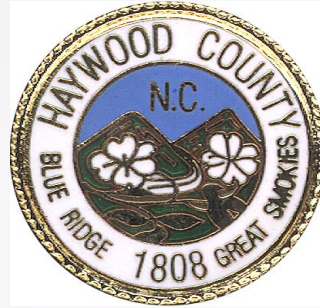


Haywood County



Fiscal Year 2017 – 2018

Proposed Budget

May 15, 2017

BUDGET PROCESS & DEVELOPMENT

- ***Board of Commissioners Budget Work Session in February***
- ***Department Head Kick-off meeting and individual meetings with all Departments/Offices/ Agencies***
- ***April Budget Work Session with presentations from School System and Haywood Community College***

DEMOGRAPHICS & ECONOMIC INDICATORS

- *Economy is recovering*
- *Unemployment – 4.8% - in February 2017 – below state average*
 - *Tourism up significantly - over 30% increase in occupancy tax and tourist spending since 2011*
 - *Building permits stable*
 - *Home sales improving significantly over prior year*

GOALS OF THE BOARD

- ***Best Education for citizens of all ages***
- ***Economic Development***
- ***Countywide Broadband***
- ***Public Safety***
- ***County Infrastructure***

GOALS FIXED BY THE BUDGET

- **Provide increased funding to the Haywood County Schools; (Best Education Goal)**
- **Provide increased funding to Haywood Community College; (Best Education Goal)**
- **Provide adequate maintenance on the facilities owned by the County; (County infrastructure Goal)**
- **Provide for economic development activities (Economic Development Goal)**
- **Take into account the review of the work force in public safety areas and focus on increasing them; (Public Safety Goal)**

GOALS FIXED BY THE BUDGET

- **Continue to provide safe, convenient service in solid waste in compliance with all regulations including specific projects such as the Francis Farm remediation and upgrades to convenience centers**
- **Maintain current levels of service to the public including maintenance of current operations schedule and small increase in Library hours (Best Education Goal)**
- **Maintain funding to community clubs**
- **Maintain the Wellness Center and health benefits for employees**
- **Maintain the 401K contribution**
- **Continue merit pay 0-2%; maintain holiday and longevity pay**
 - **Maintain adequate contingency**

Overview

- ❖ ***LAST YEAR: 2016-2017 BEGINNING BUDGET \$75,311,745***
- ❖ ***INCREASES OVER LAST YEAR***
- ❖ ***DEDICATED SALES AND OCCUPANCY TAXES ARE UP***
- ❖ ***OVERALL REAL PROPERTY VALUATION AT REAPPRAISAL WAS DOWN***
- ❖ ***VOTING MACHINES ARE EXPENSIVE***
- ❖ ***FUNDING TO SCHOOLS IS UP***
- ❖ ***PUBLIC SAFETY NEEDS ARE UP***

OVERVIEW

DEDICATED REVENUE INCREASES (DO NOT IMPACT TAX RATE)

<i>OCCUPANCY TAX</i>	<i>\$359,874</i>
<i>CAPITAL FOR HCC AND HCS</i>	<i>\$417,343</i>
<i>EXCISE TAX FROM ROD TO STATE</i>	<i><u>\$ 47,000</u></i>
<i>TOTAL</i>	<i>\$824,217</i>

OVERVIEW

A FEW BIG EXPENSE INCREASES (DO IMPACT RATE)

VOTING MACHINES	\$ 890,000
FUNDING FORMULA	\$ 485,209
PUBLIC SAFETY	<u>\$1,319,331</u>
TOTAL	\$2,694,540

GRAND TOTAL **\$3,518,757**

**These are the primary reasons the budget is up.
Will be explained.**

OVERVIEW – REVENUE NEUTRAL

The revenue-neutral property tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current rate if no reappraisal had occurred.

A revenue neutral rate is intended to be revenue-neutral for the County as a whole, not for individual property owners. If applied, approximately 58% of homeowners would pay more (most \$40.00 or less), 42% would pay more.

OVERVIEW

- ***PROPOSED NEW BUDGET \$79,511,717***
- ***TAX RATE PROPOSED TO GO TO REVENUE NEUTRAL RATE OF 58.50 CENTS PER \$100 VALUATION***
- ***FUND BALANCE PROPOSED TO BE USED TO BALANCE THE BUDGET \$2,150,000***
- ***GENERAL FUND EXPENDITURES PROPOSED TO INCREASE BY \$4,199,972 (5.58%)***



2017 Reappraisal

Reappraisal is required at least every 8 years per NCGS105-286

Last reappraisal was conducted for 2011

Reappraisal includes both land and improvements. Residential, Commercial, Agriculture and Industrial

This process will reset all real property to current market value as January 1, 2017

2017 Reappraisal

§ 105-283. Uniform appraisal standards.

All property, real and personal, shall as far as practicable be appraised or valued at its true value in money. When used in this Subchapter, the words "true value" shall be interpreted as meaning market value, that is, the price estimated in terms of money at which the property would change hands between a willing and financially able buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of all the uses to which the property is adapted and for which it is capable of being used.

2017 Reappraisal

Market value is not determined by the tax office; rather, it is determined by the actual activity in the local market. The tax office simply examines and analyzes market activity to develop formulas for values of individual properties. For example, even though not all properties will sell, or rent, or be built at the same time, information from those that have sold can be used to establish typical market rates for each of these market activities. Those rates can then be applied to all properties to ensure that reasonable values can be developed in a uniform way.

WHAT IT IS NOT: Foreclosures, short sales, lending agency sales from foreclosures, relocation agencies, auctions, family sales and other such options are NOT true market sales.

2017 Reappraisal

The County Assessor's Office or the Commissioners do not "create" the value of your property. People define values by their transactions in the marketplace. The Assessor's Office simply has the legal responsibility to study those transactions and appraise your property accordingly.

