



FY2021 Budget Preparation First Pass Budget

presented by

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April 7, 2020



Agenda

1. Budget meeting calendar
2. Revenue
 - FY2019 actual
 - FY2020 amended
 - FY2021 first pass revenue overview
 - FY2019 – FY2021 revenue comparison
 - Ad valorem & sales tax budgets
 - Growth rate
3. Expenditures
 - FY2021 requested
 - FY2019 – FY2021 expenditure comparison
 - Key expenditure increases by function
 - Recommendations: capital projects, greenways, & IT projects
4. Commissioner prioritization (additional items)
5. Next steps



Budget Meetings



* **Note:** County Manager's recommended budget will be made available to the Governing Board & publicized by June 1, 2020

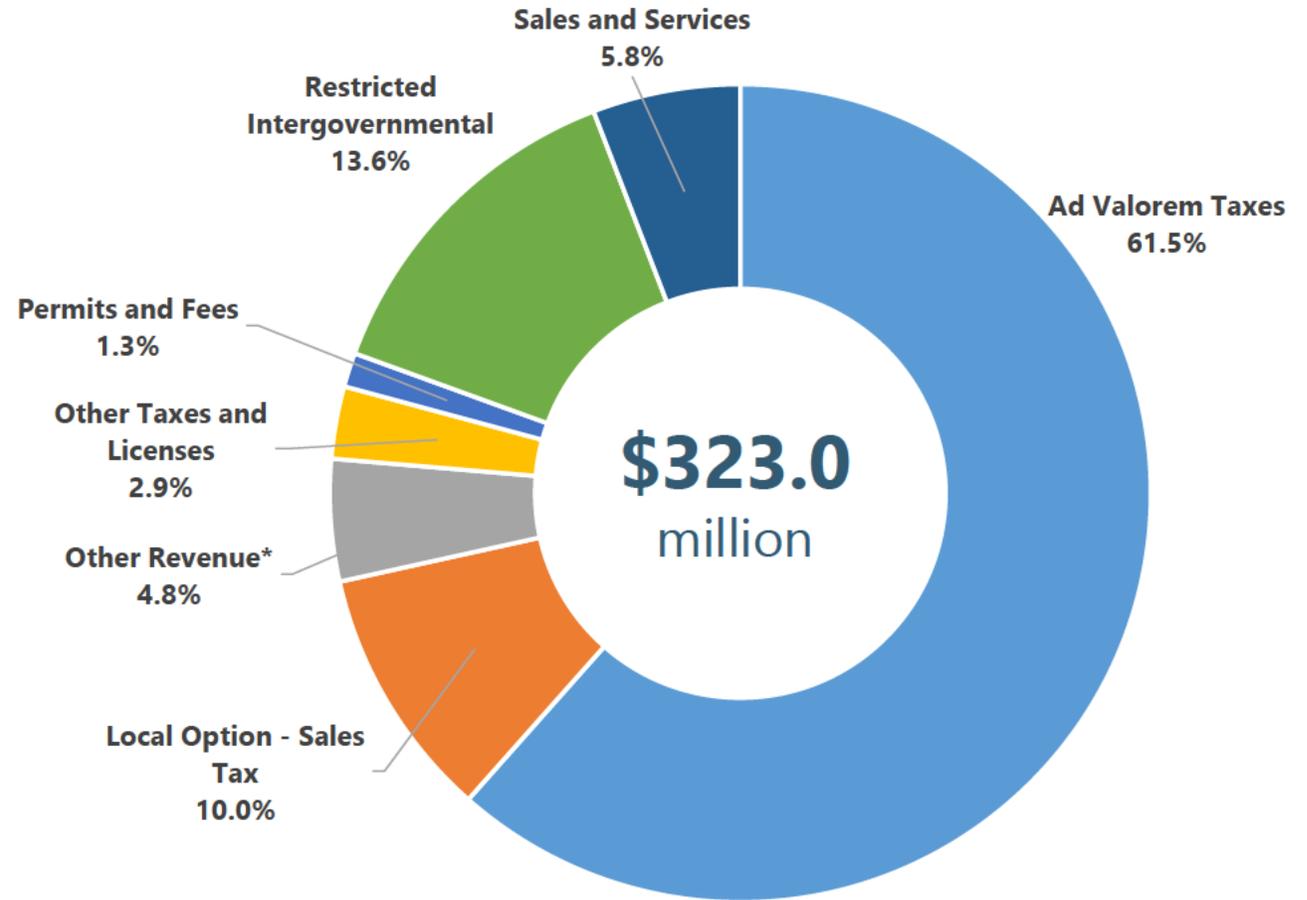


Revenue



FY2019 Actuals by Source – Total Revenue

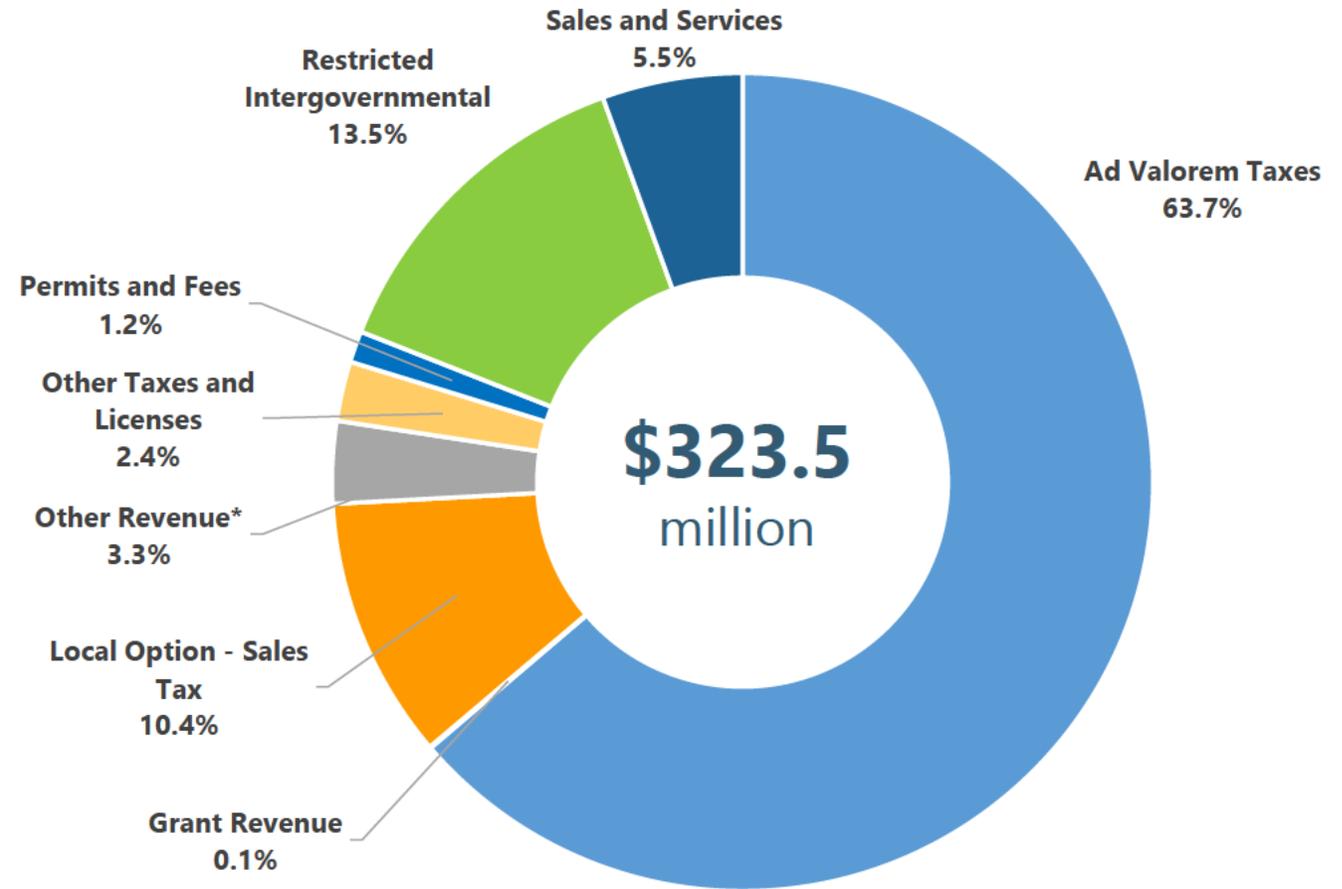
Revenue Source	FY2019 Actual
Ad Valorem Taxes	\$ 198,764,492
Local Option - Sales Tax	\$ 32,293,168
Restricted Intergovernmental	\$ 43,995,741
Sales and Services	\$ 18,797,238
Other Taxes and Licenses	\$ 9,235,184
Other Revenue*	\$ 15,577,729
Permits and Fees	\$ 4,350,929
Total	\$ 323,014,480



* Other Revenues includes Interfund Transfers, Sale of Assets and Investment Earnings

