



FY 20 Budget

Lincoln County Board of Commissioners

May 20, 2019

Kelly Atkins, County Manager

Josh Grant, Program Manager

Deanna Rios, Finance Director

Crystal Watson, Finance Controller

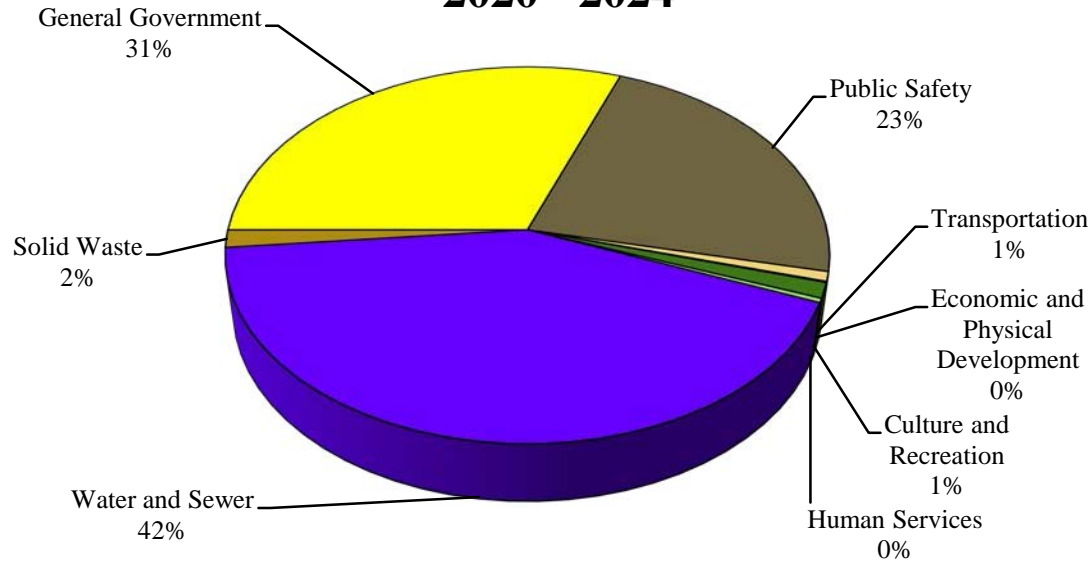
Overview

- ▶ Capital
- ▶ General Fund
- ▶ Debt
- ▶ Tax Rate
- ▶ Fund Balance
- ▶ Enterprise Funds
- ▶ Fire Departments

Capital



Five-Year County-wide Summary 2020 - 2024



Five-Year Total: \$ 133,575,994

	FISCAL YEAR					
	2020	2021	2022	2023	2024	TOTALS
General Government	\$ 745,159	\$ 40,149,500	\$ 44,500	\$ 22,000	\$ 26,500	\$ 40,987,659
Public Safety	12,617,472	12,010,216	3,485,311	1,114,808	1,273,513	30,501,320
Transportation	372,000	180,000	180,000	180,000	180,000	1,092,000
Economic and Physical Development	85,300	42,000	-	-	-	127,300
Culture and Recreation	575,000	385,000	604,000	-	185,000	1,749,000
Human Services	140,949	100,993	83,085	71,946	93,582	490,555
Water and Sewer	27,518,660	10,762,000	3,945,000	4,695,000	9,695,000	56,615,660
Solid Waste	622,500	180,000	850,000	180,000	180,000	2,012,500
Total	\$ 42,677,040	\$ 63,809,709	\$ 9,191,896	\$ 6,263,754	\$ 11,633,595	\$ 133,575,994

Capital Projects in Progress

Project	Approved Budget	Funds in Hand/Grant	Amount to be Financed	Method of Funding	Start Date	Completion Projection
Senior Services	\$2,000,000	\$1,100,000	\$900,000	Installment Financing	December 2018	October 2019
PSAP Comm. Center	\$6,237,362	\$2,000,000	\$4,237,362	Installment Financing	May 2018	June 2019
West Lincoln Library	\$4,298,000	\$100,000	\$4,198,000	Installment Financing	December 2018	December 2019
Optimist Club Convenience Site	\$2,000,000	\$0.00	\$2,000,000	Installment Financing	July 2019	February 2020

Capital Projects in Progress

Project	Approved Budget	Funds in Hand/Grant	Amount to be Financed	Method of Funding	Start Date	Completion Projection
Auditorium	\$1,100,000	\$1,100,000	0.00	Fund Balance	Jan 2, 2019	April 2019 Ph.1 July 2019 Ph.2
Administration Renovation	\$841,743.00	\$841,743.00	0.00	Fund Balance		March 2019
Development Services	\$868,457.00	\$868,457.00	0.00	Fund Balance		September 2019
Elections	\$1,028,141.00	\$1,028,141.00	0.00	Fund Balance		August 2019

Future Capital Projects

Project	Projected Budget	Funds in Hand/Grant	Projected Amount to be Financed	Method of Funding	Start Date	Completion Projection
Courthouse	\$40,000,000	0.00	\$40,000,000	Installment Financing	February 2020	March 2022
Jail Expansion	\$9,000,000	0.00	9,000,000	Installment Financing	September 2020	November 2021
EMS/EM/FM/Backup PSAP	\$10,500,000	\$1,500,000	\$9,000,000	Installment Financing	February 2020	April 2021
Animal Services	\$4,000,000	0.00	\$4,000,000	Installment Financing	July 2021	August 2022

