



FY2020 Budget Work Session

April 30, 2019



Agenda

- ✓ FY2018 Estimated Fund Balance Review
- ✓ FY2019 Quarterly Financial Report
- ✓ Living Wage Discussion
- ✓ Capital Improvement Plan
- ✓ Information Technology Needs
- ✓ First Pass Revenues and Expenditure Review
- ✓ Second Pass Revenues and Expenditures





FY2018 Year End Fund Balance

presented by
Don Warn



Estimated Fund Balance

FY2018 Year End	
Available as a % of Total Expenditures	
Available Fund Balance	\$65,254,867
Total Expenditures (with transfers)	\$303,975,456
Available Fund Balance %	21.47%

Minimum by policy (15.00%)	\$45,596,318
Available over 15.00%	\$19,658,549





Buncombe County Financial Quarterly Report

Presented by
Don Warn
Jennifer Barnette

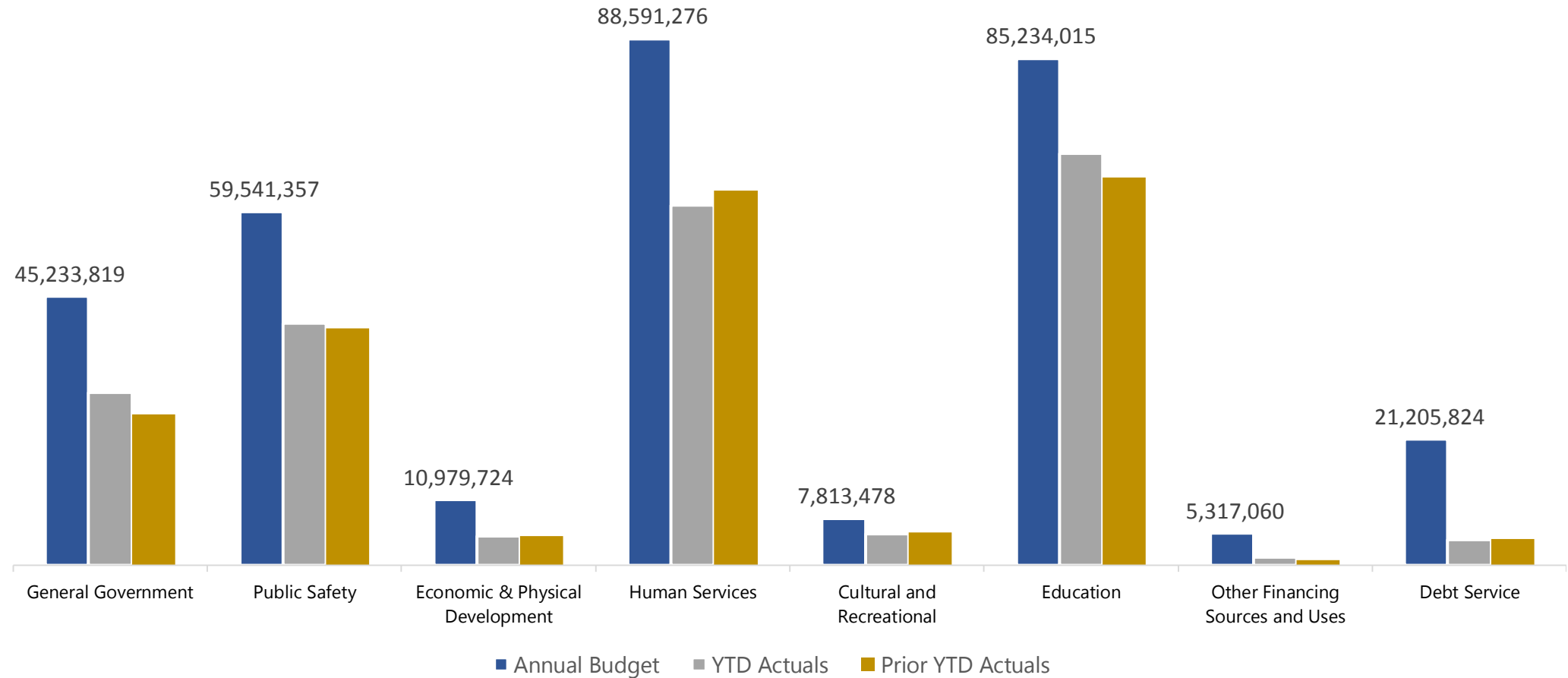


FY2019 Items for Review

- ✓ Budget to Actual Summary
 - General Fund
 - Solid Waste Fund- Enterprise Fund
- ✓ FY2019 Approved Capital Projects
 - County
 - Schools
- ✓ General Fund Projection Summary
 - Expenditures
 - Revenues

