

COUNTY OF YANCEY

FY 2015-2016

BUDGET MESSAGE



June 8, 2015

**Nathan R. Bennett
Yancey County Manager**

YANCEY COUNTY BUDGET MESSAGE

FISCAL YEAR 2015-2016

*To the Yancey County Board of County Commissioners
and Citizens of Yancey County:*

In accordance with North Carolina General Statute 159-11, the Yancey County Fiscal Year 2015-2016 proposed budget is respectfully submitted for your review and consideration. The proposed budget sets forth a plan of operations for all County departments, programs, and capital projects for the coming year. This proposed budget is balanced in accordance with the Local Government Budget and Fiscal Control Act with general fund revenues and expenditures each totaling \$21,099,674.

INTRODUCTION

This budget message will introduce the Yancey County Fiscal Year 2015-2016 proposed budget. The budgeting process begins in February of each year with management requesting proposed appropriation use plans from departments, agencies and other County-supported entities. This year the requests for County funding exceeded expected revenues by over \$1.2 million. Over the course of numerous work sessions, the County Commissioners and county staff have worked to develop a balanced budget in line with expected revenue. This document will show how the County plans to utilize its fiscal resources and will highlight some of the more significant impacts to the County's budget.

Yancey County elected leadership and administration continues the efforts of the past seven years to accomplish three primary goals: restore the financial integrity of Yancey County, maintain essential public safety and basic services, and make investments in infrastructure necessary to support economic prosperity. Despite continued challenges from reductions in federal and state funding for mandated services, Yancey County has accomplished these goals by relying on our own initiative, creativity, prioritization and sacrifice. This budget provides additional County resources for law enforcement, emergency medical telecommunications, social services, and other vital services. While County staff is to be commended for accomplishing much with limited resources, we are pleased this budget continues the progress made the past few years to provide the tools to staff necessary to provide these services. For only the third time since 2008, there is an across the board 3% pay increase for employees included in this budget. Furthermore, this budget provides a priority spending plan that does not increase the tax burden on the County taxpayer. There is no tax increase recommended, keeping the current tax rate at \$0.50 per \$100 valuation.

REVENUES

The County's primary sources of funding are property and sales taxes and state and federal grants. Property taxes constitute the County's largest source of revenue. For Fiscal Year 2015-2016, the current property tax remains unchanged at \$0.50 per \$100 of valuation – no tax increase recommended. It is expected this rate will provide an estimated total revenue of \$11,928,885 or 56% of the total general fund budget. The County Tax Department has done a good job over the past few years working with taxpayers to collect taxes

owed to the County. The current property tax collection rate is 97%, which puts Yancey County in the range of our county peer group. The sales tax projection for the County continues to be level as the State has transitioned from the per capita distribution to the point-of-sale distribution meaning Yancey County no longer shares in sales tax revenue on a statewide basis, but only receives what is actually collected in Yancey County. The Administration is closely monitoring legislation currently pending in the North Carolina General Assembly which proposes to return sales tax to a per capita distribution method. This would yield a substantial increase in sales tax funds should this proposal become law. Other revenue sources such as fees from building permits, deed filings, firearm permit fees and others are projected to be minor as they constitute only a small portion of the revenue for this budget. The remaining revenue sources include federal and state grants for specific programs, primarily at the Department of Social Services and the Transportation Department. Therefore, it is recommended that the Board continue to support tax collection measures to ensure that all outstanding tax revenue is collected.

MAJOR INITIATIVES AND EXPENDITURES

Yancey County has made great progress in fiscal management, capital planning and day-to-day operations. Accurate budget projections and a disciplined approach to budget administration have yielded great dividends for both the County organization and taxpayers. Continuing the progress, this budget will contribute specifically to the restoration of the County's fiscal health, provide funding for the public schools, provide additional resources to the Sheriff's Department, implement Emergency Medical Dispatch protocol, provide an increase in employee compensation, provide much needed County facility repair, provide needed public services, and support community initiatives. Specifically, our proposed budget addresses these issues as follows:

- 1) **Fiscal Control and Financial Stability**: At the end of FY 2014, Yancey County had a fund balance reserve available for appropriation of \$1,480,006. This represents a 7.5% fund balance. Although still below the state requirement of 8% available, this continues to represent significant improvement from the negative 9% available in FY 2009. Yancey County appreciates the close working relationship that has been developed with the N.C. Office of the State Treasurer and the N.C. Local Government Commission to restore the County's fiscal health. The County has worked closely with these agencies to implement sound financial policies and move the County to sound financial standing. This proposed budget recommends the continued allocation of \$400,000 to the "Contribution to Fund Balance" line item in the general fund. Together with the anticipated gains from the current year, the fund balance reserve will undoubtedly reach and exceed the state mandated 8% available by the end of FY 2015-16. Achieving the 8% fund balance level has been the primary goal for county commissioners and administration since 2009. It has been a difficult task with many sacrifices but it is a goal that everyone is proud to accomplish for the long-term stability of Yancey County.
- 2) **Public Schools and Education**: *Yancey County Schools* continue to do great things to improve educational performance among our students. Yancey County is grateful for the close relationship with the Yancey County Board of Education and appreciates the difficult decisions the schools have made in light of state funding reductions. The Board of Commissioners met jointly with the Board of Education during the budget process to discuss funding priorities for Yancey County Schools. The Board of Commissioners' commitment to Yancey County Schools and its students continues to be a top priority and this budget for FY 2015-16 includes a slight increase to the current level of appropriation for

current expense, and maintains current level funding for JROTC, and local supplements. Specifically, this budget appropriates \$2,900,000 for the school system's current expense budget. Additionally, the County maintains the \$100,000 appropriation for local supplements, a \$40,000 appropriation for continuation of the JROTC program, a \$580,000 appropriation to the schools' capital outlay fund, and \$10,000 in timber receipts designated for school use. This is a total commitment to the Yancey County School System of \$3,630,000. It should be noted that timber receipts traditionally received from the federal government as a result of the sale of forest products from National Forests has been reduced as action by the federal government to continue these payments is uncertain.

Mayland Community College, while primarily supported with state funds, depends on the three partner counties of Yancey, Mitchell and Avery for operational and capital equipment costs. Yancey County has historically funded the community college at or above the level of the other partner counties. Mayland Community College is funded in this budget with an appropriation of \$333,808.

Furthermore, the County is pleased to assist Mayland with the construction of the "Anspach Advanced Manufacturing School" on the Yancey Campus which opened in April of this year. This facility is a valuable asset in the recruitment of business and industry to Yancey County as well as providing the trained workforce in new manufacturing technology necessary for the County's existing industries. This budget includes an appropriation of \$10,000 as the second installment of a contribution pledge of \$50,000 for the construction of the Anspach Advanced Manufacturing School at the Yancey Campus.

- 3) ***Sheriff's Department and Detention Center***: The County continues the appropriations necessary for the Sheriff to increase officer presence at the County's public schools. The safety and security of children at school is of paramount concern to everyone. Additionally, this budget provides funds to purchase and equip three (3) new patrol vehicles. This budget provides funding to continue needed capital equipment purchases and to provide officer safety equipment.

The Sheriff is responsible for managing several sections of the County budget. The Sheriff is responsible for the "Sheriff's Department" budget of \$1,456,260 which includes patrol and investigations, "Sheriff Dispatch" budget of \$245,087; "County Detention Facility" budget of \$978,628; "County Grounds Security" budget of \$56,775; "Animal Control" budget of \$59,812; and the "Non-Departmental Juvenile Inmate Confinement" budget of \$8,000. The total appropriated by this budget and managed by the Sheriff is \$2,796,570, which is 13% of the total general fund budget.

- 4) ***Emergency Medical Dispatch***: Yancey County began dispatching calls for emergency services through the Enhanced 911 system in 2004. This has made the process for obtaining emergency services, whether medical, fire or law enforcement, much simpler for those in need by dialing 911. The County now intends to provide additional services to citizens who call for emergency service through the Emergency Medical Dispatch (EMD) program. EMD refers to a system that enhances services provided by the County's Emergency Operations Center by allowing the dispatcher to quickly narrow down the caller's type of medical situation so as to better dispatch emergency services and to provide quality instruction to the caller before help arrives. This instruction could include aiding the caller by providing instruction to administer assistance such as CPR or removing choking hazards, among other lay basic life support. This requires a significant investment in personnel and resources to provide this service to

the citizens of Yancey County. This budget provides \$151,892 to implement Emergency Medical Dispatch which includes the addition of three telecommunicator positions, computer dispatch equipment, software, flashcard-books and other necessary ancillary items.