Capital Reserve Fund

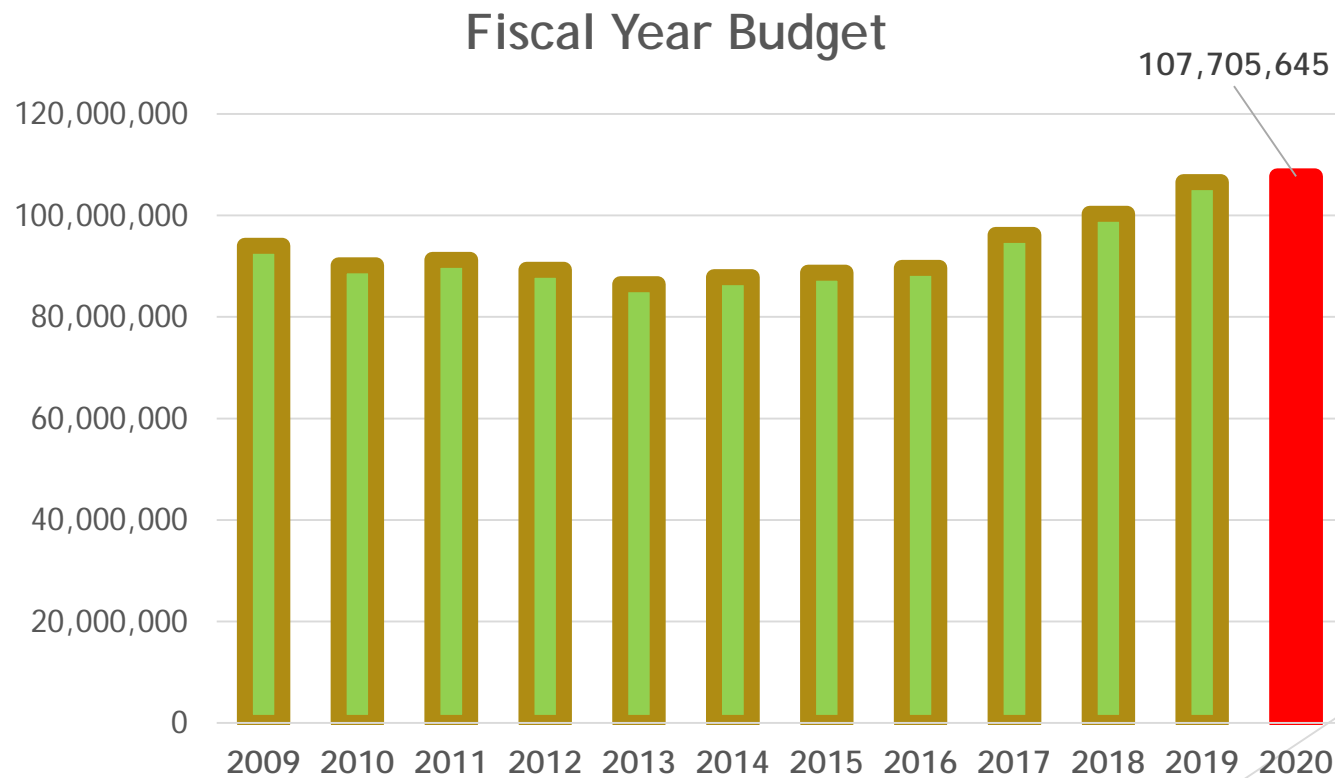
- ▶ A local government must list the specific purpose(s) for which it is accumulating moneys in a capital reserve fund.
- ▶ It may amend the fund at any time to change the purpose(s), as long as the new purpose(s) constitute allowable capital expenditures, but it must list the purpose(s).
- ▶ A unit may not appropriate moneys to a capital reserve fund to save money for unknown or unnamed future capital expenditure(s).
- ▶ There must be a dedicated source of revenue to fund the Capital Reserve Fund.
- ▶ **FY 20 \$2,130,000.00 Allocated for future capital projects**

Capital Reserve Fund Projection

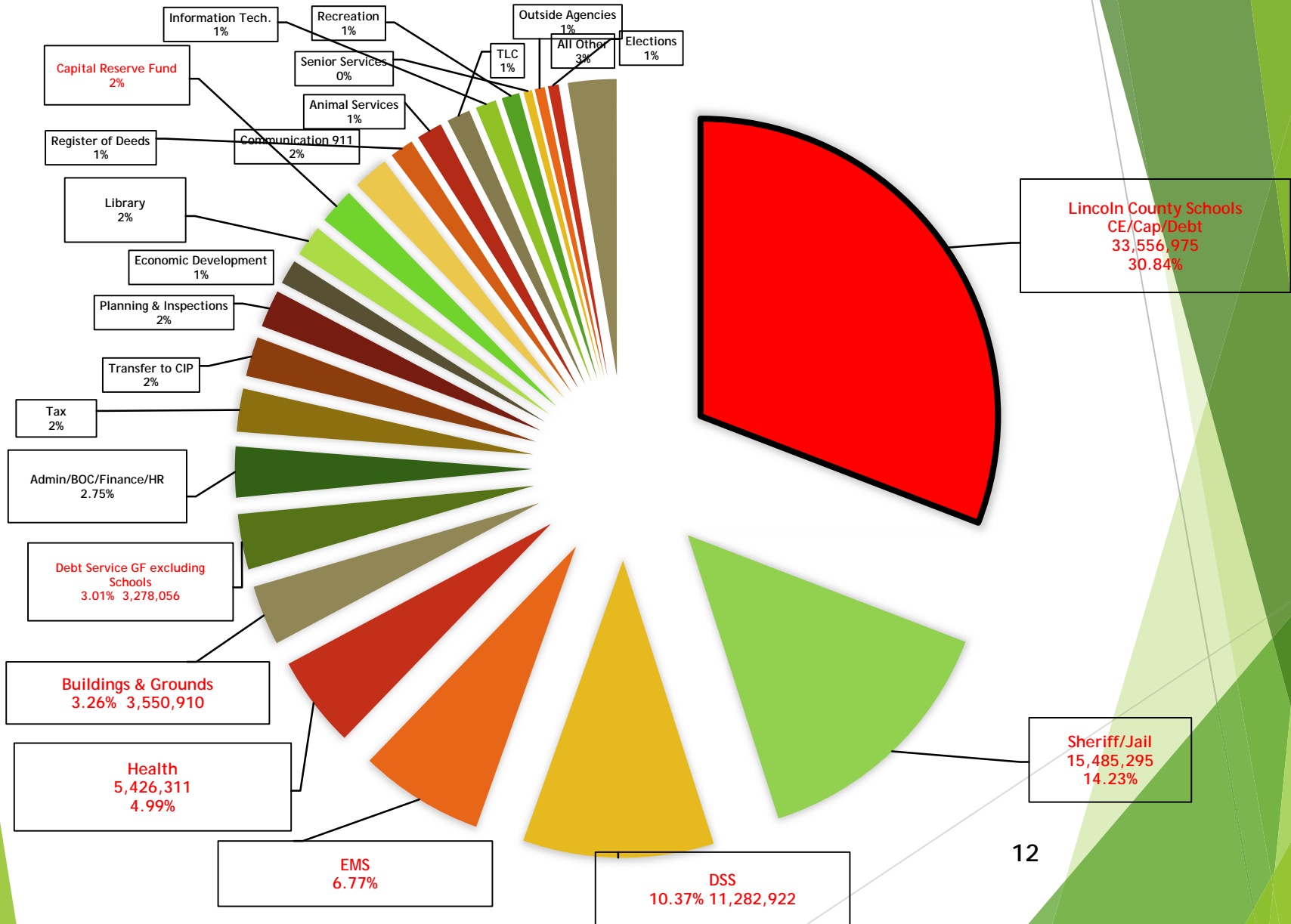
	FY 20	FY 21	FY 22	FY 23	FY 24
Capital Reserve Fund	\$2,130,000	\$4,260,000	\$6,390,000	\$8,520,000	\$10,650,000