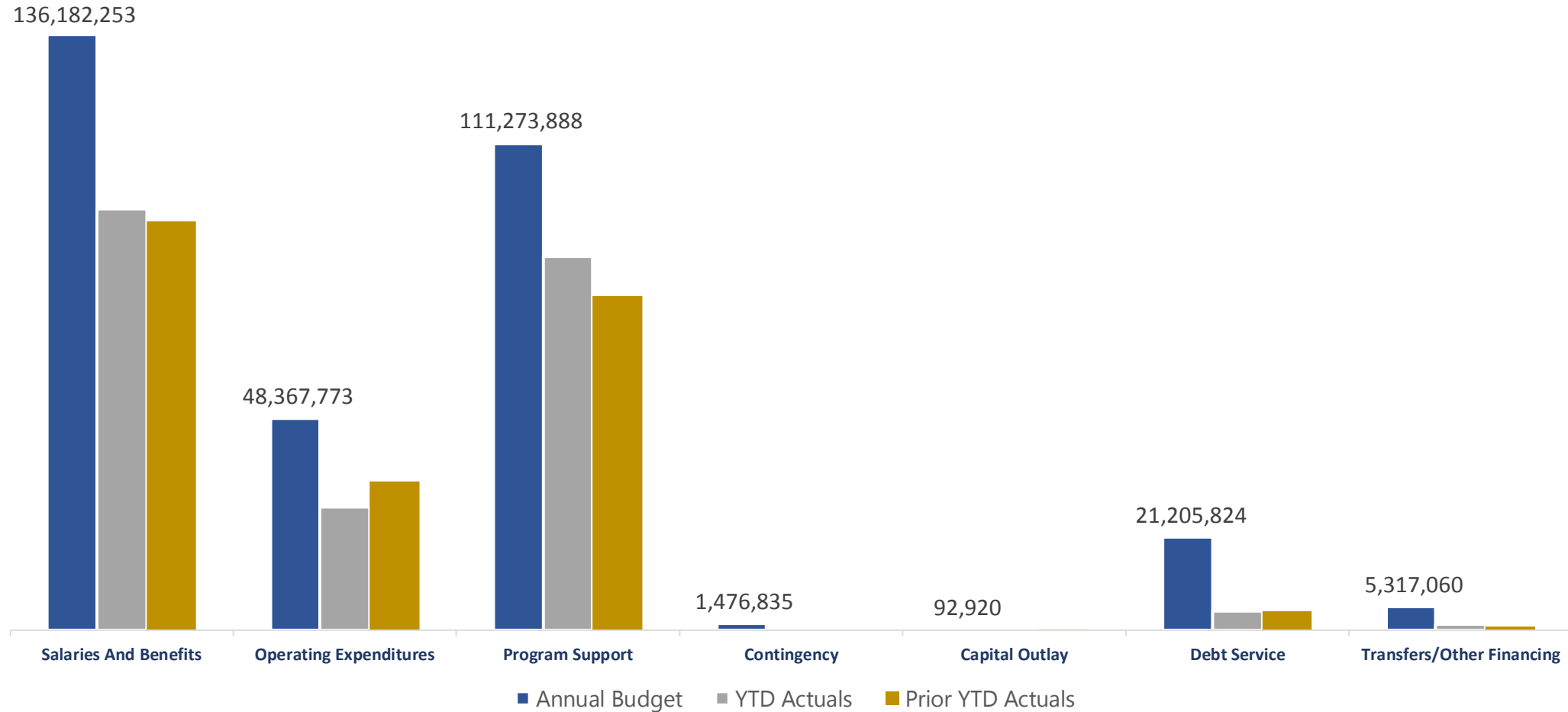


FY2019 General Fund Budget to Actual Expenditure by Function



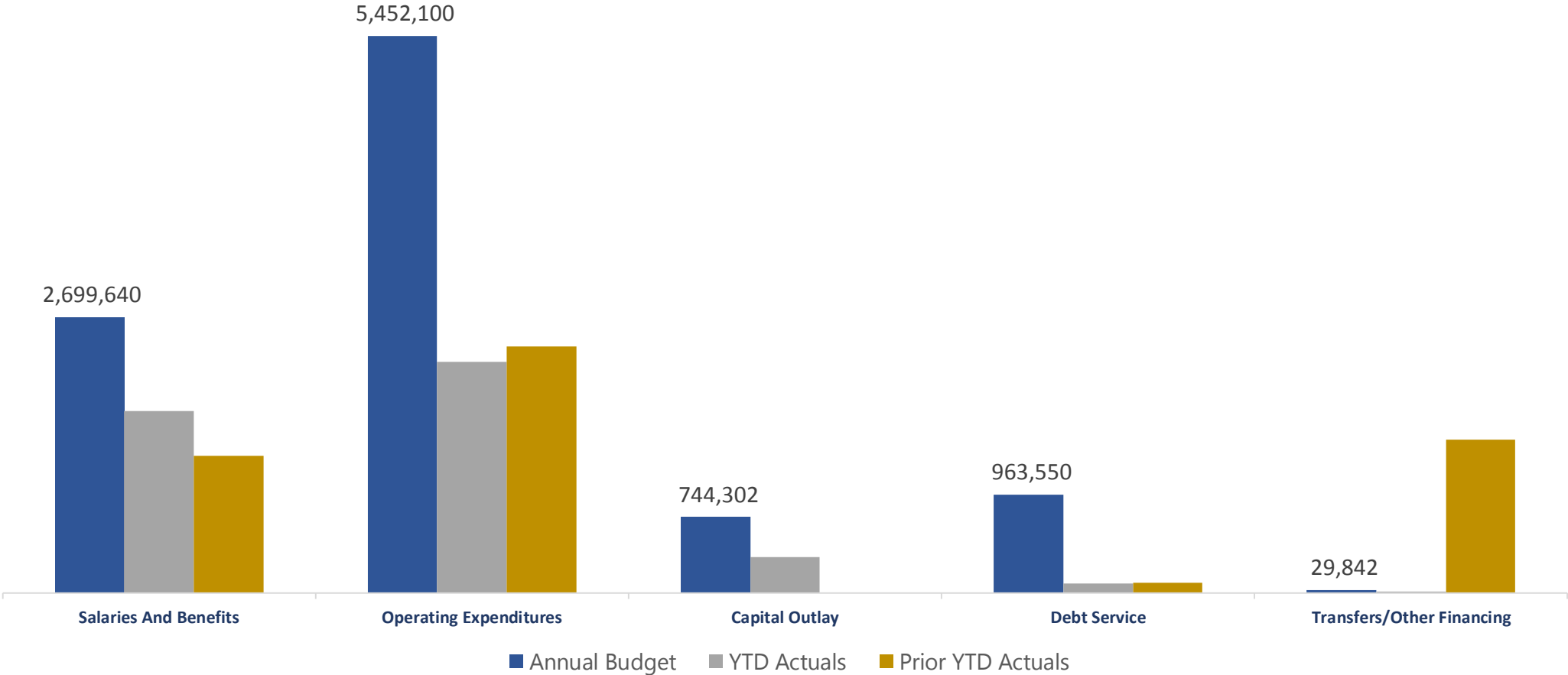
Based on through March 2019 budget and actuals

