

Graham County

North Carolina

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Budget Ordinance

Fiscal Year 2019-20

BUDGET MESSAGE AND HIGHLIGHTS FY 2019-20

1. 2019 is a budget revaluation year. The new property values were submitted to the taxpayers in January 2019 in advance of the billings and budget for the 2019-20 budget year. Overall the assess valuation of property in Graham County fell by \$5,953,672 in value. The drop in value has caused the revenue neutral tax rate to rise to 59.5 cents. The revenue neutral tax rate is the rate required to keep the property tax levy in the budget to remain stable from prior years levels.
2. Revenue amounts from the federal and state governments are projected to fall by \$382,000. These shared revenues support health and human services programs including transportation grants for senior citizens, and payments in lieu of taxes from TVA and USFS.
3. USFS Secure Rural Schools funding was not reauthorized by the federal government. This represents a loss in revenues of close to \$150,000. These funds were distributed in the past to our schools and our volunteer fire departments.
4. In order to sustain these programs, county government revenues are required to offset the losses.
5. We are proposing a tax rate of 65 cents. This is 5.5 cents above the revenue neutral tax rate. We have maintained our budget at 5 cents above the revenue neutral rate for the past 8 years. Here are some fast facts about the tax rate: Here are some other facts about the tax rate:
 - a. Graham County faces some significant challenges in the years to come.
 - i. Planning forward for the construction of the courthouse and justice facility as mandated by Superior Court judge.
 - ii. Maintaining a budgetary allocation for re-housing court in Cherokee County for criminal trials at a cost of \$33,000 per week.
 - iii. Public Safety and Human Services concerns caused by substance abuse in our community.
 - iv. Need for safe facilities in which to serve the public.
 - b. Graham County's tax rate has been lower than the median state tax rate for many years. For the 2018-19 budget year, the tax rate in Graham County was 87% of the median tax rate of 67 cents.
 - c. Graham County's tax rate being below the state median tax rate hurts the schools. Graham County Schools is eligible for "low wealth funding". This is calculated based on our funding of the school system and our tax rate. When our tax rate falls below the state median tax rate, Graham County Schools loses funding. Their funding fell to about \$29,000 in 2018-19 because we failed to meet the benchmarks of funding and tax rate. For 2019-20, they will get ZERO funding.
 - d. A property owner with their home and land valued at \$100,000 will receive a tax bill of \$650.00 on their property under the tax rate of \$0.65. This represents an increase of \$65.00 annually.
6. Graham County is proposing a total budget of \$16,818,749 in the general fund. This represents an increase from the 2018-19 budget as follows:
 - a. Retirement rate increases of 17% as mandated by the NC State Treasurer
 - b. Budgeted \$100,000 for court proceedings in Cherokee County as mandated by the NC Superior Courts.
 - c. Needed relocation of the Election Board due to security and safety concerns. Election Board will be located in the Community Building and will require renovations as directed

- by the NC Department of Homeland Security. \$100,000 has been budgeted for necessary security upgrades and renovations.
- d. \$240,000 for an ambulance with a power stretcher and upgraded equipment. Graham County did not purchase an ambulance in fiscal 2018-19.
 - e. Increases in foster care budget for Social Services due to increases in the number of foster care children in the County due to substance abuse. Public safety programs will continue to become more challenging due to the rise in substance abuse.
 - f. Due to the deteriorated conditions and environmental concerns in the courthouse annex building that housed Administration, Recreation, and the Election Board (building is falling off the side of the hill, mold, and sewer gas), it will be imperative to relocate recreation. Budgeted to construct a recreation building This will provide a safer facility for families to visit for recreational services and will house staff and storage of recreational supplies and materials.
 - g. Due to the deteriorated condition of the cemetery building which houses the cemetery commission's equipment, budgeted for a new cemetery storage building.
 - h. The cost of dumping our garbage in the landfill in Georgia will increase due to mandated surcharges by the State of Georgia. In addition, existing trucks are aged and requiring higher repair costs and potential replacements of at least one truck.
 - i. School current expense funding will remain at \$1,000,000 in order to enhance low wealth funding opportunities from state revenues.
 - j. Implementation of a paramedicine program which will provide important followup in-home care for chronic disease management.
7. There will be no pay increases for the staff for the 2019-20 fiscal year.
 8. Except for the above necessary expenditures, all departments were maintained at previous years' levels due to the loss of expected revenues from the federal and State government.
 9. Staff are actively seeking grants to help cover expected shortfalls in shared funding revenues. Grants, however, are highly competitive and have become more scarce over time.
 10. Commissioners have named a sanitation study committee to spend the next year researching better, more efficient solutions to managing solid waste in Graham County. As landfills get more restrictive about the waste they will accept and as State governments impose higher surcharges, the cost of solid waste removal will continue to rise. Graham County must work to become more efficient and cost effective in service delivery.