General Fund

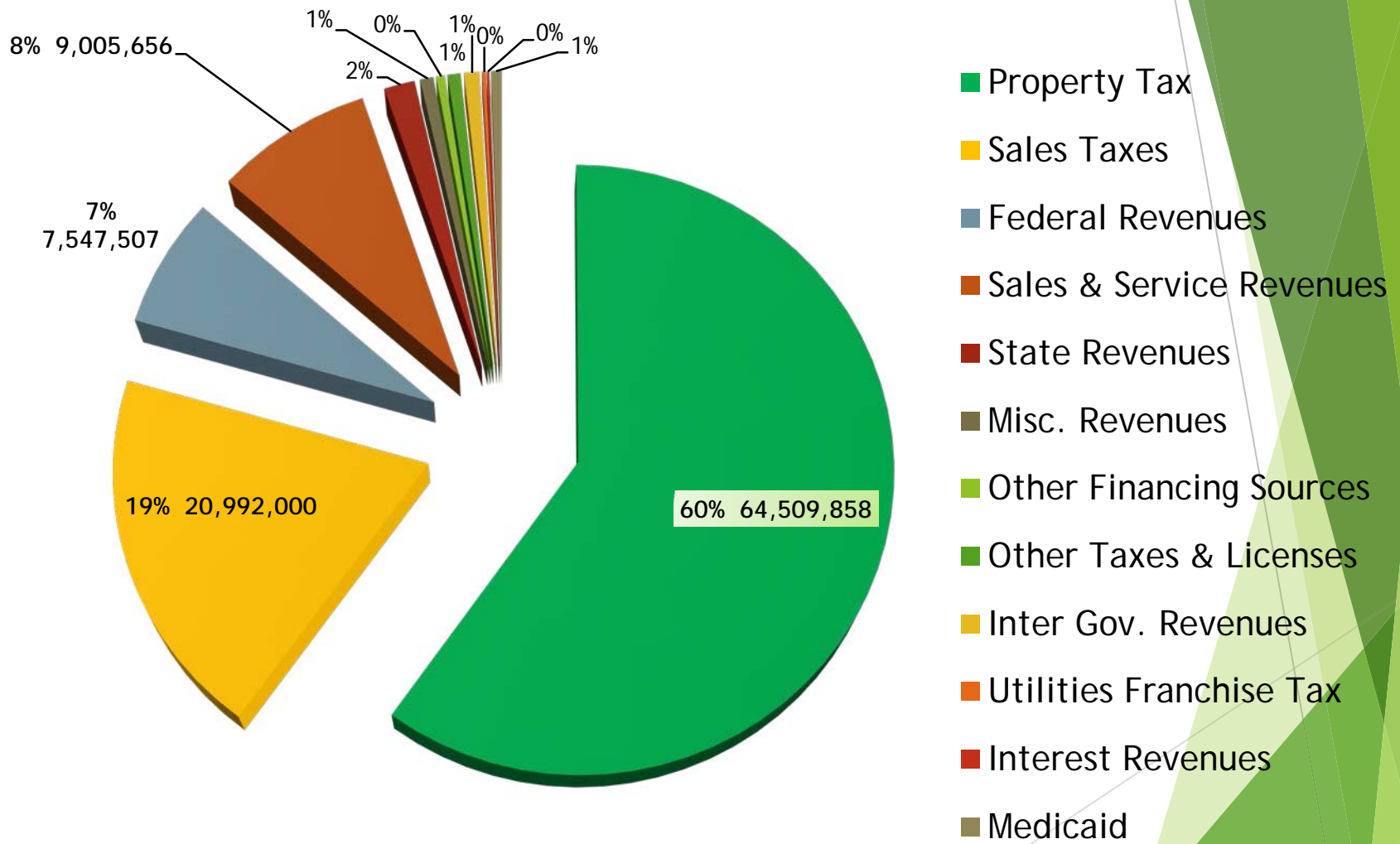
General Fund Budget History FY 2009-2020