FY2019 General Fund Budget to Actual Expenditure by Category



Based on through March 2019 budget and actuals

FY2019 Solid Waste Fund Budget to Actual Expenditure by Category



FY2019 Items for Review

- ✓ Budget to Actual Summary
 - General Fund
 - Solid Waste Fund- Enterprise Fund
- ✓ FY2019 Approved Capital Projects
 - County
 - Schools
- ✓ General Fund Projection Summary
 - Expenditures
 - Revenues

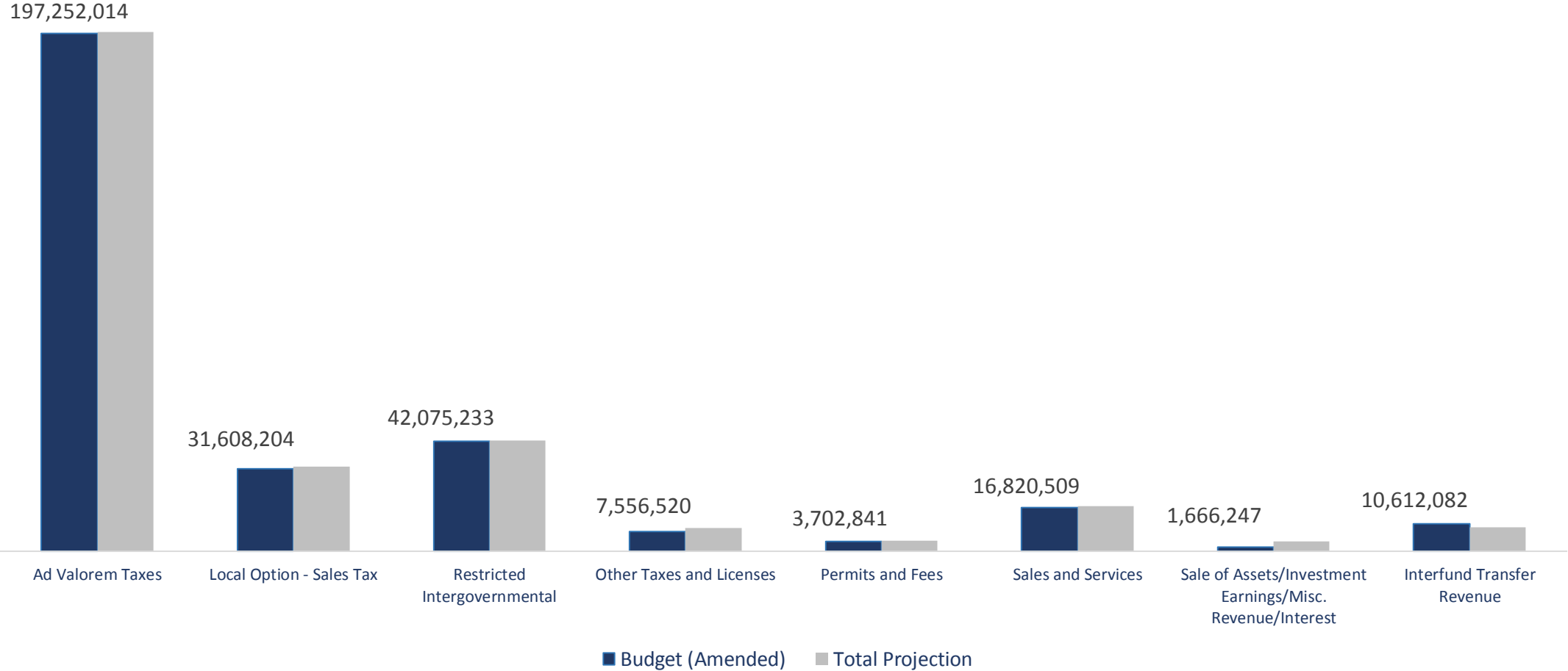


FY2019 General Fund Projection

Revenue by Type

Total Amended Budget = \$323,916,553

Total Projected = \$315,438,438



Based on through March 2019 budget and actuals. Projection subject to change.

Revenue Increases

(change from prior quarterly report)

Reason	Amount	Description
Greene Settlement	\$ 750,000	One-Time
Creighton Settlement	\$ 189,000	One-Time
Stone Settlement	\$ 171,241	One-Time
Excise Tax (Sale of MMH)	\$1,266,729	One-Time (51% county revenue share = \$646,032)
Interest and Investment Earnings	\$1,245,771	Projected based on rate increase
Health and Human Services	\$ 677,771	Projected additional Intergovernmental Revenue
Net Other incremental increases	\$ 293,366	Projected

