Management, Sheriff, and the Asheville Fire Department. The Asheville Police Department also joined the consolidated dispatch center in December of 2009.
- **Library Construction and Renovation** – Renovation and expansion of Pack Memorial Library is underway and is expected to be completed in March 2011. The County will invest approximately \$4 million to complete the renovation work. Renovation of the County’s main public library will enhance the facility and thereby improve services provided to citizens. Renovation work will include the relocation of the North Carolina Collection room, which includes items documenting the life of Thomas Wolfe, to a more safe and secure area; expansion of the Children’s Department; new public restroom facilities; and other renovations that will serve the county well for years to come. In addition, \$322,000 in renovations and improvements to the Black Mountain Branch Library were completed in 2009.
- **Public Safety Training Center** – The County will invest \$15 million toward construction of a new Public Safety Training Center on property owned by Buncombe County, known as the old landfill property off Riverside Drive in Woodfin. The facility will be operated through the Law Enforcement Academy at Asheville-Buncombe Technical Community College. It will provide a training facility for law enforcement, fire service, emergency medical services, hazardous materials emergency response teams, and other rescue and emergency

personnel. Facilities will include classroom space; live fire burn buildings for residential, commercial, mobile home, and high-rise buildings; a flammable liquids simulator; and road and skills courses. The facility will not only accommodate state-of-the-art training techniques, but will provide cross-training opportunities and foster teamwork across the various disciplines of law enforcement and emergency response. This new facility will also offer a cost savings to law enforcement, fire and emergency services departments as it will significantly decrease the need for travel time and expenses to attend mandatory training and professional development opportunities. Completion of the facility is anticipated to be November 2011.

- **Recreation Services – Ballfield Lighting** – The County invested about \$400,000 to provide lighting renovations to four baseball fields located at the North Buncombe Park and Hominy Valley Park, allowing those facilities to be used longer hours to support youth and other sports activities.

County Financial Position:

Fiscal accountability is a long standing practice with the county. Despite the many challenges posed by the national economic downturn, these past few years have been a period of solid financial performance and prudent investments in the community with a long term perspective. The results have shown that our underlying fiscal policies business practices and process improvements continue to be sound and we are thoughtful in the stewardship of public funds.

Financial Information - There are many positive indicators that the county's financial position remains strong:

- Standard and Poor's (S&P) upgraded the County's bond rating from AA to AA+, just a single step from the highest rating of AAA. The report issued by S&P stated, "The County has demonstrated the ability to manage the recession better than many of its peers, some of whom are rated AAA."
- The report further states the upgrade was also a result of:
 - The county's strong fiscal position supported by management's long-term adherence to sound fiscal policies, healthy fund balance levels and well-managed operations.
 - The County's role as the regional economic center of Western North Carolina and that the economy has reflected stable trends throughout the recession.
 - The County's large and diverse tax base continues to exhibit ongoing healthy growth and solid multi-year operating stability.
 - A low debt burden and a faster than average principal retirement. The County will retire 76 percent of the principal outstanding within ten years and still maintain a very low debt to expenditure ratio.
- Of the \$158.9 million of general debt outstanding, 66 percent is related to education.
- Buncombe County issued Qualified School Construction Bonds (QSCBs) in December, 2009. The QSCB financing structure was authorized by the American Recovery and Reinvestment Act in the spring of 2009. Buncombe County's financing represents the first QSCB sale in North Carolina. The QSCBs carry a 0.50% supplemental coupon and will fund several construction and renovation projects at Buncombe County and Asheville City Schools. Over the life of this debt, we will save \$1.7 million.
- Buncombe County also issued Taxable Limited Obligation Bonds (LOBs) in December, 2009. The LOBs were issued as a combination of taxable Build America Bonds (BABs) and taxable Recovery Zone Economic Development Bonds (RZEDBs). This combined structure was the first of its kind issued in North Carolina. The LOBs include federal subsidies, which resulted in a low interest cost for the County. The bonds will fund

constructing and equipping two intermediate school facilities for Buncombe County Schools and to acquire an office building for County offices. Over the life of this debt, we will save \$2.3 million.

- Due to the shift in the housing market, the gap between the assessed tax value and market value of Buncombe County homes has decreased. The Commissioners maintained the previous year's tax rate and have postponed the 2010 property revaluation so as not to place any additional financial burden on citizens during these challenging economic times.

Conclusion

To continue to be successful, our local government operations require strong leadership, policy development, a persistent focus on implementation and results, flexibility and creativity, a commitment to transparent and principled government, and a strategy for representing and serving every sector of the community. As a county we are not immune to the many challenges faced by local governments across the state and the nation. As your government it is our responsibility to have a firm understanding of how to best handle these challenges and to know the expectations of our citizens.

Our County has a long history of overcoming challenges and seizing opportunity. We are bold in our innovation and problem solving, but we will build our future plans on the strong financial foundation we have worked so hard to develop. We will continue to be one of the best managed governments in the state. We have excellent managers, technical staff, and employees that have given the County Commissioners and administration a track record of which we can be extremely proud. We will continue to improve, invest, inspire and build a lasting legacy. We continue to look ahead and move forward, and act to meet the challenges before us.