Fund 11 Expenditures FY 20 (\$107,705,645)



Fund 11 Revenues FY 2020 (\$107,705,645) Recommended



Lincoln County Schools



FY 20 Funding

Education Funding

Current Expense: \$19,658,705

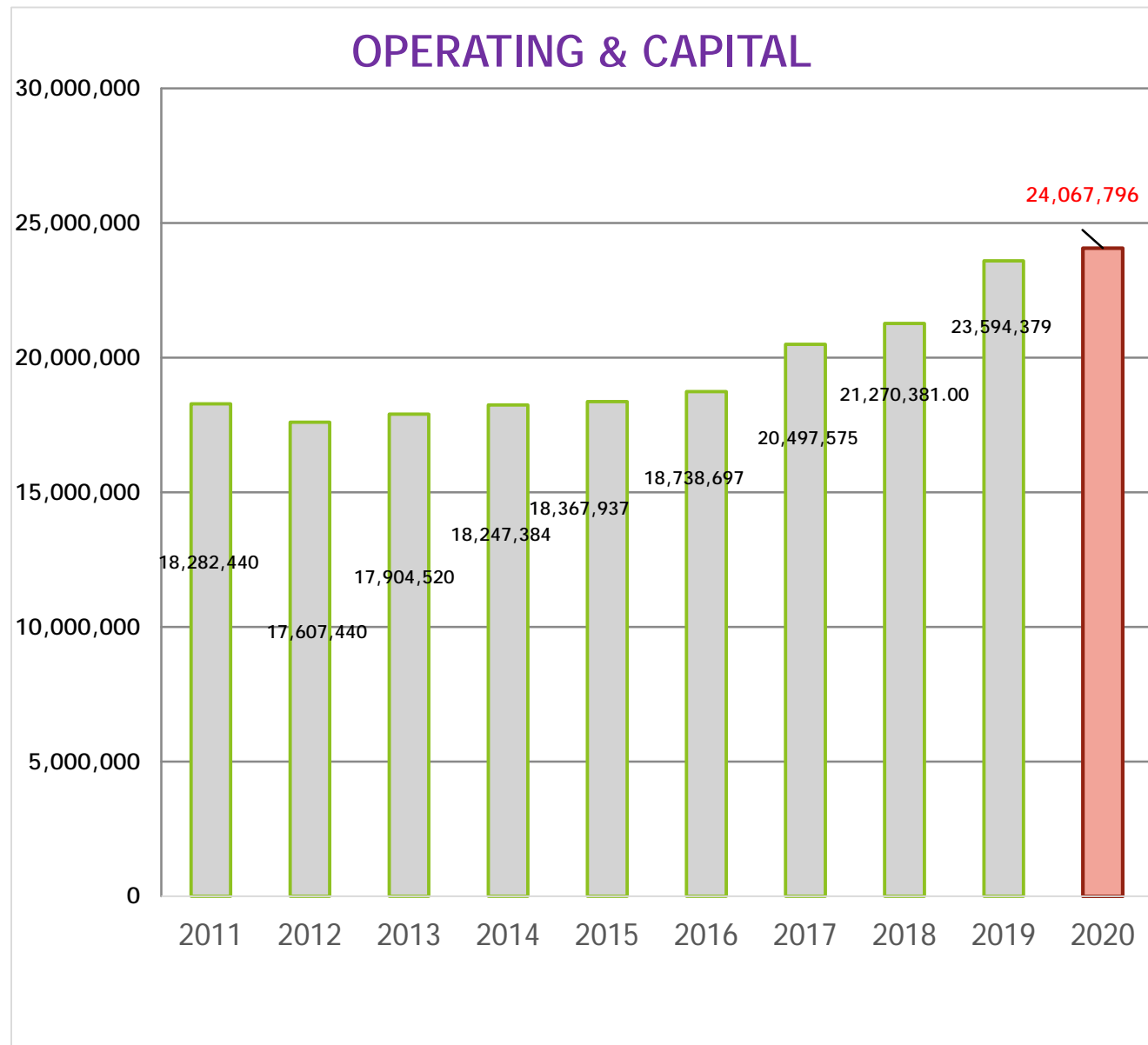
School Capital Expense: \$4,409,091

Subtotal: **\$24,067,796**

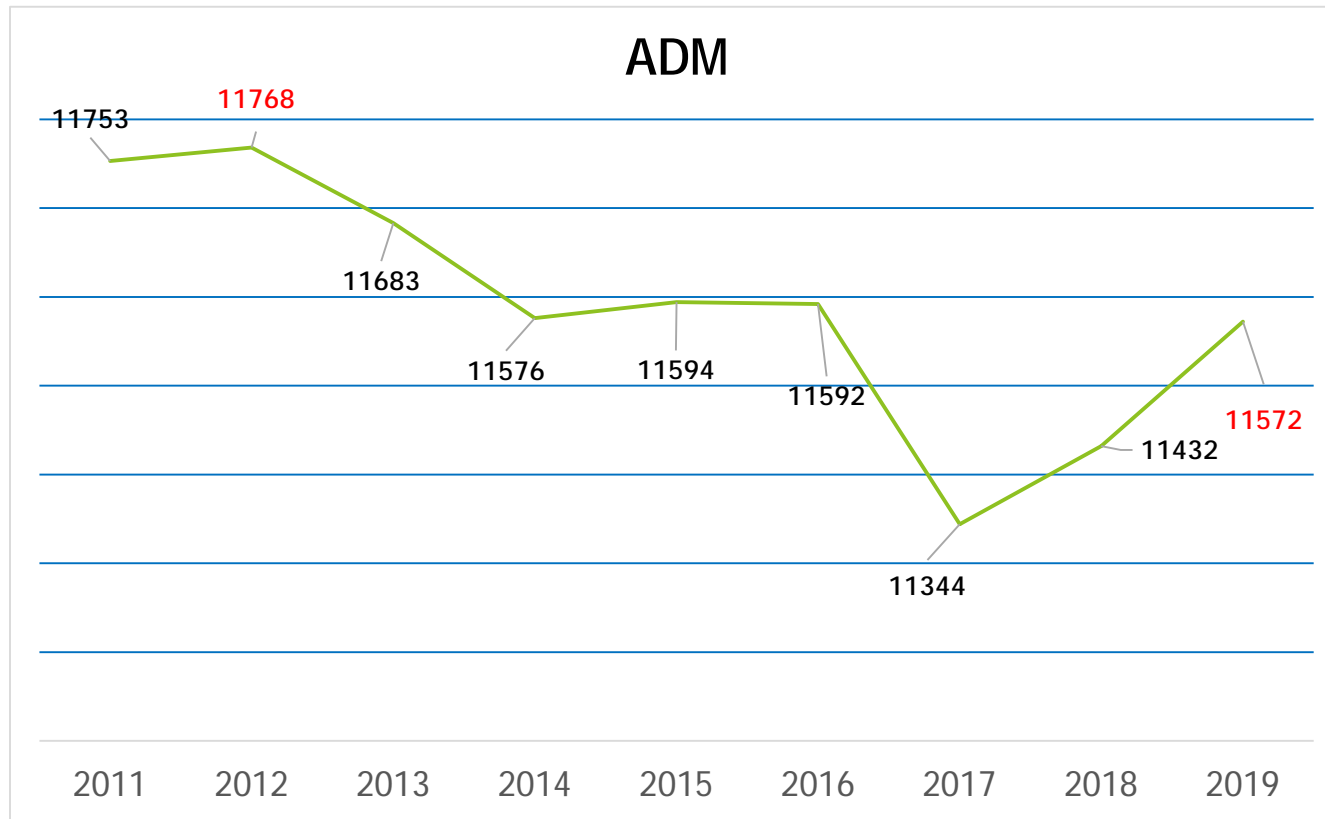
School Debt Expense: \$9,489,179

Total School Expense: **\$33,556,975**

Lincoln County Schools Operating and Capital



Lincoln County Schools Average Daily Membership



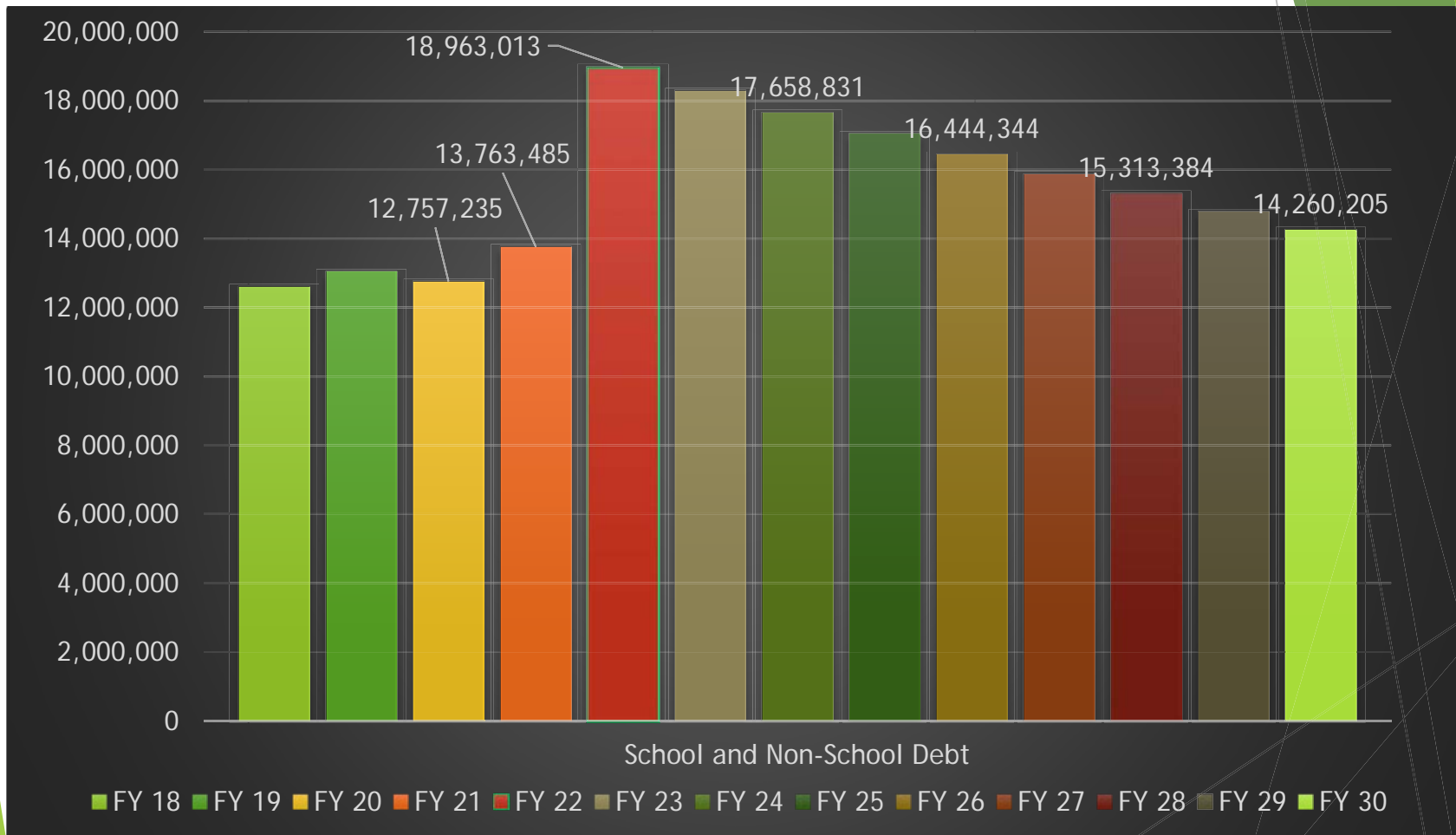
Addressing Debt



Estimated Debt Service

	FY 2017	FY 2018	FY 2019	FY 20
Debt - Principal	1,638,435.83	278,493	138,474	138,474
Debt - Interest	348,389.53	102,358	70,030	64,491
Inst Payment Principal	598,378.24	595,267	2,094,327	2,283,821
Inst Payment Interest	179,663.51	335,191	602,276	681,355
School Debt Principal	6,638,650.49	8,126,510	7,927,527	7,842,527
School Debt - Interest	2,334,873.53	3,020,316	1,897,002	1,636,652
School - Inst Purch Principal	-	-	104,315	104,315
Debt Service Charges	2,950.00	3,000	3,000	5,600
Bond Issuance Costs	164,788.00	140,173	200,000	
Total Debt Service	11,906,129.13	12,601,308	13,036,951	12,757,235

Total Debt Schedule Projected (Jail Expansion/Courthouse/EMS/Animal Service)



