



FY2021 Budget Preparation First Pass Budget

presented by

Jennifer Barnette

April 7, 2020

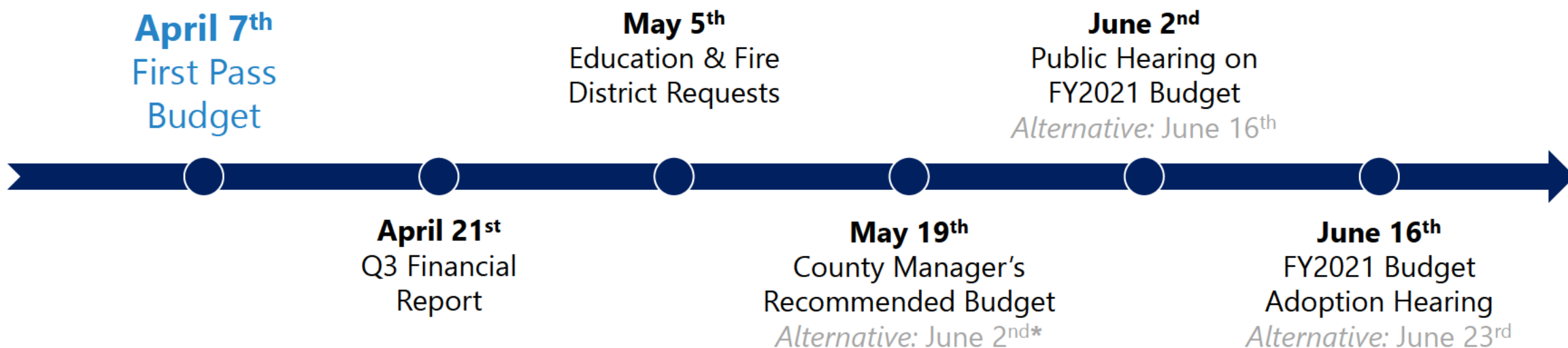


Agenda

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



