

# 2022-2023 RECOMMENDED BUDGET



5/23/2022

Jaime Laughter, County Manager

In accordance with NC G.S. 159-11, the County Manager of Transylvania County presents the following recommended budget for fiscal year 2022-2023 to the Transylvania County Board of County Commissioners.

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## MESSAGE FROM THE COUNTY MANAGER

**May 23, 2022**

**To: Transylvania County Commissioners and Citizens**

**From: Jaime L. Laughter, County Manager**

**Subject: 2022-2023 Fiscal Year Budget Message**

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The FY 23 Budget was prepared in a landscape that has been unprecedented in recent history. The economic outlook is difficult to predict with rapidly rising inflation, aggressive intervention of the Federal Reserve to control it and a market that has defied predictions for the last couple of years by outperforming when indicators were not preferable and suffering losses when indicators should point to growth. Layers of international turmoil and supply chain dynamics further complicate the picture. This dynamic economic climate nationally is difficult to forecast and our local economy carries those same markers of uncertainty. The local economic growth pressures from residential to industrial continue with both the typical tourism focus and new residents that are attracted to the small town feel and vast open forest space after living through COVID. The unpredictability of the market has led the budget team to approach revenue projections with a dose of conservative measure and to limit the recommended budget to the natural revenue growth seen while prioritizing existing staffing structures and fuel to continue county services interrupted. There is also concern about the increasing cost of living and the challenges faced by Transylvania County households in the inflationary market. The recommended budget does not include a tax increase and does not fund all of the needs that have been identified throughout all county funded services.

Transylvania County leadership always follows a careful budget process that balances mandated services, service needs and citizen expectations against the ability to generate revenue. With a data driven approach to understanding both the need and our effectiveness, we work to achieve maximum efficiency while maintaining quality and good stewardship of public funds. This budget was prepared with the goal of protecting funding levels that are necessary to achieve successful service levels for our mandated services and to support our essential workforce and maintain our public capital assets. This budget also reflects the first full year of two new services, the Passport Office in the Register of Deeds and the NCDMV Tag Office in Tax Administration. Both of these services were at risk of being solely offered out of county prompting commissioners to add them to county offered services in FY 22. Counties are tasked with mandates that drive the majority of services and the majority of the budget. This budget gave equal growth favor to all county services including education with the understanding that all of those services are both essential to and desired by county citizens.

I am pleased to submit a recommended general fund budget balanced in the amount of \$74,346,480. The recommended general fund property tax rate of \$.6033/\$100 valuation includes funding for county services, education, and a supplement for both fire and rescue agencies and the solid waste enterprise fund. Commissioners decided to increase fees for solid waste last year along with the supplement to balance the operations of the fund.

### **Fire and Rescue Funding Recommendation**

Transylvania County contracts with local nonprofit fire and rescue agencies to provide services. For many years, those approved contract budgets were funded by setting a district tax and taxing districts within the county to fund those budgets. Due to uneven property value distributions, this budget recommends setting district taxes slightly higher than last year at \$.05.5/\$100 valuation.

This year a subcommittee of staff and two commissioners reviewed fire and rescue department funding requests to inform the manager's recommended budget. This review team went through all budget submittals for fire and rescue agencies and offer each agency 30 minutes to present their budget and answer any questions they may have. All of the agencies were able to attend and all of them gave positive feedback on this budget process change as an improvement from prior years.

### **Solid Waste Enterprise Fund Recommendation**

The Solid Waste Enterprise Fund is stable for operational expenses this year and for the next couple of years; however, the current fee structure is not sufficient for the major capital that will be needed for expansion within the next five-year horizon. There will need to be additional review of how to fund the services of the solid waste department or review the service model for operational savings in future years.

### **The Future of Local Government**

Local government has been facing a shortage of workers choosing to enter the pipeline of career development for several years. This shortage is evident across all categories from workers that are direct service providers to management and including all specialties. COVID and the nature of being essential workers has proved to make the workforce availability start to decrease and is being seen in rapidly increasing employer costs in our region. Staffing shortages have already begun to impact Transylvania County and this will continue to be a factor of consideration for compensation and for service delivery costs. Additionally, Transylvania County has a number of major capital projects beyond the current school bond projects to consider for funding. Both of these issues will be pressure points for future budgets and leaders will need to consider how to garner revenue to move those projects forward and maintain service levels.

At the same time, the county has seen an unprecedented opportunity this year with the American Rescue Plan Act funds that are being made available along with grants. These funds are very limited in how they can be spent, but the commissioners are working to identify highly impactful projects that will benefit the county for many years to come. This forward-thinking strategy will help support the future needs of the county budget by enhancing and diversifying the tax base.

Transylvania County has a dedicated and highly competent staff that work well together to serve our citizens and they are the priority of this budget. Each one plays a critical role in our community and I am thankful for the opportunity to work with them. I want to thank staff who worked diligently to prepare this budget with great thought and care with me this year. All county departments and office leaders should be commended for their work to minimize expenses and still provide exemplary service to our county's citizens. I want to thank our budget team, Assistant County Manager David McNeill, Budget and Management Analyst Kate Hayes, Human Resource Director Sheila Cozart, and Finance Director Jonathan Griffin for their extensive work to balance the budget and navigate this process. Together we will remain nimble and responsive to the citizens of Transylvania County and together we will navigate both the opportunities and the challenges that may lay on the horizon.

Sincerely,

Jaime Laughter, AICP, ICMA-CM

County Manager

## OVERVIEW OF THE TRANSYLVANIA COUNTY BUDGET PROCESS

The budget process for Transylvania County, North Carolina is a combination of local policies and procedures and mandates by the North Carolina Local Government Budget and Fiscal Control Act which defines a budget as “a proposed plan for raising and spending money for specified programs, functions, activities, or objectives during a fiscal year.” [NC G.S. 159-7(b)(10)]

The chief official responsible for the development, recommendation and execution of the budget for Transylvania County is the County Manager, who is defined as the Budget Officer by NC G.S. 159-9.

Budget Event	Date or Deadline	Relevant Statutes
All County Department Heads Submit Requests to the Budget Officer	Deadline February 28 <sup>th</sup> , 2022	NC G.S. 159-10
The Budget Officer reviews requests in discussion format with department heads	Various Dates in March 2022	
Private entities partnering with the County apply through a uniform process, submitting applications to County Finance	March 15 <sup>th</sup> , 2022	
Transylvania County Schools Superintendent submits the budget for Transylvania County Schools	May 15 <sup>th</sup> , 2022	
The County Manager submits a recommended budget for consideration to the Board of County Commissioners	May 23 <sup>rd</sup> , 2022 Regular Meeting of the Board	NC G.S. 159-11
The recommended budget is published in the office of the Clerk to the Board		NC G.S. 159-12 (a)
The Board conducts a public hearing on the proposed budget for 2022-2023	Board’s discretion	NC G.S. 159-12 (b)
The Board conducts a workshop-format meeting to review and make changes to the recommended budget	Board’s discretion	
The Board makes final approval of the budget ordinance prior to July 1, 2022	June 20 <sup>th</sup> , 2022 Regular Board Meeting	NC G.S. 159-13
The Board may amend the budget ordinance after approval at any time unless otherwise restricted by law.	July 1 <sup>st</sup> , 2022, through June 30 <sup>th</sup> , 2023	NC G.S. 159-15

## DESCRIPTIONS OF MAJOR POLICIES IMPLEMENTED IN THE PROPOSED BUDGET

In the coming year, the county will implement several initiatives that are consistent with a data driven and citizen focused approach to government:

- The primary goal of this budget recommendation is to maintain service levels within a limited resource growth with an equitable distribution of funding increases to support all of the various services and funding responsibilities counties are tasked to provide. This recommended budget includes fully funding for the first time several new service programs implemented in FY 2022, the Transylvania County License Plate Agency and Passport Agency housed within the Transylvania County Register of Deeds.
- Solidify and maintain implementation of the adopted compensation philosophy, with the planned inclusion, per historical policy, for additional compensation changes in Spring 2023 and maintaining benefit package at existing levels, slightly below market comparable employers.
- Continuing prior Board-implemented rate stabilizations, Management recommends a 5.5-cent rate in all eight fire service districts, with the remainder to be funded in the General Fund with a supplementary funding stream. Based on FY 22 funding levels for Fire and Rescue Contracts, this requires an earmark \$.024 of general fund tax.
- The Solid Waste Enterprise Fund does not generate revenue to offset ongoing operational and capital expense. Commissioners opted to fund solid waste deficit for FY 22 with a transfer from the general fund and earmark of \$.016/\$100 general fund tax. This practice is in the recommended budget for FY 23. The solvency of the fund will need to be addressed with major capital improvements to begin in three years.

STATEMENT OF GOALS AND STRATEGIES  
FOR TRANSYLVANIA COUNTY GOVERNMENT

Transylvania County adopted a county strategic plan in 2015 to guide policy and priorities of county government. They revised this plan in August 2019 to cover another five years. The goals are as follows:

**Goal 1: The local economy has a more diversified tax base, an increase in living wage jobs and has more stability. The community has capitalized on the unique quality of life and environment unique to the area.**

**Goal 2: The educational environment facilitates learning, and students are being prepared for a successful future. There are more available resources for enhancing education for all ages.**

**Goal 3: The community has vibrant nodes of economic and civic activity that create a draw for tourism as well as a platform for community engagement.**

**Goal 4: The community's quality of life includes resources that promote health, transportation connectivity, a sense of place, cultural heritage, and public safety. The wealth of natural resources in Transylvania County have been well managed and maintained to support the local economy and quality of life with plans in place to assure sustainability.**

**Goal 5: County government is service driven, transparent and performance based with more active and engaged citizens.**

Each county department, office and funding partner is expected to develop objectives each year that support goals and strategies in the strategic plan with measures, both quantitative and qualitative, that can be evaluated at mid-year and end of year alongside the budget to reflect how the budget is utilized to provide services and measure progress towards realizing the goal statements for Transylvania County citizens.



## DESCRIPTIONS OF MAJOR FINANCIAL RISKS

### ASSOCIATED WITH THE PROPOSED BUDGET

During the budget review process, each department of County government was asked to assess the financial risks inherent in their budget requests. Many indicated that they felt the needs of their department were met in the near term in their requests, and therefore that the Board would not need to plan appropriately for any changes.

However, some identified that there were potential risk factors in their budgets and those are outlined here for review by Board of County Commissioners and the community.

- 1.) County commissioners are under increasing pressure to move forward several major capital projects. These includes improvements to schools beyond the approved \$68 million bond, courthouse and a new Blue Ridge Community College Campus along with infrastructure and economic development investments. The budget includes \$1.2 million scheduled for assigned fund balance for the courthouse and an additional \$1.2 million scheduled for assigned fund balances that address the capital needs of economic development, parks and recreation and emergency services. An additional \$6.2 million is scheduled transfer to the Education Capital Fund, once the final designs and contracts are executed, the County will be able to issue the bonds and will have debt payments in future years. The assigned fund balances already collected for these purposes are eligible to aid in funding architectural design services and/or feasibility studies for these major projects should commissioners direct staff to proceed in FY 23. Payments for capital not already earmarked will not likely impact FY 23 Budget based on timing and may be a factor for the FY 24 Budget or beyond.
- 2.) Construction costs continue to escalate before the County government can finalize plans on various projects, leading to cost overruns that are difficult to quantify. Mitigating these costs and planning around them requires commitments to certain projects so that designs and bidding can be adjusted or accelerated to bring projects in on time and within budget.
- 3.) The County's recommended budget is balanced, primarily, through estimates of growth in the County's retail sales tax base, growth in other revenues is generally not sufficient to continue operating the County government at current service levels. In the event that there is a sharp decrease in consumer purchasing, it will not be possible to maintain current services levels.
- 4.) Fuel prices are increasing as are goods and services with inflation. Those have potential to impact the budget as it is implemented. This budget projects those impacts, but additional volatility due to supply chain interruptions as was experienced in 2020 and 2021 could impact those projections.

