



FY2021 Budget Preparation Second Pass Budget

presented by

Jennifer Barnette
May 21, 2020

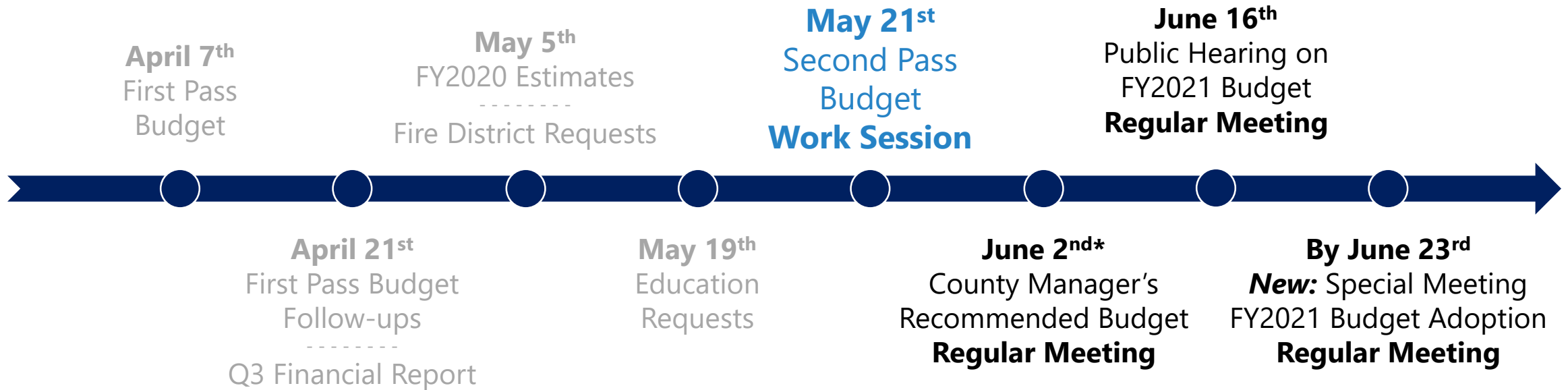


Agenda

1. Budget meeting calendar
2. Revenue
 - FY2020 amended
 - FY2021 second pass overview
 - Ad valorem & sales tax budgets
3. Expenditures
 - FY2021 requested
 - FY2021 second pass overview
 - Second pass: personnel, capital projects, & greenways
 - Education request & recommendation
 - Budgetary contingency
4. Commissioner priorities
5. Next steps