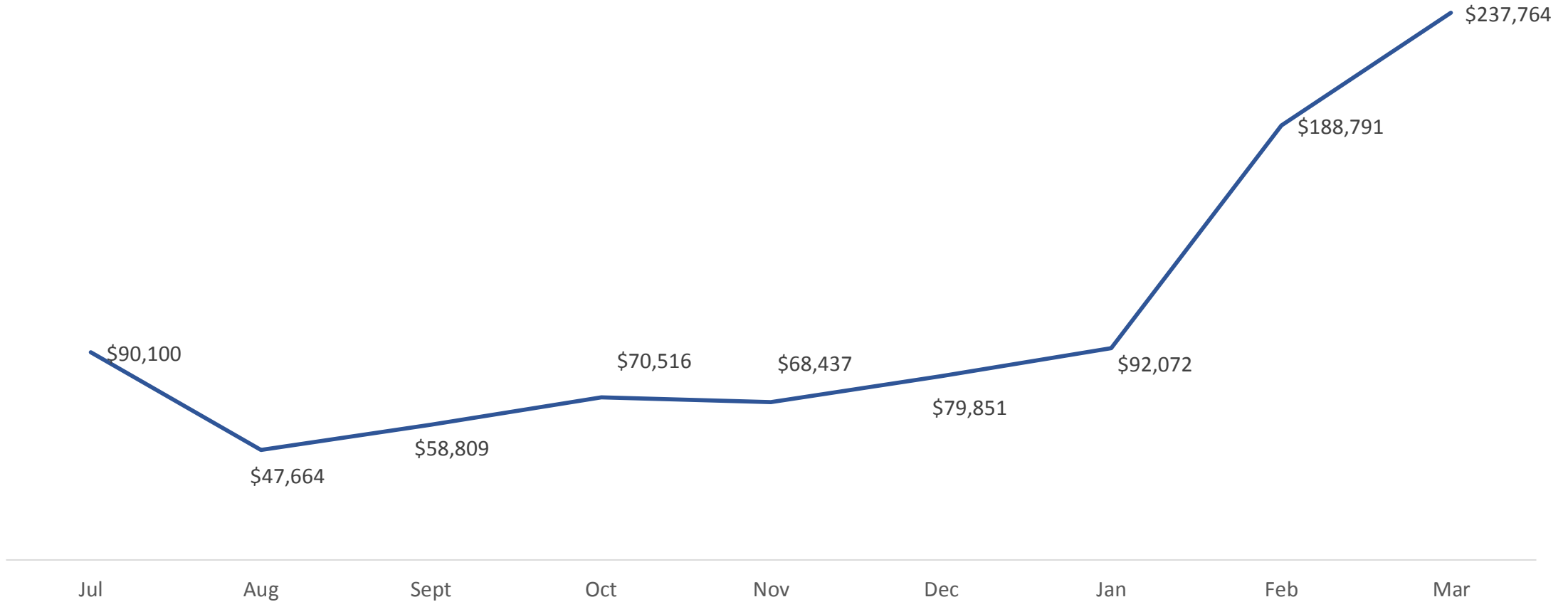
Total = \$4,593,878



Based on through March 2019 budget and actuals. Projection subject to change.

Interest Earnings

(FY2019 Actuals)



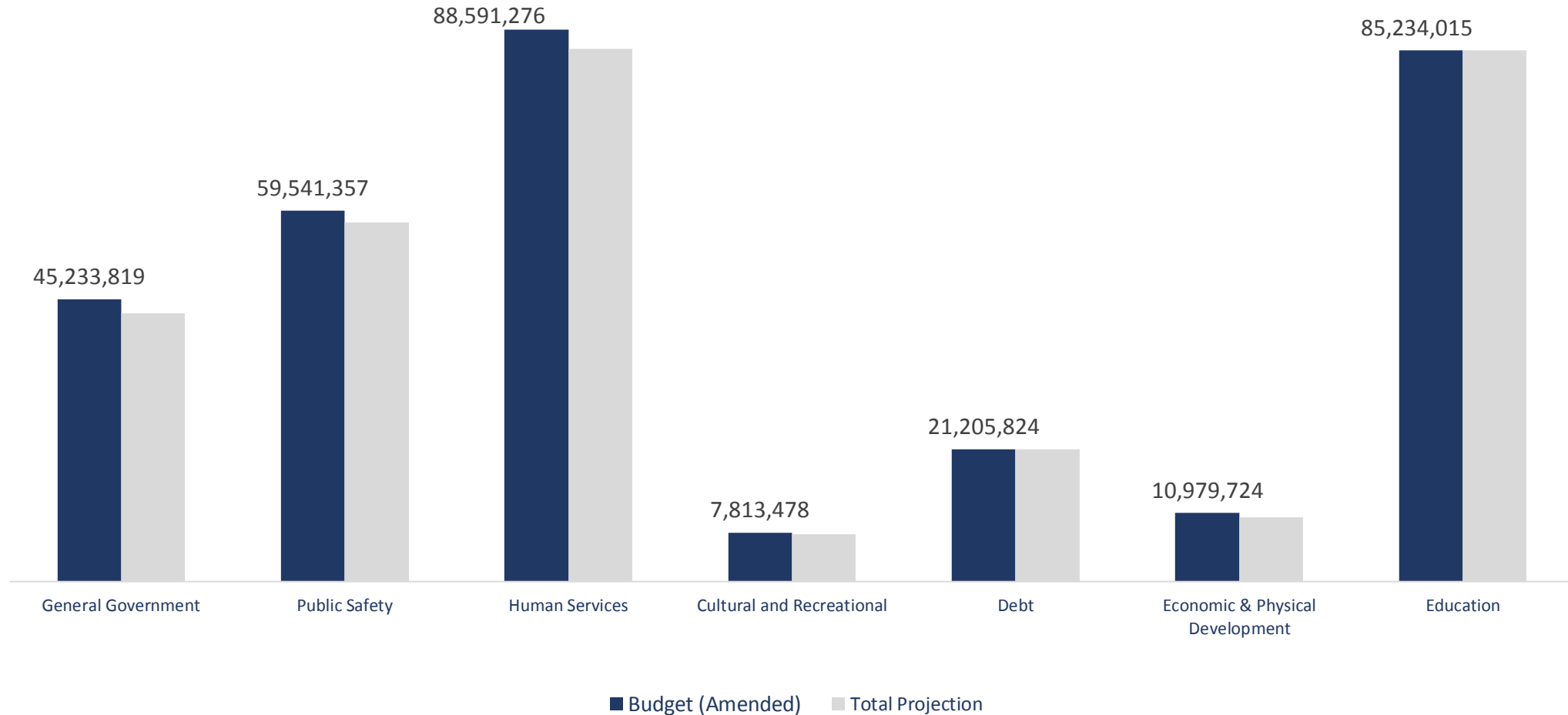
Based on through March 2019 budget and actuals. Projection subject to change.