## STATISTICAL ABSTRACT FOR TRANSYLVANIA COUNTY

Transylvania County was established in 1861 under North Carolina General Statute 153A-10. Located in the southwestern portion of North Carolina, the county is 35 miles southwest of Asheville, North Carolina; 136 miles southeast of Knoxville, Tennessee; 60 miles north of Greenville, South Carolina; and 170 miles northeast of Atlanta, Georgia. Seventy-five percent of the United States' population lives within a day's drive of Transylvania County. The county has a land mass of 379.7 square miles, approximately 50% of which is held in a state park, two state forests and two national forests, thereby reducing available tax base while still requiring mandated services over that area from the county.

Elevations in the county range from 1,265 feet in the Horsepasture River Valley to 6,045 feet near the Blue Ridge Parkway. The average annual temperature in the county is 54.5° F, while the average annual rainfall is 60.4 inches. The following statistics were used to develop the following budget:

- The total full-time population of Transylvania County is estimated to be 33,130 during FY 2023 an 1.8 percent increase from 2013, ten years prior. Census figures have not been released yet to reflect the volume of seasonal population due to tourism and secondary homes with part time residents.
- The median age of Transylvania County citizens is increasing and projected to continue:

Geography Name	Median Age		
	2010	2022	2030
North Carolina	37.4	38.3	40.4
Transylvania County	48.8	52	52.2

- The North Carolina Department of Commerce has published the following statistics concerning Transylvania County:
  - The March 2022 unemployment rate for Transylvania County was 3.0%, a decline of 1.5% from the prior year County rate, .4% below the State of North Carolina and .6% below the United States.
  - In December 2021, the average private sector wage in Transylvania County was \$39,028, (ranking as 4<sup>th</sup> lowest amongst the twenty Tier 1 counties)
  - 24.6% of Transylvania County workers report to work outside of Transylvania County.
- The Bureau of Labor Statistics' Southeast Information Office's most recent survey of North Carolina Counties (2021) provided the following statistics:
  - The average weekly wage is \$832, below the State average of \$1,152 and the national figure of \$1,339.
- The U.S. Census Bureau provided the following statistics:
  - The median value of owner-occupied housing units (2016 to 2020 data) was \$231,100 in Transylvania County, higher than the state average of \$182,100.
  - The percent of individuals aged 65 and older was 31.4 in Transylvania County, compared to 16.7% for the State of North Carolina. There is a decline in population under 18 and number of students in public schools.
  - The civilian labor force was 51.4% of the County's population, compared to 61.2% statewide.
  - There were 903 employer establishments in 2020, with a total employed population of 7,925.
  - The population per square mile was 87.4, compared to 196.1 statewide.

## DESCRIPTION OF FUNDS SUBJECT TO APPROPRIATIONS

### MAJOR GOVERNMENTAL

#### **GENERAL FUND:**

The General Fund is the primary operating fund for the County's governmental operations. Eighty six percent of all revenue for the County general fund is ad valorem property tax revenue, local option sales tax and restricted and unrestricted intergovernmental revenues. Approximately seventy five percent of all financial activity undertaken by the County each year occurs within the general fund with approximately 86% or greater directly tied to mandated services or services required to meet mandates. The accounting basis for this fund is the modified accrual basis.

**For the preparation of the County's financial statements, the following financial activity is budgeted as a separate "department", but consolidated into the County's audited financial statements as a part of the General Fund to streamline reporting:**

#### **AUTOMATION ENHANCEMENT AND PRESERVATION FUND**

The County is required to accumulate a portion of fees levied by the Register of Deeds pursuant to NC G.S. 161-11.3. This fund accumulates those revenues to offset the costs of any expenditures on preservation and automation projects proposed by the Register of Deeds. The accounting basis for this fund is the modified accrual basis.

#### **COURT FACILITY SPECIAL REVENUE FUND**

The County receives certain fees from the Clerk of Superior Court levied on those who undertake business with the North Carolina court system, and those fees are remitted to the County to offset the cost of operating a court facility. This fund is accounted for in the modified accrual basis of accounting.

### NONMAJOR GOVERNMENTAL FUNDS

The following represent funds established to account for restricted revenues or resources that do not reach the threshold requiring the preparation of specific schedules and exhibits on the County's audited financial statements but must have legally adopted budgets.

#### **FIRE SERVICE DISTRICTS FUND**

Transylvania County maintains a special revenue fund for the collection and disbursement of ad valorem property tax revenue funded to maintain fire protection services established under NC G.S. 153A-301. The Fire Districts Special Revenue Fund contains the proceeds of ad valorem tax levies on eight separate and distinct fire districts. The accounting basis for this fund is the modified accrual basis.

#### **EMERGENCY TELEPHONE SYSTEM FUND**

Transylvania County maintains a special revenue fund to account for the receipt, expenses and local distributions of revenues received from the North Carolina 911 Board intended to supplement and offset the costs of operating a 911 telecommunications system. The accounting basis for this fund is the modified accrual basis.

### **NARCOTICS TASK FORCE FUND**

Pursuant to a joint agreement between the Office of the Sheriff of Transylvania County and the municipal police force of the City of Brevard, the County has established a special revenue fund to contain the revenues associated with civil asset forfeiture on unauthorized substance taxes and a contract with the Brevard Alcoholic Beverage Control Board, up for renewal June 30, 2023.

### **REPRESENTATIVE PAYEE FUND**

The County's Department of Social Services occasionally must hold resources in trust for its clients, and the receipt and disbursement of these funds is required to be held in a special revenue fund according to the standards by GASB 84 (Fiduciary Activities). The County's management has no control over and cannot direct the level of or use of these revenues. Pursuant to the standards of GASB 84 (Fiduciary Activities), this is a special revenue fund.

### **FINES AND FORFEITURES SPECIAL REVENUE FUND**

Pursuant to state law, the County receives certain fees from the local court system, which it must turn over to the local Board of Education to supplement County appropriations to the school's general fund. The County has no control over and cannot direct the level of or use of these revenues. The County's management has no control over and cannot direct the level of or use of these revenues. Pursuant to the standards of GASB 84 (Fiduciary Activities), this is a special revenue fund.

### **DEED STAMP SPECIAL REVENUE FUND**

Pursuant to state law, 1.5% of revenue collected by certain activities of the Office of the Transylvania County Register of Deeds must be turned over monthly to the North Carolina Department of State Treasurer, for use in the State of North Carolina's General Fund. The County's management has no control over and cannot direct the level of or use of these revenues. Pursuant to the standards of GASB 84 (Fiduciary Activities), this is a special revenue fund.

### **SILVERMONT PERMANENT FUND**

The permanent fund was established to house a donation held in trust for the upkeep, operation and improvement of the historic Silvermont Mansion. Resources contained in this fund are occasionally transferred to the General Fund for the purpose of repairs or capital projects pertaining to Silvermont Park.

## **PROPRIETARY FUNDS**

### **SOLID WASTE FUND**

The Solid Waste Fund is established for the operation, maintenance and development of various landfills and disposal sites. Consistent with North Carolina law and Governmental Accounting standards, the Solid Waste Fund is governed by the full accrual basis of accounting. The Solid Waste Fund is the only major proprietary fund operated by Transylvania County.

## **FUNDS NOT SUBJECT TO APPROPRIATIONS**

Transylvania County also has the following funds which are permanent custodial funds under the GASB 84 Fiduciary Standard, which are not subject to appropriations by the Transylvania County Board of County Commissioners:

- a.) The Municipal Tax Collection Fund, representing real and personal property taxes collected by the County and paid to the County's municipalities
- b.) The Inmate Trust Fund, representing the receipt and disbursement of funds held in trust for inmates of the Transylvania County Detention Center.
- c.) The Cooperative Extension Custodial Fund, representing activities financed in part by financial resources held in trust for employees of North Carolina State University who operate out of local Transylvania County Offices

## **CAPITAL PROJECTS BUDGETED LIFE TO DATE**

### **EDUCATION PROJECT CAPITAL FUND**

In 2020, the County established a new capital project fund to house and plan for the expenditures of the forthcoming general obligation bond financed projects. These major renovations for Brevard High and Rosman High and Middle School have been pre-funded at a level of \$6.2 million with the 2020 tax levy, with the expectation that the County will reimburse itself once the bonds have been issued.

The recommended budget makes no changes to the Education Capital Project Fund.

### **GENERAL CAPITAL PROJECT FUND**

**In FY 2022, the County renewed its General Capital Project fund for a period of five years in order to account for the construction of a replacement Emergency Medical Services Base and to account for the construction of the second phase of the Sylvan Valley II Industrial Center.**

The recommended budget makes no changes to the General Capital Project Fund.

### **WATER AND SEWER INFRASTRUCTURE FUND**

The Water and Sewer Infrastructure was established in FY 2020 to begin the early stages of capital projects in conjunction with expanding the Town of Rosman's water and sewer infrastructure. The Water and Sewer Infrastructure fund follows the full accrual basis of accounting.

The recommended budget makes no changes to the Water and Sewer Infrastructure Fund.

# SUMMARY OF RECOMMENDED ANNUAL APPROPRIATIONS

## GENERAL FUND

### REVENUES

For the general fund, the County Manager recommends a general fund tax rate of \$.6033 per \$100 of value. The base of real and personal property available for taxation is \$6,997,375,550 per the County Assessor, which represents an approximately 2 percent growth from the FY 2022 estimated base. As in prior years, the budget is calculated under the assumption that 99.5% of all levied taxes will be collected.

The January 1, 2021, reappraisal of real property reflected significant growth in the County's tax base, which had been an approximately flat year on year prior to that.

	Assessed Value	Tax Rate	One Penny	Growth
2023	\$6,997,375,550	0.6033	\$ 699,738	2%
<b>2022</b>	<b>\$6,856,843,000</b>	<b>0.6033</b>	<b>\$ 685,684</b>	<b>13%</b>
2021	\$5,952,150,000	0.636	\$ 595,215	1%
2020	\$5,878,460,000	0.636	\$ 587,846	2%
2019	\$5,779,200,000	0.511	\$ 577,920	

As in the current year, this rate can be broken into seven major components:

- .187 per \$100 to support the general operating expenditures of Transylvania County Schools
- .113 per \$100 to finance the general operating expenditures of the Office of the Sheriff of Transylvania County, a public law enforcement agency led by an elected Sheriff
- .1363 per \$100 for all remaining County departments
- .089 per \$100 as pre-funding for the anticipated general obligation bond debt related to Transylvania County Schools' high school projects.
- .034 per \$100 to support the County's \$2.4 million annual capital improvement plan (with earmarks for potential courthouse renovations as well as pay-go planning funds for economic development, emergency services and parks and recreation)
- .028 per \$100 to support the County's network of partner fire and rescue agencies above and beyond the service district rates
- .016 per \$100 to support the County's Solid Waste Fund which cannot support its operations through user fees

The second largest source of County general fund revenue is the local option sales tax, which comes in two major forms: \$11.8 million comprising the total of Article 39, 40, 42 and 44 distributions from the State of North Carolina net of an estimated \$430,000 loss to the municipalities. Pursuant to State Law, the County government's share of sales tax revenue is reduced by a formula and distributed to municipalities as a hold harmless provision from 2007 changes in financing of the Medicaid program. Amongst the sales tax revenue distributed to the County, staff are conservatively projecting 5% growth over the current year budget.

The growth estimate is based on the two following difficult to quantify assumptions:

- The United States is currently seeing inflation at 40-year highs, which may reduce consumer demand over the next year (and therefore reduce the available sales tax revenues). At the same time, higher prices will also generate more revenue as sales tax is calculated based on gross sales.
- The COVID-19 era shift to greater use of online retail was clearly a financial benefit to our community, however as nearby communities re-opened and reduced policies such as indoor masking requirements, the County's total sales softened in early calendar 2022. Buncombe County, the nearest urban area which has a major retail market, allowed its mask mandate to expire in February 2022 and the following month's sales tax revenue was not as strong as it had been previously.