Budget Meetings



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

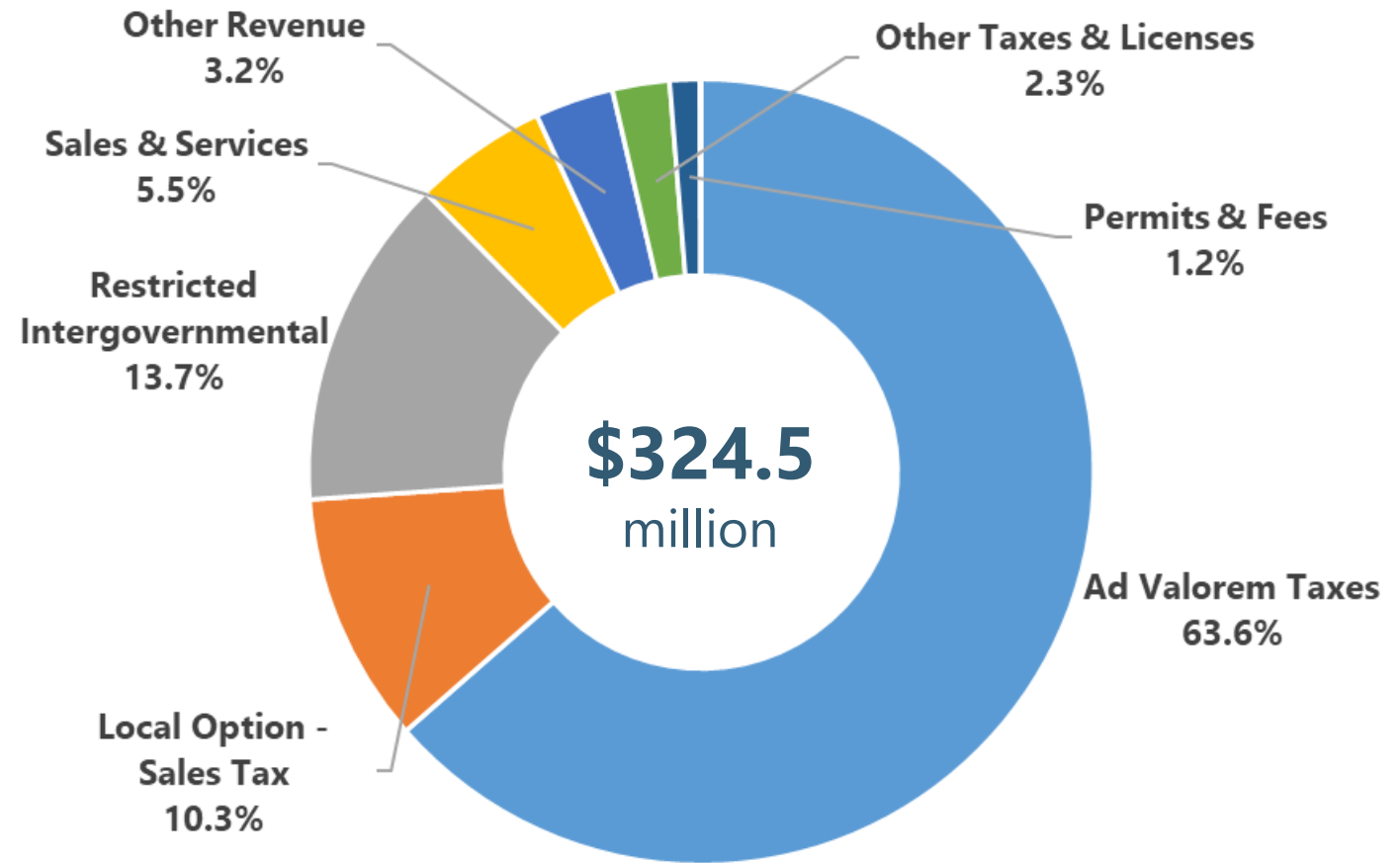


Revenue



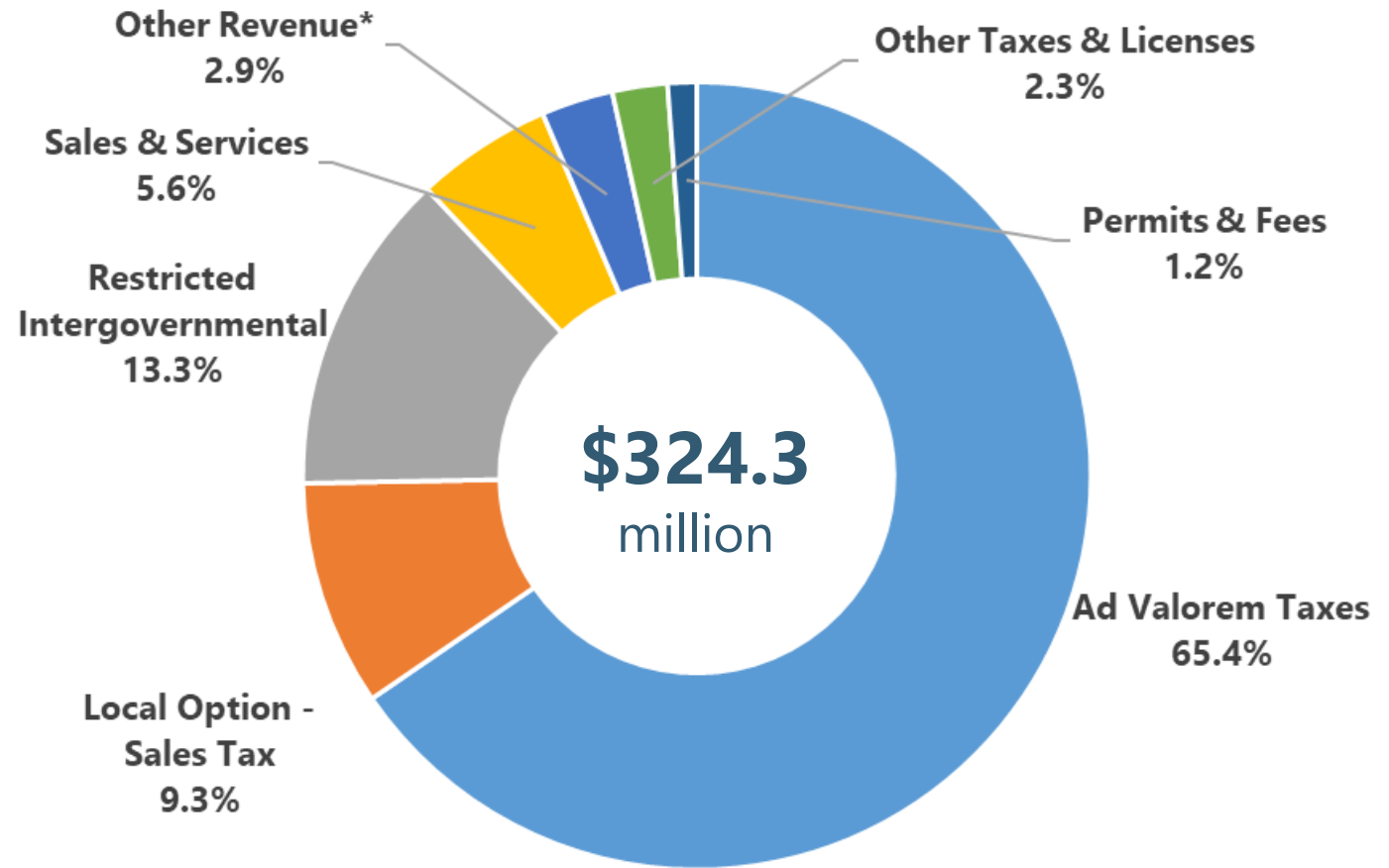
FY2020 Amended Budget: Revenue by Source

Revenue Type	FY2020 Amended
Ad Valorem Taxes	\$ 206,224,379
Local Option - Sales Tax	\$ 33,533,237
Restricted Intergovernmental	\$ 44,528,607
Sales & Services	\$ 17,885,815
Other Revenue	\$ 10,517,965
Other Taxes & Licenses	\$ 7,613,317
Permits & Fees	\$ 4,010,157
Grant Revenue	\$ 180,190
Total	\$ 324,493,667
Appropriated Fund Balance	\$ 14,792,304
Total	\$ 339,285,971