FY2019 General Fund Projection

Expenditure by Function

Total Amended Budget= \$323,916,553

Total Projected= \$315,650,573



Based on through March 2019 budget and actuals. Projection subject to change.

Expenditure Decrease

(change from prior quarterly report)

Amount	Description
\$1,699,747	<ul style="list-style-type: none">Decrease in projected annual leave sell compared to actual and less anticipated spending of operating and program



Based on through March 2019 budget and actuals. Projection subject to change.

Total Change in Projection

(change from prior quarterly report)

Beginning Fund Balance Projected Usage <i>(As of last financial report through December actuals)</i>	\$6,505,760
Projected increased revenue	(\$4,593,878)
Projected reduced spending	(\$1,699,747)
Projected Fund Balance Usage	212,135



Based on through March 2019 budget and actuals. Projection subject to change.

Living Wage

- Resolution Adopted 2012
- FY2020 Proposal from County Manager
- Discussion



Living Wage

County Manager Proposal

Recommendation for Minimum of \$15/hour
Includes all Regular Full and Part Time positions

Position Type	Number of Employees
Regular Full-Time	9
Regular Part-Time	6
Total	15

Additional Cost

\$27,393





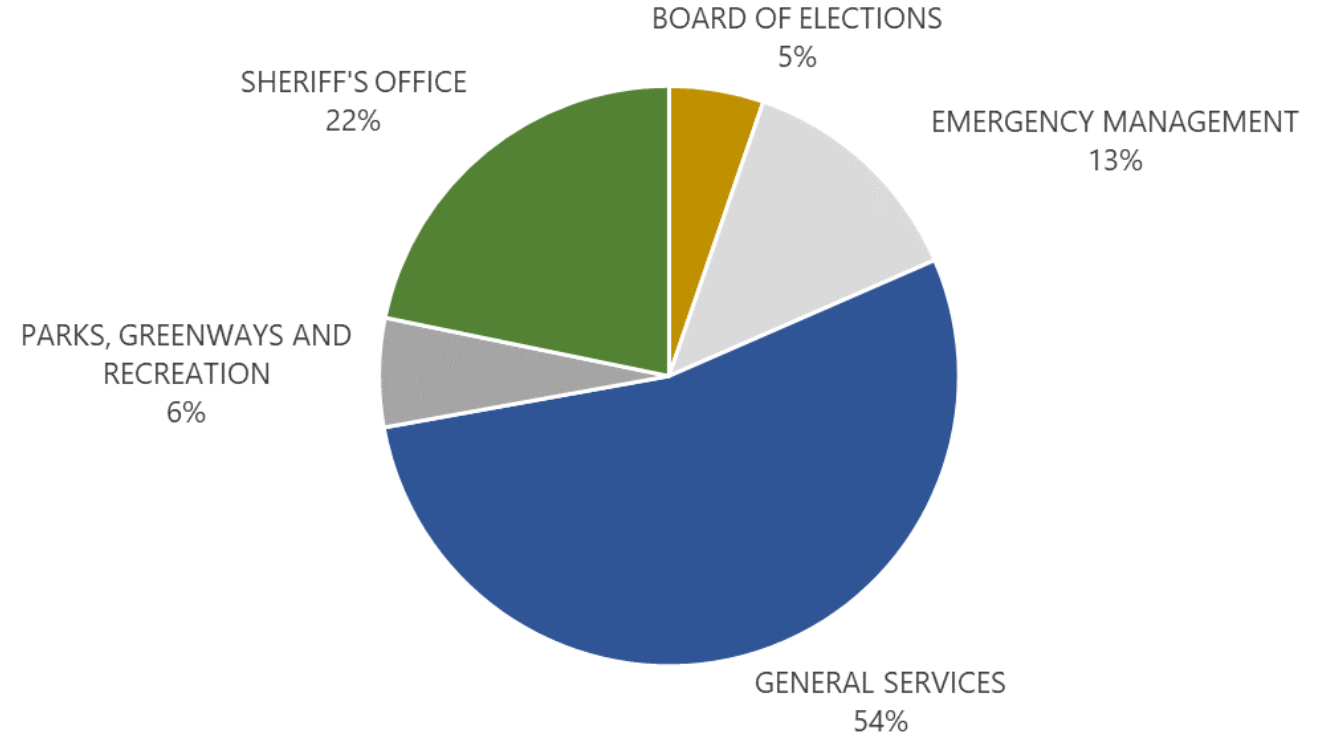
FY2020 Recommended Capital Improvement Plan & Information Technology Needs

presented by
Matt Evans
Jennifer Barnette



FY2020 DEBT PROJECTS

Project By Department	Amount
Board of Elections	\$400,000
Automark ExpressVote Ballot Marking Replacement	\$400,000
Emergency Management	\$1,000,000
Garren Creek Tower Retrofit	\$1,000,000
General Services	\$4,071,497
Grounds - Ventrac All-terrain and slope mower	\$44,449
Grounds Equipment - Side by Side ATV	\$17,489
HVAC for Oakley/South Asheville Library	\$94,377
Interchange Building	\$468,641
Jail Mezzanine Metal Screen Partitions	\$318,000
Parking Lot Improvements Countywide	\$946,523
Parks & Recreation Projects	\$787,665
Register of Deeds Building Envelope	\$560,475
Repairs for Libraries	\$366,978
Roof Replacements	\$466,900
Parks, Greenways and Recreation	\$460,000
Grading and Paving of Old Playground at Lake Julian	\$180,000
Lake Julian Shelter Replacements	\$100,000
Shelter At Lake Julian Walking Trail	\$180,000
Sheriff's Office	\$1,651,174
Recurring Fleet - Sheriff	*\$1,651,174
Grand Total	\$7,582,671