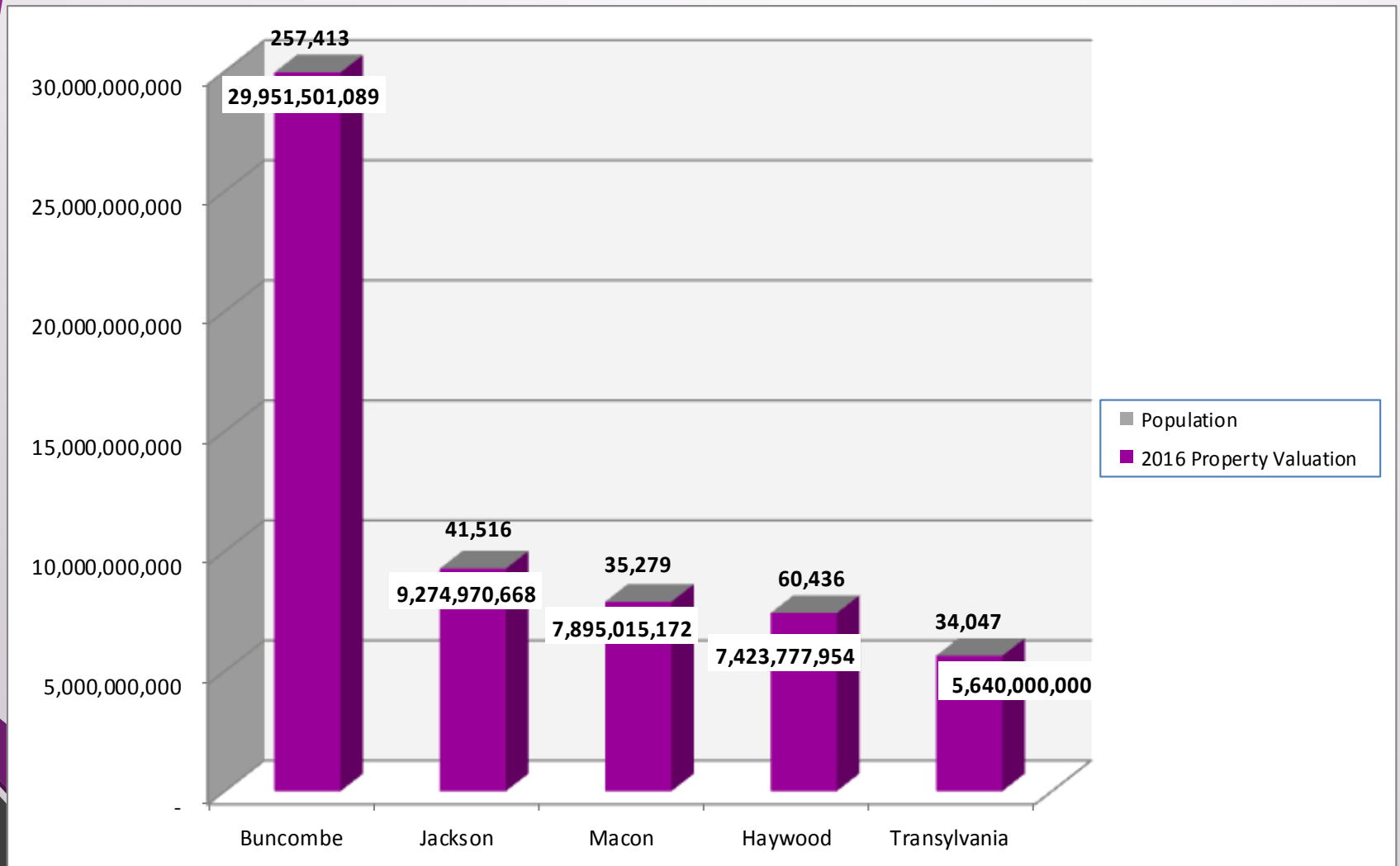
Market Value is not always the price for which a realtor may list the property, nor is it the price for which family may sale to another family member.

2017 Reappraisal

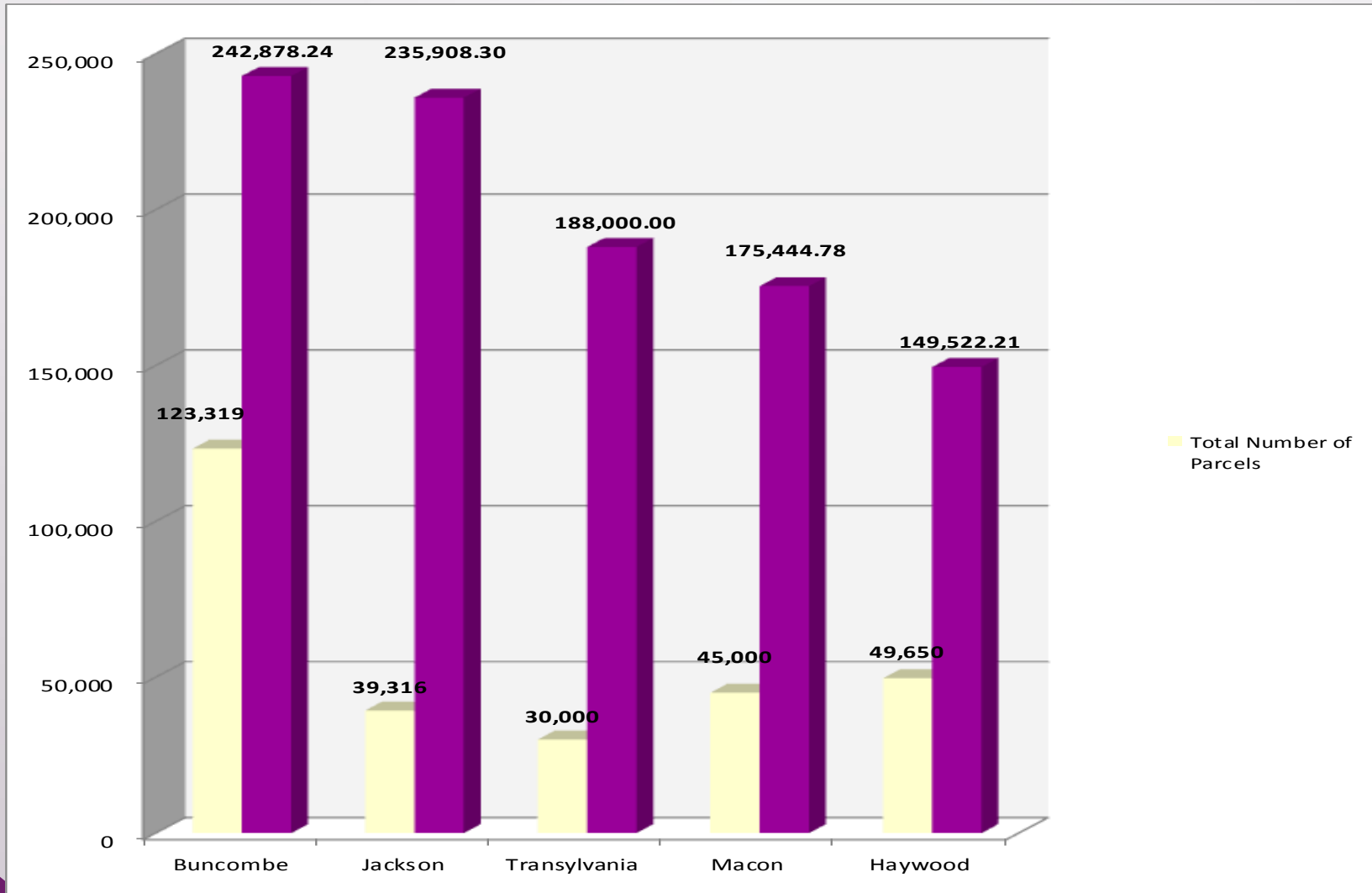
<input type="checkbox"/>	2016 MARKET VALUE	\$6,777,147,601
<input type="checkbox"/>	2017 MARKET VALUE	\$6,610,122,490
<input type="checkbox"/>	DIFFERENCE	(\$167,025,111)