FY2021 Second Pass Budget: Revenue by Source

Revenue Type	FY2021 Second Pass
Ad Valorem Taxes	\$ 212,211,847
Local Option - Sales Tax	\$ 30,068,224
Restricted Intergovernmental	\$ 43,101,503
Sales & Services	\$ 18,178,051
Other Revenue*	\$ 9,566,480
Other Taxes & Licenses	\$ 7,333,500
Permits & Fees	\$ 3,854,000
Total	\$ 324,313,605
Appropriated Fund Balance	Not yet determined
Total	\$ 324,313,605



General Fund Revenue Comparison

Revenue Type	FY2020 Amended	FY2021 Second Pass	Variance from FY2020 Amended	Variance (%)
Ad Valorem Taxes	\$ 206,224,379	\$ 212,211,847	\$ 5,987,468	3%
Local Option - Sales Tax	\$ 33,533,237	\$ 30,068,224	\$ (3,465,013)	-10%
Restricted Intergovernmental	\$ 44,701,062	\$ 43,101,503	\$ (1,599,559)	-4%
Sales & Services	\$ 17,885,815	\$ 18,178,051	\$ 292,236	2%
Other Revenue*	\$ 10,517,965	\$ 9,566,480	\$ (951,485)	-9%
Other Taxes & Licenses	\$ 7,613,317	\$ 7,333,500	\$ (279,817)	-4%
Permits & Fees	\$ 4,010,157	\$ 3,854,000	\$ (156,157)	-4%
Grant Revenue	\$ 180,190	\$ -	\$ (180,190)	-100%
Total	\$ 324,666,122	\$ 324,313,605	\$ (352,517)	-0.1%
Appropriated Fund Balance	\$ 14,792,304	Not yet determined		
Total (with appropriated fund balance)	\$ 339,458,426	\$ 324,313,605		

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

Other Revenue (2.9%)

Revenue Type	FY2020 Amended	FY2021 Second Pass	Variance	Variance (%)
Interfund Transfer Revenue	\$ 8,535,450	\$ 6,547,802	\$ (1,987,648)	-23%
Investment Earnings	\$ 761,250	\$ 750,000	\$ (11,250)	-1%
Miscellaneous Revenue	\$ 1,136,265	\$ 869,376	\$ (266,889)	-23%
Sale of Assets	\$ 85,000	\$ 30,000	\$ (55,000)	-65%
Bond Proceeds	\$ -	\$ 1,369,302	\$ 1,369,302	
Total	\$ 10,517,965	\$ 9,566,480	\$ (951,485)	-9.0%



Ad Valorem Tax Revenue

(65.4%)

Property Type	FY2019 Property Value		FY2020 Property Value		FY2021 Property Value	
Real Estate	\$	32,591,545,190	\$	33,898,147,631	\$	34,765,371,998
Personal Property	\$	1,858,243,946	\$	1,987,121,897	\$	2,359,915,427
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	\$	40,464,540,989

	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	\$	212,211,847

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



Local Option Sales Tax Revenue (9.3%)

Article	County Share		FY2019 Actual		FY2020 Amended		FY2020 Projected		FY2021 Second 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	\$	16,162,365	\$	12,783,165	\$	12,215,154