FY2020 Budget by Source – Total Revenue Budget

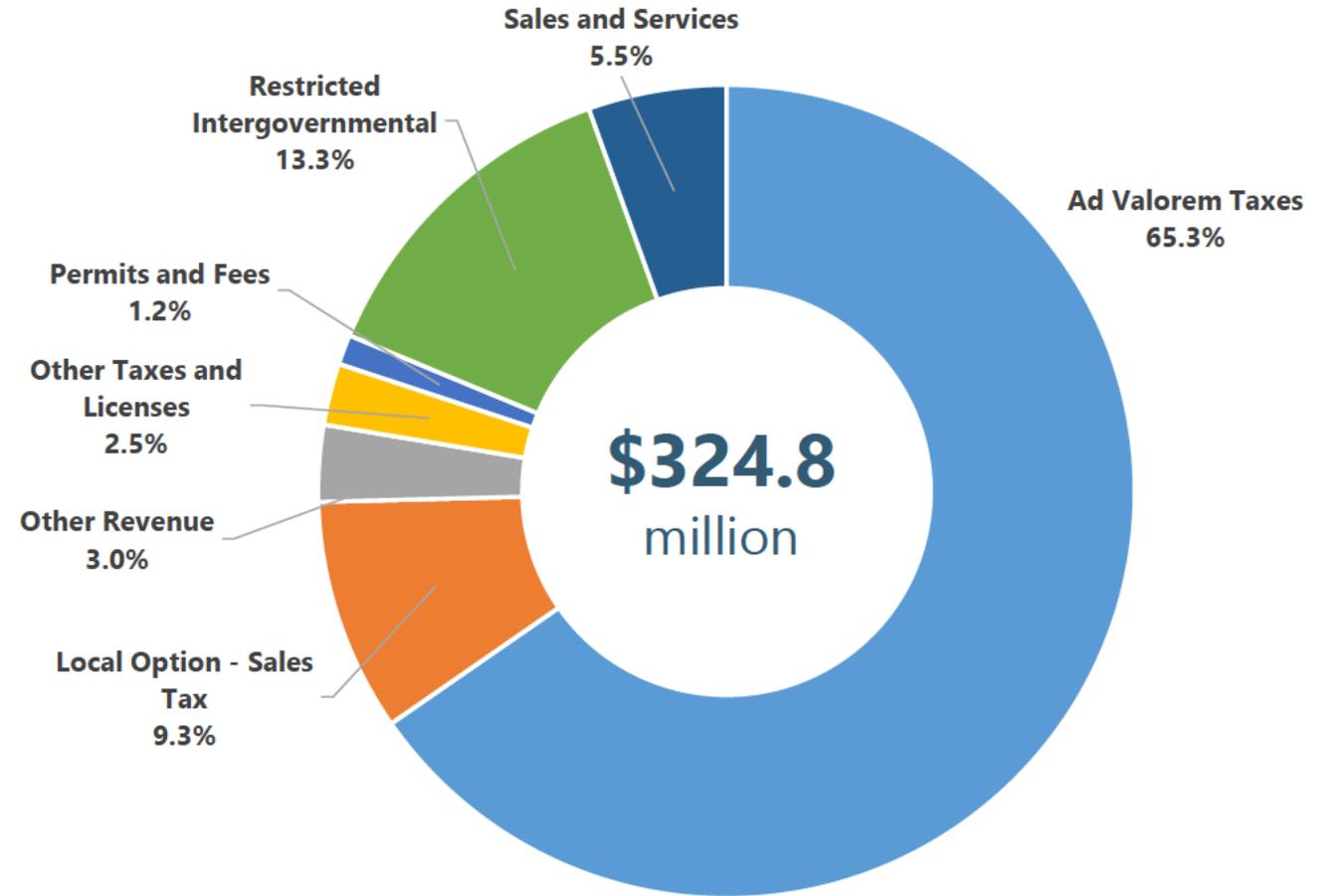
Revenue Source	FY2020 Amended
Ad Valorem Taxes	\$ 206,224,379
Local Option - Sales Tax	\$ 33,533,237
Restricted Intergovernmental	\$ 43,599,607
Sales and Services	\$ 17,885,815
Other Taxes and Licenses	\$ 7,613,317
Other Revenue*	\$ 10,517,965
Permits and Fees	\$ 4,010,157
Grant Revenue	\$ 161,890
Total	\$ 323,546,367
Appropriated Fund Balance	\$ 13,272,641
Total	\$ 336,819,008



* Other Revenues includes Interfund Transfers, Sale of Assets and Investment Earnings

FY2021 Budget by Source – Total Revenue Budget

Revenue Source	FY2021 Actual
Ad Valorem Taxes	\$ 212,229,575
Local Option - Sales Tax	\$ 30,068,224
Restricted Intergovernmental	\$ 43,042,931
Sales and Services	\$ 17,785,718
Other Taxes and Licenses	\$ 7,958,500
Other Revenue*	\$ 9,882,675
Permits and Fees	\$ 3,854,000
Total	\$ 324,821,623



* Other Revenues includes Interfund Transfers, Sale of Assets and Investment Earnings

General Fund Revenue Comparison

Ledger Account	FY2019 Actual	FY2020 Amended	FY2021 First Pass	Variance from FY2020 Amended
Ad Valorem Taxes	\$ 198,764,492	\$ 206,224,379	\$ 212,229,575	\$ 6,005,196
Local Option - Sales Tax	\$ 32,293,168	\$ 33,533,237	\$ 30,068,224	\$ (3,465,013)
Restricted Intergovernmental	\$ 43,995,741	\$ 43,599,607	\$ 43,042,931	\$ (556,676)
Sales and Services	\$ 18,797,238	\$ 17,885,815	\$ 17,785,718	\$ (100,097)
Other Taxes and Licenses	\$ 9,235,184	\$ 7,613,317	\$ 7,958,500	\$ 345,183
Other Revenue*	\$ 9,563,581	\$ 10,517,965	\$ 9,882,675	\$ (635,290)
Permits and Fees	\$ 4,350,929	\$ 4,010,157	\$ 3,854,000	\$ (156,157)
Grant Revenue	\$ -	\$ 161,890	\$ -	\$ (161,890)
Total (w/o one-time revenues)	\$ 317,000,332	\$ 323,546,367	\$ 324,821,623	\$ 1,275,256
Year over year growth		1.90%	0.39%	
One-Time Revenues	\$ 6,014,148	\$ -	\$ -	
Total	\$ 323,014,480	\$ 323,546,367	\$ 324,821,623	