COUNTY TAX VALUATIONS & POPULATION in 2016

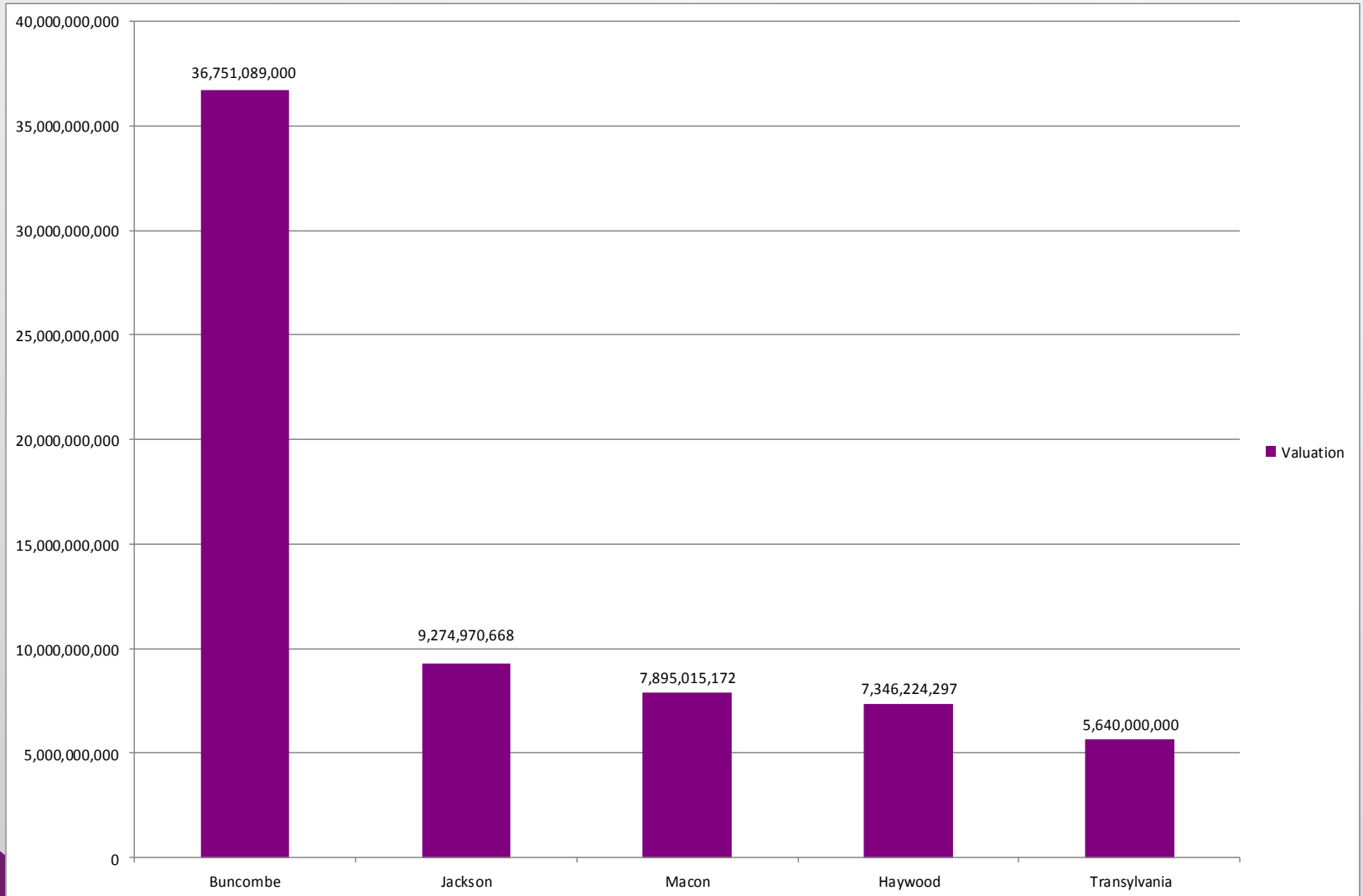
based on NCACC estimates for FY 2017



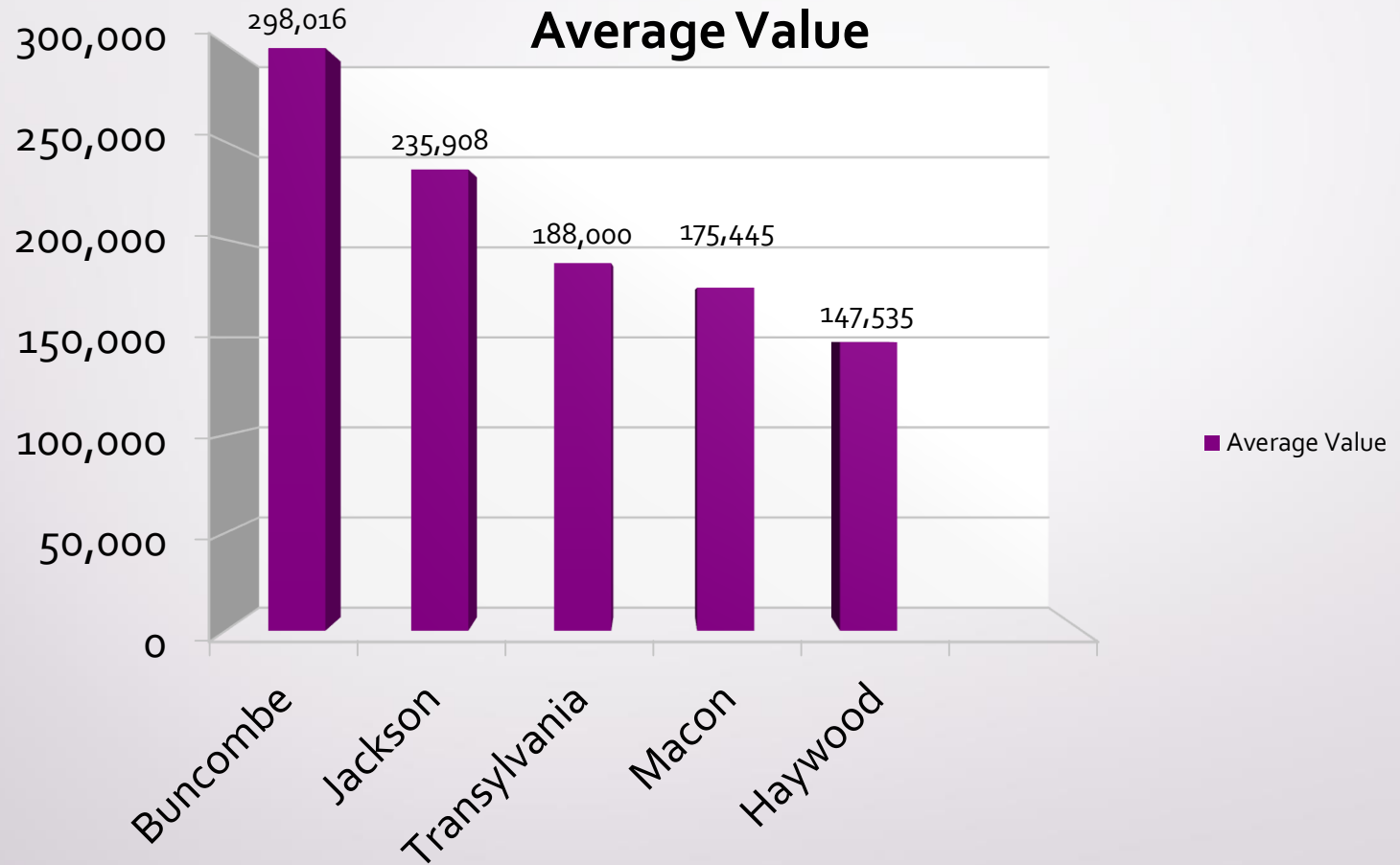
County Parcels and Average Values in 2016