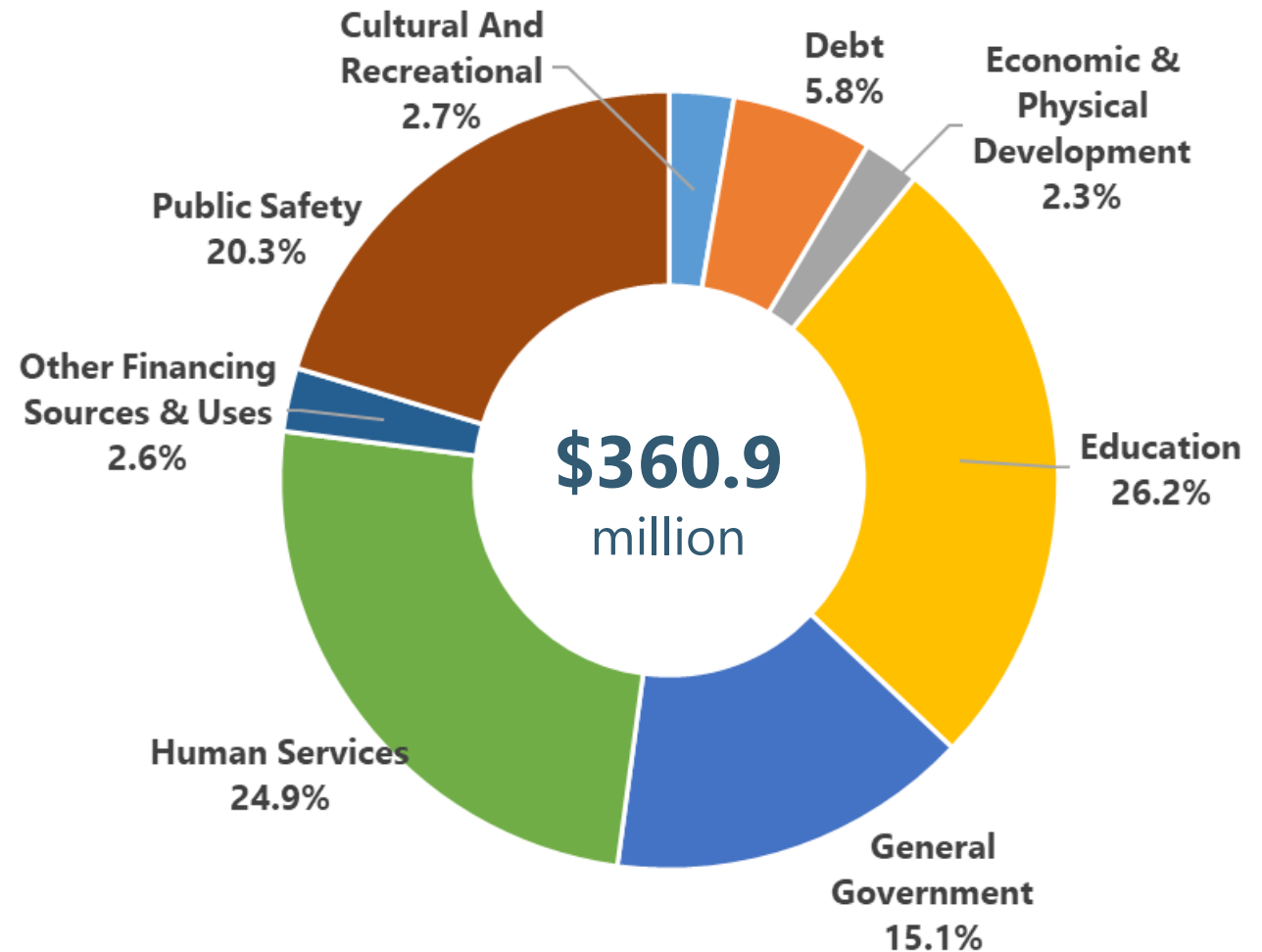


Expenditures



FY2021 Department Requests: Expenditures by Function

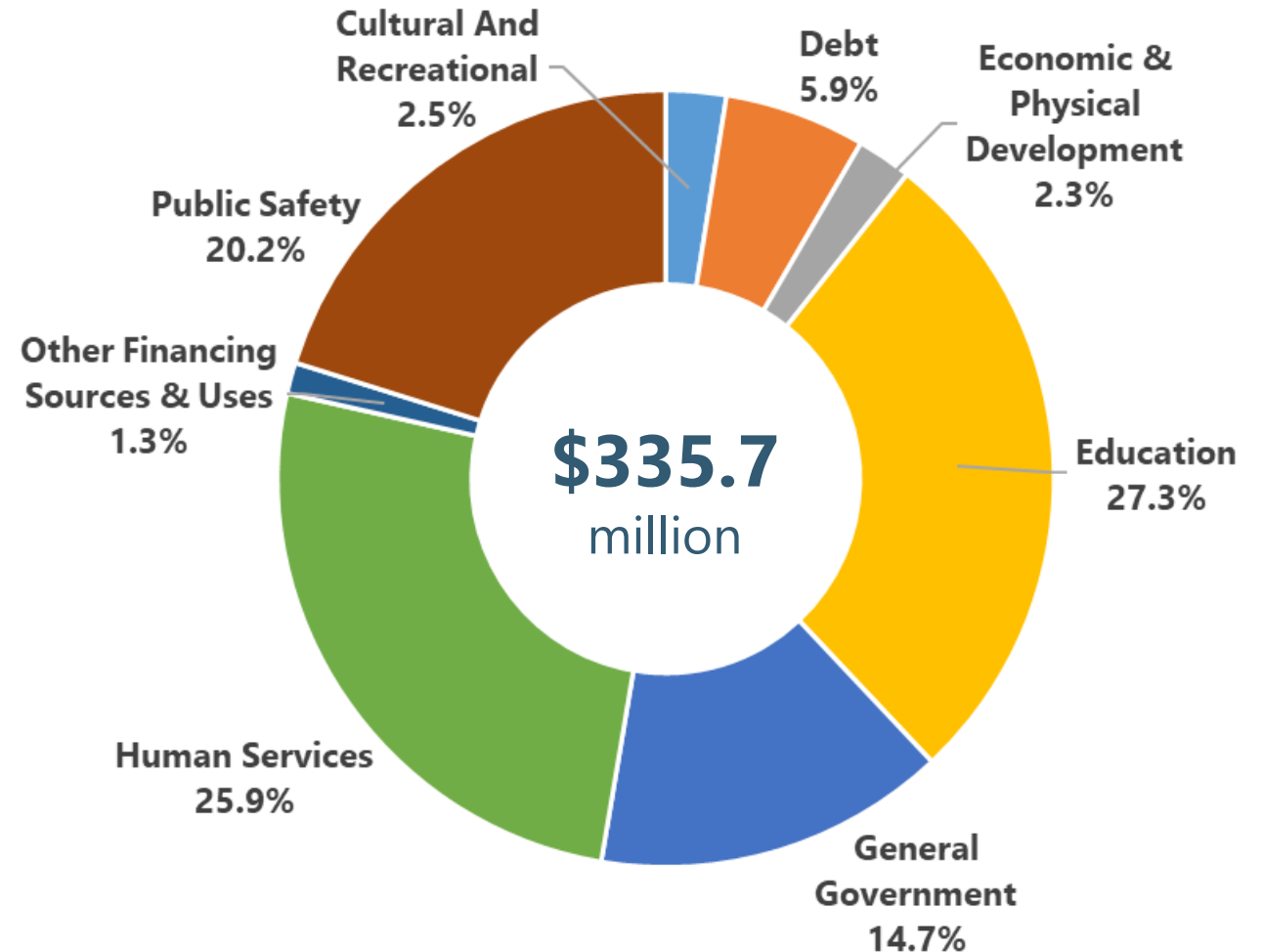
Expenditure Type	FY2021 Requested
Cultural And Recreational	\$ 9,657,762
Debt	\$ 21,102,973
Economic & Physical Development	\$ 8,453,818
Education	\$ 94,454,532
General Government	\$ 54,452,146
Human Services	\$ 89,848,629
Other Financing Sources & Uses	\$ 9,513,411
Public Safety	\$ 73,394,676
Total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