Debt Per Capita (Department of NC State Treasurer 1.2019)

	Lincoln	Caldwell	Catawba	Gaston	Cleveland	Burke	Iredell
Population	83,318	83,230	157,376	218,754	98,427	90,776	176,229
Total GF Debt	\$83,160,127	\$31,669,988	\$164,493,026	\$427,024,633	\$57,940,475	\$67,418,428	\$252,112,332
Per Capita Debt	\$998	\$381	\$1,045	\$1,952	\$589	\$743	\$1,432

Debt Policy

General

- ▶ The County will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues except where approved justification is provided.
- ▶ The County will take a balanced approach to capital funding utilizing debt financing, Capital Reserves and pay-as-you go funding.
- ▶ When the County finances capital improvements or other projects by issuing bonds or entering into capital leases, it will repay the debt within a period not to exceed the expected useful life of the project. Target debt ratios will be annually calculated and included in the review of financial trends.

Tax Supported Debt

- ▶ The ratio of tax-supported debt service expenditures as a percent of total governmental fund expenditures shall not exceed 15.0% with a minimum aggregate ten-year tax-supported principal payout ratio of 50%.
- ▶ In the event that the County anticipates exceeding the policy requirements previously stated, staff may request an exception from the Board of Commissioners stating the reason and length of time.

New Employee Requests



Employee Recommendations FY 20

Department	Employee Recommendation	Hire Date
Human Resources	1 HR Technician	July 2019
Finance	1 Accounting Technician	July 2019
Building Maintenance	1 HVAC Technician	July 2019
Building Maintenance	1 Service Technician	July 2019
Grounds Maintenance	1 Grounds Technician	December 2019
Detention	1 Female Transport Officer/2 PTR Detention Officers	July 2019
Communications	1 Telecommunicator	July 2019
Animal Services	1 PTR Community Cat Coordinator	July 2019
Natural Resources	1 Natural Resources Tech	December 2019
Health Department	4 School Nurses/ 1 Environmental Health Spec.	July 2019
Social Services	1 IMC Supervisor	July 2019
Veterans	1 Customer Service Clerk	July 2019
Senior Services	1 Program Manager	December 2019
Library	1 Branch Supervisor	October 2019
Public Utilities	2 Utility Maintenance/1 Wastewater Operator	2 Utility Maintenance July 2019/Wastewater Dec 2019

Property Tax Rate

FY 20 Proposed Property Tax Rate

- ▶ An ad valorem property tax rate of \$.611 per \$100
- ▶ Tax Assessment
\$10,650,000,000 in FY 19
- ▶ Property tax collection rate of 98.67%