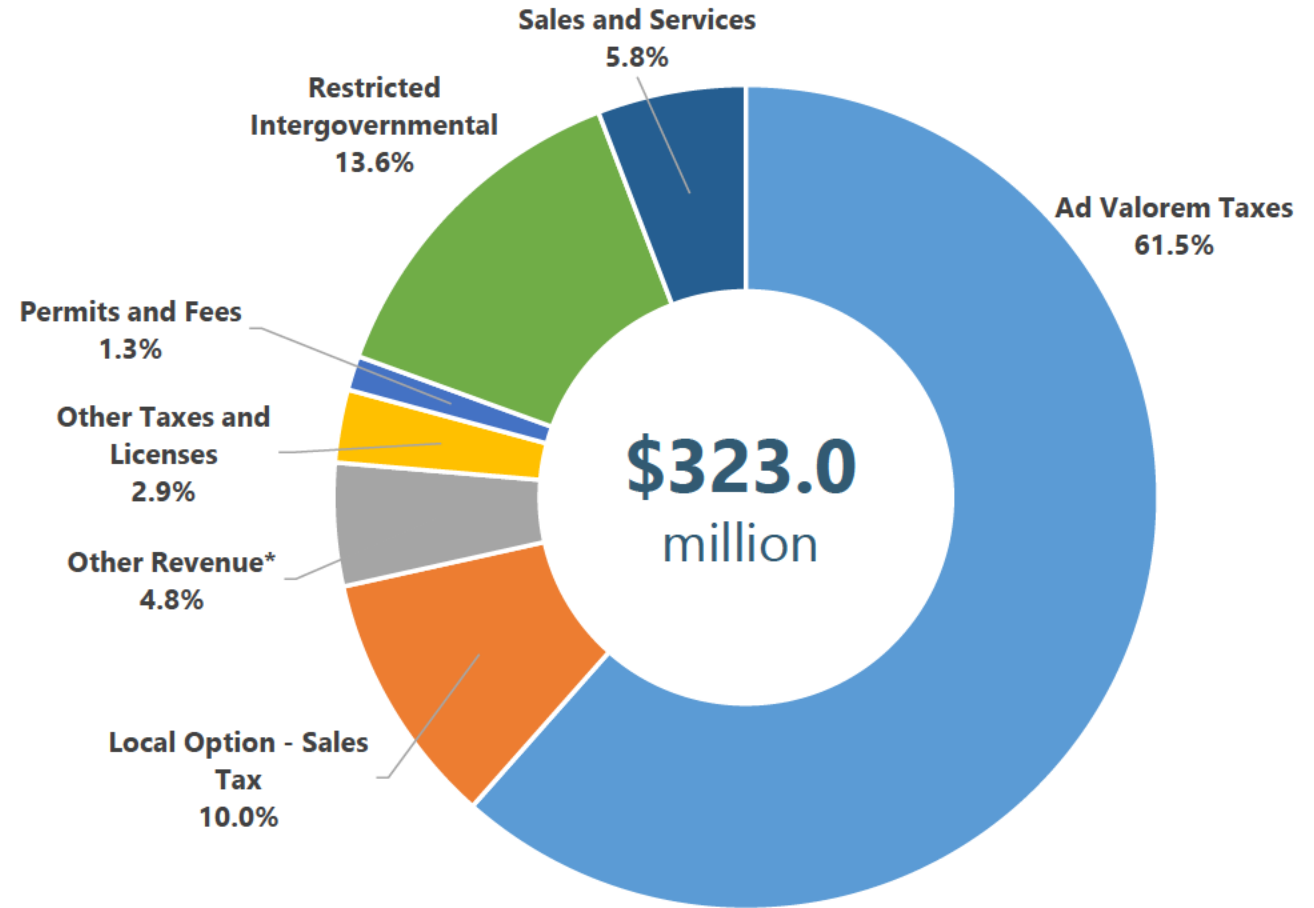
* **Note:** County Manager's recommended budget will be made available to the Governing Board & publicized by June 1, 2020