Note: department requests were generated in 2019, prior to concerns of COVID-19 pandemic

FY2021 Second Pass Budget: Expenditures by Function

Expenditure Type	FY2021 Second Pass
Cultural And Recreational	\$ 8,416,714
Debt	\$ 19,723,865
Economic & Physical Development	\$ 7,686,792
Education	\$ 91,680,187
General Government	\$ 49,299,222
Human Services	\$ 86,875,190
Other Financing Sources & Uses	\$ 4,329,622
Public Safety	\$ 67,710,815
Total	\$ 335,722,407



General Fund Expenditure Comparison

FY2021 Second Pass (Function)

Function	FY2020 Amended	FY2021 Second Pass	Variance from FY2020 Amended	Variance (%)
Cultural And Recreational	\$ 8,563,170	\$ 8,416,714	\$ (146,456)	-2%
Debt	\$ 22,121,569	\$ 19,723,865	\$ (2,397,704)	-11%
Economic & Physical Development	\$ 10,235,328	\$ 7,686,792	\$ (2,548,536)	-25%
Education	\$ 90,962,469	\$ 91,680,187	\$ 717,718	1%
General Government	\$ 48,631,205	\$ 49,299,222	\$ 668,017	1%
Human Services	\$ 89,184,750	\$ 86,875,190	\$ (2,309,560)	-3%
Other Financing Sources & Uses	\$ 5,155,854	\$ 4,329,622	\$ (826,232)	-16%
Public Safety	\$ 64,604,081	\$ 67,710,815	\$ 3,106,734	5%
Total	\$ 339,458,426	\$ 335,722,407	\$ (3,736,019)	-1.1%

Education Request & Second Pass Budget

School System	FY2021 Request	Requested Increase	Requested Increase (%)	FY2021 Second Pass*	FY2021 Second Pass Increase	FY2021 Second Pass Increase (%)
AB Tech	\$ 7,075,600	\$ -	-	\$ 7,075,600	\$ -	-
Asheville City Schools	\$ 13,430,397	\$ 973,626	7.8%	\$ 12,592,864	\$ 136,093	1.1%
Buncombe County Schools	\$ 69,712,472	\$ 1,490,676	2.2%	\$ 68,967,134	\$ 745,338	1.1%
Total	\$ 90,218,469	\$ 2,464,302	2.8%	\$ 88,635,598	\$ 881,431	1.0%

* **Note:** FY2021 allotment for ACS & BCS may shift based on ADM share



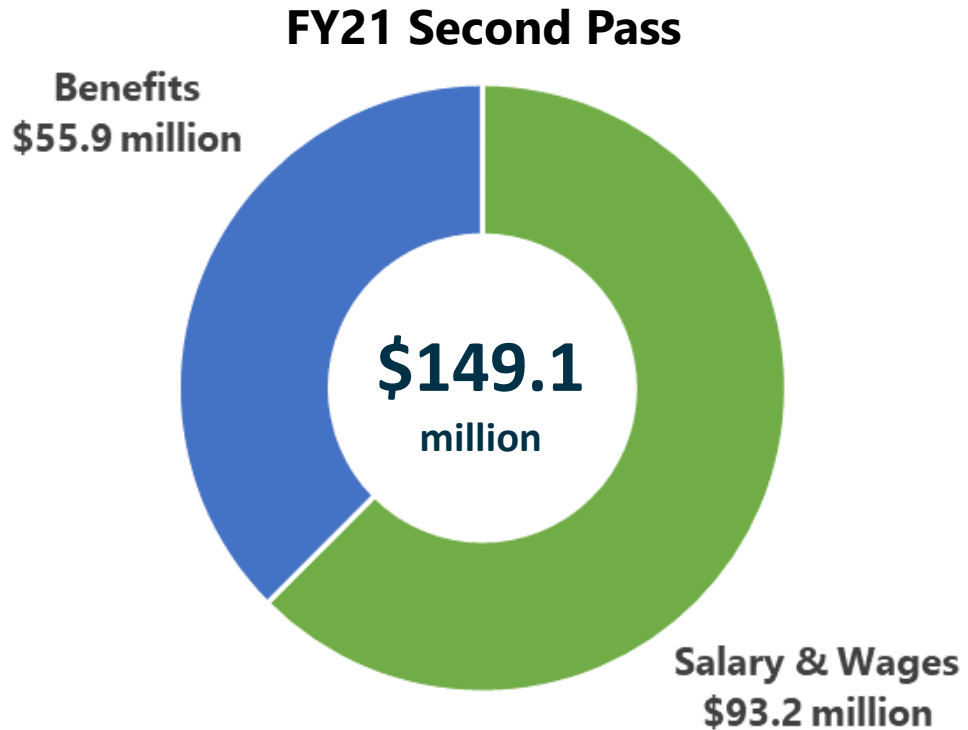
General Fund Expenditure Comparison

FY2021 Second Pass (Expenditure Type)