This budget cycle has presented some stiff challenges. Faced with the shortfalls in expected revenues coupled with the mandated needs for better and more secure facilities, as well as taking a proactive approach to addressing the substance abuse problem, the commissioners had tough decisions to ensure the safety and security of the people.

Rebecca E. Garland, MPA, CPA

County Manager/Finance Officer

12 North Main Street

Robbinsville, NC 28771

Total County Funds

The FY 2019-20 recommended budget for all Graham County Funds has an annual operating budget of \$17,935,749. The county has established an annual budget for five (5) separate funds. These funds can be paired in to the following fund groupings.

General Fund	\$ 16,818,749	93.77%
 Special Revenue Funds		
Revaluation	40,000	0.22%
911 Fund	320,000	1.78%
Economic Development Fund	757,000	4.22%
Total Special Revenue Funds	1,117,000	6.23%
 Total Operating Budget - 2019-20	 \$ 17,935,749	 100.00%

General Fund - The General Fund is the general operating fund of the County. It is used to account for all of the financial resources except for those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, sales taxes, federal and state grants, and various other taxes and user fees. The primary expenditures are for general government services, public safety, human services, education and debt service.

Special Revenue Funds - The Special Revenue Funds are used to account for specific sources that are legally restricted to expenditures for specific purposes. The County will maintain three (3) Special Revenue Funds for FY 2019-20: Revaluation Fund , 911 Fund, and Economic Development Fund.

Capital Projects Fund: Capital Project Funds are used to account for the financial resources to be used for acquisition and construction of major capital facilities. These funds have a project budget as opposed to an annual budget. Construction of the 911 Call Center will be completed in the fiscal year 2019-20. The amounts presented represented the funds to be expended in the 2019-20 budget year. Capital Projects are presented for informational purposes only. A capital project ordinance is in place for the 2019-20 budget year.

GRAHAM COUNTY
GENERAL FUND
REVENUES BY CATEGORY
FY 2018-19

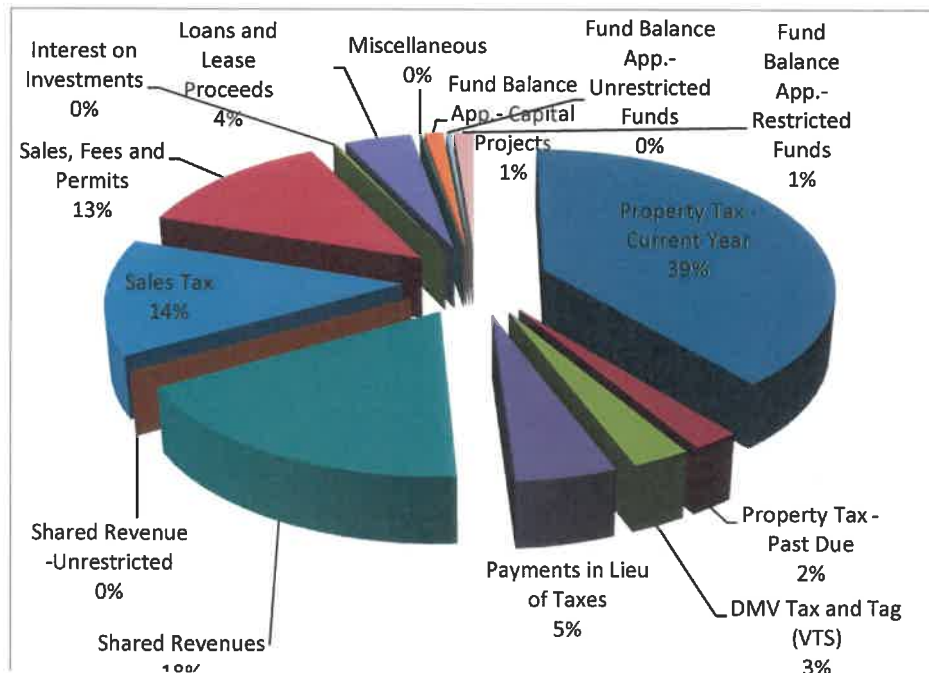
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General Fund Revenues By Category