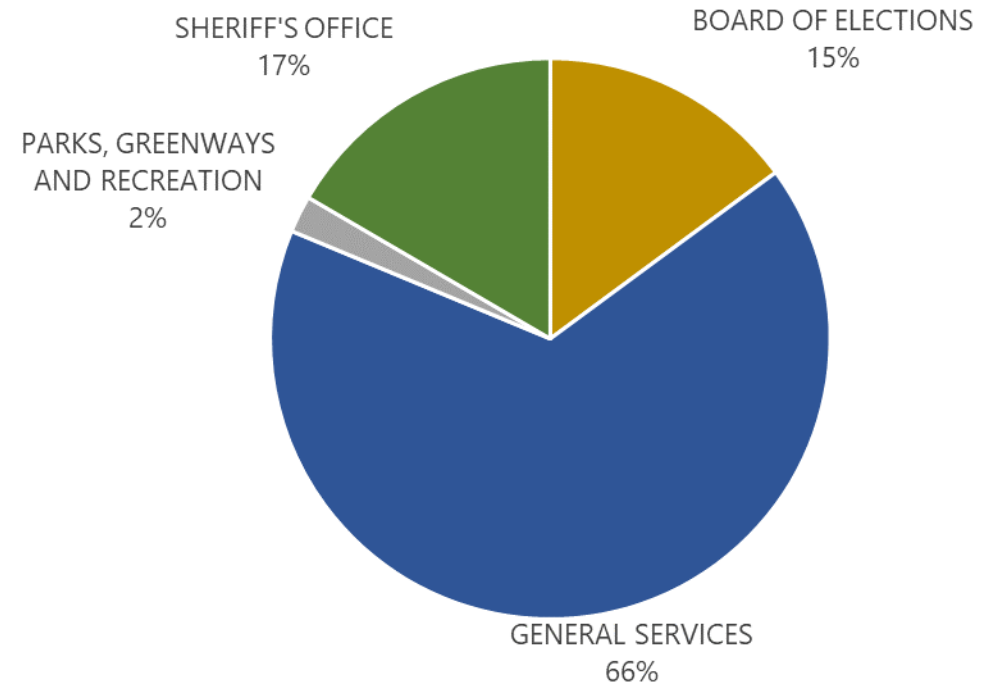


*Reflects FY2020 identified needs



FY2020 PAY-GO NEEDS BY DEPARTMENT

Project By Department	Amount
Board of Elections	\$350,000
Elections Complex	\$350,000
General Services	\$1,559,617
Building Automation System - Allport Building	\$39,600
Facility Assessment - County owned buildings	\$900,000
Garage - Lifts Replacements & Improvements	\$74,200
Leicester Patrol Office Renovation	\$6,948
Pack Library Exterior Wash	\$192,500
Recurring Fleet - General Government	\$100,000
Soccer Complex Improvements	\$155,608
Zeugner Center Demolition	\$90,761
Parks, Greenways and Recreation	\$50,000
Lake Julian Pontoon Boat	\$50,000
Sheriff's Office	\$390,000
Buncombe County Detention Facility Needs Assessment	\$225,000
Court House Security Needs	\$165,000
Grand Total	\$2,349,617



FY2020 Information Technology Needs

Recommended	
Permits Electronic Plan Review Software	\$90,000
Cloud Vulnerability Scan	\$30,000
Detention Center Jail Door Document Management – Imaging Processing Software	\$41,400
Broadband Sports Park	\$60,000
Broadband Owen Park	\$73,000
Library - Collection HQ	\$31,000
Valley St Board Room	\$20,000
HIPAA Audit	\$10,000
Comper - Tax Assessment Appeals & Review Software	\$22,500
PowerDMS – Policy & Procedure Management Software	\$16,500
Total Additional Cost	\$479,400



FY2020 Proposed Funding

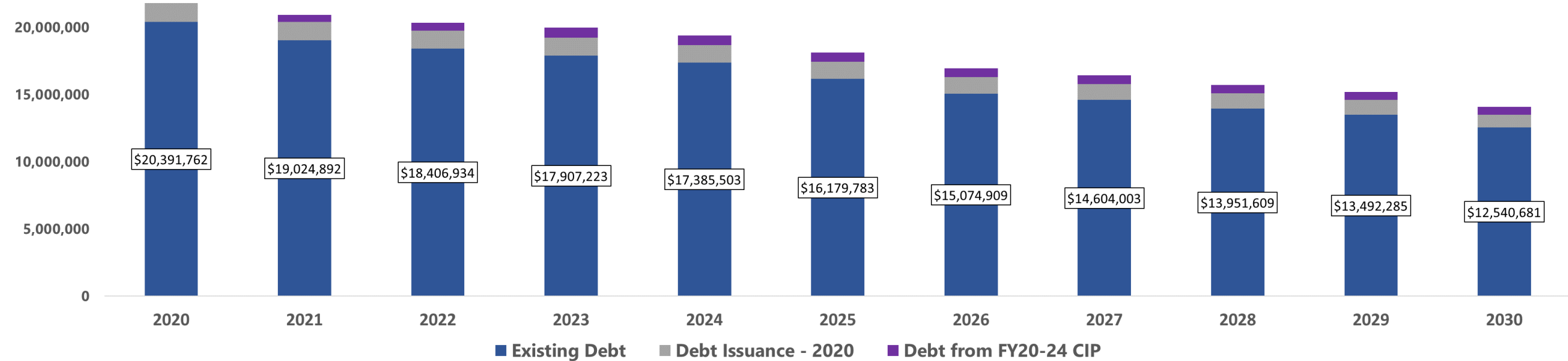
Capital Improvement and Information Technology