* Other Revenues includes Interfund Transfers, Sale of Assets and Investment Earnings



Ad Valorem Tax Revenue

(65.3%)

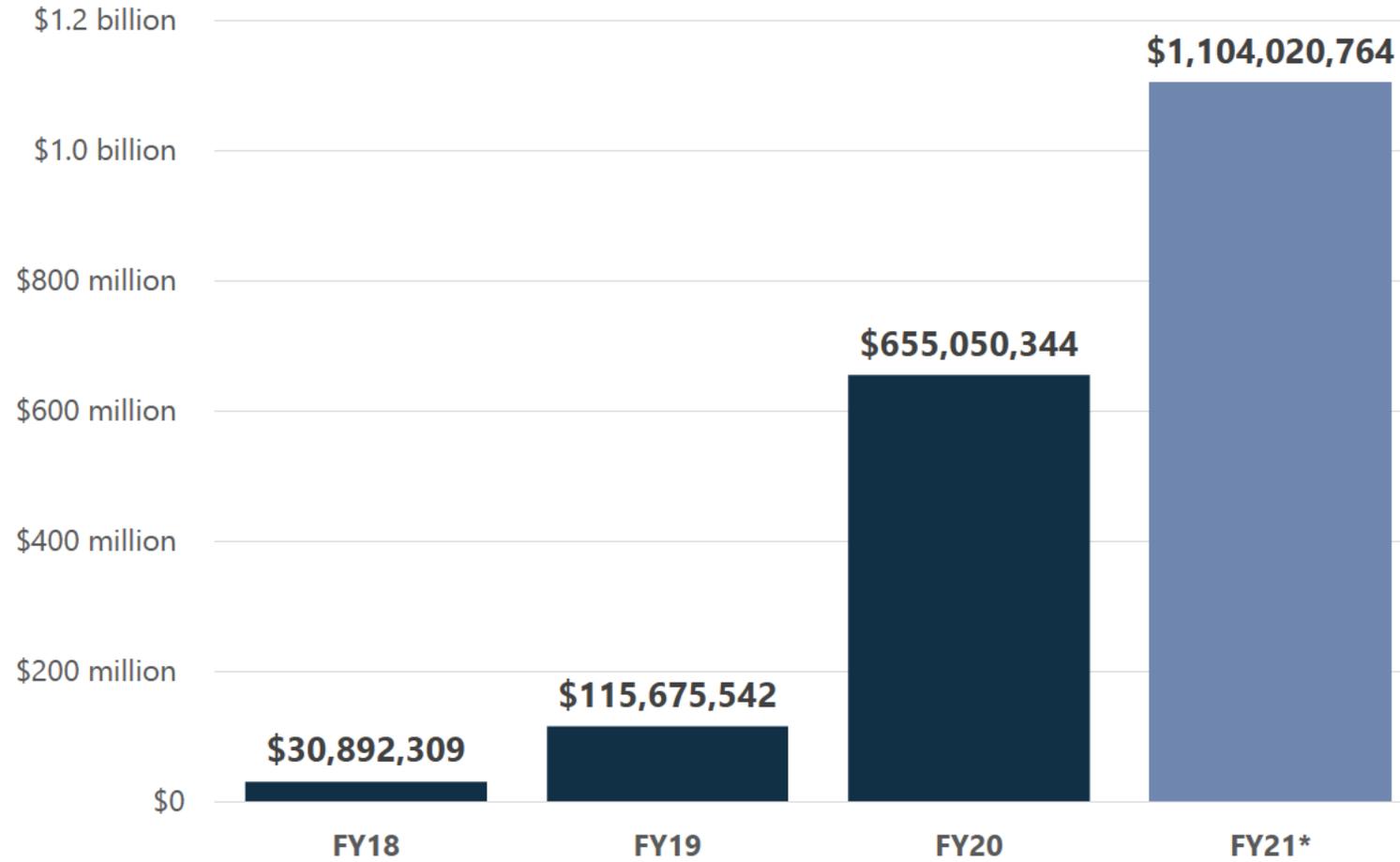
Property Type	FY2019 Property Value	FY2020 Property Value	FY2021 Property Value
Real Estate	\$ 32,591,545,190	\$ 33,898,147,631	\$ 34,819,032,147
Personal Property	\$ 1,858,243,946	\$ 1,987,121,897	\$ 2,309,586,273
Public Service	\$ 613,635,093	\$ 738,338,689	\$ 883,704,851
Motor Vehicle	\$ 2,308,145,301	\$ 2,353,679,749	\$ 2,455,602,713
Total	\$ 37,371,569,530	\$ 38,977,287,966	\$ 40,467,925,984