The General Fund with estimated revenues totaling \$ 16,818,749 derives its revenues from a variety of sources, as shown below:

SOURCES OF REVENUE

	Revenue	% of Total
Property Tax - Current Year	6,571,770	39.07%
Property Tax - Past Due	377,252	2.24%
DMV Tax and Tag (VTS)	468,000	2.78%
Payments in Lieu of Taxes	819,000	4.87%
Shared Revenues	2,979,337	17.71%
Shared Revenue -Unrestricted	4,000	0.02%
Sales Tax	2,255,900	13.41%
Sales, Fees and Permits	2,114,055	12.57%
Interest on Investments	37,200	0.22%
Loans and Lease Proceeds	715,000	4.25%
Miscellaneous	17,500	0.10%
Fund Balance App.- Capital Projects	200,000	1.19%
Fund Balance App.- Unrestricted Funds	51,651	0.31%
Fund Balance App.- Restricted Funds	208,084	1.24%
	\$ 16,818,749	100.00%



GRAHAM COUNTY
EXPENDITURES BY FUNCTION
FY 2018-19

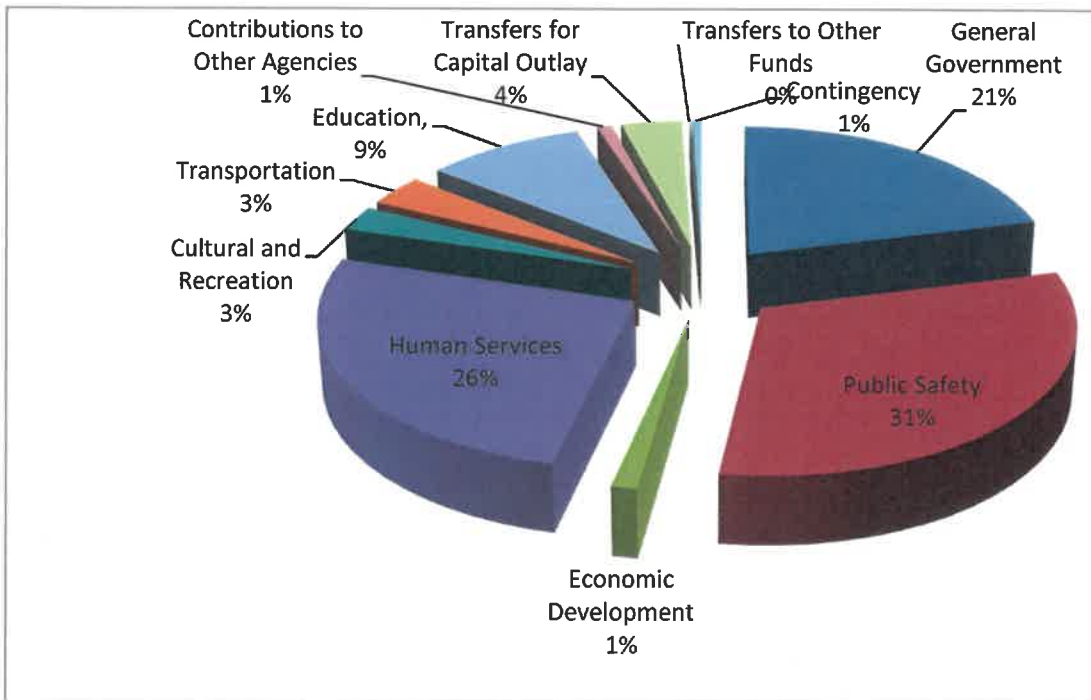
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General Fund Expenditures By Function