Proposed Funding Source	Amount	Source of Funding
Debt	\$7,252,196	Future Bond Proceeds <i>(payment begins FY2021)</i>
Pay-Go	\$2,349,617	1,000,000 General Fund Request 1,349,617 Capital Savings*
Information Technology	\$479,400	General Fund Request

Capital Savings Available	\$1,602,452
Capital Savings Needed*	<u>\$1,349,617</u>
Balance remaining	\$ 252,835



General Fund Debt Existing and FY20-FY24 CIP



** Prepared for budget planning purposes and is subject to change*

FY2020 First Pass Revenues

Revenue Type	FY2019 Adopted	FY2019 Amended	FY2020 First Pass
Ad Valorem Taxes	(\$197,302,014)	(\$197,302,014)	(\$205,560,822)
Sales Tax	(\$31,608,204)	(\$31,608,204)	(\$33,398,943)
Intergovernmental	(\$41,400,273)	(\$42,075,233)	(\$42,830,937)
Other Taxes and Licenses	(\$7,556,520)	(\$7,556,520)	(\$7,613,317)
Permits and Fees	(\$3,702,841)	(\$3,702,841)	(\$4,010,157)
Sales and Services	(\$16,802,570)	(\$16,820,509)	(\$17,834,334)
Other*	(\$1,614,565)	(\$1,616,247)	(\$1,682,515)
Interfund Transfer Revenue	(\$8,196,050)	(\$10,612,082)	(\$5,256,050)
Appropriated Fund Balance	(\$8,678,762)	(\$12,622,903)	
Total	(\$316,861,799)	(\$323,916,553)	(\$318,187,075)

**Other includes Investment and Interest Earnings, Miscellaneous Revenue, Sale of Assets*



FY2020 First Pass Expenditures

Expenditure Type	FY2019 Adopted	FY2019 Amended	FY2020 First Pass
Salaries And Benefits	\$135,588,594	\$136,182,253	\$145,808,498
Operating Expenditures	\$49,540,615	\$48,367,773	\$50,018,050
Program Support - County Departments	\$22,646,590	\$26,425,373	\$25,066,057
Program Support - Education	\$82,863,608	\$84,848,515	\$91,054,167
Capital Outlay	\$601,895	\$92,920	\$115,000
Contingency	\$1,949,175	\$1,476,835	
Debt Service	\$21,205,824	\$21,205,824	\$22,121,569
Transfers And Other Financing	\$2,465,498	\$5,317,060	\$6,698,284
Total	\$316,861,799	\$323,916,553	\$340,881,625



Changes from First Pass

Category	Revenue Changes	Expenditure Changes
Additional Ad Valorem Revenue	613,557	
Net Change in HHS Intergovernmental Revenue	792,713	
Net Change of budgeted Early Retirement Incentive Costs		(575,109)
Addition of dollars for future salary adjustments		650,000
Net reduction to Operating and Program Support		(72,791)
Reduced Expenditures for Economic Development		(1,500,000)
Dollars budgeted for Contingency		100,000
Change from First Pass	1,406,270	(1,397,900)



**Prepared for budget planning purposes and is subject to change*

FY2020 Second Pass Revenues

Revenue Type	FY2019 Adopted	FY2019 Amended	FY2020 2nd Pass
Ad Valorem Taxes	(\$197,302,014)	(\$197,302,014)	(\$206,224,379)
Sales Tax	(\$31,608,204)	(\$31,608,204)	(\$33,398,944)
Intergovernmental	(\$41,400,273)	(\$42,075,233)	(\$43,623,650)
Other Taxes and Licenses	(\$7,556,520)	(\$7,556,520)	(\$7,613,317)
Permits and Fees	(\$3,702,841)	(\$3,702,841)	(\$4,010,157)
Sales and Services	(\$16,802,570)	(\$16,820,509)	(\$17,834,334)
Other*	(\$1,614,565)	(\$1,616,247)	(\$1,632,515)
Interfund Transfer Revenue	(\$8,196,050)	(\$10,612,082)	(\$5,256,050)
Appropriated Fund Balance	(\$8,678,762)	(\$12,622,903)	
Total	(\$316,861,799)	(\$323,916,553)	(\$319,593,346)

**Other includes Investment and Interest Earnings, Miscellaneous Revenue, Sale of Assets*



FY2020 Second Pass Expenditures

Expenditure Type	FY2019 Adopted	FY2019 Amended	FY2020 2nd Pass
Salaries And Benefits	\$135,588,594	\$136,182,253	\$145,883,389
Operating Expenditures	\$49,540,615	\$48,367,773	\$49,950,259
Program Support - County Departments	\$22,646,590	\$26,425,373	\$23,561,057
Program Support - Education	\$82,863,608	\$84,848,515	\$91,054,167
Capital Outlay	\$601,895	\$92,920	\$115,000
Contingency	\$1,949,175	\$1,476,835	\$100,000
Debt Service	\$21,205,824	\$21,205,824	\$22,121,569
Transfers And Other Financing	\$2,465,498	\$5,317,060	\$6,698,284
Total	\$316,861,799	\$323,916,553	\$339,483,725



** Prepared for budget planning purposes and is subject to change*

Changes from First Pass

	FY2020 First Pass	Changes	FY2020 2nd Pass
Revenues	\$318,187,075	\$1,406,270	\$319,593,346
Expenditures	\$340,881,625	(\$1,397,900)	\$339,483,725
Variance	(\$22,694,550)		(\$19,890,379)