	FY2019 Actual	FY2020 Amended	FY2021 First Pass
Tax Rate	.529	.529	.529
Budgeted Collection Rate	99.75%	99.75%	99.00%
Revenue*	\$ 198,764,492	\$ 206,224,379	\$ 212,229,575

* Revenue includes current year, prior first year, interest, and property audit discoveries



Taxable Property Value – Mission / HCA



* Taxable value estimated as of March 16, 2020. Mission / HCA will have the right to appeal until April 25, 2020



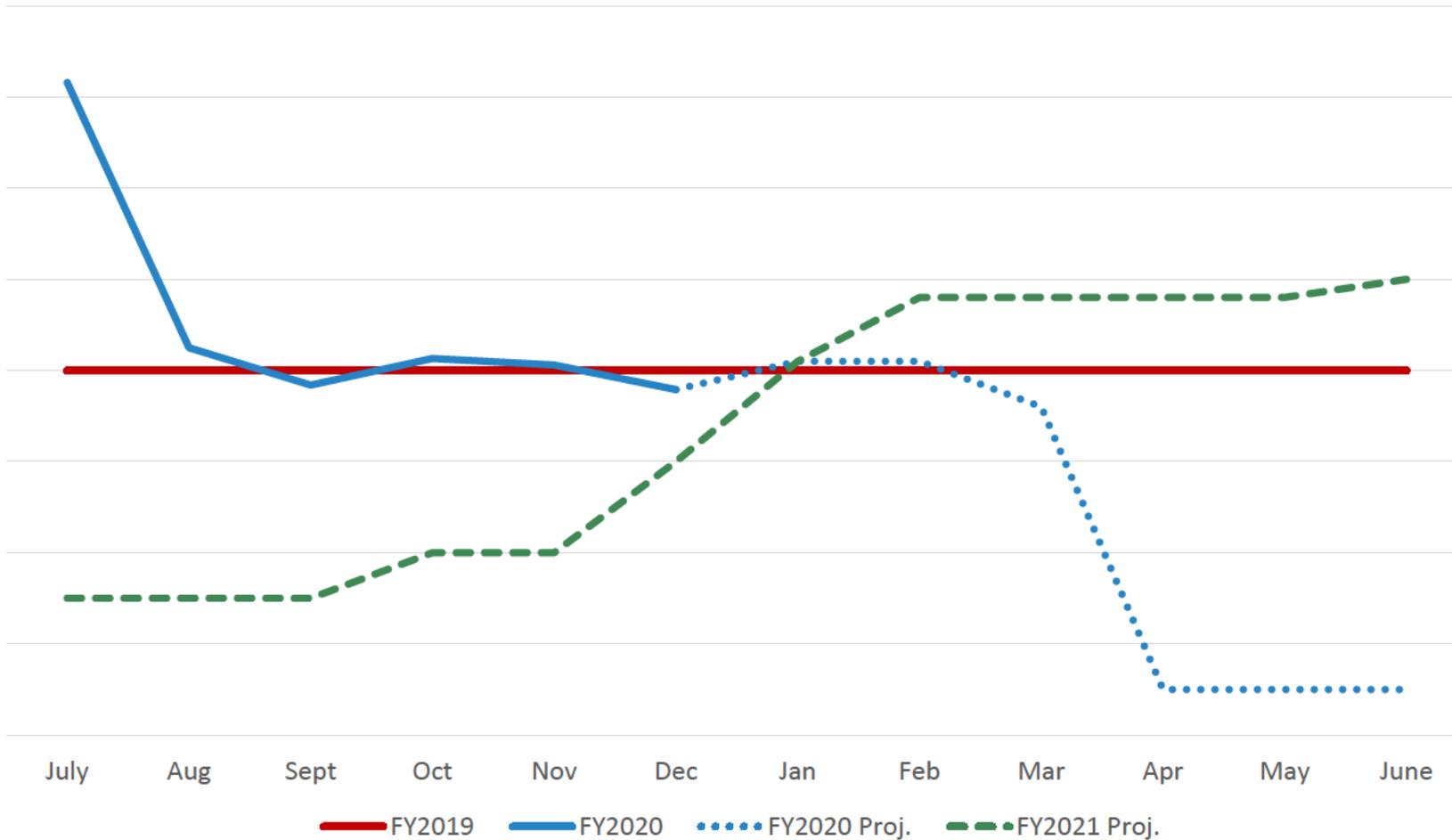
Local Option Sales Tax Revenue (9.3%)

Article	County Share	FY19 Actual	FY20 Amended	FY20 Projected	FY21 First Pass
39	50%	\$15,081,359	\$15,825,800	\$13,949,256	\$13,882,027
40	70%	\$9,741,847	\$9,903,306	\$9,116,573	\$9,161,617
42	40%	\$7,469,466	\$7,804,131	\$6,997,396	\$7,024,580
	Total	\$32,292,672	\$33,533,237	\$30,063,225	\$30,068,224
46	0%	\$13,671,315	\$16,751,241	\$12,783,165	\$12,783,165



Sales Tax Revenue Projection

Let's assume FY2019 is our baseline for change...