Revenue



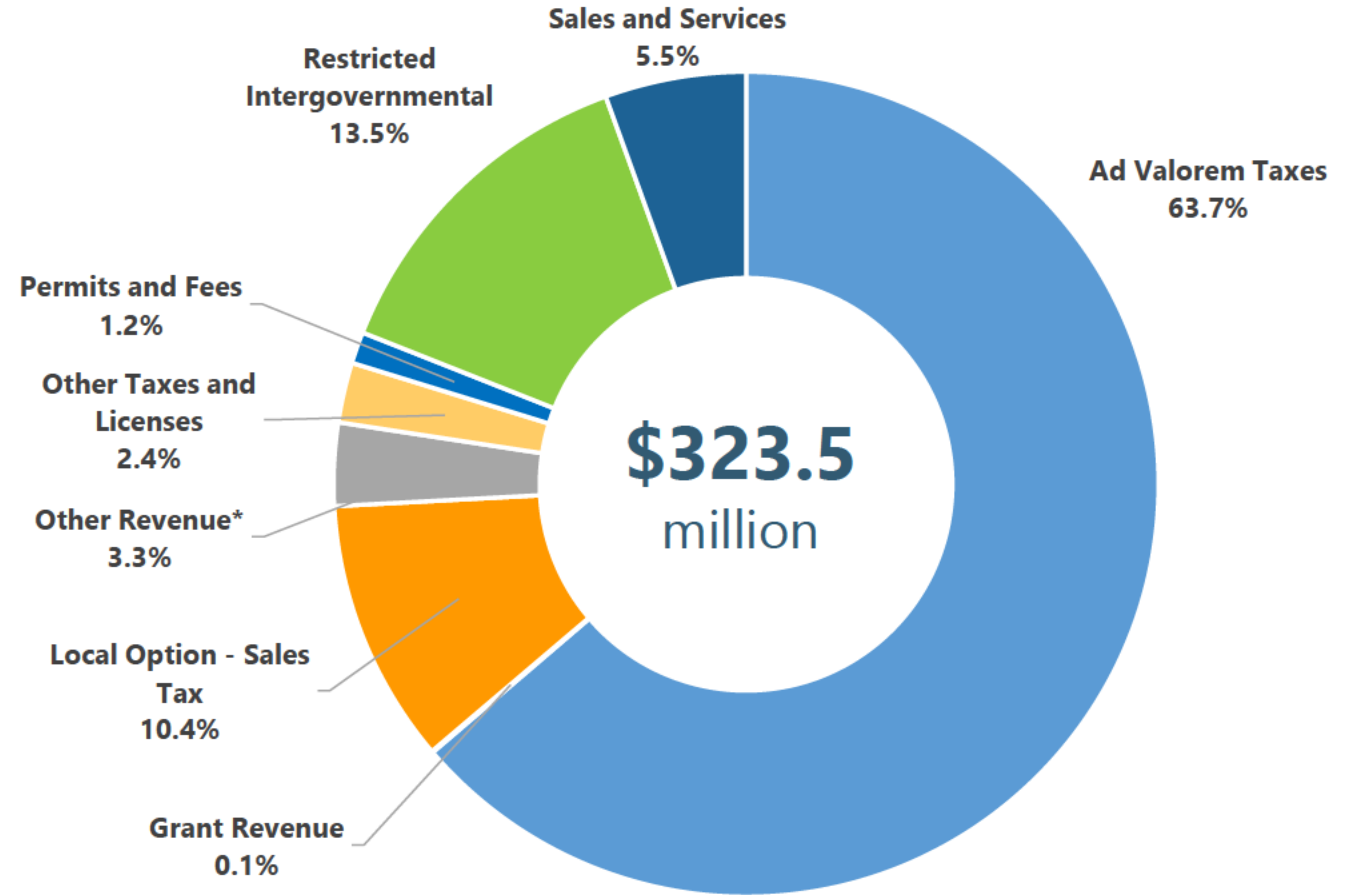
FY2019 Actuals by Source – Total Revenue