The same policy that reduces the County's primary sales tax revenue (and distributes it to Brevard and Rosman), also offers the County an estimated \$1.6 million in the "Medicaid Hold Harmless" distribution. Twice per calendar year, the County receives a distribution of sales tax revenue from the State that is the difference between the share of State Medicaid costs for County residents and the estimated value of a pro-rated State levied sales tax. The calendar year 2022 first distribution was strong and above budget estimates, and since it represented July to March calculations, we have

- If sales tax collections are higher than anticipated, or Medicaid costs are lower, the County may receive more revenue than the \$1.6 million estimate.
- If sales tax collections are lower than anticipated, or Medicaid costs are higher, the County may not ultimately receive \$1.6 million estimated.

The third and largest significant source of revenue for the County is restricted and unrestricted intergovernmental revenue, reflecting predominantly state and federal funds passed through the County to offset the cost of carrying out human service activities mandated by state and federal law. The primary recipients of these revenues are the Department of Social Services and Department of Public Health. In FY 2023, staff expect the County to receive approximately \$7.1 million in **intergovernmental revenue**, higher than the actual 2021 revenues in the General Fund, but lower than the 2022 revised budget.

- The primary factor in this regard is the removal of \$1.5 million in Public Health revenue sources related to COVID-19 mitigation, prevention and recovery that will shift to a special revenue fund.
- Some grant programs, previously cancelled and modified by the state, are restored and included in the FY 2023 budget, in particular NCDOT operating revenues and capital programs for Public Transit



- Unrestricted revenues, comprised primarily of PILT and certain sales taxes levied on utilities that are distributed by the State, are projected at no increase.

The County is proposing incremental increases in the fee schedule for County services, with relatively small increases in building permit and inspection fees. These anticipated increases, combined with a robust forecast of continued development activity, lead to a 12.2% higher forecast in permits, fines and fees issued by County departments. The forecast is driven by a stronger estimate of building inspection permits.

The County also collects revenues related to sales of items or its services, primarily in departments such as the Parks and Recreation, Public Library and Emergency Medical Services departments. These revenues are projected to increase by 18.3%. The primary driver of this is a significantly more robust revenue projection for the Transylvania County Detention Center, derived from the federal inmate housing project.

These forecasts are offset somewhat by projected declines in revenue for the following departments:

- The Board of Elections loses \$17,000 in revenue due to the lack of a municipal election (during general election years, the cost of holding elections shifts back exclusively to the County.)
- Ambulance fee collections are projected to decline by approximately 12% due to uncertainty around Medicaid Transformation.

Investment earnings, recommended at a forecast of \$100,000, are expected to improve with recent changes by the Federal Reserve. As recently as FY 2019, investment revenue was sufficient to offset nearly one penny on the ad valorem property tax rate, but the COVID-19 recession drove down returns by flattening the interest on the types of restricted investments the County may make.

## EXPENDITURES

The recommended budget then lays out approximately \$74.3 million in general fund expenditures.

The following major items represent major factors driving expenditures from the FY 2022 revised budget and are organized by the type of expenditure.

- Personnel costs are expected to be a total of 9.8 percent higher in FY 2023, driven by the following factors:
  - Based on reclassifications and turnover, the base salaries and wages paid to employees will increase by 3.6%
  - Employer-share FICA and LGERS Retirement increase by 8.5% and 26% respectively.
  - Employer-share health insurance costs are projected to increase by 37.1% (from \$3.5 million of General Fund personnel expenses to \$4.5 million).
- Contracted services decline by 9.4%, primarily driven by the removal of certain regional Health Department grant expenses from the General Fund.
- Operating expenses for County departments are anticipated be flat against prior year (approximately .01%)

- Social Assistance programs are projected to be 25% lower, driven by COVID-19 programs finally aging off the NCDHHS systems.
- Utilities and central billings are estimated to be 4.8% lower, driven by the results of a Finance-led operational study in prior years
- Remittances to other government entities will be significantly higher in FY 2023, by 44.6%, driven by real estate excise taxes collected by the Register of Deeds and the occupancy taxes to be remitted to the Tourism Development Authority.
- Education expenses increase by 2.8% overall, equivalent to the overall growth in the County's general fund budget when education costs are excluded. The primary change factors are here:
  - A 1.0% increase in general operating funds for Transylvania County Schools
  - A 25.6% increase in capital outlay for Transylvania County Schools
  - A 7.1% increase in general operating funds for Blue Ridge Community College
  - A 19.6% increase in capital outlay for Blue Ridge Community College
- Payments to Other Government and Nonprofit Partner Agencies that provide government-type services is projected to be roughly flat, due to shifting increases in fire and rescue agencies back to service districts.

The functional areas of the County's expenditures, organized by reporting structure or category of government expenditures, are recommended with the following increases over the FY 2022 budget.

- County Administration, representing the budgets of the Board of Commission, County Manager, Human Resources, Finance, Information Technology and General Services Department recommended to increase by 10%, or \$470,326. This is primarily attributable to the transition of the costs for the Assistant County Manager from the Emergency Management department to Administration, software to support administrative functions and a higher contingency allocation for the County's budgeting needs to mitigate potential supply chain and inflation issues.
- The budget for the Transylvania County Board of Elections is projected to be 6.4%, or \$27,122, higher due to primarily cost of living adjustments for Elections full-time staff and the 2022 General Election.
- County Tax Administration, led by the County Commission appointed Tax Administrator, is 19%, or \$223,317, with all the increased costs related to the first full-year budgeting for the License Plate Agency.
- Public Facilities, comprising County Maintenance, Housekeeping and Capital Projects, are projected to be 15%, or \$328,317, lower due to lower capital outlay for the upcoming year.
- The Office of the Register of Deeds is recommended to be 13% higher, or \$122,800. Half of the increase is related to required revenue sharing with the State of North Carolina, the remainder due to cost-of-living adjustments for staff from FY 2022.
- The Sheriff's Office is recommended to increase by 7.5%, or \$673,202, primarily due to the cost-of-living adjustment for County employees and health insurance increases. The Sheriff's Office employs 25% of all County employees. As the Sheriff's Office comprises a quarter of all employees, they are particularly sensitive to changes in compensation. There is also a planned replacement for five vehicles, proportionally higher than the remainder of the budget.

- Transylvania County Emergency Management, comprising Emergency Services, Emergency Medical Services, Animal Services, County Fire Marshall and the 911 Communications division, is projected to increase by 4.5% or \$353,770, primarily due to the cost-of-living adjustment for County employees and increased contract services related to maintenance and upkeep of the County's sensitive emergency power equipment.
- Other Public Safety Agencies, primarily the County's fire departments, is projected to increase by less than 1%, primarily due to the County's required share of the contract with the North Carolina Forest Service.
- **Development expenditures**, related to the operations of the County's economic development service contract, Planning Department, Soil and Water, NC State Cooperative Extension department and remittances to the Tourism Authority, are recommended to be **18% higher**, of which the increase is primarily related to the Tourism Authority.
- Public Health and Social Services are recommended at lower levels than FY 2022, primarily related to COVID-19 grant-related expenditures rolling off the County's budget. The total decrease is 7%, or \$777,777.
- New Adventure Learning Center's budget is recommended to increase by 6%, or \$46,249, driven by cost-of-living increases for full-time employees.
- Public Transportation is recommended for an increase of 30%, or \$190,289, due to higher capital outlay. Nearly all of these costs are offset by revenues from the North Carolina Department of Public Safety.
- Transfers to other funds has increased because the projected \$6.2 million debt service payment for general obligation bonds has been classified as a transfer to the Education Capital Fund, since it is unlikely initial debt payments will take place in FY 2022 but could start early FY 23.

## SUMMARY OF FINANCIAL POLICIES

The following are excerpts from the adopted policies of the Transylvania County Board of County Commissioners and do not represent the full financial policies and procedures of Transylvania County Government.

### *Budget Policy*

The County shall adhere to the Local Government Budget and Fiscal Control Act (LGBFCA), NCGS §159-7:17, to prepare a balanced budget. A balanced budget, defined by statute, is when the sum of estimated net revenues and appropriated fund balance is equal to appropriations. The Town's Annual Budget Ordinance shall be adopted by each July 1, for the period July 1 to June 30, making appropriations and levying taxes for the budget year.

The Board approves all budget amendments except for those that fall under the following criteria, which are left to a system of dual control between the County Manager and Finance Officer:

- 1.) The County Manager may initiate or approve transfers within departments on a line-item basis without a report being required.
- 2.) The County Manager may initiate or approve transfers up to \$50,000 from one department to another within the General Fund. Reports on transfers exceeding \$10,000 will be provided to the Board on a quarterly basis and entered into the minutes.
- 3.) The County Manager may initiate transfers of up to \$50,000 from the General Fund to another fund within the budget ordinance. Reports on such transfers will be provided by the Finance officer on a quarterly basis and must be approved by the Board of County Commissioners.

### *Investment Policy*

The County's priorities for investments are safety, liquidity, and yield with the emphasis on safety of principal and timely payment of all County liabilities. Staff manages the County's funds in conjunction with the County's investment and financial advisers in accordance with guidelines established by N.C.G.S. §159-30.

Per the County's investment agreement with its official depository, its wealth management policy is investing only in short-term investment instruments to maximize liquidity.

All banks that hold Transylvania County deposits must collateralize those deposits using the pooling method as required by N.C.G.S. § 159-30 and are designated by the Transylvania County Board of Commissioners as an official depository. The Board updates its approved list of depositories each year with each Transylvania County budget ordinance.

### *Fund Balance Policy*

The County complies with the directive of the North Carolina Local Government Commission directive to maintain a fund balance of at least eight percent of the total expenditures authorized in the General Fund.

The Board of County Commissioners has not adopted a formal fund balance policy beyond that required by the North Carolina Local Government Commission.

### *Debt Policy*

The Board of County Commissioners does not have an adopted debt policy but has strived to keep the debt service paid as an annual component of the Transylvania County budget low.

### *Summary of Accounting Methodology Changes:*

County Finance has included the following accounting changes:

- Utility payments, telecommunication billings and certain other expenses have been fully centralized in the Central governmental Services budget line items, under the umbrella of County Administration. This aligns standard accounting practices with best management practices for controlling costs.
- The budget now includes appropriations in the General Fund to reflect billing the Solid Waste Fund and the Tourism Development Authority for costs incurred by support staff who are compensated by the General Fund.

### SECTION 3

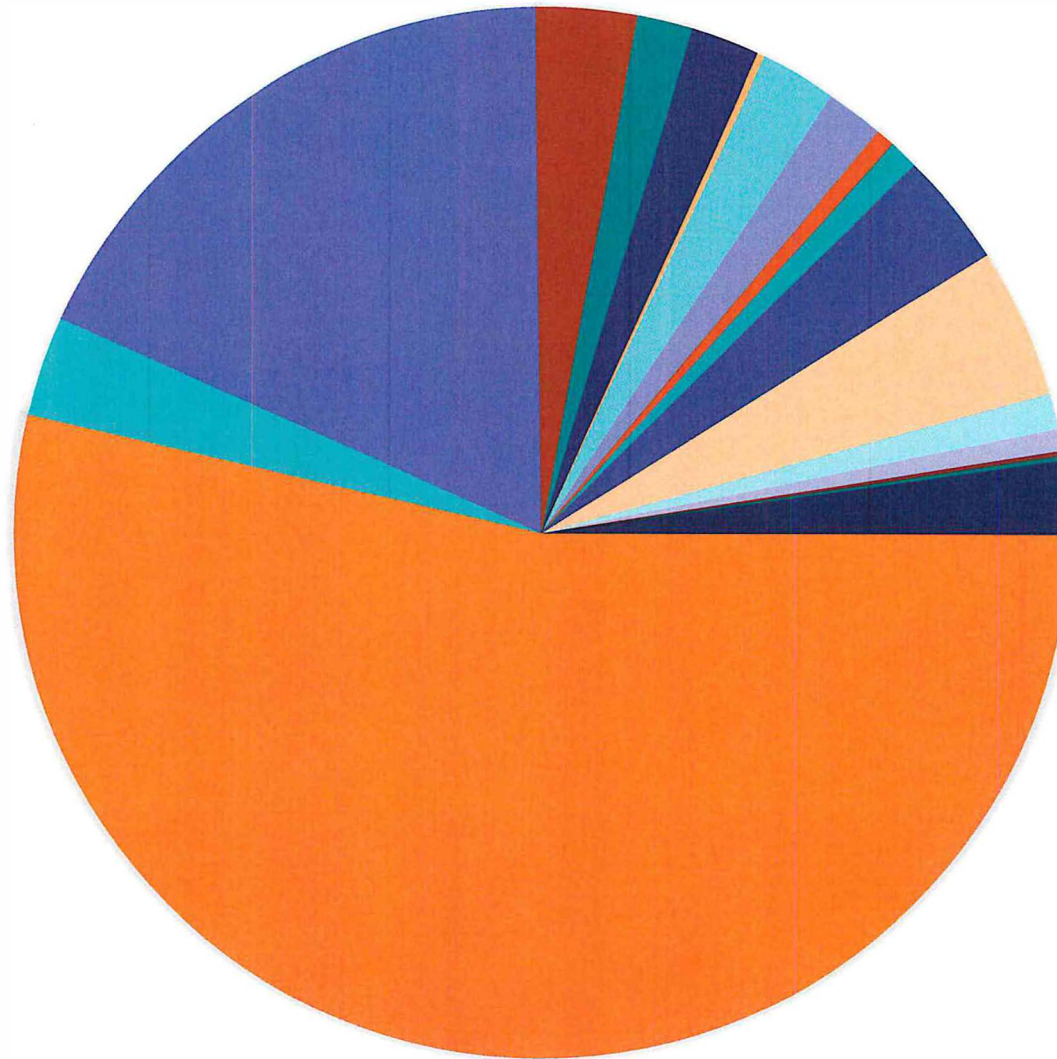
*2021 Actual Figures do not correlate with the 2023 Transylvania County Comprehensive Annual Financial Report due to differences between budgeting and accounting methodologies (ex: transfers out of the General Fund to other funds are not reflected as an expenditure in governmental accounting, however they are an expenditure in methodology for developing the County's budget.)*