FY2019 Actual	\$32.29M
FY2020 Budget	\$33.5M
FY2020 (Projected)	\$30.0M
FY2021 (Projected)	\$30.0M

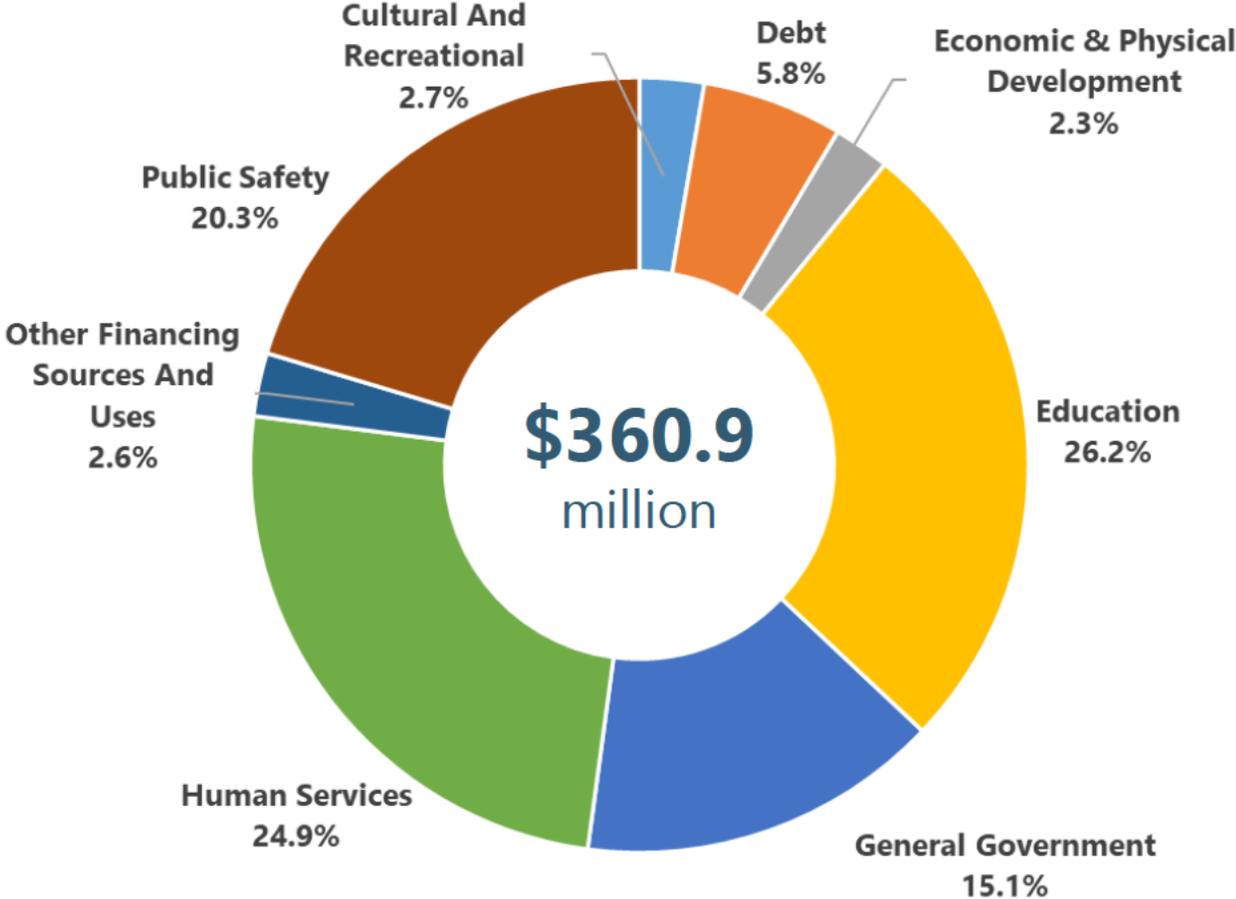


Expenditures



FY2021 Department Requested Budget by Function: Total Expenditures

Expenditure Type	FY2021 Requested
Cultural And Recreational	\$ 9,657,762
Debt	\$ 21,102,973
Economic & Physical Development	\$ 8,453,818
Education	\$ 94,454,532
General Government	\$ 54,452,146
Human Services	\$ 89,848,629
Other Financing Sources And Uses	\$ 9,513,411
Public Safety	\$ 73,394,676
Total	\$ 360,877,947