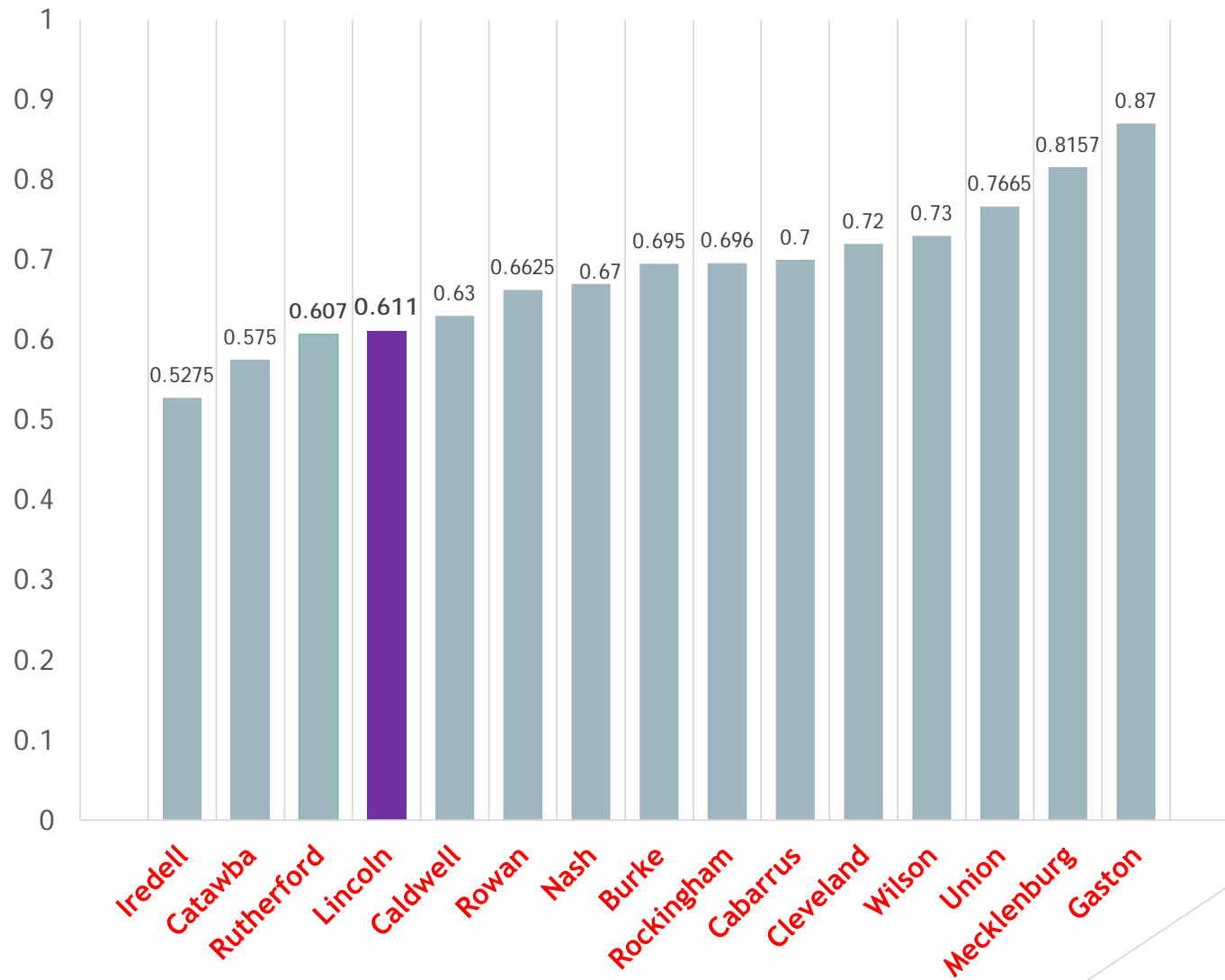
Tax Rates and Revenues

Tax Rate	Tax Revenue
Current Tax Rate .611	\$58,569,180 Current Revenues
.557 Revenue Neutral	\$58,531,537
.567	\$59,582,372
.577	\$60,633,208
.587	\$61,684,043
.589	\$61,894,210
.599	\$62,945,046
.607	\$63,785,714
.611	\$64,509,858

Historical Tax Rate Lincoln



Lincoln Current Tax Rate Compared to Other Counties



Fund Balance



Fund Balance

	2014	2015	2016	2017	2018
General Fund					
<u>Non Spendable</u>					
<i>Prepays</i>	630,872	631,607	256,545	229,546	226,528
<u>Restricted</u>					
<i>Stabilization State Statute</i>	8,046,523	6,222,996	5,747,069	5,093,410	6,432,887
<i>Restricted, all other</i>	39,044	1,073,458	1,180,740	1,329,743	1,503,833
<u>Committed</u>			1,000,000		
<i>Assigned</i>	2,202,711		5,500,388	3,405,237	3,346,021
<u>Unassigned</u>	12,687,399 13.4%	20,307,623 20.7%	18,408,808 18.4%	24,512,423 23.8%	26,970,285 25.4%
<u>Total General Fund Balance</u>	23,606,549	27,162,136	33,256,233	34,570,359	38,479,554

Fund Balance (Unassigned) History

Year	Amount of Unassigned Fund Balance
2008	\$10,239,759
2009	\$15,686,051
2010	\$15,256,358
2011	\$11,342,260
2012	\$11,895,426
2013	\$11,704,605
2014	\$12,687,339
2015	\$20,307,623
2016	\$18,408,808
2017	\$24,512,423
2018	\$26,970,285
	\$4+/- Million will be used to pay for capital over the next several months

Fund Balance Policy

- ❑ Increase the Unassigned Fund Balance Policy from 15% to 20% of the total General Fund Budget.
- ❑ As the budget increases or decreases, the fund balance would follow accordingly.

Enterprise Funds FY 19



Water and Sewer Projects

	2018	2019	2020	2021	2022
Water Plant Expansion	\$14,112,000				
Hwy 73 Waterline		\$5,482,000			
Reepsville Waterline		\$6,250,000			
Wastewater Expansion		\$25,437,160			
Water Treatment Line		\$6,100,000			
Hwy 16 Waterline			\$1,200,000	\$1,200,000	
Sewer Misc. Upgrade		\$250,000	\$500,000	\$500,000	\$500,000
Cleveland Connection					\$2,750,000

Fund 61 Water and Sewer

- ▶ The proposed budget for Water and Sewer is \$11,139,911. The proposed budget is balanced.
- ▶ As of July 1, 2019, Water Rates will increase 5% and Sewer Rates will increase 15% as a result of the approved Raftelis revenue plan in 2018.