## General Fund Revenue Forecast

	FY 2021 Actual	FY 2022 Revised	FY 2023 Forecast	Net \$	%
<b>Ad Valorem Taxes (RPP)</b>	\$ 36,088,972	\$39,119,163	\$ 39,833,649	\$ 714,486	1.8%
<b>Ad Valorem Taxes (MVT)</b>	\$ 2,512,004	\$2,165,647	\$ 2,305,313	\$ 139,666	6.4%
<b>Local Option Sales Tax</b>	\$ 12,273,052	\$12,268,410	\$ 13,450,762	\$ 1,182,352	9.6%
<b>Occupancy Taxes</b>	\$ 1,867,978	\$1,460,000	\$ 2,300,000	\$ 840,000	57.5%
<b>Other General Revenues</b>	\$ 847,745	\$877,275	\$ 1,262,442	\$ 385,167	43.9%
<b>Register of Deeds</b>	\$ 1,613,503	\$1,379,020	\$ 1,552,730	\$ 173,710	12.6%
<b>Outside Agencies</b>	\$ 211,986	\$228,609	\$ 170,000	\$ (58,609)	-25.6%
<b>Office of the Sheriff</b>	\$ 1,025,485	\$1,143,914	\$ 1,725,939	\$ 582,025	50.9%
<b>EMS</b>	\$ 1,345,030	\$1,255,000	\$ 1,325,000	\$ 70,000	5.6%
<b>Other Public Safety</b>	\$ 388,973	\$455,719	\$ 428,221	\$ (27,498)	-6.0%
<b>Development</b>	\$ 758,576	\$635,647	\$ 670,098	\$ 34,451	5.4%
<b>Public Health</b>	\$ 1,365,166	\$3,630,904	\$ 2,632,914	\$ (997,990)	-27.5%
<b>Social Services</b>	\$ 3,860,396	\$3,915,576	\$ 3,463,468	\$ (452,108)	-11.5%
<b>NALC</b>	\$ 779,828	\$737,600	\$ 821,325	\$ 83,725	11.4%
<b>Public Transportation</b>	\$ 260,513	\$427,537	\$ 504,558	\$ 77,021	18.0%
<b>Parks and Recreation</b>	\$ 103,226	\$97,314	\$ 101,750	\$ 4,436	4.6%
<b>Public Library</b>	\$ 118,436	\$136,255	\$ 117,316	\$ (18,939)	-13.9%
<b>Fund Balance Appropriation</b>	\$ -	\$2,960,617	\$ 1,680,995	\$ (1,279,622)	-43.2%
<b>Total Revenue Forecast</b>	65,420,869	72,894,207	74,346,480		

# REVENUES GENERAL FUND

- Ad Valorem Taxes (RPP)
- Ad Valorem Taxes (MVT)
- Local Option Sales Tax
- Occupancy Taxes
- Other General Revenues
- Register of Deeds
- Outside Agencies
- Office of the Sheriff
- EMS
- Other Public Safety
- Development
- Public Health
- Social Services
- NALC
- Public Transportation
- Parks and Recreation
- Public Library
- Fund Balance Appropriation

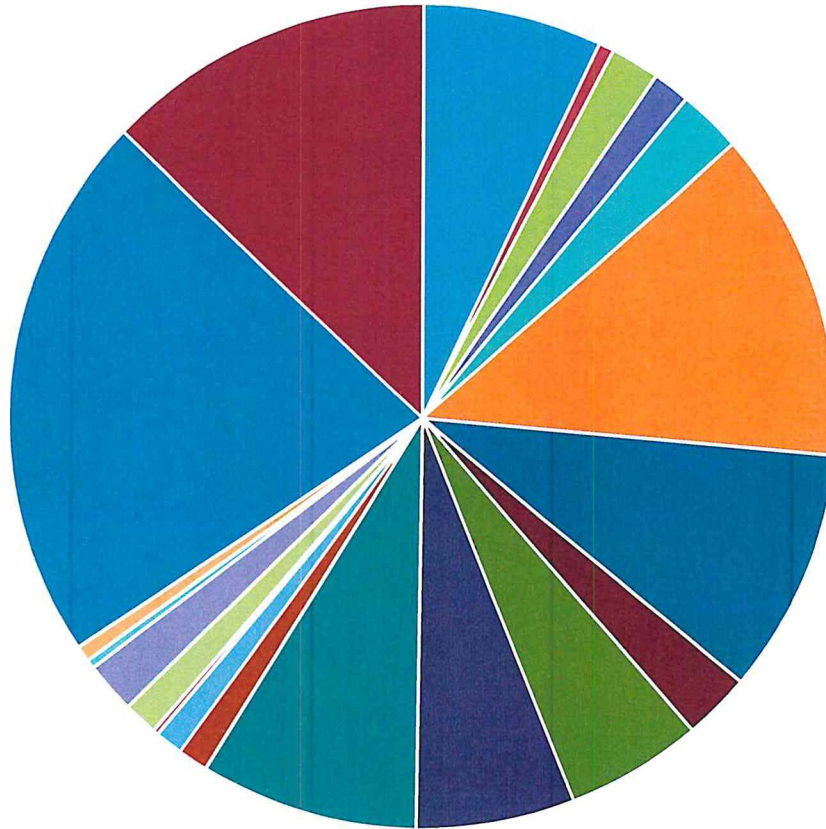




## General Fund Recommendation - by Department

	FY 2021 Actual	FY 2022 Revised	FY 2023 Request	FY 2023 Recommend	(\$1,000)	%
County Administration	\$ 4,318,872	\$ 4,703,566	\$ 4,458,709	\$ 5,173,892	<b>470</b>	<b>10%</b>
Board of Elections	\$ 444,633	\$ 424,421	\$ 455,310	\$ 451,543	<b>27</b>	<b>6%</b>
Tax Administration	\$ 1,272,043	\$ 1,195,875	\$ 1,586,691	\$ 1,419,192	<b>223</b>	<b>19%</b>
Register of Deeds	\$ 1,073,892	\$ 957,524	\$ 1,086,105	\$ 1,080,324	<b>123</b>	<b>13%</b>
Public Facilities	\$ 1,495,916	\$ 2,175,954	\$ 1,893,782	\$ 1,847,637	<b>(328)</b>	<b>-15%</b>
Office of the Sheriff	\$ 8,381,230	\$ 8,970,631	\$ 9,549,815	\$ 9,643,833	<b>673</b>	<b>8%</b>
Emergency Mgmt	\$ 5,288,843	\$ 6,820,520	\$ 8,204,891	\$ 7,174,290	<b>354</b>	<b>5%</b>
VFDs & R. Sqd	\$ 1,797,601	\$ 1,962,999	\$ 1,970,123	\$ 1,980,123	<b>17</b>	<b>1%</b>
Development	\$ 3,246,497	\$ 3,350,955	\$ 2,711,905	\$ 3,963,139	<b>612</b>	<b>18%</b>
Public Health	\$ 2,890,683	\$ 5,357,784	\$ 5,415,126	\$ 4,607,496	<b>(750)</b>	<b>-14%</b>
Social Services	\$ 5,779,704	\$ 6,354,501	\$ 6,297,957	\$ 6,327,012	<b>(27)</b>	<b>0%</b>
NALC	\$ 843,441	\$ 833,959	\$ 879,936	\$ 880,208	<b>46</b>	<b>6%</b>
Public Transportation	\$ 331,455	\$ 625,949	\$ 807,121	\$ 816,238	<b>190</b>	<b>30%</b>
JCPC	\$ 127,790	\$ 158,609	\$ 158,609	\$ 150,000	<b>(9)</b>	<b>-5%</b>
Parks and Recreation	\$ 883,277	\$ 1,120,143	\$ 1,007,533	\$ 1,010,886	<b>(109)</b>	<b>-10%</b>
Public Library	\$ 1,322,025	\$ 1,378,684	\$ 1,490,218	\$ 1,507,668	<b>129</b>	<b>9%</b>
Other Agencies	\$ 303,536	\$ 300,061	\$ 293,061	\$ 258,561	<b>(42)</b>	<b>-14%</b>
Debt Service	\$ 579,265	\$ 563,432	\$ 464,423	\$ 469,423	<b>(94)</b>	<b>-17%</b>
Education	\$ 14,728,100	\$ 15,275,693	\$ 17,370,875	\$ 15,992,343	<b>717</b>	<b>5%</b>
Transfers Out	\$ 7,370,150	\$ 10,063,305	\$ 10,137,155	\$ 9,592,672	<b>(471)</b>	<b>-5%</b>
<b>Total GF Expense</b>	<b>62,478,952</b>	<b>72,594,565</b>	<b>76,239,346</b>	<b>74,346,480</b>		<b>2.4%</b>

## Expenditures by Department

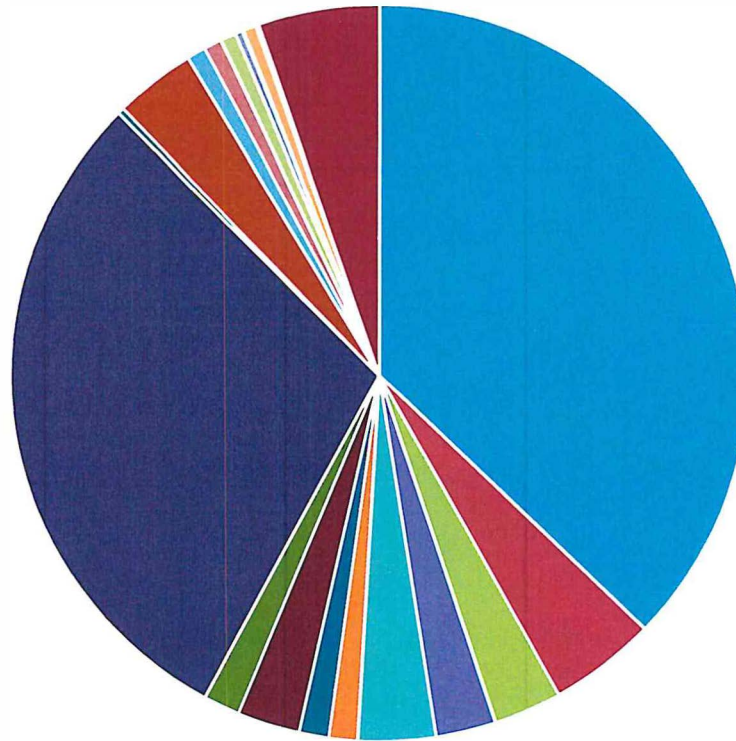


- |                         |                      |                         |                     |                        |
|-------------------------|----------------------|-------------------------|---------------------|------------------------|
| ■ County Administration | ■ Board of Elections | ■ Tax Administration    | ■ Register of Deeds | ■ Public Facilities    |
| ■ Office of the Sheriff | ■ Emergency Mgmt     | ■ VFDs & R. Sqd         | ■ Development       | ■ Public Health        |
| ■ Social Services       | ■ NALC               | ■ Public Transportation | ■ JCPC              | ■ Parks and Recreation |
| ■ Public Library        | ■ Other Agencies     | ■ Debt Service          | ■ Education         | ■ Transfers Out        |

