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PRESS RELEASE

FOR: IMMEDIATE RELEASE

RE: Yancey County Adopts 2016-17 Budget

CONTACT: J. JASON ROBINSON, CLERK TO THE BOARD

DATE: 6-17-16

YANCEY COUNTY COMMISSIONERS ADOPT 2016-17 BUDGET

At their regular business meeting on June 13, 2016 the Yancey County Commissioners adopted the budget plan for county government for the coming fiscal year. Just like North Carolina, Yancey County's fiscal year begins July 1, 2016. This marks the third year in a row that budget adoption has occurred in early June.

Delivering his budget message to the Board of Commissioners and the citizens of Yancey County, County Manager Nathan Bennett highlighted features of the adopted budget. According to Mr. Bennett, the budget addresses many of the priorities of the Board including: the continued rebuilding of the county's fund balance; maintain essential public safety and basic services; and make investments in infrastructure necessary to support economic prosperity. Mr. Bennett highlighted challenges faced by the County over the past several years including reduction in state funding for various programs, the reduction in federal assistance, and unfunded mandates handed down by North Carolina state government, including the housing of misdemeanor inmates, employee retirement contributions, and a significant increase for the North Carolina Cooperative Extension Service.

For the first time in almost 10 years, Yancey County has a fund balance that is more than the state required 8%. The County's fund balance now stands at 11%. This budget continues the progress toward the Commissioner's stated goal of 16% in fund balance.

According to Mr. Bennett, drafting this budget has been one of the most difficult since he has been county manager due to the recent real property reappraisal. At least once every eight years the state of North Carolina requires all counties to conduct a property reappraisal to assess the fair market value of real property within the County. Yancey County's last reappraisal was completed in 2008, at the height of the "building boom." After "The Great Recession" counties across North Carolina saw their real property values plummet. Yancey County experienced a 12% drop in property value county-wide, resulting in a \$1.5 million loss in revenue for the County needed for essential services.

Over the last few years strict budget guidelines have been followed and County staff has cut as many expenditures as possible, including an across the board cut of 5% three years ago. According to Mr. Bennett, in order to maintain current services and continue to invest in education, economic development, and public safety, it was necessary for the County to explore a revenue neutral rate for the tax rate, which is a tax rate that would produce the same amount of revenue as the previous tax value would generate at the old rate, including natural growth. A revenue neutral rate for Yancey County would be 62 cents per hundred dollars of value. In his budget message, Mr. Bennett recommended a tax rate of 60 cents per hundred dollars of value. By comparison, Mr. Bennett explained that when Mitchell County did their reappraisal, in 2014, it resulted in an increase in their tax rate of 13 cents.

Other highlights of the 2016-17 budget include investments in economic development and making Yancey County a more desirable place to live and work. The budget makes appropriations to the expansion of sewer service to East Yancey as well as to TRACTOR, the regional agriculture processing center, for the continued support of agricultural as an economic driving force in the county.

The budget also makes an investment in the Yancey County School System for capital improvement of the aging elementary schools, according to the plans developed by the Yancey County Board of Education. This is the largest investment in the school system for capital facility improvement by any Board of County Commission. The budget also maintained funding to Mayland Community College for continued enhancement of the economic backbone of the County.

Chairman Johnny Riddle stated, "I am pleased with our staff for developing this budget in this very challenging year and for finding opportunities for savings where they can be found. This budget will continue to move Yancey County forward and look to the future. We cannot afford to go backwards at this critical time, as the four lane is completed and Yancey County continues to grow."

The budget was adopted on a 3-2 vote with Chairman Riddle, Commissioners Ollis and Ballew voting for the budget and Commissioners Austin and Whitson voting against the budget. The adopted balanced amount of the Yancey County budget for fiscal year 2016-17 is \$21,982, 506.

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