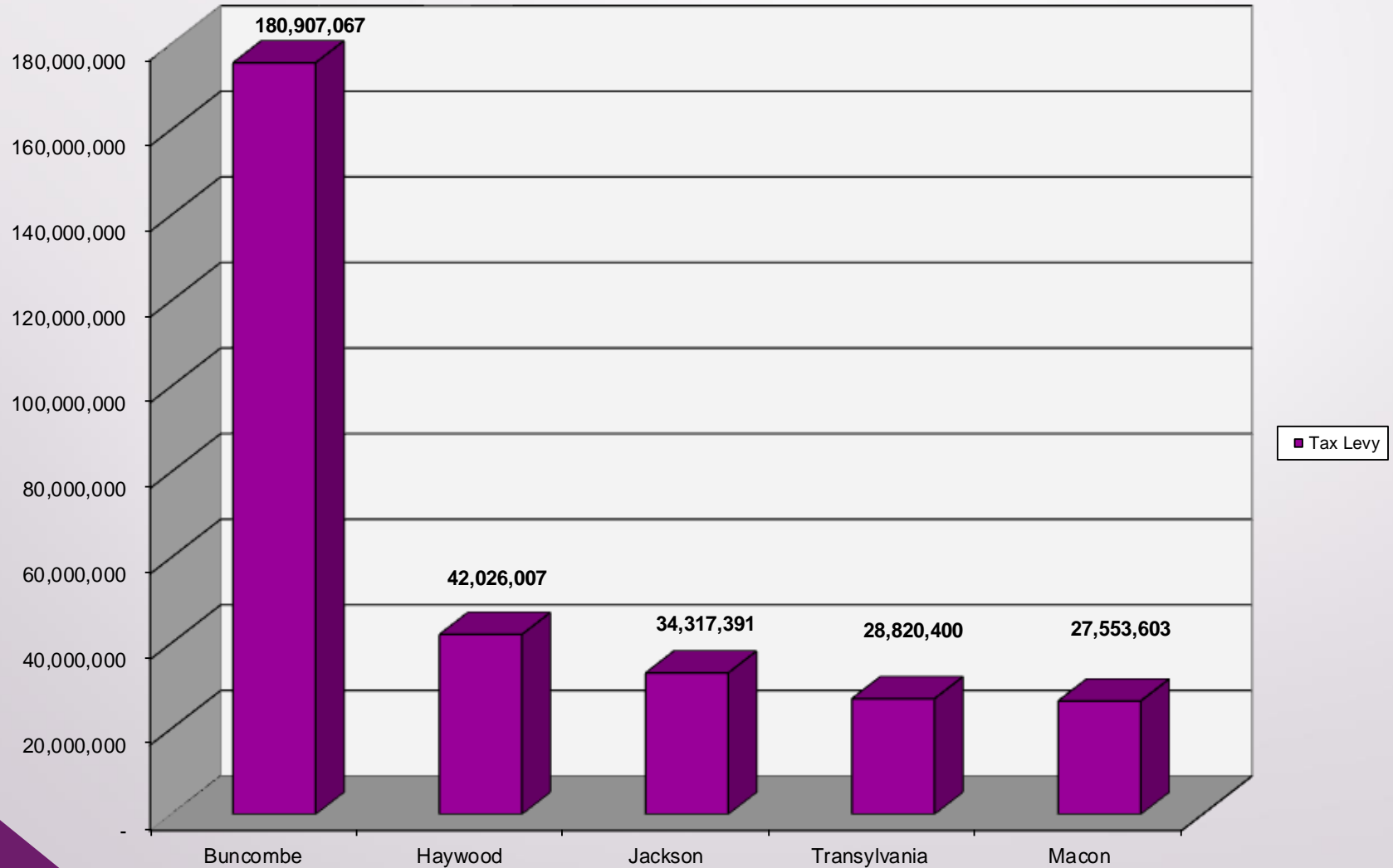
2017 Tax Year Projected Values Fiscal Year 2017-2018