The General Fund Budget totaling \$16,818,749 is comprised of separate expenditure categories as shown below.

EXPENDITURES BY FUNCTION

General Government	\$	3,533,209	21.01%
Public Safety		5,252,386	31.23%
Economic Development		205,876	1.22%
Human Services		4,393,338	26.12%
Cultural and Recreation		456,615	2.71%
Transportation		570,062	3.39%
Education, Including Debt Service		1,557,218	9.26%
Contributions to Other Agencies		145,045	0.86%
Transfers for Capital Outlay		600,000	3.57%
Transfers to Other Funds		10,000	0.06%
Contingency		95,000	0.56%
		\$ 16,818,749	100%



GRAHAM COUNTY
GENERAL FUND
BUDGETED EXPENDITURES
FY 2019-20

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GENERAL FUND

FY 2019-20
BUDGET

GENERAL GOVERNMENT

GOVERNING BODY - OPERATIONS	\$ 336,955
GOVERNING BODY - CONTINGENCY FOR COURTS	100,000
GOVERNING BODY - SALES TAX REVERSION SCHOOL CAPITAL	85,000
GOVERNING BODY - TRANSFER TO COURTHOUSE FUND	177,366
ADMINISTRATION	516,609
BOARD OF ELECTIONS	175,269
FINANCE	179,946
TAX ASSESSOR	123,742
TAX MAPPING	80,257
TAX COLLECTOR	118,980
REGISTER OF DEEDS	204,255
PUBLIC BUILDINGS & GROUNDS	782,446
VEHICLE MAINTENANCE	50,736
COMPUTER SUPPORT	316,784
CEMETARY	284,864
CONTINGENCY	50,000
CONTINGENCY - SHERIFF EQUIPMENT	45,000
TOTAL GENERAL GOVERNMENT	3,628,209

PUBLIC SAFETY

SHERIFF	1,548,296
JAIL	877,836
AMBULANCE	1,273,305
EMS BILLING	37,600
DISTRICT COURT	8,950
CIVIL PREPAREDNESS	96,011
COMMUNICATIONS	484,055
SANITATION	729,560
EBCI FUEL (REIMBURSED EXP)	-
NC FOREST CONTROL	57,523
FIRE PROTECTION AND RESCUE	139,250
USFS TIMBER RECEIPTS FOR FIRE PROTECTION	-
TOTAL PUBLIC SAFETY	5,252,386

GRAHAM COUNTY
GENERAL FUND
BUDGETED EXPENDITURES
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ECONOMIC DEVELOPMENT

COUNTY PLANNER	74,181
ECONOMIC DEVELOPMENT COMMISSION GRANTS	12,000
SOUTHWESTERN COMMISSION - DUES	6,035
BUILDING INSPECTION	113,660
TOTAL ECONOMIC DEVELOPMENT	205,876

HUMAN SERVICES

HEALTH DEPARTMENT	1,533,204
SOCIAL SERVICES	2,518,240
SENIOR CENTER	337,894
VETERANS	4,000
TOTAL HUMAN SERVICES	4,393,338

CULTURAL AND RECREATION

AGRICULTURE EXTENSION	92,515
4 H	10,000
SOIL AND WATER	77,823
RECREATION	167,170
SWIMMING POOL	34,107
CONTRIBUTION TO REGIONAL LIBRARY	75,000
TOTAL CULTURAL AND RECREATION	456,615