↓\$2,804,171



FY2020 Recommended Positions

Positions	#	*Total Salary	Total FICA	Total Retirement	Total Insurances	Total Unemployment	Total Workers Comp	Effect on Budget
Patrol	6	\$284,820	\$21,789	\$51,955	\$111,036	\$300	\$1,920	New Costs – \$471,820
Detention	4	\$181,741	\$13,903	\$31,833	\$74,024	\$200	\$1,280	New Costs – \$302,981
Care Coordinators	9	\$544,123	\$41,625	\$94,542	\$166,554	\$450	\$2880	No Impact – Revenue Neutral
HVAC Specialist	1	\$61,162	\$4,679	\$10,624	\$18,506	\$50	\$320	No Impact – Reduced Operating to Match
Asst. County Manager	1	\$162,932	\$12,464	\$27,874	\$18,506	\$50	\$320	New Costs – \$176,327 (\$45,810 reduction realized from other Assistant position)



FY2019 Amended Budget to FY2020 Second Pass

FY2019 Beginning Revenue Amount	\$323,916,553	
Ad Valorem Taxes	\$8,922,365	Includes natural growth and Revised Property Valuation assessment of HCA
Sales Tax	\$1,790,740	Based on current year trends, estimated at 6% growth
Intergovernmental	\$1,548,417	Includes Federal and State revenue dollars offsetting Recommended Care Mgt. Positions and other HHS allocated revenues
Other Taxes and Licenses	\$56,797	Slight increase for Excise Tax
Permits & Fees	\$307,316	Based on trends
Sales & Services	\$1,013,825	Increase in Federal Revenue for Detention Center, Parking Services, municipal Election cycle revenue
Sale of Assets/Investment Earnings/Misc. Revenue (Other)	\$16,268	
Interfund Transfer Revenue	-\$5,356,032	Reduces Article 46 Fund Transfer by \$1,500,000, eliminates \$1,500,000 transfer from the Insurance Fund, reduces for FY2019 activity
Appropriated Fund Balance/Variance	\$7,267,476	Additonal Fund Balance appropriation over FY2019 Amended totaling \$19,890,379
FY2020 Second Pass Revenue Amount	\$339,483,725	



**Prepared for budget planning purposes and is subject to change*

FY2019 Amended Budget to FY2020 Second Pass

FY2019 Beginning Expenditure Amount	\$323,916,553	
Education Funding Increase	\$3,557,230	placeholder at 4.24% growth
Early Education Increase	\$2,648,422	Establishes total 3.6M budget
Early Retirement Incentive Costs <i>(includes salary, FICA and employer contribution health care costs)</i>	\$2,440,149	
Affordable Housing Increase	\$2,325,000	included in Transfers Budget
Departmental Capital Outlay, Operating and Program Increase	\$2,118,289	Includes \$ 479,400 for IT needs
Increased Cost for base Health Care Claims <i>(without new positions and ERI after Second pass reductions)</i>	\$1,975,424	
New position Expenses <i>(includes all benefit costs)</i>	\$1,966,438	\$951,128 new costs, remainder has offsetting revenues or operating reductions
State Retirement Employer Contribution on base salaries	\$1,201,090	Rates increased per the state
Pay-Go for Capital	\$1,000,000	included in Transfers Budget
Debt Service	\$915,745	
Net Change to Base Salary & Fringe	\$818,182	
Dollars to address future salary needs	\$650,000	Amount available to address inequities
Move Benefits and Risk to General Fund	\$649,853	previously accounted for in Insurance Fund, no new costs for General Fund
Transfer to Reappraisal Fund	\$363,334	included in Transfers Budget
Contingency	-\$1,376,835	\$100,000 remains for FY2020
FY2019 budgetary transfers	-\$2,457,110	activity that happens in FY2019
Economic Development Incentive	-\$3,228,039	
FY2020 Second Pass Expenditure Amount	\$339,483,725	



* Prepared for budget planning purposes and is subject to change

Fund Balance

FY2019 Year End Projected	
Available as a % of Total Expenditures	
Available Fund Balance	\$61,221,774
Total Expenditures (with transfers)	\$315,650,573
Available Fund Balance %	19.40%

Minimum by policy (15.00%)	\$47,347,586
Available over 15.00%	\$13,874,188



** Prepared for budget planning purposes and is subject to change*

Fund Balance

FY2019 Year End Projected Minimum by policy (15.00%)	\$47,347,586
Available over 15.00% for FY2020	\$13,874,188
FY2020 Second Pass Variance for appropriation	\$19,890,379
15.00% minimum by policy	(\$6,016,191)
Projected Fund Balance after Second Pass	13.09%



** Prepared for budget planning purposes and is subject to change*

Fund Balance

(Scenario dependent upon actual sale of property)

FY2019 Year End Projected	
Available as a % of Total Expenditures	
Available Fund Balance	\$61,221,774
Addition of Ferry Road Revenue	<u>+\$5,250,000</u>
Total New Available Fund Balance	\$66,471,774
Total Expenditures (with transfers)	\$315,650,573
Available Fund Balance %	21.06%
Minimum by policy (15.00%)	\$47,347,586
Available over 15.00%	\$19,124,188



** Prepared for budget planning purposes and is subject to change*

Fund Balance

(Scenario dependent upon actual sale of property)

FY2019 Year End Projected Minimum by policy (15.00%)	\$47,347,586
Available over 15.00% for FY2020	\$19,124,188
FY2020 Second Pass Variance for appropriation	\$19,890,379
15.00% minimum by policy	(\$766,191)
Projected Fund Balance after Second Pass	14.76%



**Prepared for budget planning purposes and is subject to change*

Concluding Thoughts

Second Pass Scenario Includes:

- Strategic Initiative requests at identified funding levels
- Strategic Partnerships Grant funding included
- 21 Recommended New positions
- Budgeted dollars for Strategic Planning process
- Budgeted dollars to begin addressing salary inequities across organization
- Operating dollars to sustain current levels of service
- Reinstatement of budgeted dollars for Pay-Go Capital
- Cost of Living increase for employees



Concluding Thoughts

Second Pass Scenario does not include:

- Fully funded requests from departments for personnel, salary needs or operating requests
- Sustainable revenue source to balance the budget



Discussion