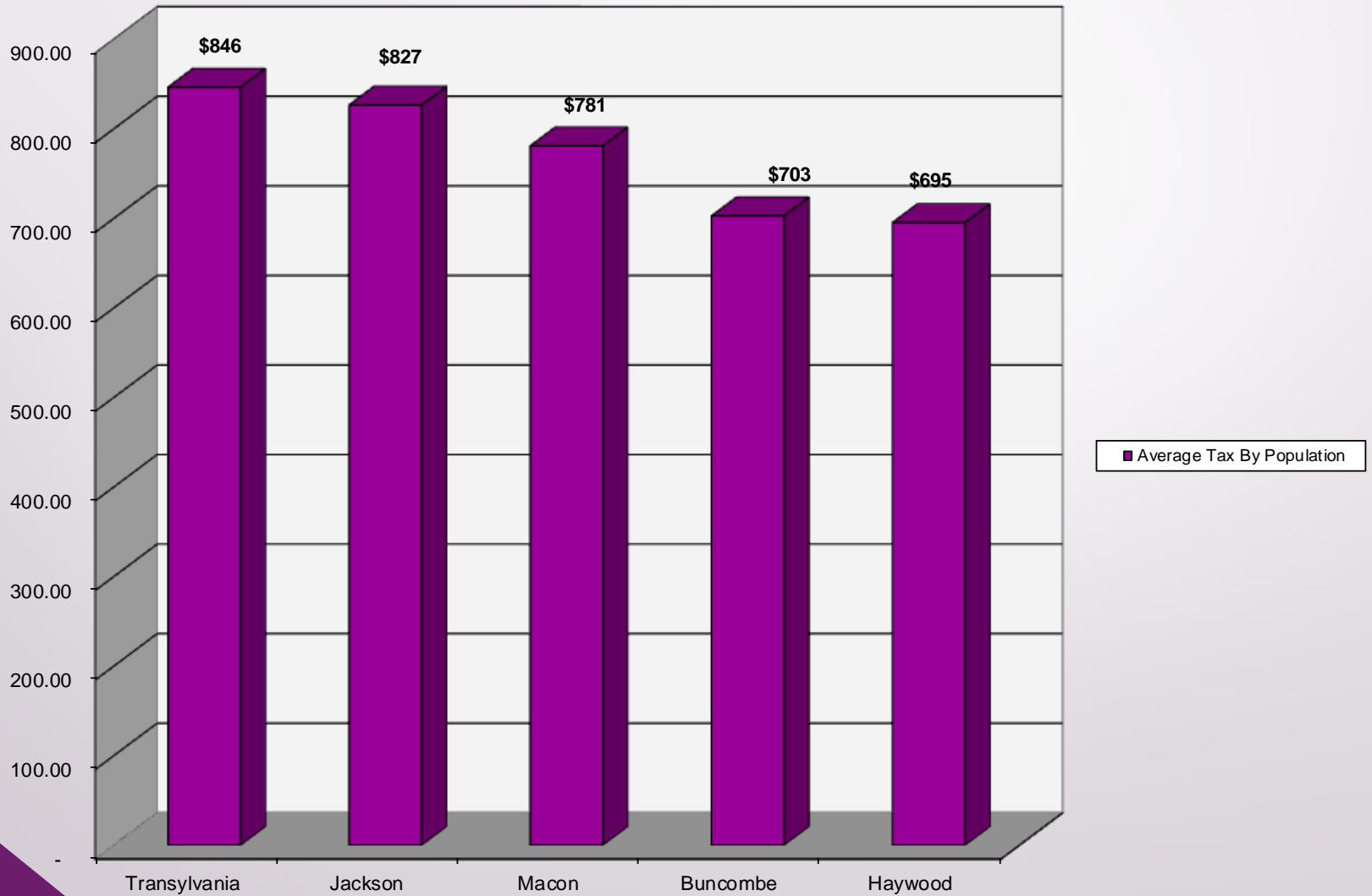
Average Values Projected for 2017



Tax Levy by County for 2016 2016-2017 Fiscal Year

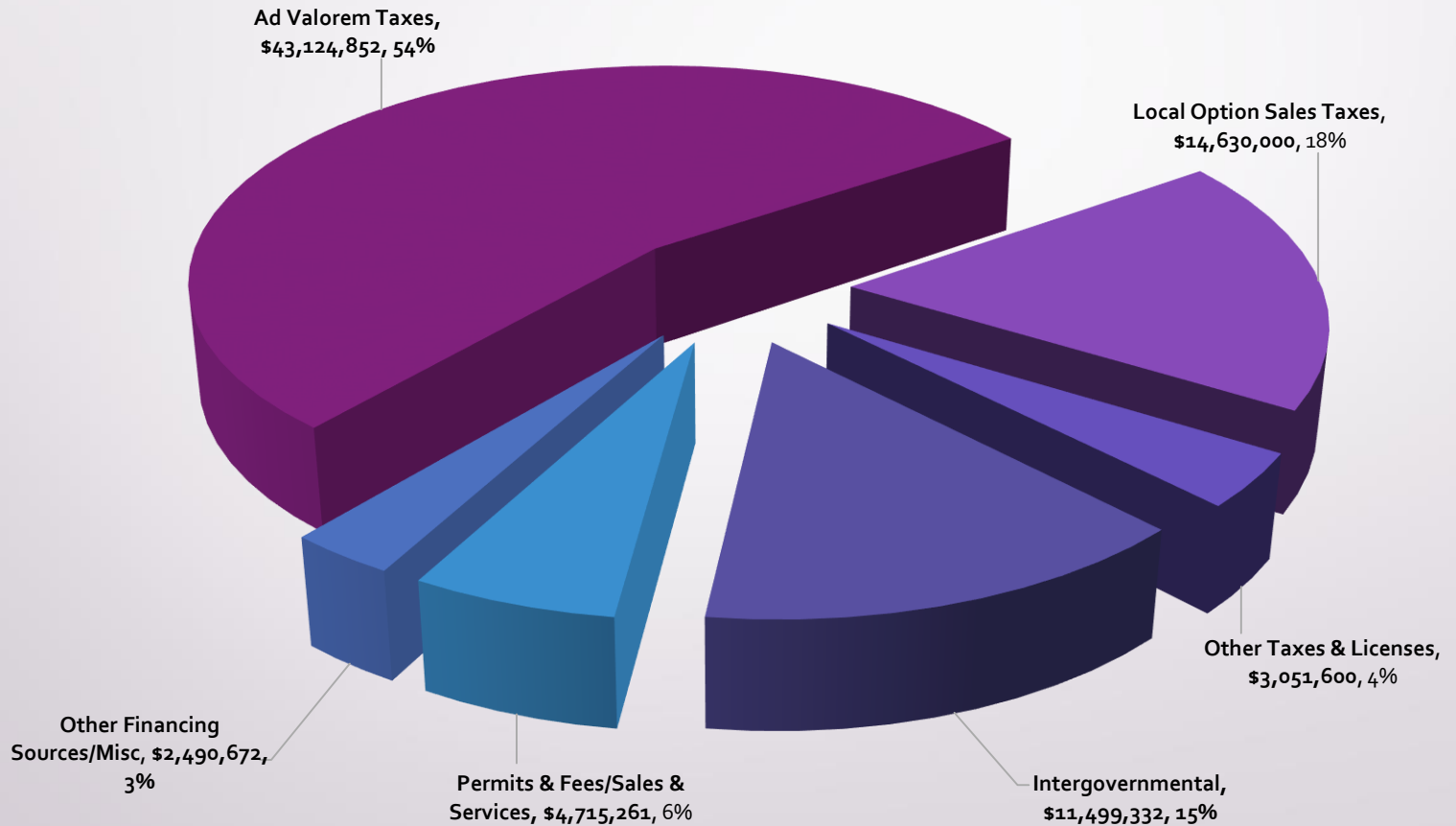


2016 Average Tax by Population



Where does the money come from?

HAYWOOD COUNTY FY 2017-2018 GENERAL FUND REVENUES LOCAL SOURCES



REVENUES

- County budget is a mix of revenues from Federal, State and local sources*
- This includes taxes, permits, fees and inter-governmental revenues*
- Some revenues are restricted and can only be spent on certain items such as monies for the WIC program, subsidized child care or school capital*