General Fund Expenditure Comparison FY2021 First Pass

Expenditure Type	FY2019 Actual	FY2020 Amended	FY2021 Requested	FY2021 First Pass*	Variance: Request to First Pass
Cultural And Recreational	\$ 7,404,978	\$ 8,563,170	\$ 9,657,762	\$ 9,010,888	\$ 646,874
Debt	\$ 20,956,339	\$ 22,121,569	\$ 21,102,973	\$ 21,033,973	\$ 69,000
Economic & Physical Development	\$ 6,877,150	\$ 9,238,078	\$ 8,453,818	\$ 8,079,636	\$ 374,182
Education	\$ 85,233,897	\$ 90,875,606	\$ 94,454,532	\$ 90,733,756	\$ 3,720,776
General Government	\$ 41,733,961	\$ 48,699,455	\$ 54,452,146	\$ 51,633,004	\$ 2,819,142
Human Services	\$ 83,500,597	\$ 89,012,295	\$ 89,848,629	\$ 89,136,671	\$ 711,958
Other Financing Sources And Uses	\$ 8,559,377	\$ 4,955,854	\$ 9,513,411	\$ 6,549,259	\$ 2,964,152
Public Safety	\$ 56,474,713	\$ 63,871,281	\$ 73,394,676	\$ 70,772,568	\$ 2,622,108
Total	\$ 310,741,013	\$ 337,337,308	\$ 360,877,947	\$ 346,949,755	\$ 13,928,192

* First pass through April 5, 2020



Key Expenditure Increases by Function FY2021 First Pass

Cultural and Recreation (\$380,000)

- Library
 - New positions, temporary staff conversion, & reclassifications
 - Security contract increases

Economic & Physical Development (\$300,000)

- Economic Development
 - Ferry Road design services

General Government (\$1,125,000)

- Elections
 - Contracted temporary staff
 - In-house temporary staff & new positions
- Legal & Risk
 - Outside counsel increase
- Information Technology
 - New software projects
- General Services
 - Utility cost increases



Key Expenditure Increases by Function FY2021 First Pass

Human Services (\$1,735,000)

- HHS
 - Animal Services contract increase
 - Public Health medical supplies increase
 - School nursing contract
- Transportation
 - Increase to routine transit operations (\$1,200,000)

Public Safety (\$4,132,000)

- Emergency Services
 - New positions, temporary staff conversion, & reclassifications
 - Medical equipment
 - Increased uniform costs & training desk replacement
- Sheriff's Office & Detention Center
 - Detention Center health contract increase
 - Career ladder beginning January 1, 2021
 - Detention Center food & provisions
- Justice Resource Support
 - Juvenile detention and Administrative Office of the Courts (AOC) contract increase



Recommended Positions & Net Impact FY2021 First Pass

New positions

- 24 full-time positions (starting Jan. 1, 2021)
- 10 part-time positions (starting Jan. 1, 2021)

Reclassifications & adjustments

- 34 reclassifications
- 43 temporary staff conversions
- 2 new career ladders (starting January 1, 2021)
 - Detention Center
 - Sheriff's Office

FY21 net cost

New positions	\$1,515,000
Reclassifications	\$378,000
Temporary staff conversions	\$335,000
Career ladders	\$850,000
Total	\$3,078,000



Recommended New Positions FY2021 First Pass

Cost Center	Recommended Positions	Positions
Elections	Elections Technical Specialist	1
Emergency Services	911 Telecommunicator (3) EMS Medical Director (Part-time) EMT Paramedic (12)	16
Fleet Services	Mechanic	1
Internal Audit	Internal Auditor	1
Library	Library Assistant (Part-time) (8) Library Specialist (Part-time) (2) Library Specialist (Full-time) (1)	11
Planning	Land Use Ordinance & Enforcement Coordinator	1
Public Health	Public Health Nurse II	1
Sheriff's Office	Evidence & Property Technician	1
Tax Assessment	Tax Clerk	1
Justice Resource Support (Fund 327, Grant Funded)	Human Service Program Consultant	1
Solid Waste (Fund 466)	Heavy Equipment Mechanic / Operator Solid Waste Program Manager Utility Worker Transfer Station Assistant Supervisor Transfer Truck Driver	5
Total	General Fund Grant-Funded Solid Waste Fund	34 1 5



Existing Priorities & Commitments FY2021 First Pass

- **Affordable Housing:** flat to FY2020 amended
- **Early Childhood Education:** 2% increase from FY2020
- **Economic Development Incentives:** \$1.3 million for scheduled incentive payments
- **Isaac Coleman & Tipping Point grants:** flat to FY2020 amended
- **Strategic Partnership grants:** flat to FY2020 amended

- **Education Systems:** flat to FY2020 amended
- **Employee Cost of Living Adjustment:** 2.31% effective April 1, 2020



Recommended Capital Projects: Debt FY2021 First Pass

Debt Funded Projects

- 6 projects
- \$6,598,670 debt financing
 - Repurposing existing debt savings to Leicester Crossing Buildout
- FY21 impact:
 - ½ annual payment for vehicles: ~\$200,000

Cost Center	Recommended Project	Amount
Fleet Services	Sheriff's Vehicles Replacement (24)	\$1,033,200
	Emergency Services Vehicles (3)	\$639,205
General Services	Courthouse Repairs	\$ 596,239
	Jail Repairs	\$ 786,358
	Fleet Services Complex	\$ 3,500,000
Sheriff's Office	Leicester Crossing Buildout <i>(repurposing existing debt savings)</i>	TBD



Recommended Capital Projects & Greenways: Pay-Go FY2021 First Pass

Pay-Go Funded Projects

- 4 capital projects
- \$429,449 capital pay-go financing
- 3 greenways
- \$791,800 greenways pay-go financing