Expenditure Type	FY2020 Amended	FY2021 Second Pass	Variance from FY2020 Amended	Variance (%)
Salaries & Benefits	\$ 144,955,908	\$ 149,141,655	\$ 4,185,747	3%
Program Support	\$ 116,407,741	\$ 113,374,629	\$ (3,033,112)	-3%
Operating	\$ 50,338,988	\$ 46,653,717	\$ (3,685,271)	-7%
Debt Service	\$ 22,121,569	\$ 19,723,865	\$ (2,397,704)	-11%
Transfers & Other Financing	\$ 5,155,854	\$ 4,329,622	\$ (826,232)	-16%
Capital Outlay	\$ 374,800	\$ 1,498,919	\$ 1,124,119	
Contingency	\$ 103,566	\$ 1,000,000	\$ 896,434	
Total	\$ 339,458,426	\$ 335,722,407	\$ (3,736,019)	-1.1%

Note: Second pass through May 15, 2020

Salary & Benefits FY2021 Second Pass



Key Expenditures	FY2020 Amended	FY2021 Second Pass	Variance	Variance (%)
Salary	\$ 87,956,858	\$ 89,956,950	\$ 2,000,092	2%
Health Insurance	\$ 30,921,717	\$ 31,223,434	\$ 301,717	1%
State Retirement	\$ 7,959,312	\$ 9,273,194	\$ 1,313,882	17%
Payroll Taxes	\$ 6,952,135	\$ 7,138,476	\$ 186,341	3%
Retirement Contributions	\$ 6,795,218	\$ 6,972,206	\$ 176,988	3%
Longevity	\$ 3,327,972	\$ 3,284,626	\$ (43,346)	-1%
Remaining*	\$ 1,042,696	\$ 1,292,769	\$ 250,073	24%
Total	\$144,955,908	\$149,141,655	\$ 4,185,747	2.9%

Personnel Adjustments FY2021 Second Pass

New positions

- 6 full-time positions (starting July 1, 2020)
- 1 part-time position (starting July 1, 2020)
- 10 full-time positions (starting Jan. 1, 2021)

Reclassifications & adjustments

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

FY21 net cost (General Fund)

New positions	\$ 672,000
Reclassifications	\$ 389,000
Temporary staff conversions	\$ 198,000
Career ladders	\$ 428,000
Total	\$1.69 million

Department	Recommended Positions	Positions
Emergency Services	911 Telecommunicator (3) EMS Medical Director (Part-Time) EMT Paramedic (6)	10
Public Health	Public Health Nurse II	1
Justice Services (Fund 327, Grant Funded)	Grant Coordinator	1
Solid Waste (Enterprise Fund)	Heavy Equipment Mechanic / Operator Solid Waste Program Manager Solid Waste Utility Worker Transfer Station Assistant Supervisor Transfer Truck Driver	5
Total	General Fund	11
	Grant-Funded	1
	Enterprise Fund	5

New Personnel: Emergency Services

EMT Paramedic (6)

- 6 full-time positions starting January 1, 2021
- Justification
 - Ensures EMS can adequately & consistently staff 10 ambulances
 - Assists with EMS goal to improve response times, closer to industry benchmark
- \$385,596 total cost

EMS Medical Director (1)

- 1 part-time position starting July 1, 2020
- Justification
 - Establishes formal medical oversight of EMS
 - Works with Quality Assurance to enhance continuing education program
- \$99,614 total cost

911 Telecommunicator (3)

- 3 full-time positions starting January 1, 2021
- Justification
 - Creates consolidated 8-hour employee schedule
 - Establishes uniformity across 911 dispatch system
- \$124,669 total cost



New Personnel: Public Health

Public Health Nurse II (1)

- 1 full-time position starting January 1, 2021
- Justification
 - Assists with increased visits in immunization clinic, Wise Woman program, and lab follow-ups
 - Position will lower waiting times and improve client services
- Risks of not approving position
 - Reduced revenue for Wise Woman of up to \$210,000
 - Decreased revenue from commercial insurance & Medicaid
- \$61,711 total cost