## General Fund - Expenditures by Type

	FY 2021 Actual	FY 2022 Revised	FY 2023 Request	FY 2023 Recommend	
<b>Personnel Costs</b>	\$ 24,933,111	\$ 27,006,850	\$ 28,555,769	\$ 29,641,011	\$ 2,634
<b>Contracted Services</b>	\$ 1,558,544	\$ 3,402,593	\$ 3,879,517	\$ 3,083,202	\$ (319)
<b>Operating Expenses</b>	\$ 1,448,297	\$ 2,193,105	\$ 2,320,186	\$ 2,191,996	\$ (1)
<b>Social Assistance</b>	\$ 1,338,843	\$ 1,908,879	\$ 1,439,431	\$ 1,439,431	\$ (469)
<b>Other Agencies</b>	\$ 2,227,509	\$ 2,454,760	\$ 2,462,384	\$ 2,446,304	\$ (8)
<b>Maint. &amp; Repairs</b>	\$ 704,401	\$ 911,891	\$ 921,841	\$ 851,555	\$ (60)
<b>Utilities</b>	\$ 989,654	\$ 946,803	\$ 1,040,098	\$ 900,971	\$ (46)
<b>Remittances</b>	\$ 2,648,038	\$ 2,001,645	\$ 1,684,411	\$ 2,893,411	\$ 892
<b>Equipment</b>	\$ 1,129,159	\$ 1,164,374	\$ 1,415,119	\$ 1,104,511	\$ (60)
<b>Education</b>	\$ 21,040,768	\$ 21,475,693	\$ 23,458,275	\$ 22,079,743	\$ 604
<b>Contingency</b>	\$ -	\$ 224,418	\$ 250,000	\$ 266,080	\$ 42
<b>Capital Outlay</b>	\$ 1,604,288	\$ 2,578,465	\$ 2,691,476	\$ 2,037,849	\$ (541)
<b>Debt Service</b>	\$ 466,596	\$ 598,231	\$ 499,338	\$ 504,338	\$ (94)
<b>Insurances</b>	\$ 588,899	\$ 567,150	\$ 572,925	\$ 537,925	\$ (29)
<b>Special Projects</b>	\$ 243,748	\$ 502,356	\$ 281,112	\$ 258,582	\$ (244)
<b>Other HS Programs</b>	\$ 213,491	\$ 228,609	\$ 178,609	\$ 170,000	\$ (59)
<b>Recreation Programs</b>	\$ 25,475	\$ 52,000	\$ 52,000	\$ 47,500	\$ (5)
<b>Employee Dev.</b>	\$ 189,942	\$ 410,938	\$ 454,101	\$ 388,399	\$ (23)
<b>Nonprofit Agencies</b>	\$ 92,500	\$ 102,500	\$ 145,500	\$ 111,000	\$ 9
<b>Transfers Out</b>	\$ 1,170,150	\$ 3,863,305	\$ 1,537,155	\$ 3,392,672	\$ (471)
<b>Total Expenses</b>	\$ 62,613,413	\$ 72,594,565	\$ 73,839,247	\$ 74,346,480	\$ 1,752

### Expenditures by Type



- Personnel Costs      ■ Contracted Services      ■ Operating Expenses      ■ Social Assistance      ■ Other Agencies
- Maint. & Repairs      ■ Utilities      ■ Remittances      ■ Equipment      ■ Education
- Contingency      ■ Capital Outlay      ■ Debt Service      ■ Insurances      ■ Special Projects
- Other HS Programs      ■ Recreation Programs      ■ Employee Dev.      ■ Nonprofit Agencies      ■ Transfers Out

## SOLID WASTE ENTERPRISE FUND

In FY 2023, the Solid Waste Department will continue the County's only enterprise activity and with the primary goal of continuing the project to expand the County's landfill. In prior years, staff undertook a project to analyze the long-term future of the Transylvania County Landfill and assist the Board of Commissioners with issuing a final decision of whether to continue landfill operations or convert to a transfer option.

The primary method for financing Solid Waste operations, since 1997, has been a user fee system. This is an unusual practice for rural counties in North Carolina. The two primary fees levied on users of the solid waste system are a variable fee. These fees were distributed in two ways – either through costs of entering the primary landfill facility (crossing the scales and being weighed and being charged a tipping fee) or by utilizing a collection center (where \$1.50 was charged per sticker applied to a bag of household trash.) For FY 2023, the fees are recommended to stay at Commissioner-revised levels from FY 2022.

The Transylvania County Solid Waste Fund is dependent on transfers from the General Fund to meet its financial obligations, a long-term arrangement necessary because of the inability of the County to levy user fees at a level necessary to generate additional revenue. In FY 2022, the Board implemented an incremental increase in the ad valorem property tax rate and a broad increase in user fees to provide much-needed revenue.

A table presenting the FY 2021, FY 2022 and recommended FY 2023 budget for the Solid Waste Fund follows.

## FIRE SERVICE DISTRICTS FUND

Individual volunteer fire departments and rescue agencies have requested a total of \$5.3 million in resources for FY 2023. Transylvania County has eight fire service districts which are also used as special tax levies to support these services. As the service districts are optimized for response time, there continues to be a significant disparity between the ability of each district's tax base to raise tax revenue and the fiscal needs of each agency.

In the past three fiscal years, the Board of County Commissioners have implemented a single standard rate tax levy across all service districts while approving a separate expense budget for each fire and rescue agency. The difference between this standard levy and the expense budget for each agency is supplemented by the General Fund.

For FY 2023, each fire department's request included inflation driven increases which could not be supplemented by General Fund resources. In order to adequately manage increasing costs, management recommends a half cent increase in all service districts, from five cents per \$100, to five and a half cents per \$100. The expense requests from each agency are summarized separately in the appendix of this document, as well as the total agency budget, a detail of which service district is contributing to the budget of each agency, as well as other factors. All departments were given an increase of 5% for personnel costs and consideration was given for those who requested operational type increases due to



inflation. The only major request approved was for 3 personnel for City of Brevard/Sylvan Valley II. This is contingent on the agency reducing service pressure to the rescue squad by beginning to run first medical response calls in those areas.

Disparities in the relative tax base in each service district continue to constrain the resources available for fire and rescue departments, with the value of one penny of fire district tax being equivalent to \$10,165 in one district and has high as \$182,390 in another. This disparity does not fully align with the amount of improved property in each district, nor does it align with differences in population – a significant part of the discrepancy is driven exclusively by the relative value of homes.

The remaining balance necessary to operate these agencies, derived from the general tax rate of the County, is .028 per \$100 in the General Fund, for a total tax rate of \$.083 per \$100 of value.

### NONMAJOR FUNDS SUMMARIZED

For FY 2023, management recommends the following appropriations in funds which are legally separate from the General Fund:

**The Charitable Contribution Fund** is estimated to receive \$165,133 in revenue from donations from private citizens. In turn, \$165,133 in expenditures are authorized to carry out activities.

The **Automation and Enhancement Fund** is estimated to generate \$7,227 in revenue, with \$7,227 of expenses set aside for projects in the Register of Deeds office. While the County Commission retains ultimate approval of expenditures from this fund, the revenues are generated by a fixed fee on certain types of transactions at the Register of Deeds Office and therefore the County cannot meaningfully control the revenue source.

**The Court Facility Fund** is estimated to receive \$35,000 in revenue generated by transactions overseen by the Transylvania County Clerk of Superior Court. An equal amount of expenditures is designed to contribute for a small portion of the cost of operating the Transylvania County Courthouse.

**The Emergency Telephone System Fund** is estimated to receive approximately \$336,530 in restricted revenues from the State of North Carolina. The purpose of these resources is to offset the costs of operating the County's dispatching system. \$336,530 in expenditures are authorized to carry out that task in FY 2023.

**The Narcotics Task Force Fund** has \$7,500 expenditures recommended – primarily Sheriff's Office requests that were also eligible for this revenue stream rather than the General Fund.

In the **Representative Payee Fund**, management recommends an appropriation of \$145,000 an estimate drawn from historical averages of the inflows and outflows of resources belonging to individuals in the care of the Department of Social Services. These activities are fully funded through the resources owned and held in trust for those in DSS care.

In the **Fines and Forfeitures Fund**, Management estimates approximately \$85,000 in generated by payments made by the Clerk of Superior Court and held temporarily in trust until transferred to Transylvania County Schools. This is based on historical averages and may need to be adjusted once Court operations return to normal.

In the **Deed Stamp Fund**, management estimates \$42,000 in the revenue generated by a 1.5% earmark of revenues collected by certain activities of the Register of Deeds and transmitted to the Department of State Treasurer on a monthly basis.

For the **Silvermont Permanent Fund**, a budget of \$2,500 is recommended to cover anticipated interest revenue without authorizing any major reduction in the fund balance held for the perpetual maintenance of Silvermont Park.

## Solid Waste Fund

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<i>Revenues</i>	<b>2021 Actual</b>	<b>2022 Revised</b>	<b>2023 Rec</b>
<b>Sales Taxes, Net</b>	\$ 76,165	\$ 75,000	\$ 77,000
<b>Misc. Revenue</b>	\$ 90,662	\$ 73,450	\$ 163,450
<b>Scale Sales</b>	\$ 1,728,547	\$ 1,680,873	\$ 1,684,800
<b>Sticker Sales</b>	\$ 406,597	\$ 754,323	\$ 710,000
<b>revenue subtot</b>	<b>\$ 2,301,971</b>	<b>\$ 2,583,646</b>	<b>\$ 2,635,250</b>
<i>Expenditures</i>			
<b>Personnel Costs</b>	\$ 1,307,457	\$ 1,186,529	\$ 1,309,831
<b>Contract Services</b>	\$ 398,213	\$ 874,980	\$ 639,985
<b>Operating Expenses</b>	\$ 313,992	\$ 405,750	\$ 714,673
<b>Maint. &amp; Repairs</b>	\$ 232,810	\$ 301,000	\$ 291,000
<b>Utilities</b>	\$ 1,255	\$ 800	\$ 3,200
<b>Remittances</b>	\$ 54,444	\$ 55,000	\$ 55,000
<b>Equipment</b>	\$ 4,786	\$ 19,546	\$ 14,000
<b>Capital Outlay</b>	\$ 50,724	\$ 1,173,615	\$ 1,118,816
<b>Special Projects</b>	\$ 8,123	\$ 17,900	\$ 17,900
<b>Employee Development</b>	\$ 2,518	\$ 4,500	\$ 4,000
<b>expense subtot</b>	<b>2,374,322</b>	<b>4,039,620</b>	<b>4,168,405</b>
<b>Solid Waste, Net Cost</b>	<b>\$ (72,351)</b>	<b>\$ (1,455,974)</b>	<b>\$ (1,533,155)</b>
<b>Transfer from GF</b>	<b>\$ 570,150</b>	<b>\$ 1,134,314</b>	<b>\$ 1,162,672</b>



