

COUNTY OF YANCEY

FY 2019-2020

BUDGET MESSAGE



June 20, 2019

**Lynn Austin
Yancey County Manager**

YANCEY COUNTY BUDGET MESSAGE

FISCAL YEAR 2019-2020

*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 2019-2020 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 \$23,701,432.

INTRODUCTION

This budget message will introduce the Yancey County Fiscal Year 2019-2020 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 \$1.3 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 the significant impacts to the County's budget.

For the past ten years, Yancey County has been dedicated to three primary goals: restoration of the financial integrity of Yancey County; maintain essential public safety, health and human services; and make strategic investments to support economic prosperity. This budget reflects the positive involvement by department heads and agency leadership to allow the County to provide the resources necessary to accomplish these broad goals. County staff, from the department head to the line employee, is to be commended for accomplishing much with limited resources. As the County's financial standing has strengthened, careful and strategic improvements have been implemented to improve and enhance the working environment for the employees and the services provided to our citizens. I am pleased to present this budget that continues to provide the tools necessary for an effective and efficient government.

REVENUES

This budget provides a priority spending plan that attempts to minimize the tax burden on the County taxpayer. Yancey County has been rated the past several years by SmartAsset.com, a New York financial technology company, as one of the top five North Carolina places where taxpayers get the most “Bang for Their Buck.” This is very positive recognition from a national financial organization that is evidence to taxpayers that their County government leadership is operating this local government in a professional, businesslike manner.

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 2019-2020, management recommends that the property tax rate be maintained at the current rate of \$0.60 per \$100 of valuation. It is expected this rate will provide estimated total revenue of \$12,430,361 or 52% of the total general fund budget. The Yancey County Tax Department works diligently, but respectfully, with taxpayers to collect taxes owed to the County. Yancey County is ranked in the top half of North Carolina counties in collection of property taxes. The current property tax collection rate is 98.24%, which puts Yancey County in the range with our County of our population size;

The sales tax for the County continues to be a steady and reliable source of additional revenue for the County. A large percentage of sales tax is state-mandated to be distributed by the County to the Yancey County Board of Education for the provision of the public schools. Other revenue sources such as fees from building permits, deed filings, firearm permit fees and others are projected to be minor and they constitute only a small portion of the revenue for this budget. The remaining revenue sources include federal and state block grants for specific programs, primarily at the Department of Social Services and the Transportation Department. As always, it is recommended that the Board continue to support property tax collection measures to ensure that outstanding tax revenue is collected.

MAJOR INITIATIVES AND EXPENDITURES

Yancey County is dedicated to sound fiscal management, capital planning and responsible day-to-day operations. Accurate budget projections and a disciplined approach to budget administration have allowed the County to successfully address our three primary goals: restoration of the financial integrity of Yancey County; maintain essential public safety, health and human services, and make strategic investments necessary to support economic prosperity. The budget is a comprehensive document that addresses the fiscal needs of some 40-plus county departments, affiliated county/regional agencies and non-profit organizations.

1). **Fiscal Control and Financial Stability:** Yancey County is committed to being very diligent in our efforts to be most economical with the monetary resources that we have available. Yancey County continues to make great strides in adding to the fund balance every year while maintaining a high level of continued service to our citizens. At the conclusion of the most recently audited fiscal year, the County's fund balance not only exceeded the state requirement of 8%, the fund balance reserve was 22.2%, exceeding the County adopted policy goal of 16%. This achievement represents a tremendous amount of work by the Board of Commissioners, administration and department heads.

2). **Public Schools and Education:** Yancey County Schools continue to do great things to improve educational performance among our students. Yancey County students perform extremely well on all statewide measurement factors. The Yancey County Commissioners, Sheriff's Office and the Yancey County School Board all are dedicated to making sure the safety of our students is number one (1). The Sheriff's Office has offered to enlist the (SRO) school resource officer positions as one of their own employees. This will be implemented with all three (3) resource officer positions over a course of a few years. As the resource officers retire, the incoming officer will be hired and paid through the Sheriff's Office. By doing this, it will broaden the officers' jurisdiction so that instead of just within school grounds they will now be authorized to handle situations as they might arise in all of Yancey County. Whether on the bus, in the class room or at home the officer can respond as necessary and be within the designated boundaries. The Yancey County Sheriff's Office will always have an officer on school grounds when school is in session by having more employees to pull from. This will ensure coverage of sick and vacation days whereas now the school has no SRO if the employee is sick or on vacation. Not only does this cover the SRO for the School but it makes available some money for the School Board to use in one of the three areas mentioned as possible concerns. In this proposed budget the East Yancey Middle School Resource Officer will be absorbed leaving behind \$45,000 for the School Board to use. Yancey County School Board expressed concern over the uncertainty of state funding for a school nurse position. With the Commissioners' approval of the SRO at East Yancey this will help to ensure the position. Yancey County along with the School Board is hopeful of the funding at the state level to cover this position. If approved within the state budget then this available \$45,000 could be used for an additional teacher's assistant and/or help fund a possible second grade teaching position depending on 2019-2020 enrollments.