TRANSPORTATION

COMMUNITY TRANSPORTATION	570,062
TOTAL TRANSPORTATION	570,062

GRAHAM COUNTY
GENERAL FUND
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SPECIAL APPROPRIATIONS

EDUCATION

PUBLIC SCHOOLS - CURRENT EXPENSE	1,000,000
PUBLIC SCHOOLS - CAPITAL OUTLAY	15,000
PUBLIC SCHOOLS - TIMBER - SRS	40,200

DEBT SERVICE:

GENERAL OBLIGATION BONDS	292,100
QZAB SCHOOL DEBT	84,394

TRI COUNTY COMMUNITY COLLEGE	<u>125,524</u>
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TOTAL EDUCATION	1,557,218
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CONTRIBUTIONS TO NONPROFIT ORGANIZATIONS

JCPC	60,845
REGIONAL MENTAL HEALTH	6,000
HERITAGE FESTIVAL	10,000
STATE OF FRANKLIN	4,000
INDUSTRIAL OPPORTUNITIES	13,000
GRAHAM COUNTY FOOD BANK	11,200
GRAHAM COUNTY HISTORICAL ASSOCIATION	10,000
GRAHAM COUNTY SPECIAL OLYMPICS	5,000
CELEBRATE RECOVERY - ADDICTION RECOVERY	5,000
CHURCH MOUSE MINISTRIES COMMUNITY GARDEN FUND	10,000
STECOAH VALLEY CENTER	<u>10,000</u>

TOTAL SPECIAL APPROPRIATIONS	145,045
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TRANSFERS TO REVALUATION FUND	<u>10,000</u>
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CAPITAL OUTLAY PROJECTS

SANITATION EQUIPMENT - USDA FUNDED	400,000
TRANSFERS FOR BUILDING CAPITAL PROJECTS	<u>200,000</u>

TOTAL CAPITAL OUTLAY PROJECTS	<u>600,000</u>
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TOTAL GENERAL FUND EXPENDITURES	<u>\$ 16,818,749</u>
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GRAHAM COUNTY
911 FUND
BUDGETED EXPENDITURES
FY 2019-20

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EMERGENCY TELEPHONE SYSTEM FUND

REVENUES

NC 911 BOARD	\$ 195,000
FUND BALANCE APPROPRIATED	<u>125,000</u>
TOTAL 911 REVENUES	<u><u>\$ 320,000</u></u>

EXPENDITURES

TELEPHONE SERVICE	\$ 15,000
CONTRACTED SERVICES	55,000
CAPITAL OUTLAY	<u>250,000</u>
TOTAL 911 EXPENDITURES	<u><u>\$ 320,000</u></u>

GRAHAM COUNTY
REVALUATION FUND
BUDGETED EXPENDITURES
FY 2019-20

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REVALUATION FUND

TRANSFERS FROM GENERAL FUND	\$ 10,000
FUND BALANCE APPROPRIATED	<u>30,000</u>
TOTAL REVENUES	<u><u>\$ 40,000</u></u>
CONTRACTED SERVICES	<u>\$ 40,000</u>
TOTAL EXPENDITURES	<u><u>\$ 40,000</u></u>

GRAHAM COUNTY
ECONOMIC DEVELOPMENT FUND
BUDGETED EXPENDITURES
FY 2019-20

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ECONOMIC DEVELOPMENT FUND

REVENUES

Fund Balance Appropriated

\$ 757,000

EXPENDITURES

Capital Outlay - Health Care Project

\$ 757,000

GRAHAM COUNTY
CAPITAL PROJECTS FUND
BUDGETED EXPENDITURES
FY 2019-20

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CAPITAL PROJECTS

REVENUES

QUARTER CENT SALES TAX	\$ 190,000
TRANSFERS FROM GENERAL FUND	377,366
TOTAL REVENUES	<u>\$ 567,366</u>

EXPENDITURES

RECREATION BUILDING	\$ 100,000
ELECTION BOARD RENOVATIONS	100,000
ADDITIONS TO COURTHOUSE FUND	367,366
TOTAL CAPITAL PROJECT EXPENDITURES	<u>\$ 567,366</u>