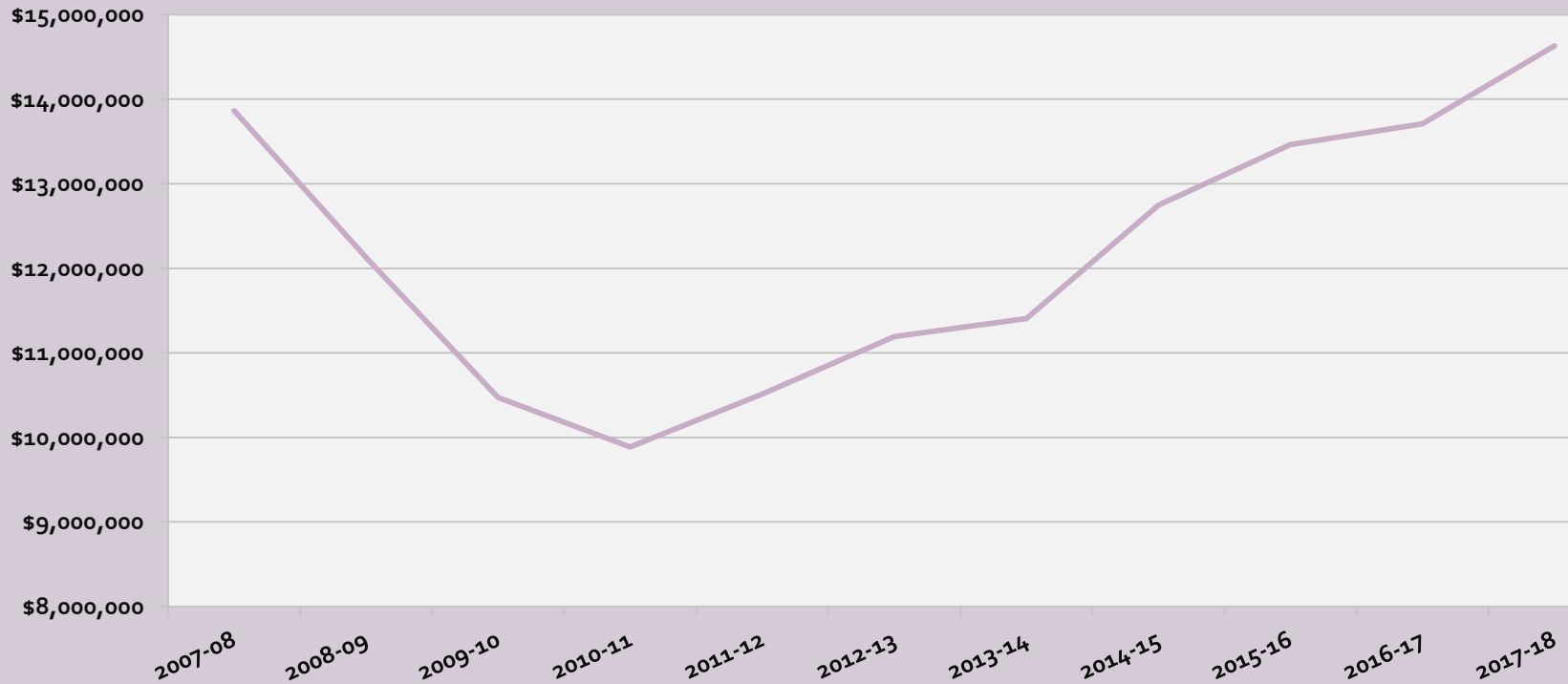
REVENUES

Local Option Sales Taxes

- ***Sales tax revenue reflects a 6.71% increase over current year budget***
- ***Portion of sales taxes earmarked for public school capital - \$3,105,000***
- ***Portion of sales taxes earmarked for community college capital - \$1,857,000***
- ***Portion for County projects - \$9,650,000***
- ***Increase in sales tax available for County use - \$502,929***

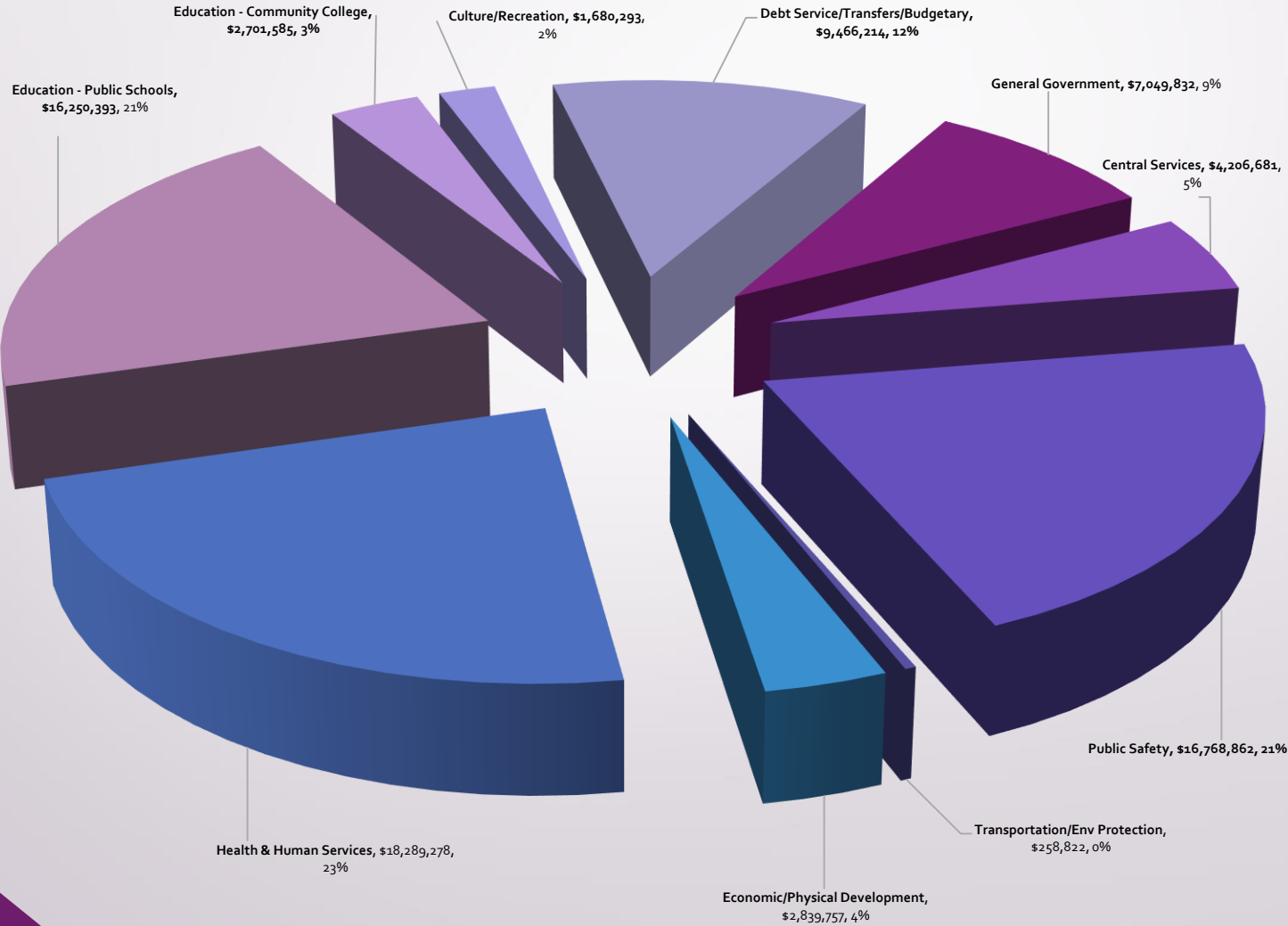
SALES TAX HISTORY & PROJECTIONS

Sales Tax History and Projections



Where does the money go?