The Yancey County Commissioners are proud to announce that the new elementary school (Blue Ridge Elementary) will be opening this 2019-2020 school year. It is on

schedule to open on time and looks as if it will finish on budget, if not slightly below. This budget appropriates \$953,507 for debt service on the project with the second scheduled annual payment due in September 2019. Further appropriations will be needed in future fiscal years as the financing package requires annual payments scheduled over the next 14 years.

This budget also includes the One-to-One Technology and the added teacher supply funds that were spoke of in last (2018-2019) fiscal year's budget message. The county teacher supply program provides an annual \$150 stipend for every Yancey County classroom teacher to purchase instructional supplies for the classroom. This budget provides a special appropriation of \$30,000 to continue to implement this important program. On the One-to-One Technology side of things, this budget recommends a special appropriation in the amount of \$72,750 for technology capital resources to ensure that each high school student has the same technology equipment available for them to accomplish their student goals and excel.

3). Mayland Community Collage While primarily supported with state funds, Mayland Community College 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 operations and capital equipment costs are funded in this proposed budget with an appropriation of \$374,640.

4). East Yancey Water and Sewer Project. This major infrastructure project had been in the planning and development phase since the 1990s when Yancey County took the lead for the project from the Town of Burnsville in the early 2000s. Several years ago Yancey County began construction on the wastewater treatment plant and collection system to serve the greater Micaville area. The Micaville collection system is active and accepting customers. Micaville Elementary School is connected to the system, relieving the school system from having to pump and haul waste as a result of their failed onsite system. The County has contracted with the Town of Burnsville to operate and administer the day-to-day operations of the wastewater treatment plant and collection system as they have the manpower, equipment and expertise necessary. The Town has exercised the option to purchase the system as originally anticipated, and the transfer will occur upon complete of the remaining designed collection system. This budget provides an appropriation of \$50,000 to cover the cost of operation, maintenance and future improvements for the East Yancey Wastewater Treatment Plant and Collection System. Furthermore, the County has secured state grant and loan funds to complete the remaining sections of the

collection system from Windom to the Burnsville city limits. Currently all permits and monies are in place to begin the bidding process. Construction should begin in late summer 2019 and the project should wrap up within the fiscal year.

5). **Yancey County Parks and Recreations:** Yancey County is pleased to announce a new position linking all three (3) parks and recreation locations together by creating a Parks and Recreation Director. This position will allow coordination between the Toe River Campground, Cane River Park, Ray Court Park, Kid Mountain and Old Burnsville Gym, as well as two (2) County pools. This will help to use our resources more efficiently from one site to another, through better communication, shared employee work hours and equipment. By better managing our resources we will be able to also absorb or help with the Yancey County Youth League sports. By allowing Yancey County youth league to merge with the Parks and Recreation Department the hope is we will be able to have better outreach efforts which in turn should increase interest and participation among our youth. Yancey County is committed to empowering our youth whether academically, through agriculture or athletically we stand with them to ensure a bright future for Yancey County. Within this proposed budget you will find the Parks and Recreation allocation at \$528,981.

6). **Yancey County Sheriff's Office:** The County is committed to continuing appropriations necessary for the Sheriff to provide for the safety and security of our community. This budget provides funding to allow absorption of one of the Yancey County School Resource Officers. As stated above, the Sheriff's office will be absorbing the East Yancey School Resource officer also known as the SRO. This will help to ensure a wider jurisdiction for the SRO, better training, more resources and up-to-date gear. The position will be a year-round full-time position, stationed where needed during the summer months or when school is not in session. This position is to be included in the "County Grounds Security" section of the Sheriff's Office budget. The safety of our students and citizens remain one of our top priorities.

The Sheriff manages several sections of the County budget. The Sheriff is responsible for the Sheriff's Department budget of \$1,717,172 which includes patrol and investigations, Sheriff Dispatch budget of \$301,385; County Detention Facility budget of \$1,168,389; County Grounds Security budget of \$135,798; and the "Non-Departmental Juvenile Inmate Confinement" budget of \$5,000. The total appropriated by this budget and managed by the Sheriff is \$3,327,744 which is approximately 14% of the total general fund budget.

7). **Yancey County Department of Social Services:** Beginning July 1, 201, Yancey County Child Support Services began operating in the office and under the supervision of the Department of Social Services. This move saved the County approximately \$15,000 over the course of the year versus paying a contracted provider for child support enforcement services. Yancey County Social Services staff worked with county management, county finance, and the NC Division of Social Services-Child Support Services to effect a smooth transition. Additionally, the county employed the child support agent from the previous contractor, who was able to effectively continue case management without interruption. This is a great asset to the DSS and is proposed to be funded again within this year's budget totaling \$75,261.

8). **Yancey-Mitchell County Landfill:** Due to heavy rains within the 2018-2019 fiscal year some erosion issues have been sighted by NCDENR. These issues will have to be corrected by the drilling of new testing wells around erosion areas, clearing access road ways, sampling of leachate and repair of the landfill CAP. Also, a violation that has been reported in the past as well as currently noted is the repair of the transfer station floor where rebar is showing and will have to be resurfaced.