Solid Waste

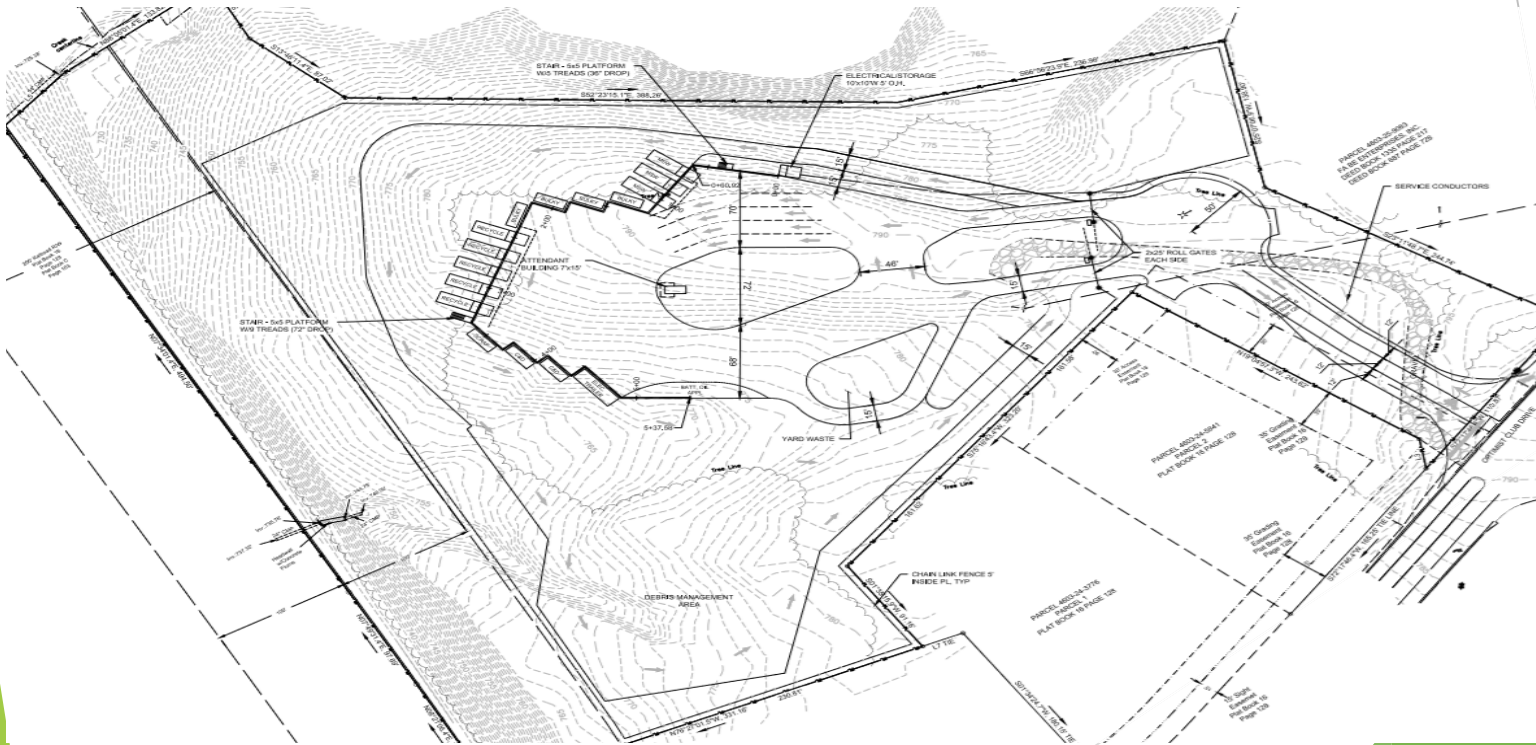
- ▶ Revenues \$4,740,521
- ▶ Availability Fee \$ 3,740,521
- ▶ Tipping Fees \$600,000
- ▶ Other Revenue \$ 400,000

- ▶ Expenses \$ 4,740,521
- ▶ Operation Expenses \$ 3,640,521
- ▶ Equipment and Vehicles \$ 600,000
- ▶ Debt Service \$ 500,000

- **Improved Services**
- All Sites Open on Sundays ~ 2017
- C&D on Sundays ~ 2018
- Televisions and Monitors Accepted / Electronics Accepted

Solid Waste Capital Project FY 20 (Optimist Club Convenience Site)

- ▶ Design Complete
- ▶ Compactors for Recycling and MSW
- ▶ Yard Debris Site and Disaster Debris Site
- ▶ Commence August 2019- Completion February 2020



Proposed Fire District Tax Rate



Proposed Fire District Tax Rate FY 20

	<u>Current Tax Rate</u>	<u>FY 20 Proposed Tax Rate</u>
▶ Alexis-	11.65	11.65
▶ Boger City-	10.50	10.50
▶ Crouse-	8.60	8.60
▶ Denver-	11.50	11.50
▶ East Lincoln-	8.90	9.80
▶ Howards Creek-	12.233	13.55
▶ North 321-	7.00	7.00
▶ North Brook-	10.00	10.00
▶ Pumpkin Center-	9.70	9.70
▶ South Fork-	12.50	12.50
▶ Union-	12.50	12.50

Fire Revenues

Neutral vs. Request

Fire Dept.	Current Tax Rate	Tax Neutral Rate	Neutral Revenue	Tax Proposed	Proposed Revenue	Difference
Alexis	11.65	10.87	\$391,156	11.65	\$419,225	\$28,069
Boger City	10.50	9.56	\$729,820	10.50	\$801,580	\$71,760
Crouse	8.60	7.92	\$149,573	8.60	\$162,415	\$12,842
Denver	11.50	10.23	\$2,441,926	11.50	\$2,745,078	\$303,152
East Lincoln	8.90	7.95	\$2,325,432	9.80	\$2,831,760	\$506,328
Howards Creek	12.23	11.55	\$319,555	13.55	\$407,821	\$88,266
321 North	7.0	6.68	\$561,237	7.00	\$588,123	\$26,886
Northbrook	10.0	9.16	\$349,596	10.0	\$381,656	\$32,060
Pumpkin Center	9.70	6.68	\$515,630	9.70	\$552,055	\$36,425
South Fork	12.50	11.79	\$371,797	12.50	\$394,187	\$22,390
Union	12.50	11.43	\$339,467	12.50	\$371,246	\$31,779

Thank You!



May 20, 2019