HAYWOOD COUNTY FY 2017-2018 GENERAL FUND EXPENDITURES



BUDGET REQUESTS

OVERALL

\$81,639,965

***REQUESTS FROM DEPARTMENTS INCLUDING
REQUESTS FOR 24 FULL AND PERMANENT PART
TIME EMPLOYEES***

***ALL HAD JUSTIFICATIONS, BUT WE NEEDED TO
PRIORITIZE***

EXPENDITURES

*In each functional area presented, some of the large items requiring additional County dollars will be highlighted in **red**. **This is not an exhaustive list.***

EDUCATION

- ❖ ***Recommended budget is \$18,951,978***
- ❖ ***Areas needing additional Revenue to meet need:***
 - ***Haywood County Schools Operating –
Increase of \$485,209***
 - ***Haywood County Community College Operating –
Increase of \$177,916***

General Government

❖ *Elections up due to buying new machines – \$890,000*

❖ *Health Insurance - \$275,000*

❖ *Overall budget of \$7,049,832, increase of \$1,184,259
(20.19%)*

PRESIDENTIAL ELECTION STATS

	TOTAL REGISTERED VOTERS	TOTAL BALLOTS CAST	% VOTED
2008 Primary	40,690	16,593	40.78%
2008 General	42,350	28,771	67.94%
2012 Primary	42,122	15,651	37.16%
2012 General	43,079	28,364	65.84%
2016 Primary	42,086	16,566	39.36%
2016 General	44,273	30,955	69.92%

Central Services

❖ IT:

- Upgrades to systems*
- Essentially maintaining level of service*

❖ Facilities

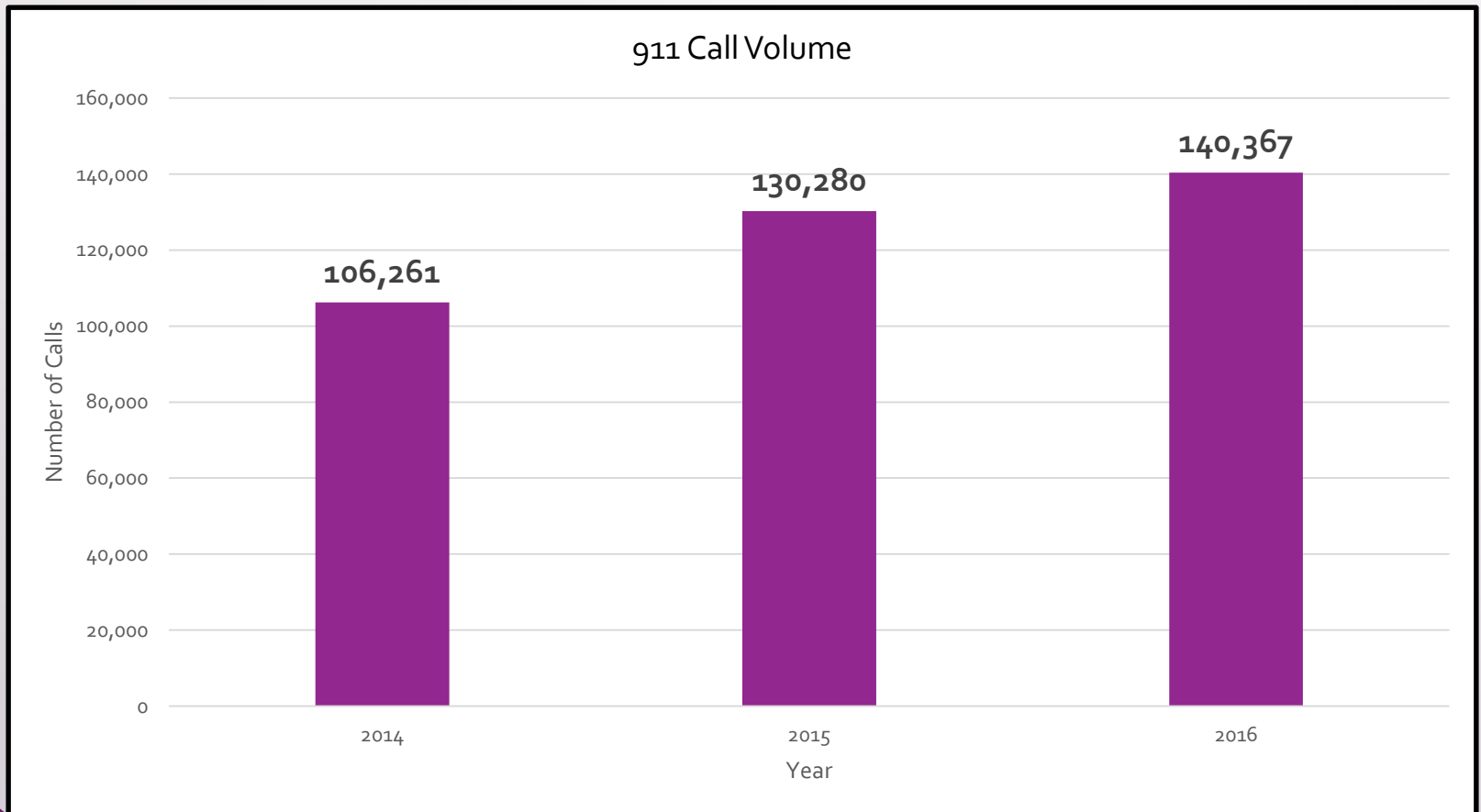
- Significant maintenance at Detention Facility*
- Otherwise continuation of Budget*

- ❖ Overall budget \$4,206,681, increase of **\$48,708 (1.17%)** which includes capital that will be funded through an appropriation of fund balance*

Public Safety

- *Emergency Services*
 - *Over 11,000 calls*
 - *At capacity during peak times, need to add peak time ambulance*
 - *Recommend remounting three ambulances with safety lifts - \$480,000 (over last year \$320,000)*
 - *Recommend increase \$46,000 in part time wages*
 - *Recommend special wellness program - \$27,000*
 - *Recommend early warning notification system - \$25,000*

Public Safety Communication Center



- ***Recommend two additional staff - \$86,906.04***

Public Safety Detention

***Detention Officers drove over 271,216 miles
(up 85,000 for 2015).***

- ***Detention Lieutenant*** ***\$ 68,006***
- ***Increased inmate expenses*** ***\$ 50,000***
- ***Detention van*** ***\$ 42,500***
- ***Radio/communications*** ***\$ 25,000***

Public Safety Sheriff

- ***Replace cameras and add bodycams \$67,304***
- ***Replace tasers \$ 70,000***
- ***Continue vehicle replacement (six)***
- ***SRO – new contract \$27,000***
- ***Future needs identified: four patrol deputies***
 - ***call volume 26,572 - calls per deputy 1,279***
 - ***Presently low end of mid size county coverage***

Public Safety Animal Services

- Accomplishments:
- 2015 – 5th Highest live release rate in NC among reporting shelters: 86.5%
- 2016 – Live Release Rate: 90.1%
- Shelter Euthanasia Rate: 5.4%
- Public Assistance Requested Euthanasia: 2.8%
- New software program implemented: January 1, 2016.
- All Animals Displayed on Internet upon entry.
- Laptops have been implemented in the field.
- All Field Officers received accreditation training from National Association .
- Revamped shelter medical procedures.
- Low-Income Spay/Neuter Reimbursements - 544 procedures - \$25,610.00
- Notable incidents:
- Provided an emergency shelter for 77 dogs that were on a rescue transport from Georgia to Wisconsin that broke down on 23/74
- Hoarding Cases resolved – 22 dogs rescued from Maggie Valley
140(+) dogs from Canton –
Emergency Shelter Opened

Public Safety

- ❑ Overall budget – \$16,768,862 – increase of **\$1,319,331**

Will meet important Community Goal!