	<b>2021 Actual</b>	<b>2022 Budget</b>	<b>FY 2023 Recommend</b>
<b>Fire Department Funds</b>			
Total Revenues	\$ 2,757,634.62	\$ 2,749,917.00	\$ 3,107,382.00
Total Expenses	\$ 2,713,616.00	\$ 2,749,917.00	\$ 3,107,382.00
<b>Net Change</b>	\$ 44,018.62	\$ -	\$ -
<b>Charitable Contribution Fund</b>			
Total Revenues	\$ -	\$ -	\$ 165,133.00
Total Expenses	\$ -	\$ -	\$ 165,133.00
<b>Net Change</b>	\$ -	\$ -	\$ -
<b>Automation Enhancement</b>			
Total Revenues	\$ 28,299.14	\$ 38,142.00	\$ 7,227.00
Total Expenses	\$ 37,132.00	\$ 38,142.00	\$ 7,227.00
<b>Net Change</b>	\$ (8,832.86)	\$ -	\$ -
<b>Court Facility Fund</b>			
Total Revenues	\$ 26,906.98	\$ 25,000.00	\$ 35,000.00
Total Expenses	\$ 24,983.66	\$ 25,000.00	\$ 35,000.00
<b>Net Change</b>	\$ 1,923.32	\$ -	\$ -
<b>911 Fund</b>			
Total Revenues	\$ 344,146.65	\$ 405,855.00	\$ 336,530.00
Total Expenses	\$ 325,476.42	\$ 405,855.00	\$ 336,530.00
<b>Net Change</b>	\$ 18,670.23	\$ -	\$ -
<b>Narcotics Fund</b>			
Total Revenues	\$ 33,569.89	\$ 7,500.00	\$ 34,000.00
Total Expenses	\$ 22,954.00	\$ 7,500.00	\$ 34,000.00
<b>Net Change</b>	\$ 10,615.89	\$ -	\$ -
<b>Rep Payee Fund</b>			
Total Revenues	\$ 51,000.08	\$ 145,000.00	\$ 145,000.00
Total Expenses	\$ 62,346.63	\$ 145,000.00	\$ 145,000.00
<b>Net Change</b>	\$ (11,346.55)	\$ -	\$ -
<b>Fines and Forfeitures</b>			
Total Revenues	\$ 60,354.00	\$ 80,000.00	\$ 85,000.00
Total Expenses	\$ 60,354.00	\$ 80,000.00	\$ 85,000.00
<b>Net Change</b>	\$ -	\$ -	\$ -
<b>Deed Stamp Fund</b>			
Total Revenues	\$ 42,383.00	\$ 42,000.00	\$ 40,000.00
Total Expenses	\$ 42,383.00	\$ 42,000.00	\$ 40,000.00
<b>Net Change</b>	\$ -	\$ -	\$ -

**Silvermont Fund**

Total Revenues	\$	1,107.09	\$	45,000.00	\$	45,000.00
Total Expenses	\$	-	\$	45,000.00	\$	45,000.00
<b>Net Change</b>	\$	1,107.09	\$	-	\$	-

**Health Insurance Internal Service Fund**

Administrative Costs	\$	-	\$	-	\$	1,345,000.00
Employee Claims	\$	-	\$	-	\$	4,549,084.00
Premiums	\$	-	\$	-	\$	5,894,084.00
	\$	-	\$	-	\$	-

**Fire and Rescue Budgets FY 23 Recommended**

Agency	FY 2023 Estimated Valuation	FY 2023 Estimated Collection Rate	FY 2022 Budget	FY 2023 Budget Req	FY 2023 Budget Rec	0.055 District Revenue	(Use Reserve/Add to Reserve etc) Other Resources	County General Fund	Sylvan Valley II Adjustment	Total Agency Budget
#1 Rescue Squad			\$426,450	\$ 639,650	\$ 457,200	\$ -	\$ -	\$ 457,200		\$ 457,200
#2 City of Brevard	1,101,335,550	99.50%	\$413,733	\$ 1,215,918	\$ 483,119	\$ 602,706	\$ -	\$ -	\$ (119,587)	\$ 483,119
#3 Rosman	541,100,000	99.50%	\$676,780	\$ 730,480	\$ 706,818	\$ 296,117	\$ -	\$ 410,701		\$ 706,818
#4 Little River	629,430,000	99.50%	\$545,200	\$ 669,050	\$ 551,750	\$ 344,456	\$ -	\$ 177,294	\$ 30,000	\$ 551,750
#5 Connettee Falls	1,163,100,000	99.50%	\$831,900	\$ 1,273,000	\$ 865,125	\$ 636,506	\$ -	\$ 228,619		\$ 865,125
#6 Cedar Mountain	157,000,000	99.50%	\$310,539	\$ 262,074	\$ 324,534	\$ 85,918	\$ 95,875	\$ 142,741		\$ 324,534
#7 Lake Toxaway	1,823,900,000	99.50%	\$910,539	\$ 1,131,089	\$ 905,577	\$ 998,129	\$ (92,552)	\$ -		\$ 905,577
#8 Balsam Grove	101,650,000	99.50%	\$216,924	\$ 207,057	\$ 210,577	\$ 55,628	\$ 950	\$ 153,999		\$ 210,577
#9 North Transylvania	160,660,000	99.50%	\$305,500	\$ 310,105	\$ 311,575	\$ 87,921	\$ 1,900	\$ 191,175	\$ 30,579	\$ 311,575
<b>Totals</b>	<b>\$ 5,678,175,550</b>		<b>\$ 4,637,565</b>	<b>\$ 6,438,423</b>	<b>\$ 4,816,275</b>	<b>\$ 3,107,382</b>		<b>\$ 1,761,729</b>		<b>\$ 4,816,275</b>

## SUMMARY OF CAPITAL INVESTMENT

The County Manager recommends only 75% percent of capital requests be funded in the upcoming year, consistent with the County's prioritization of high impact projects. A total of \$2,037,849 is recommended for immediate funding out of \$2,691,476 requested across all County departments and partner agencies.

For Transylvania County Schools, management attempted to prioritize, where possible, within available resources. If Transylvania County Schools' management and board have a different approach to the proposed projects, they may request changes. Transylvania County Schools submitted multiple capital outlay requests, in a "Plan A" or "Plan B" format based on whether the \$68 million would go forward. Additionally, some projects were excluded from the proposed budget plan because they may also be addressed by the proposed \$68,000,000 renovation projects.

For additional detail, please see the full five-year capital plan outlined in the appendices.

Staff do not believe that the proposed capital outlay will materially increase the operating costs of County government. Some capital outlay will reduce operational expenses related to maintenance.

TRANSYLVANIA COUNTY CAPITAL IMPROVEMENT PROGRAM								
for FISCAL YEARS 2023 through 2027								
Five-Year Plan Period								
	FY	FY	FY	FY	FY	FY	Total	Plus
Major Projects	2023	2024	2025	2026	2027	TBD	2022-2026	TBD
County Courthouse Replacement #1	\$0	\$0	\$0	\$0	\$0	\$57,000,000	\$0	\$57,000,000
County Courthouse Replacement #2	\$0	\$0	\$0	\$0	\$0	\$44,000,000	\$0	\$44,000,000
EMS/Fire Station (Sylvan Valley II District)	\$0	\$0	\$0	\$0	\$0	\$2,250,000	\$0	\$2,250,000
County-wide Water and Sewer Study	\$0	\$0	\$0	\$0	\$0	\$52,000,000	\$0	\$52,000,000
Blue Ridge Community College Campus	\$0	\$0	\$0	\$0	\$0	\$32,000,000	\$0	\$32,000,000
Sylvan Valley Center Phase II	\$3,500,000	\$0	\$0	\$0	\$0	\$0	\$3,500,000	\$3,500,000
<u>Governmental Vehicles, Projects and FF&amp;E</u>								
Transylvania County Schools Needs	\$ 4,213,394	\$ 3,475,008	\$ 2,419,821	\$ -	\$ -	\$ -	\$10,108,223	\$10,108,223
Governmental Vehicles	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ -	\$625,000	\$625,000
Public Safety Vehicles	\$ 150,000	\$ 75,000	\$ 150,000	\$ 75,000	\$ 150,000	\$ -	\$600,000	\$600,000
Law Enforcement Vehicles	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ -	\$2,125,000	\$2,125,000
Ambulances	\$ 225,000	\$ 236,250	\$ 248,063	\$ 260,466	\$ 273,489	\$ -	\$1,243,267	\$1,243,267
Transit Vehicles	\$ 75,000	\$ 100,000	\$ 78,750	\$ 105,000	\$ 95,000	\$ -	\$453,750	\$453,750
Continued ADA improvements parks	\$ 20,000	\$ 30,000	\$ 20,000	\$ -	\$ -	\$ -	\$70,000	\$70,000
Gravel Pathing Renovations (All Parks)	\$ 12,050	\$ 20,000	\$ -	\$ 10,000	\$ 10,000	\$ -	\$52,050	\$52,050
Park Maintenance and Upkeep Equipment	\$ 15,300	\$ -	\$ 79,000	\$ 28,500	\$ 17,000	\$ -	\$139,800	\$139,800
Silvermont Water/Erosion Control	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$100,000	\$100,000
Silvermont Walking Path repair/paving	\$ 76,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$76,000	\$76,000
Silvermont Master Plan (Rem. Phases)	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$45,000	\$1,045,000
Replace Connestee Falls Overlook	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$30,000	\$30,000
HVAC Replacements/Upgrades	\$ 100,000	\$ 100,000	\$ 100,000	\$ 75,000	\$ -	\$ -	\$375,000	\$375,000
Maintenance Facility Roof Replacement	\$ -	\$ 28,000	\$ -	\$ -	\$ -	\$ -	\$28,000	\$28,000
Fire Alarm Replacements	\$ -	\$ 26,000	\$ -	\$ 26,000	\$ -	\$ -	\$52,000	\$52,000
Detention Center Security Upgrades	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$150,000	\$150,000
Community Services Learning Lab	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$35,000	\$35,000
New Adventure Learning Center (Roof)	\$ -	\$ 60,500	\$ -	\$ -	\$ -	\$ -	\$60,500	\$60,500
Public Safety Lighting System	\$ 88,000	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$163,000	\$163,000
Parking Lot Replacements/Repairs	\$ 35,000	\$ 45,000	\$ 40,000	\$ 40,000	\$ -	\$ -	\$160,000	\$160,000
Silvermont Roof	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$125,000	\$125,000
Parks and Recreation ADA	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$65,000	\$65,000
Parks and Recreation Parking Lot	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$120,000	\$120,000
Parks and Recreation MP - Community Park	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,000,000	\$ -	\$8,000,000
Parks and Recreation MP - Multi-Gen Cente	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,000,000	\$ -	\$19,000,000
Public Library Exterior Upgrades	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ 250,000	\$250,000
Branch Library Facility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,250,000	\$ -	\$2,250,000

	Five-Year Plan Period							Total	Plus
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY TBD			
<b>Major Projects</b>									
PL - Bookmobile	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000	\$45,000	
Communications - Comm. Towers	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ -	\$ 1,000,000	\$1,000,000	
Communications - Simulcast Upgrades	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000	\$300,000	
<b>Solid Waste / Landfill needs</b>									
Collection Center Upgrades	\$ -	\$ 255,000	\$ -	\$ -	\$ -	\$ -	\$ 255,000	\$ 255,000	
Solid Waste Operating Equipment Needs	\$ 144,480	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 159,480	\$ 159,480	
Pickup Truck	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	
Refurb Roll Off Truck, Unit 104 (2005)	\$ 91,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,139	\$ 91,139	
Large Dozer Unit 22 Replacement	\$ -	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ 450,000	\$ 450,000	
Tanker Truck Unit 112, Replacement	\$ -	\$ -	\$ 225,000	\$ -	\$ -	\$ -	\$ 225,000	\$ 225,000	
Roll Off Truck Replacement, Unit 105	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ 200,000	\$ 200,000	
Landfill Monitoring Equipment (Calvert)	\$ -	\$ 250,000	\$ 20,000	\$ 10,000	\$ 10,000	\$ -	\$ 290,000	\$ 290,000	
Volvo Trackhoe - Unit 14	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ 125,000	
CAT Trackhoe	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ 125,000	\$ 125,000	
CAT Dozer - Unit 19	\$ -	\$ -	\$ 175,000	\$ -	\$ -	\$ -	\$ 175,000	\$ 175,000	
Landfill Closure - Phase 1/2/3/4	\$ -	\$ -	\$ -	\$ 2,400,000	\$ 2,400,000	\$ -	\$ 4,800,000	\$ 4,800,000	
Expansion of Landfill - Construction	\$ -	\$ 110,000	\$ 3,500,000	\$ 5,000,000	\$ -	\$ -	\$ 8,610,000	\$ 8,610,000	
CQA - Landfill Closure	\$ -	\$ -	\$ 280,000	\$ 155,000	\$ 135,000	\$ -	\$ 570,000	\$ 570,000	
<b>Totals</b>	<b>\$9,675,363</b>	<b>\$6,680,758</b>	<b>\$8,280,634</b>	<b>\$9,934,966</b>	<b>\$3,640,489</b>	<b>\$217,500,000</b>	<b>\$ 16,115,619</b>	<b>\$233,615,619</b>	