New Personnel: Justice Services

Safety & Justice Challenge

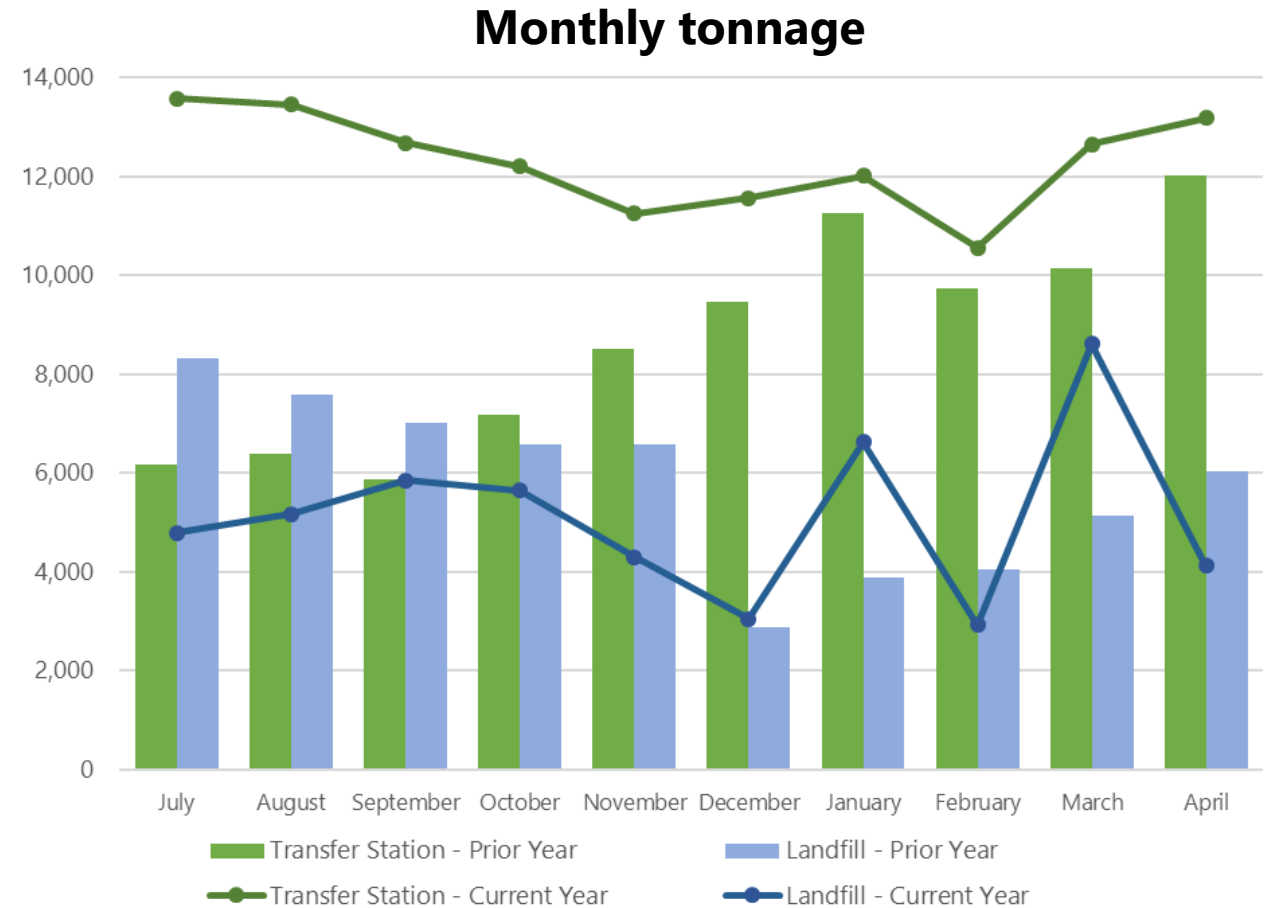
- 1 full-time position starting July 1, 2020
- Justification
 - Grant Coordinator for Safety & Justice Challenge (SJC)
 - Expect a no-cost grant extension of 6 months past Sept. 2020
 - Current workload of SJC grant exceeds current staff capacity
 - Focused on goal of faster reduction in jail population
- \$102,963 total cost
- \$0 county cost (grant funded)



New Personnel: Solid Waste

5 full-time positions starting July 1, 2020

1. Heavy Equipment Mechanic / Operator
 - Brings dept. to industry standard ratio of 15 heavy duty equipment units to 1 mechanic
 - \$78,309 total cost
2. Solid Waste Program Manager
 - Will advance & expand recycling programs
 - Assists with dept. business operations
 - \$122,393 total cost
3. Solid Waste Utility Worker
 - Assists with growing materials management
 - \$58,656 total cost
4. Transfer Station Assistant Supervisor
 - Establishes organizational career ladder
 - Assists with oversight, scheduling, & safety
 - \$82,805 total cost
5. Transfer Truck Driver
 - Meets increasing demand for transfers due to increased tonnage
 - Offsets existing overtime costs
 - \$69,954 total cost



Capital Projects: Debt FY2021 Second Pass

Debt Funded Projects

- 6 projects
- FY21 impact:
 - ~**\$152,000**: ½ annual payment for vehicles
 - ~**\$100,000**: debt issuance cost

Project by Department	Amount
Fleet Services	\$1,369,302
Emergency Services Vehicles (2)	\$ 336,102
Sheriff's Vehicles Replacement (24)	\$ 1,033,200
General Services	\$4,882,597
Courthouse Repairs	\$ 596,239
Jail Repairs	\$ 786,358
Fleet Services Complex	\$ 3,500,000
Sheriff's Office	TBD
Leicester Crossing Buildout (repurposing existing debt savings)	TBD
Grand Total	\$6,251,899



Capital Projects: Pay-Go FY2021 Second Pass

Pay-Go Funded Projects

- 3 greenways
\$334,000: pay-go funding
- 4 Information Technology purchases
\$51,000: pay-go funding

Project by Department	Amount
Greenways	\$ 334,000
Black Mountain Greenway (Final Payment)	\$ 134,000
Enka Heritage Construction (Destination Grant)	\$ 200,000
Woodfin Greenway: Riverside Drive Design	MPO Funds
Information Technology	\$ 51,000
GRC Tool	\$ 14,500
Mountain Mobility: On-board camera system	\$ 16,500
Security Rating Tool	\$ 20,000
Tax Assessment: Just Appraised	Cover in Reappraisal Fund
Grand Total	\$ 385,000

Note: NCDOT locally administered projects are suspended due to NCDOT's ongoing cash balance situation. This will alter the Greenways funding structure for FY21. Final amounts will be included in the county manager's recommended budget.