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



FY2020 Budget by Source – Total Revenue Budget

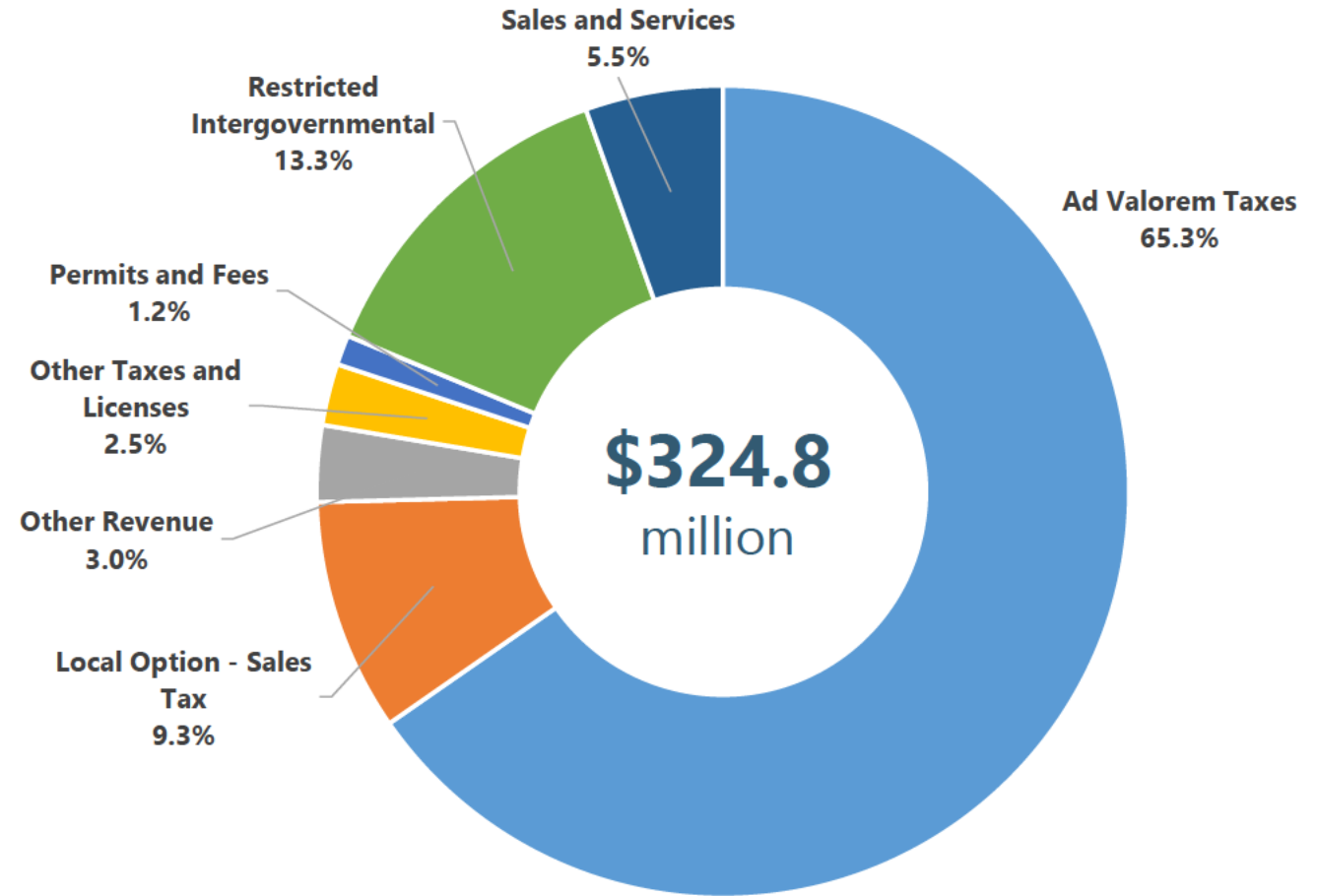
Revenue Source	FY2020 Amended
Ad Valorem Taxes	\$ 206,224,379
Local Option - Sales Tax	\$ 33,533,237
Restricted Intergovernmental	\$ 43,599,607
Sales and Services	\$ 17,885,815
Other Taxes and Licenses	\$ 7,613,317
Other Revenue*	\$ 10,517,965
Permits and Fees	\$ 4,010,157
Grant Revenue	\$ 161,890
Total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