This budget reflects half (1/2) of the monies necessary for engineering and repair to take place at the landfill this fiscal year. The other half (1/2) will come from Mitchell County as the landfill is a shared resource. This is budgeted at \$25,000 for the transfer station floor and \$75,000 for the CAP repair and is expected to be the same in the Mitchell County Budget.

9). **Drug Treatment Court:** The Yancey County Commissioners continue their support again this year in the fight against the opioid crisis. With the dedicated partnership of Yancey, Madison and Mitchell counties the Drug Treatment Officer will be able to continue to provide treatment and make a difference in those lives affected by this crisis. All three (3) counties will put forth \$30,000 each to provide salary for one Drug Treatment Coordinator as well as office space and equipment to perform the duties of the position. This is an additional \$5,000 from each of the counties compared to the 2018-2019 fiscal year of \$25,000. The additional funds were needed because the program will start in the first quarter of the fiscal year where as in the previous budget they began in the second quarter. North Carolina Drug Treatment Courts were established to enhance and monitor the delivery of treatment services to chemically dependent adult offenders while holding those offenders rigorously accountable for complying with their court-ordered treatment plans. The overall goal of the drug treatment court is to significantly break the cycle of addiction that gives rise to repeated law-breaking episodes. By enhancing the likelihood that the drug-driven offender will remain drug and crime free

and socially responsible, the drug treatment court seeks to reduce justice system, health system, and other societal costs associated with continuing drug use and criminal involvement. All three counties believe this program was a success last year and look forward to seeing a difference within our community again in the year to come.

10). **Economic Development and TRACTOR:** Yancey County values our local business as well as new industry/ business recruitment. As always we strive to grow economically in Yancey County each year. A goal of Yancey County Commissioners is to have a variety of good paying jobs to sustain our citizens financial wellbeing. In this proposed budget you will find that the Commissioners are in agreement that this money is well spent and want to continue to ensure growth within our county by funding the EDC in the amount of \$66,600.

TRACTOR: Yancey County fully recognizes the important contributions and value to our community from TRACTOR Farm and Foods, a non-profit regional food hub and farmer training organization originally founded in part by Yancey County Government. The development of agriculture as an economic driver in Yancey County is an important part of the overall multi-prong county strategy for successful economic development. The recent study of agriculture completed by the Yancey County Agriculture Task Force and presented to the County identified TRACTOR as a critical component in the overall success of farming in our community. A key finding in the study identified increased staffing needs at TRACTOR to expand markets and drive sales in order to make it a successful stand-alone entity. The community believes in TRACTOR and many great projects have originated out of the partnerships forged by the organization such as the County inmate “Gardens of Opportunity” project, the FFA student farm and the Bowditch Farms project. Toward that end, this proposed budget provides TRACTOR an appropriation of \$108,000 to continue the work of agriculture development in Yancey County.

11). **Employee Compensation:** County employees work hard to provide a safe, secure, healthy and prosperous community. The economic circumstance over the past several years have resulted in more citizens seeking County assistance, whether it has been for vital social services, transportation, medical services or law enforcement. Having a workforce that can respond to those demands is critical. As the County’s fiscal health has improved in recent years, every effort has been made to improve employee pay in order to recruit and maintain a great workforce. This budget includes an across the board pay increase for all employees of 2.1%, which is reflective of data from the federal Consumer Price Index (CPI).

12). **Community and Human Service Agencies:** Yancey County is fortunate to have many beneficial community agencies serving the vital needs of Yancey County’s citizens.

The County continues to support these initiatives by maintaining funding appropriations to the Parkway Playhouse, Toe River Arts Council, Yancey History Association, Yancey County Rescue Squad, Yancey County Literacy Council, Camp Funshine, the Middle School Health Centers, PATH of Western North Carolina (formerly Graham Children's Health Services), Hospice of Yancey County, Compassionate Care WNC (formerly Yancey County Humane Society), Yancey Residential Services and others. The County provides critical financial support to these agencies that allows them to provide these various needed services to our community at a much greater return on investment than if performed directly by County government. The investments in these agencies benefit every sector and demographic group in our county in a positive, meaningful way.

13). **Capital Improvements:** Yancey County has begun the Ray-Cort Park renovation and modernization project. This park is the oldest in the County's park system, developed in the late 1970's and early 1980's, and little has been done since that time. The County has received a grant from the N.C. Parks and Recreation Trust Fund. This grant allows for a major upgrade to this facility to include new recreation elements, stabilization of the stream, and enhancement and renovation of existing park facilities. This proposed budget provides an appropriation of \$20,000 as a match to the grant.

Budget Summary

Through the leadership of the Yancey County Commissioners together with the County employees we look forward to the vast array of accomplishments this budget projects. This budget offers many opportunities for our continued growth and financial success in the year to come.

Respectfully submitted on this the 20th day of June 2019,

LYNN AUSTIN,
Yancey County Manager