Economic & Physical Development

- ❖ *Agreement with the Greater Haywood County Chamber of Commerce continues – \$223,059*
Additional County project funding, including Broadband - (\$60,000)
- ❖ *Planning budget increases due to reorganization, staff moved from other areas (\$111,427)*
- ❖ *Tourism budget increased due to increased dedicated revenues (\$386,254)*
- ❖ *Overall budget - \$2,839,757; increase of \$468,618 (19.76%)*

Health & Human Services

- ❖ *Need fewer County dollars to maintain services related to Health, Safety and Stability to the citizens*
- ❖ *Increase in Medicaid applications over 30% since 2011, over 14,538 on Medicaid, no new staff. Recommend 2 workers (County dollars) – \$22,250*
- ❖ *Administration recommends \$18,289,278, increase of \$424,913. (primarily in foster care costs)*

CULTURAL AND RECREATION

❖ *Assistance to Town of Canton pool - **\$25,000***

❖ *Library increase usage*

- *temps to increase hours - **\$30,000***

- *collections increase **\$10,000***

- *increase of **\$97,468 (7.36%)***

Recreation and Parks –

- *new focus on just athletics*

- *senior games still popular*

- *plan to increase participation in adult soccer and youth basketball*

- *increase of **\$18,332 (8.55%)** based on particular fees*

❖ *Total budget is **\$1,680,293**, an increase of **\$140,800 (9.15%)***

2017-2018

SOLID WASTE BUDGET

- White Oak Landfill \$ 622,620
- Convenience Centers \$1,183,826
- Materials Recovery Facility \$1,347,528
- Francis Farm Landfill \$ 457,134
- Contingency \$ 491,150
- Capital Projects & other \$2,080,729
- Total \$6,182,987

- Recommended Availability Fee Remain at \$164.00

Solid Waste Upgrades at Convenience Centers

- Haywood County is currently upgrading Cruso, Jonathan Creek, Beaverdam, Jones Cove and Bethel convenience centers with new fencing, signage and some asphalt repair work at a cost of \$100,000.



- New oil containment systems added to convenience centers
- We are pleased to announce that beginning in July Mauney Cove and Hwy 110 will be opened six days a week.

Solid Waste

New Convenience Centers

- The Board of County Commissioners approved the expansion of Mauney Cove and a new convenience center next to the former Crabtree Elementary School at a cost of nearly one million dollars for the two projects. Construction is underway with an anticipated opening in the summer of 2017 for both sites.
- The Mauney Cove Convenience Center is the busiest of the convenience centers with over 250,000 annual patrons. By adding additional lanes and compactors, traffic and wait times will diminish and patrons will be able to place waste and recyclables in the containers without having to walk across the site.
- The Crabtree Convenience Center was an eight year search to replace the current road side site located on Hwy 209. The County along with Haywood County School Board agreed to place the convenience center site next to the former Crabtree School. This site is larger and will allow citizens easier access.

Solid Waste

Francis Farm Landfill

- **The County committed to clean-up the landfill beginning in 2010 with a million dollar grant to construct a flare and methane capturing system to burn methane gas. Subsequent land purchases to extend the boundary of the landfill made in 2014 and 2015 brought the landfill into compliance only as far as methane gas exceedances at the property boundaries were concerned.**
- **This summer the County will hold a public meeting to inform our citizens of the Assessment of Corrective Measures (ACM) for the Francis Farm Landfill located just outside the town limits of Waynesville. The unlined landfill opened in the mid 1970's and was closed in 1993.**
- **The ACM has evaluated nine (9) different corrective action technologies as the potential remedy to address the environmental concerns at Francis Farm Landfill. The County will continue using landfill gas extraction and leachate recovery systems along with restrictive cover (dirt and/or synthetic liner) to eliminate or slow rainwater penetration into the landfill and groundwater table.**
- **The County must develop and submit a Corrective Action Plan to the NC Department of Environmental Quality for approval. A proposed timeline is construction will begin in the spring of 2019 with an estimated cost of five million dollars. The County has saved over one million dollars by acquiring dirt from road construction projects. The acquired dirt will be placed on the landfill to add additional layers to prevent rainwater from entering the waste and groundwater.**

SUMMARY OF RECOMMENDATIONS BY FUND

- *The recommended County of Haywood Fiscal Year 2017-2018 Budget for the General Fund is: \$79,511,717*
- *Special Revenue Fund – Emergency Telephone System (E-911) – \$426,026*
- *Special Revenue Fund – Solid Waste - \$6,182,987*
- *Special Revenue Fund – Road Districts – \$ 227,220*
- *Special Revenue Fund – Fire Districts – \$ 3,696,827*
- *Special Revenue Fund – Junaluska Sanitary District – \$224,500*
- *Special Revenue Fund – Law Enforcement Officer Separation - \$65,000*
- *Southwestern Child Development Center Fund – \$3,500,000*
- *Internal Service Funds – \$6,430,000*

DEBT SERVICE/TRANSFERS/NON-DEPARTMENTAL

- ***This area includes debt service, transfers, non-departmental budgets and contingency***
- ***Debt service decrease of \$405,069***
- ***Increase in dedicated HCC and HCS capital funds - \$507,028***
- ***Contingency is \$311,509***
- ***Total budget for this area is \$9,466,214***

BELOW REVENUE NEUTRAL RATE CHANGE

• Remove 3 Sheriff's cars and equipment	\$121,352
• Remove cameras and other equipment	\$ 89,967
• Canton pool from \$25,000 to zero	\$ 25,000
• Remove 1 ambulance (pay operating from fund balance)	\$160,000
• Peak time ambulance staff	\$ 46,800
• Remove 2 911 telecommunicators	\$ 86,906
• Remove 1 Detention Lieutenant	\$ 68,006
• Reduce HCC \$20,000	\$ 20,000
• Remove 2 Medicaid workers	\$ 22,250
• Remove birth certificate book repairs in ROD	\$ 9,396
• Fitness program for EMS	\$ 27,000
• Cut Mountain projects – transportation & senior services	\$ 20,000
• Remove detention vehicle	\$ 46,000
• Remove Governing Body minutes software & audio/visual upgrades	\$ 15,000
• Remove Tax & Land Records Ipads	\$ 10,800
• Cut Library hours (cut entire part-time budget)	\$ 62,400
• Reduce a service such as Parks & Rec. or Meals on Wheels	\$104,689
• Cut \$32,000 Canton Library parking lot	\$ 32,000
TOTAL	\$967,566.04

- **Remove enough capital to make up differences**
- **Pay operating from Fund Balance**

\$1,378.634

WHY DO WE NEED FUND BALANCE?

- ❖ *Increased County dollars expenditures*
- ❖ *Desire and opportunity to meet this without going above revenue neutral rate*

Direction

- ❖ *Tonight, May 15th at 5:30 p.m. presentation*
- ❖ *June 1, 2017 Budget Public Hearing (public comment welcome)*
- ❖ *June 5, 2017 at 9:00 a.m. (public comment welcome)*
BOCC regular meeting with Work Session to follow
- ❖ *June 19, 2017 at 5:30 p.m. (public comment welcome)*
Board of Commissioners' Consideration for Adoption of the
Fiscal Year 17-18 Budget Ordinance & Budget Document
- ❖ *Public input welcome and may be sent to :*
email – comments@haywoodnc.net
Drop off or mailed to:
County Manager's Office
215 N. Main St.
Waynesville, NC 28786
or call: 828-452-6625