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%)

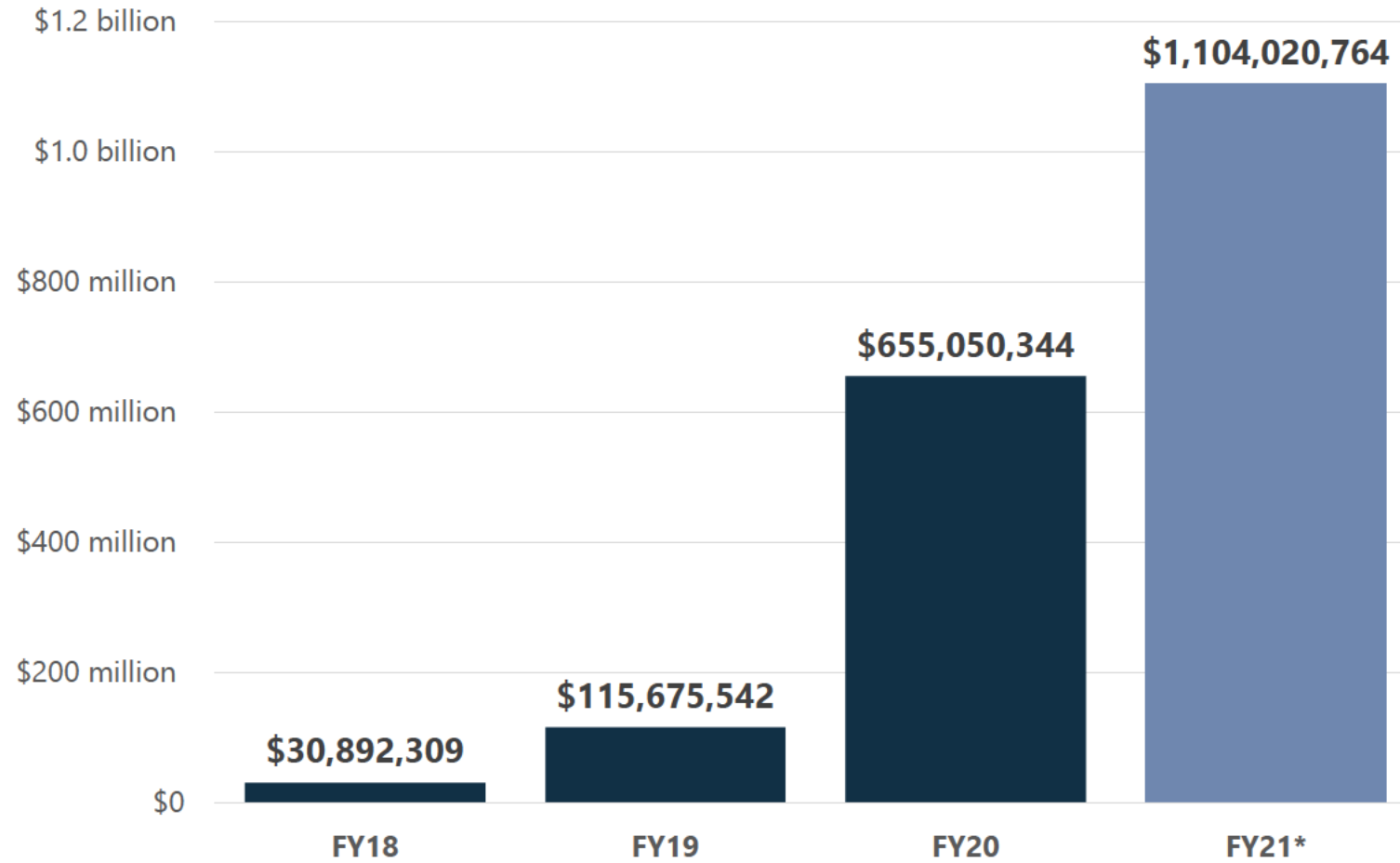
Property Type	FY2019 Property Value		FY2020 Property Value		FY2021 Property Value	
Real Estate	\$	32,591,545,190	\$	33,898,147,631	\$	34,819,032,147
Personal Property	\$	1,858,243,946	\$	1,987,121,897	\$	2,309,586,273
Public Service	\$	613,635,093	\$	738,338,689	\$	883,704,851
Motor Vehicle	\$	2,308,145,301	\$	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