LOC	Description	Request	Recommended		FY 2023
BES	BES ADM allotment - furniture and equipment	\$ 12,765.00	\$ 12,765.00	\$ -	\$12,765.00
BHS	BHS ADM allotment - furniture and equipment	\$ 17,985.00	\$ 17,985.00	\$ -	\$17,985.00
BHS	BHS Athletic equipment	\$ 28,091.00	\$ 28,091.00	\$ -	\$28,091.00
BHS	BHS Band equipment	\$ 5,500.00	\$ 5,500.00	\$ -	\$5,500.00
BHS	BHS Cultural Arts equipment	\$ 2,000.00	\$ 2,000.00	\$ -	\$2,000.00
BMS	BMS ADM allotment - furniture and equipment	\$ 13,854.00	\$ 13,854.00	\$ -	\$13,854.00
BMS	BMS Athletic equipment	\$ 20,693.00	\$ 20,693.00	\$ -	\$20,693.00
BMS	BMS Band equipment	\$ 3,575.00	\$ 3,575.00	\$ -	\$3,575.00
BMS	BMS Cultural Arts equipment	\$ 1,000.00	\$ 1,000.00	\$ -	\$1,000.00
DRS	DRS ADM allotment- furniture and equipment	\$ 1,979.00	\$ 1,979.00	\$ -	\$1,979.00
MEC	Ed Center furniture & equipment	\$ 3,000.00	\$ 3,000.00	\$ -	\$3,000.00
PFES	PFES ADM allotment- furniture and equipment	\$ 12,320.00	\$ 12,320.00	\$ -	\$12,320.00
RES	RES ADM allotment- furniture and equipment	\$ 7,422.00	\$ 7,422.00	\$ -	\$7,422.00
RHS	RHS ADM allotment- furniture and equipment	\$ 8,065.00	\$ 8,065.00	\$ -	\$8,065.00
RHS	RHS Athletic equipment	\$ 15,653.00	\$ 15,653.00	\$ -	\$15,653.00
RHS	RHS Band equipment	\$ 2,845.00	\$ 2,845.00	\$ -	\$2,845.00
RHS	RHS Cultural Arts equipment	\$ 1,000.00	\$ 1,000.00	\$ -	\$1,000.00
RMS	RMS ADM allotment - furniture and equipment	\$ 5,566.00	\$ 5,566.00	\$ -	\$5,566.00
RMS	RMS athletic equipment	\$ 9,113.00	\$ 9,113.00	\$ -	\$9,113.00
RMS	RMS band equipment	\$ 1,925.00	\$ 1,925.00	\$ -	\$1,925.00
SYS	Campus cameras	\$ 8,000.00	\$ 8,000.00	\$ -	\$8,000.00
SYS	Capital repairs and replacement - systemwide	\$ 220,000.00	\$ -	\$ (220,000.00)	\$220,000.00
SYS	Computer equipment- sYstemwide	\$ 385,000.00	\$ 385,000.00	\$ -	\$385,000.00
SYS	GTE furniture & equipment	\$ 21,550.00	\$ 21,550.00	\$ -	\$21,550.00
SYS	Custodial equipment	\$ 16,000.00	\$ 16,000.00	\$ -	\$16,000.00
SYS	Media equipment	\$ 12,100.00	\$ 12,100.00	\$ -	\$12,100.00
SYS	Plant Operations shop equipment	\$ 6,600.00	\$ 6,600.00	\$ -	\$6,600.00
SYS	Science equipment- systemwide	\$ 11,550.00	\$ 11,550.00	\$ -	\$11,550.00
SYS	Transportation shop equipment/cameras	\$ 10,600.00	\$ 10,600.00	\$ -	\$10,600.00
SYS	School Nutrition equipment	\$ 49,500.00	\$ 49,500.00	\$ -	\$49,500.00
TCHES	TCHES ADM allotment - furniture and equipment	\$ 2,820.00	\$ 2,820.00	\$ -	\$2,820.00
<b>TOTAL FF&amp;E</b>		<b>\$ 918,071.00</b>	<b>\$ 698,071.00</b>	<b>\$ (220,000.00)</b>	<b>\$ 918,071.00</b>

RHS	Bleacher guardrail per annual safety inspection	\$ 3,400.00	\$ 3,400.00	\$ -	\$3,400.00
PFES	New Awning	\$ 9,000.00	\$ 9,000.00	\$ -	\$9,000.00
BMS	Door Replacement	\$ 10,000.00	\$ 10,000.00	\$ -	\$10,000.00
RES	Exterior Door Replacement	\$ 10,000.00	\$ 10,000.00	\$ -	\$10,000.00
RES	Drainage Pipe Replacement	\$ 10,000.00	\$ 10,000.00	\$ -	\$10,000.00
BHS	Bleacher guardrail per annual safety inspection	\$ 10,200.00	\$ 10,200.00	\$ -	\$10,200.00
DRS	Fix Front Entrance	\$ 17,000.00	\$ 17,000.00	\$ -	\$17,000.00
BHS	Roof Repairs	\$ 18,000.00	\$ 18,000.00	\$ -	\$18,000.00
TCHES	<b>Roof Replacement</b>	\$ 25,000.00	\$ 25,000.00	\$ -	\$25,000.00
	<b>TOTAL BUILDING PROJECTS &gt;\$50K</b>	\$ 112,600.00	\$ 112,600.00		
RES	Gym Roof Replacement	\$ 50,000.00	\$ 50,000.00	\$ -	\$50,000.00
PFES	K-1 Playground	\$ 80,000.00	\$ 80,000.00	\$ -	\$80,000.00
BES	Replace flooring	\$ 103,000.00	\$ 103,000.00	\$ -	\$103,000.00
BMS	Replace air handlers, boiler	\$ 105,000.00	\$ 105,000.00	\$ -	\$105,000.00
RES	Replace air handlers	\$ 105,000.00	\$ 105,000.00	\$ -	\$105,000.00
TCHES	Replace air handlers	\$ 105,000.00	\$ 105,000.00	\$ -	\$105,000.00
BMS	Pave back entrance road	\$ 125,000.00	\$ -	\$ (125,000.00)	\$125,000.00
BES	Replace air handlers	\$ 140,000.00	\$ 140,000.00	\$ -	\$140,000.00
RMS	<b>Roof Replacement</b>	\$ 150,000.00	\$ -	\$ (150,000.00)	\$150,000.00
BHS	Chiller	\$ 200,000.00	\$ 200,000.00	\$ -	\$200,000.00
PFES	Roof and Window Leaks	\$ 200,000.00	\$ -	\$ (200,000.00)	\$200,000.00
RHS	<b>Roof Replacement</b>	\$ 250,000.00	\$ -	\$ (250,000.00)	\$250,000.00
	<b>TOTAL BUILDING PROJECTS &lt;\$50K</b>	\$ 1,613,000.00	\$ 1,113,200.00	\$ (725,000.00)	
SYS	Instructional staff car	\$ 26,700.00	\$ 26,700.00	\$ -	\$26,700.00
SYS	Activity bus replacement	\$ 98,000.00	\$ 98,000.00	\$ -	\$98,000.00
SYS	Plant Ops vehicle	\$ 25,700.00	\$ 25,700.00	\$ -	\$25,700.00
	<b>TOTAL VEHICLES</b>	\$ 150,400.00	\$ 150,400.00	\$ -	
		\$ 2,794,071.00	\$ 2,074,271.00	\$ (945,000.00)	
			\$ 2,074,271.00		
			\$ -		



## DEBT SERVICE SUMMARY

Transylvania County's debt is limited in part by a statutory limit imposed by NC G.S. 159-55 (which caps a County's outstanding debt at eight percent of the appraised value of the County each year) and limited also by the will of the voters of Transylvania County who are given the ability to vote via referendum on large scale projects proposed to be financed by general obligation bonds.

In FY 2023, the estimated assessed value is \$6,995,375,000 which leaves the County with an estimated legal debt limit of \$559,630,044. The County currently has two outstanding debts and one long term capital lease.

- A 2008 installment financing agreement related to the construction of the Transylvania County Public Safety Facility with \$290,000.18 outstanding as of July 1, 2022.
- A 2015 Installment Financing agreement related to the renovation of the County's new Board of Elections building with \$937,314.28 outstanding as of July 1, 2022.
- A 2021 lease-purchase of power-lift beds for EMS-operated ambulances with an annual payment of \$96,000 with four remaining years on the lease term.

The total projected debt service payment for Transylvania County in 2023 will be \$346,626 for governmental services. Based on the current estimated tax base, the County is using .002% of its legal debt capacity.

A still pending item is the County's issuance of \$68,000,000 of general obligation school construction bonds to finance the improvements for high schools in Transylvania County.

Management has recommended next steps to secure an installment financing for the proposed EMS Base replacement project in the amount of \$3.9 million.

## FUND BALANCE SUMMARY

### TRANSYLVANIA COUNTY YEAR-END FUND BALANCE GENERAL FUND FISCAL YEARS 2021 through 2023

	<i>Actual</i>	<i>Estimate</i>	<i>Estimate</i>
	<b>2021</b>	<b>2022</b>	<b>2023</b>
<i>Nonspendable</i>	\$ 4,484,389	\$ 4,284,389	\$ 4,084,389
<i>Restricted</i>	\$ 6,840,997	\$ 6,840,997	\$ 6,840,997
<i>Committed</i>	\$ 4,756,927	\$ 5,100,000	\$ 2,550,000
<i>Assigned</i>	\$ 14,364,665	\$ 15,364,665	\$ 14,564,665
<i>Unassigned</i>	\$ 5,783,959	\$ 6,073,157	\$ 6,376,815
	\$ 36,230,937	\$ 37,663,208	\$ 34,416,866

We expect that with conservative budget estimates that the County's general fund unassigned balance will dip slightly in the current year, when controlling for board policy to assign towards capital projects whenever possible.

The major trends driving these changes are as follows:

- Reduction in assigned fund balance as the County implements several pay-as-you-go capital projects, particularly the Sylvan Valley Industrial Center building.
- Reduction in assigned and committed fund balances to facilitate "withdrawing" the County's health plan costs from the General Fund and establishing a separate financial tool for accounting for those costs.
- The County's dedicated \$2,400,000 to meet future capital needs is preserved in the FY 2023 budget.

**TRANSYLVANIA COUNTY  
YEAR-END NET POSITION  
SOLID WASTE FUND  
FISCAL YEARS 2021 through 2023**

	<i>Actual</i>	<i>Estimate</i>	<i>Estimate</i>
	<b>2021</b>	<b>2022</b>	<b>2023</b>
<i>Restricted</i>	\$ 2,715,354	\$ 2,986,889	\$ 3,285,578
<i>Unrestricted</i>	\$ 2,105,658	\$ 2,305,658	\$ 2,505,658
	<u>\$ 4,821,012</u>	<u>\$ 5,292,547</u>	<u>\$ 5,791,236</u>

Presented consistent with the County’s comprehensive annual financial report is the net position (or “fund balance” when used to refer to governmental funds as opposed to enterprise funds.)

These figures are more optimistic forecast over the next year, in part because of better revenue availability for the Fund. However, beyond FY 2023, construction on the new landfill cell will begin and this will constrain resources again – one should not conclude based on this figure that the revenue needs for Solid Waste are fully resolved.