Cost Center	Recommended Project	Amount
General Services	BAS System for Detention Center	\$ 164,200
Recreation Services: Capital Projects	3 Phase Power BC Sports Park	\$ 100,000
	Accessible Boat Launch Lake Julian	\$ 40,000
	Owen Park Playground Upgrade	\$ 125,249
Recreation Services: Greenways	Woodfin Greenway: Riverside Drive Design	\$ 457,800
	Enka Heritage Construction (Destination Grant)	\$ 200,000
	Black Mountain Greenway (Final Payment)	\$ 134,000



Information Technology Governance Committee

FY2021 First Pass

Overview

- New process to assess IT expansion requests
- Similar review process to capital projects review

Recommendation

- 10 IT projects
- FY21: \$399,000 pay-go financing
- FY22: \$256,000 pay-go financing

Recommended Project	Type	Year 1 Cost	Future Annual Cost
Agenda & Meeting Management Software	Replacement	\$ 33,000	\$ 36,000
Emergency Services: Security cameras	Replacement	\$ 55,000	\$ 5,500
GOVQA Public Records Request Management	New	\$ 30,000	\$ 30,000
GRC Tool	New	\$ 37,000	\$ 0
Internal Audit: Audit management & data analytics tool	New	\$ 82,000	\$ 52,000
LinkedIn Learning	New	\$ 65,000	\$ 65,000
Mountain Mobility: On-board camera system	Replacement	\$ 16,500	\$ 0
Power DMS Training Module	Expansion	\$ 12,450	\$ 12,450
Security Rating Tool	New	\$ 20,000	\$ 20,000
Tax Assessment: Just Appraised	New	\$ 48,000	\$ 35,000



Commissioner Prioritization & Next Steps

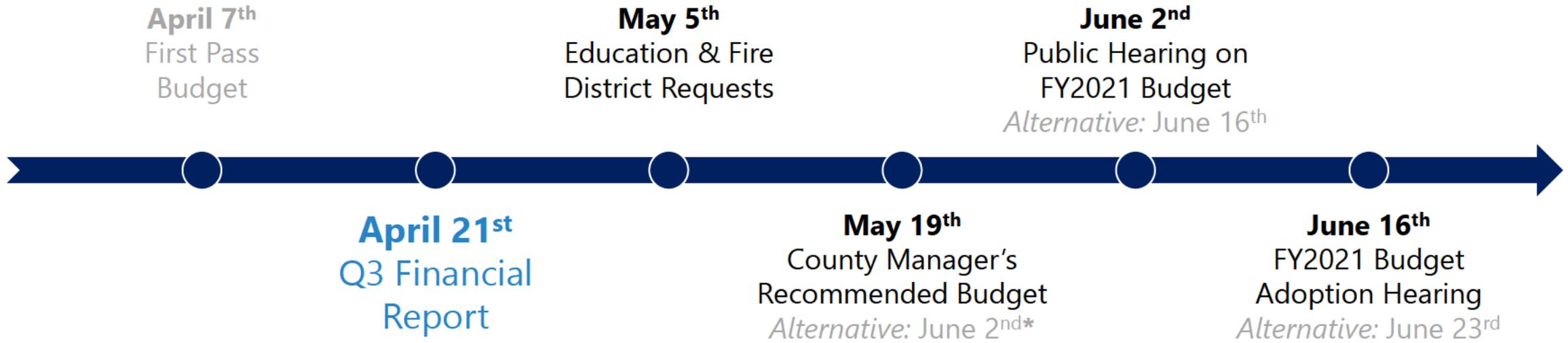


Commissioner Prioritization

Item	Amount	Future Costs
<i>Transportation:</i>		
Fare-free transit (City of Asheville)	\$ 1,000,000+	\$ 1,000,000+ per year
Subsidize ADA complementary paratransit (City of Asheville)	\$ 395,000	\$ 395,000+ per year
Reynolds transit extension	\$ 155,000	\$ 51,000+ per year
Additional conservation easement expansion	\$ 790,000	TBD
UNC-Asheville renovation & expansion of Karl Straus Track <i>(Could be deferred to FY22)</i>	\$ 750,000	\$ 0
School Resource Officer (SRO) expansion (3)	\$ 122,000	\$ 223,000+ per year
Elementary & Intermediate Schools Playgrounds (6+)	\$ 110,000	\$ 0
Detention Center position for expanded visitation	\$ 75,000	\$ 75,000+
Phase 1 solar projects on county buildings (debt financed) <i>Purchase: \$2,900,000 Total debt service: \$3,850,000 Estimated payback period: 26 years</i>	\$ 50,000 <i>Debt issuance costs</i>	\$ 3,800,000 <i>Remaining debt service costs</i>
Total	\$ 3,447,000	\$ 5,544,000+ per year



FY2021 Budget Next Steps



Items the Budget Office will consider:

- Continued evaluation of proposed revenues & expenses
- Fund balance scenarios
- Effects of COVID-19
- Commissioner priorities