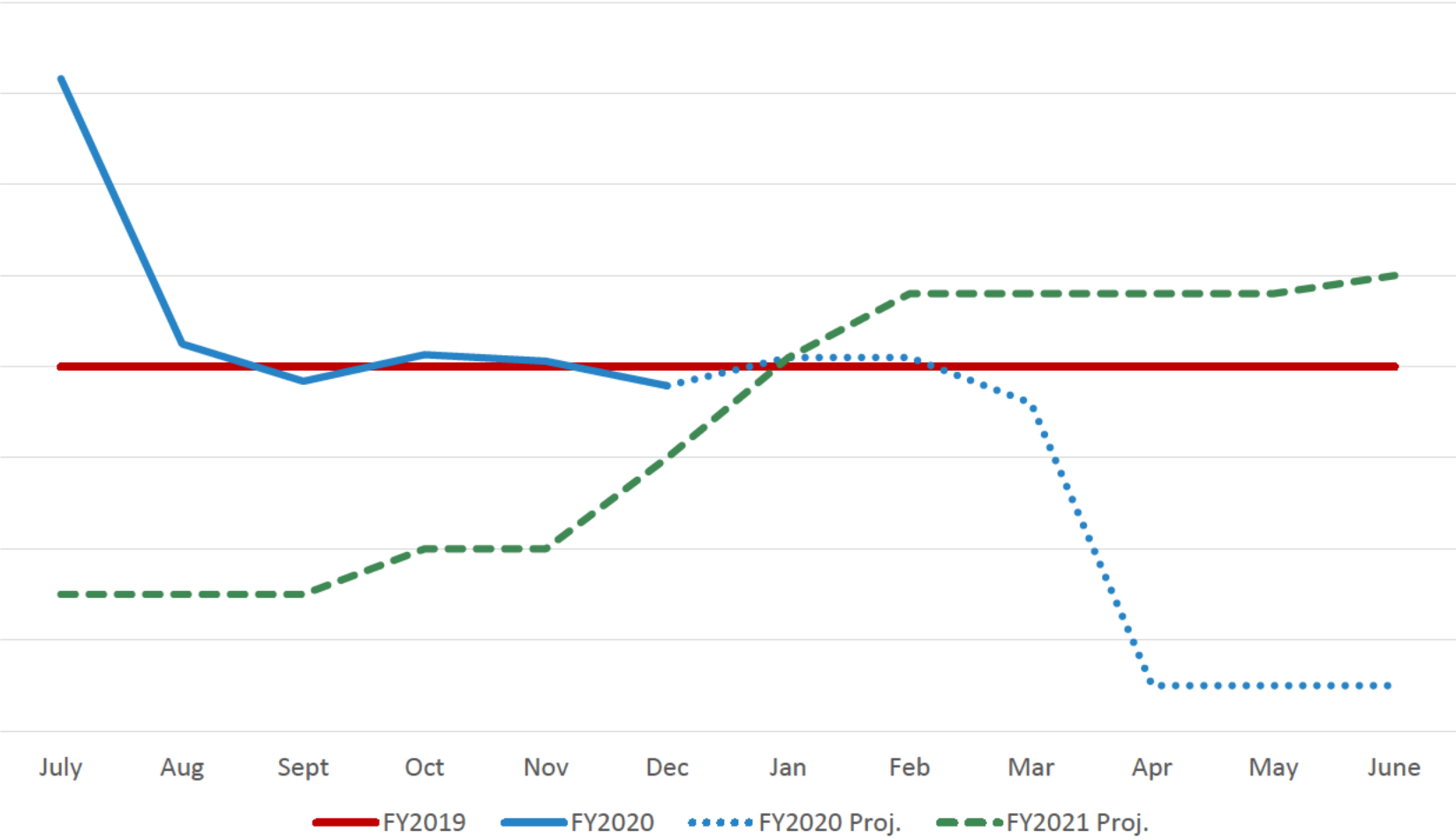
Local Option Sales Tax Revenue (9.3%)