Capital Projects: Solid Waste

FY2021 Second Pass

Pay-Go Funded Projects

- 6 projects
\$930,000: pay-go funding

Project by Location	Amount
Landfill	\$ 680,000
Backup compactor	\$ 175,000
Landfill gas utilization study	\$ 100,000
Landfill engineering Cell 7 MSW (design & permitting)	\$ 55,000
New bulldozer	\$ 350,000
Transfer Station	\$ 250,000
Backup loader (white goods)	\$ 125,000
On-road tractor	\$ 125,000
Grand Total	\$ 930,000



Budgetary Contingency

- Second Pass budget includes \$1 million in budgetary contingency
- Potential uses of contingency include:
 - COVID related expenditures
 - Salary & compensation study to address salary disparities
- Any use of contingency requires notification to the Board

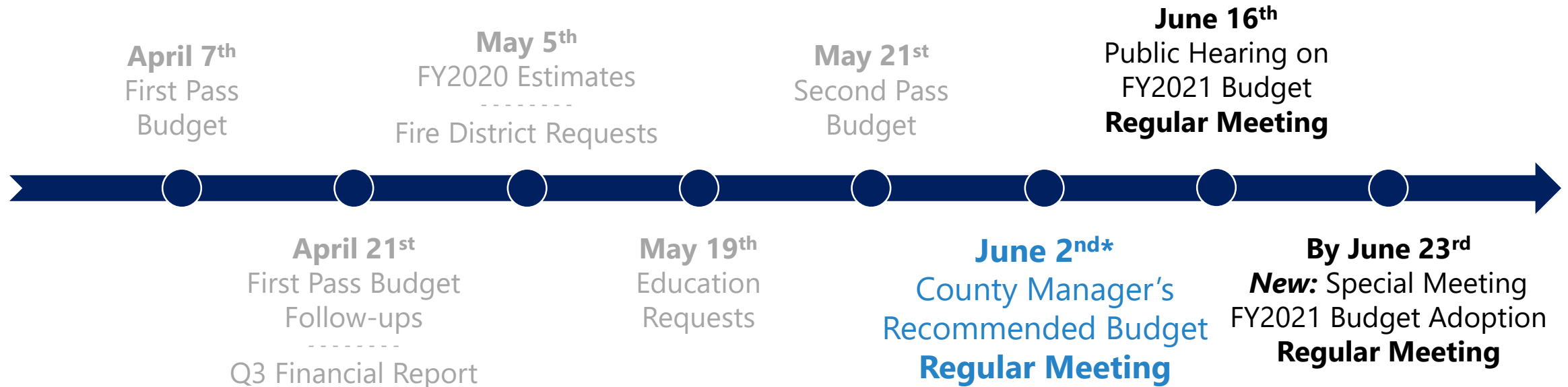


Commissioner & Community Prioritization

Item	FY2021 Cost	Future Cost	Recommendation
Susidize ADA complementary paratransit (City of Asheville)	\$0* *Updated since last meeting. Expect rate reduction for service.		Include in FY21 budget: No cost increase
Elementary & Intermediate Schools Playgrounds (6)	\$65,000	\$0	Include in FY21 budget: \$65,000
Phase 1 solar projects on county buildings (debt)	\$50,000 Debt issuance costs	\$3,800,000 Remaining debt service costs	Withhold from FY21 budget & revisit when RFP concludes



FY2021 Budget Next Steps



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



Greenways Funding Update

presented by

Josh O'Conner



Current NCDOT Cash Balance Delays

- Per NCDOT:
All locally administered projects (projects funded with the French Broad River MPO's Federal Highway Administration (FHWA) allocation) are suspended due to NCDOT's ongoing cash balance situation.
- Ongoing work may continue, but the vast majority of the MPO's locally administered projects will be impacted.
- No timeline or method of correction have been introduced.
- Projects may have to be "reprioritized" as funding is released.



Immediate Local Funding Impacts

- Enka Heritage Trail – Engineering and design delayed
 - \$4.8 million of total \$12 million Enka Recreation Destination budget is delayed
 - Using FHWA money for TDA matching funds
- Woodfin Greenways Projects – Engineering and design delayed
 - \$6.5 million of total project budget is delayed
 - Using FHWA money for TDA matching funds
- Reems Creek Greenway – Engineering and design delayed
 - \$480k of total project budget is delayed



Long Term Funding Impacts

- FHWA has made tentative indication that they are not willing to extend project deadlines.
- We have no indication whether NCDOT's funding issues will be fixed within months or if they are longer term.
- Infusion of stimulus funding or action by the NC General Assembly could allow the projects to move forward in a more short-term timeframe.
- We are asking NCDOT to continue administrative approvals of projects so that we can resume immediately.