- 5) **Comprehensive Recreation Grounds:** Funding is recommended to continue work on the Comprehensive Recreation Grounds (CRG), now named Cane River Park, on Whittington Road in western Yancey County. This new park facility, opened in 2012, has been used by hundreds of families in multiple youth and adult athletic programs, use of playgrounds, walking trails, river activities, and other active and passive recreation activities. The County has completed work at Cane River Park to develop the baseball/softball complex resulting in full use this spring by dozens of youth baseball and softball players. However, there are several items remaining to complete this complex including a field house/concession building, score boards and other amenities. In addition, these appropriated funds will be used to install infrastructure components such as electric, water, and septic systems. At this time, it is requested that the County appropriate \$117,500 to provide for development needs at Cane River Park.
- 6) **Employee Compensation:** Employees have worked very hard during some of the most difficult economic circumstances in recent memory. The persistent economic circumstances over the past several years has, unfortunately, resulted in sending more citizens into county offices for assistance, whether it has been for vital social services, transportation, medical services or law enforcement. This increase in workload and the positive response by employees to it has not gone unnoticed. This budget includes a 3% across the board pay increase for all county employees.

In addition to this across the board increase, the administration recommends a wage scale adjustment for the employees in the Income Maintenance Section of the Department of Social Services. A combination of factors lead to this recommendation: implementation of NCFAST, increase in SNAP and Medicaid workload, high position turnover, and pay significantly lower than regional peers. This budget includes funds sufficient to increase the wage scale for all Universal Caseworkers and associated staff in the Income Maintenance Section by 10% - making Yancey more competitive with our regional peers. This plan is intended to encourage these employees to remain in their position and gain the experience to effectively and efficiently serve our citizens with vital services as they navigate a very cumbersome and backlogged system. Implementation of NCFAST has resulted in these actions by counties across North Carolina. In addition, this budget provides funds to provide a wage scale adjustment of \$1.52 per hour for van drivers within the Transportation Department. This will place these employees in the appropriate class commensurate to the requirements of the position. In examining the current pay plan, it is readily apparent that all Yancey County employees as a general rule are paid significantly less than their counterparts in the same positions in peer group counties. The adjustments in these departments is a start but the administration believes a full review of the position classification and pay plan should be undertaken when the County has achieved sound financial standing.

Furthermore, in addition to these pay improvements the County successfully negotiated with our employee health insurance provider this spring which resulted in no increase in employee health insurance premiums. The County continues to work with our provider, Blue Cross Blue Shield of N.C., to implement cost containment measures and to encourage wellness activities with our employees.

- 7) **Senior Citizens Center and Community Agencies:** Yancey County is fortunate to have many beneficial community agencies serving the needs of Yancey County's citizens. Among these organizations is the Yancey County Committee on Aging. The County has assisted the Committee on Aging in securing funding to construct a new Senior Citizens Center. After much work, construction is nearing completion on this facility.

Community Agencies provide vital services to our community. This County continues to support these initiatives by continuing current year funding appropriations to the Yancey County Rescue Squad, Yancey Firefighters Association, Yancey County Literacy Council, the Middle School Health Centers, Graham Children's Health Services, Hospice of Yancey County, the Yancey County Humane Society, the Yancey County Youth League and others. These agencies represent what is great about Yancey County – a spirit of community involvement for our citizens.

- 8) **Facility Needs and Capital Outlay:** The Yancey County Courthouse serves as the center of county government and the seat of the General Court of Justice for Yancey County. The Courthouse was constructed and opened to the public in October 1965. The Courthouse celebrates 50 years of service to the community this year. In order to ensure 50 more years of service to Yancey County, this budget provides \$50,000 to make needed improvements to the facility including rehabilitation of the windows and improvements to the heating and cooling systems. There are also funds included in this budget to complete other needed repairs and renovations that are imperative to have facilities citizens can be proud of as well as providing a safe workplace for employees.

BUDGET SUMMARY

Yancey County has been able to accomplish great things for the citizens of Yancey County by planning and analysis of needs and resources, conducting careful budgeting and then maintaining a disciplined adherence to the adopted budget. The leadership of the Board of Commissioners and the diligent work of County employees has resulted in tremendous progress toward rebuilding the financial stability of County government while at the same time providing investments for economic development infrastructure, public safety and health and human services and support for community initiatives for our citizens.

Respectfully submitted on this the 8th day of June 2015.

NATHAN R. BENNETT,
Yancey County Manager