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

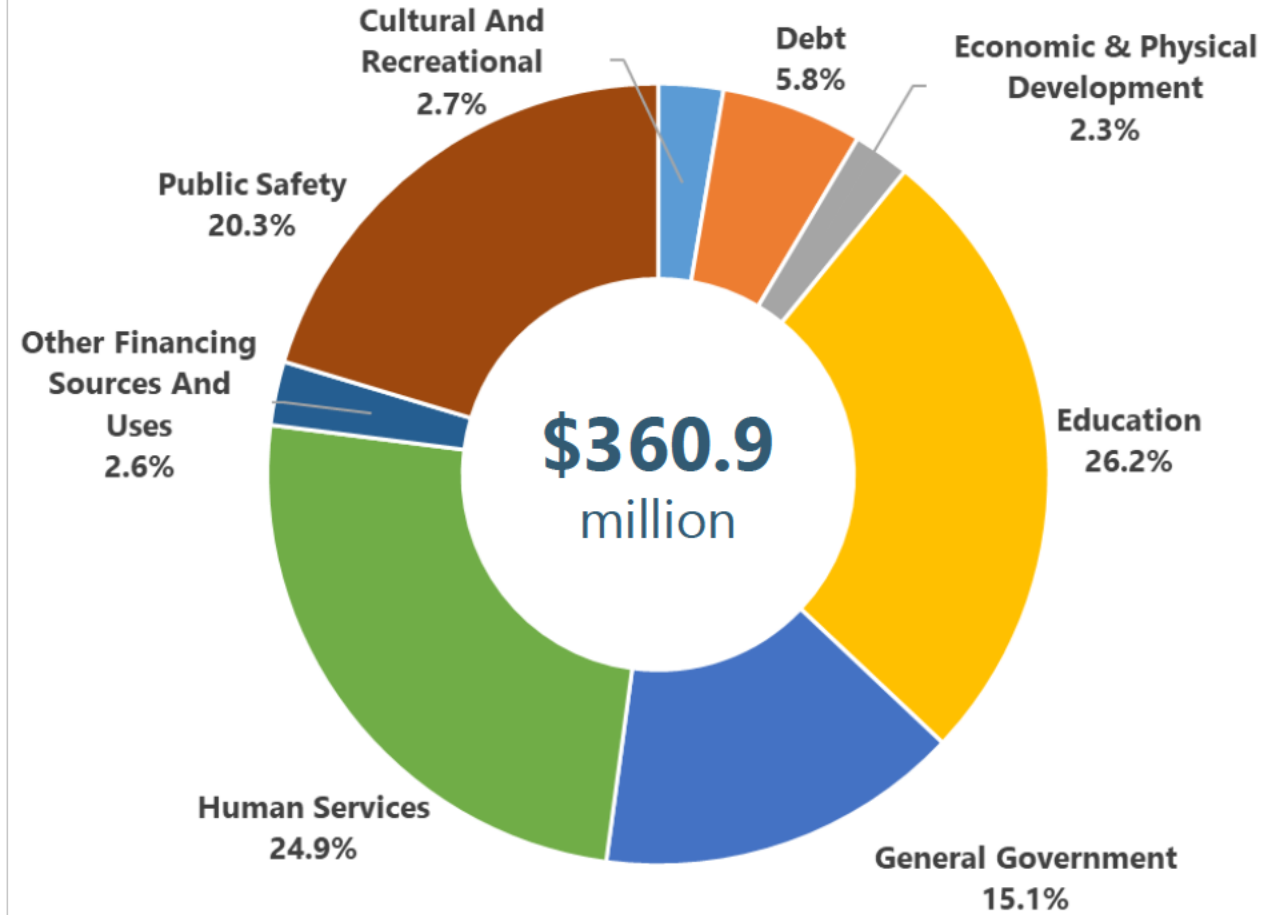


Expenditures



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 (repurposing existing debt savings)	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

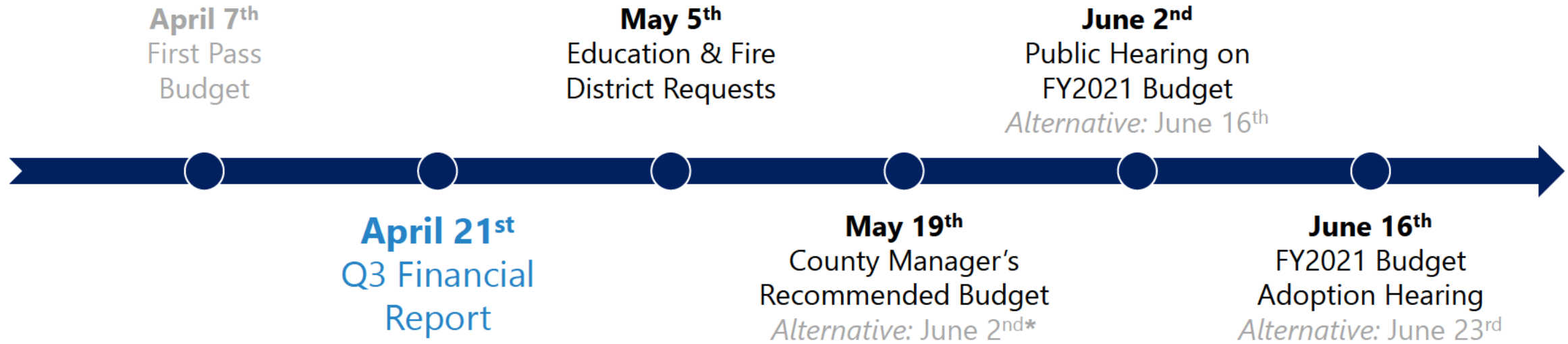


Commissioner Prioritization

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)	\$ 50,000	\$ 3,800,000
<i>Purchase: \$2,900,000 Total debt service: \$3,850,000 Estimated payback period: 26 years</i>	<i>Debt issuance costs</i>	<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