These figures do not include the current fully funded post closure accrued liability for the Woodruff and Calvert landfill facilities.

Management makes no representations of the year end fund balances for the other governmental funds, such as the Fire Districts Special Revenue fund or the Emergency Telephone System fund.

NEXT STEPS FOR  
THE TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS

Now that the Manager's Recommended Budget for FY 23 has been delivered as required under state statute, the Commissioners will proceed with workshops. Commissioners will notify the County Manager of any specific items they would like to discuss as a board for possible modification to add to the workshop agenda. Workshops are facilitated by the manager and structured to allow for vetting of any issues and to reach a consensus resolution.

In prior years, Commissioners have elected to use the workshops to discuss the Fire and Rescue Budget Requests and to vet those requests in full without staff recommendation; however, this year the manager has used a subcommittee to review those requests and will be including a recommended funding level in the presentation.

The workshop goal will be to finalize approved budgets so that the budget can be modified to accommodate those approvals for any items commissioners want to discuss further after the recommending budget is presented.

Staff will provide any adjustments due to new information at the workshop that could modify the recommended budget.

The last step in the budget process will be the scheduled public hearings and adoption in June. Following consensus on workshops, the budget will be finalized for public hearing.

For the purposes of compliance with new state conflict of interest laws, management will not implement nonprofit funding contracts immediately after adoption of this budget ordinance. Staff will schedule a separate vote on a future agenda in FY 2023, after polling the board about potential conflicts of interest.

\*1 represents estimated data based on publicly available data from the NCDPI Allotment funding system

\*2 represents a projection based on historical averages based on FY '22 data on the NCDPI Allotment system

Summary of the TCS "Statement of Revenues, Expenditures and Changes in Fund Balance"								
						*1	*2	3 Yr Cumulative
<u>Funds</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>Change</u>
Federal Grants Fund	\$2,196,138	\$2,455,053	\$2,217,286	\$2,248,307	\$2,927,175	\$2,128,119	\$2,158,622	
Change from Prior Year	(\$622,653)	\$258,915	(\$237,767)	\$31,021	\$678,868	(\$799,056)	\$30,503	(\$89,685)
% Change	-22.1%	11.8%	-9.7%	1.4%	30.2%	-27.3%	1.4%	1.4%
State Public School Fund	\$20,876,229	\$21,343,220	\$22,644,472	\$22,683,380	\$23,601,353	\$25,676,639	\$26,960,471	
Change from Prior Year	\$784,749	\$466,991	\$1,301,252	\$38,908	\$917,973	\$2,075,286	\$1,283,832	\$4,277,091
% Change	3.9%	2.2%	6.1%	0.2%	4.0%	8.8%	5.0%	5.9%
County General Fund	\$11,427,315	\$11,691,289	\$12,342,668	\$12,867,046	\$12,885,779	\$12,956,586	\$13,086,052	
Change from Prior Year	\$515,705	\$263,974	\$651,379	\$524,378	\$18,733	\$70,807	\$129,466	\$219,006
% Change	4.7%	2.3%	5.6%	4.2%	0.1%	0.5%	1.0%	0.5%
Total	\$34,499,682	\$35,489,562	\$37,204,426	\$37,798,733	\$39,414,307	\$40,761,344	\$42,205,145	
Change from Prior Year	\$677,801	\$989,880	\$1,714,864	\$594,307	\$1,615,574	\$1,347,037	\$1,443,801	\$4,406,412
% Change	2.0%	2.9%	4.8%	1.6%	4.3%	3.4%	3.5%	3.7%
Total excluding County	\$162,096	\$725,906	\$1,063,485	\$69,929	\$1,596,841	\$1,276,230	\$1,314,335	\$4,187,406
								<b>Cumulative</b>
<b>Funding Level/ADM</b>	<b><u>FY 17</u></b>	<b><u>FY 18</u></b>	<b><u>FY 19</u></b>	<b><u>FY 20</u></b>	<b><u>FY 21</u></b>	<b><u>FY 22</u></b>	<b><u>FY 23</u></b>	<b><u>Increase</u></b>
1st Month ADM, per DPI	3,402	3,398	3,327	3,326	3,145	3,201	3,260	
Federal funding/ADM	\$ 646	\$ 723	\$ 666	\$ 676	\$ 931	\$ 665	\$ 662	\$ (269)
	-20.7%	11.9%	-7.8%	1.4%	37.7%	-28.6%	-0.4%	2.9%
State funding/ADM	\$ 6,136	\$ 6,281	\$ 6,806	\$ 6,820	\$ 7,504	\$ 8,021	\$ 8,270	\$ 766
	5.7%	2.4%	8.4%	0.2%	10.0%	6.9%	3.1%	6.7%
County funding/ADM	\$ 3,359	\$ 3,441	\$ 3,710	\$ 3,869	\$ 4,097	\$ 4,048	\$ 4,014	\$ (83)
	6.6%	2.4%	7.8%	4.3%	5.9%	-1.2%	-0.8%	1.3%
Total funding/ADM	\$ 10,141	\$ 10,444	\$ 11,183	\$ 11,365	\$ 12,532	\$ 12,734	\$ 12,946	\$ 414
	3.8%	3.0%	7.1%	1.6%	10.3%	1.6%	1.7%	4.5%

**NEXT YEAR BUDGET COMPARISON REPORT**

PROJECTION: 2023 2022-2023 Annual Operating Budget

FOR PERIOD 99

ACCOUNTS FOR: General Fund	2021 ACTUAL	2022 ORIG BUD	2022 REVISED BUD	2023 REQ	2023 REV	2023 REC	COMMENT
Administration	4,318,872.29	4,575,148.00	4,703,566.00	4,458,708.91	4,781,849.00	5,173,892.00	_____
Elections	444,632.99	400,703.00	424,421.00	455,310.40	451,542.40	451,543.00	_____
Tax	1,272,043.08	1,182,375.00	1,195,875.00	1,586,691.44	1,491,138.00	1,419,192.00	_____
Register of Deeds	1,073,891.93	957,524.00	957,524.00	1,086,105.00	1,091,948.00	1,080,324.00	_____
Public Buildings	1,495,915.80	1,693,329.00	2,175,954.00	1,893,782.00	1,866,091.00	1,847,637.00	_____
Outside Agencies	303,536.18	300,061.00	300,061.00	293,061.00	293,061.00	258,561.00	_____
Office of Sheriff	8,381,229.59	8,791,586.00	8,970,631.00	9,549,815.60	9,645,694.60	9,643,833.00	_____
Emergency Management	5,226,006.44	6,601,951.00	6,765,520.00	8,149,891.45	8,098,338.00	7,069,290.00	_____
Emergency Medical Serv	62,836.67	55,000.00	55,000.00	55,000.00	105,000.00	105,000.00	_____
VFDs and Rescue Agenci	1,797,600.52	1,962,999.00	1,962,999.00	1,970,123.00	1,980,123.00	1,980,123.00	_____
Ag and Economic Develo	3,246,496.45	3,058,060.00	3,350,955.00	2,711,905.00	3,687,730.00	3,963,139.00	_____
Public Health	2,890,682.88	3,200,350.00	5,357,784.00	5,415,126.00	4,594,098.00	4,607,496.00	_____
Social Services	5,779,704.42	5,727,365.00	6,354,501.00	6,297,957.00	6,370,158.00	6,327,012.00	_____
Child Development	843,440.75	825,959.00	833,959.00	879,936.00	891,832.00	880,208.00	_____
Public Transportation	331,455.13	625,949.00	625,949.00	807,121.00	815,125.00	816,238.00	_____
JCPC	127,790.20	158,609.00	158,609.00	158,609.00	158,609.00	150,000.00	_____
Parks and Recreation	883,277.38	1,161,579.00	1,120,143.00	1,007,533.00	1,002,086.00	1,010,886.00	_____
Library	1,322,024.60	1,370,545.00	1,378,684.00	1,490,218.00	1,507,668.00	1,507,668.00	_____
Debt Service	579,264.61	563,432.00	563,432.00	464,423.00	464,423.00	469,423.00	_____
Education	14,728,099.70	15,275,693.00	15,275,693.00	17,370,875.00	16,357,366.00	15,992,343.00	_____
Transfers	7,370,150.00	10,063,305.00	10,063,305.00	10,137,155.00	10,137,155.00	9,592,672.00	_____
TOTAL General Fund	62,478,951.61	68,551,522.00	72,594,565.00	76,239,346.80	75,791,035.00	74,346,480.00	_____



**NEXT YEAR BUDGET COMPARISON REPORT**

PROJECTION: 2023 2022-2023 Annual Operating Budget

FOR PERIOD 99

ACCOUNTS FOR: General Fund	2021 ACTUAL	2022 ORIG BUD	2022 REVISED BUD	2023 REQ	2023 REV	2023 REC	PCT CHANGE
Personnel Costs	24,933,110.60	26,813,606.00	27,006,850.00	28,555,769.00	29,222,056.00	29,641,011.00	5.7%
Contracted Services	1,558,544.04	1,683,128.00	3,402,593.00	3,879,517.00	3,138,897.00	3,083,202.00	14.0%
Operating Expenses	1,448,296.66	1,760,608.00	2,193,105.00	2,320,186.00	2,208,405.00	2,191,996.00	5.8%
Social Assistance	1,338,843.22	1,288,723.00	1,908,879.00	1,439,431.00	1,439,431.00	1,439,431.00	-24.6%
Other Organizations	2,227,509.02	2,454,760.00	2,454,760.00	2,462,384.00	2,462,384.00	2,446,304.00	.3%
Maint. & Repairs	704,401.14	891,891.00	911,891.00	921,941.10	886,840.00	851,555.00	1.1%
Utilities	989,654.48	945,803.00	946,803.00	1,040,098.00	1,016,521.00	900,971.00	9.9%
Remittances	2,648,038.05	2,001,645.00	2,001,645.00	1,684,411.00	2,622,411.00	2,893,411.00	-15.8%
Equipment	1,129,158.96	1,164,374.00	1,164,374.00	1,415,118.70	1,375,759.00	1,104,511.00	21.5%
Education	21,040,768.46	21,475,693.00	21,475,693.00	23,458,275.00	22,557,366.00	22,079,743.00	9.2%
Contingency	.00	125,000.00	224,418.00	250,000.00	250,000.00	266,080.00	11.4%
Capital Outlay	1,604,287.93	1,972,976.00	2,578,465.00	2,578,876.00	2,577,904.00	1,925,249.00	.0%
Debt Service	466,595.85	598,231.00	598,231.00	499,338.00	499,338.00	504,338.00	-16.5%
Insurances	588,899.35	567,150.00	567,150.00	572,925.00	552,925.00	537,925.00	1.0%
Special Projects	243,748.30	205,361.00	502,356.00	281,112.00	259,182.00	258,582.00	-44.0%
Other Human Programs	213,491.10	228,609.00	228,609.00	178,609.00	178,609.00	170,000.00	-21.9%
Recreation Programs	25,475.60	50,000.00	52,000.00	52,000.00	52,000.00	47,500.00	.0%
Employee Development	189,942.43	358,159.00	410,938.00	454,101.00	408,352.00	388,399.00	10.5%
Nonprofit Agencies	-41,963.58	102,500.00	102,500.00	145,500.00	145,500.00	111,000.00	42.0%
Education Capital Ou	.00	.00	.00	112,600.00	.00	112,600.00	.0%
Transfers Out	1,170,150.00	1,648,805.00	1,648,805.00	1,537,155.00	1,537,155.00	1,162,672.00	-6.8%

**NEXT YEAR BUDGET COMPARISON REPORT**

PROJECTION: 2023 2022-2023 Annual Operating Budget

FOR PERIOD 99

ACCOUNTS FOR:	2021 ACTUAL	2022 ORIG BUD	2022 REVISED BUD	2023 REQ	2023 REV	2023 REC	PCT CHANGE
General Fund							
Transfers to Reserve	.00	2,214,500.00	2,214,500.00	2,400,000.00	2,400,000.00	2,230,000.00	8.4%
TOTAL General Fund	62,478,951.61	68,551,522.00	72,594,565.00	76,239,346.80	75,791,035.00	74,346,480.00	5.0%