



# 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

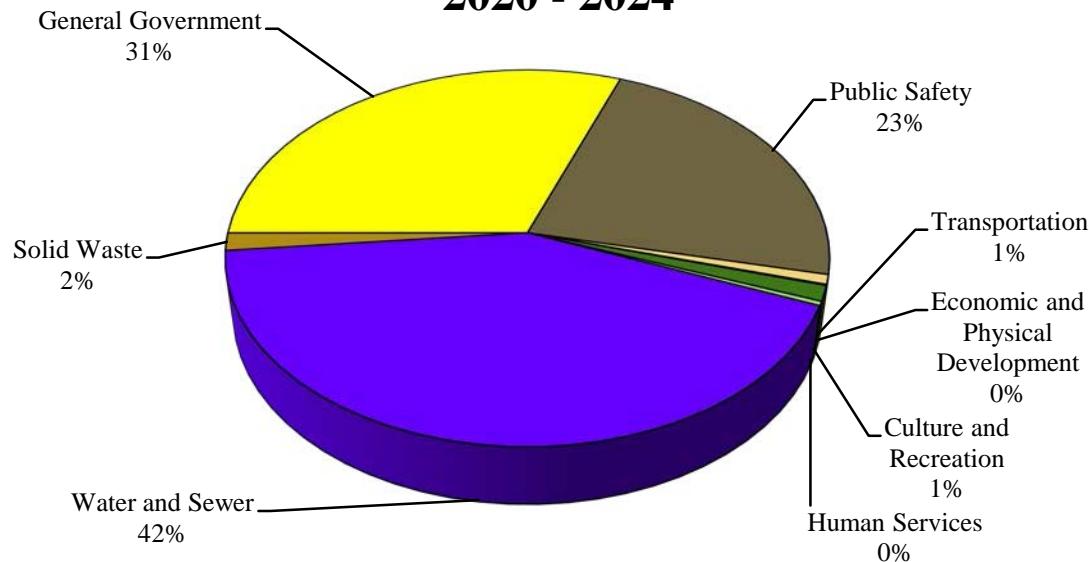
# Overview

- ▶ 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					TOTALS
	2020	2021	2022	2023	2024	
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
<b>Total</b>	<b>\$ 42,677,040</b>	<b>\$ 63,809,709</b>	<b>\$ 9,191,896</b>	<b>\$ 6,263,754</b>	<b>\$ 11,633,595</b>	<b>\$ 133,575,994</b>

# 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/B ackup 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

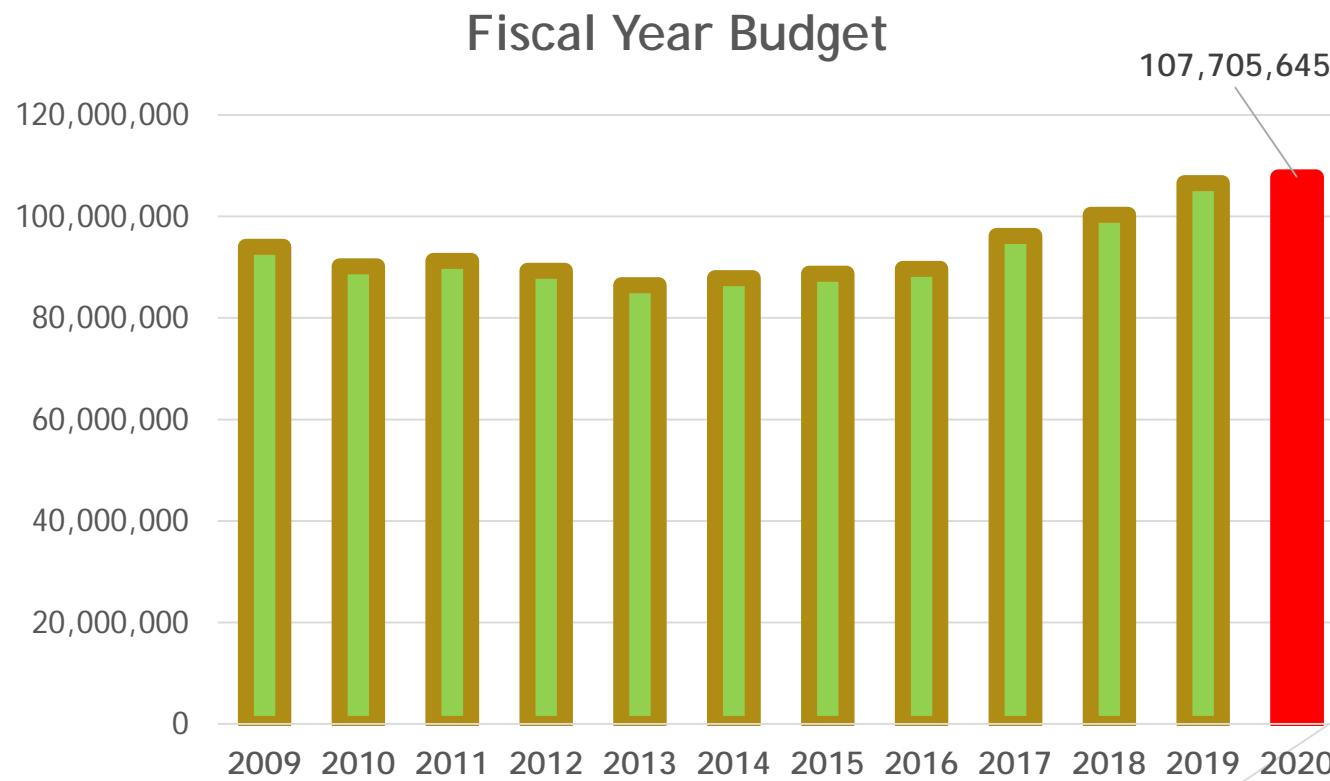
	FY 20	FY 21	FY 22	FY 23	FY 24
Capital Reserve Fund	\$2,130,000	\$4,260,000	\$6,390,000	\$8,520,000	\$10,650,000

# General Fund

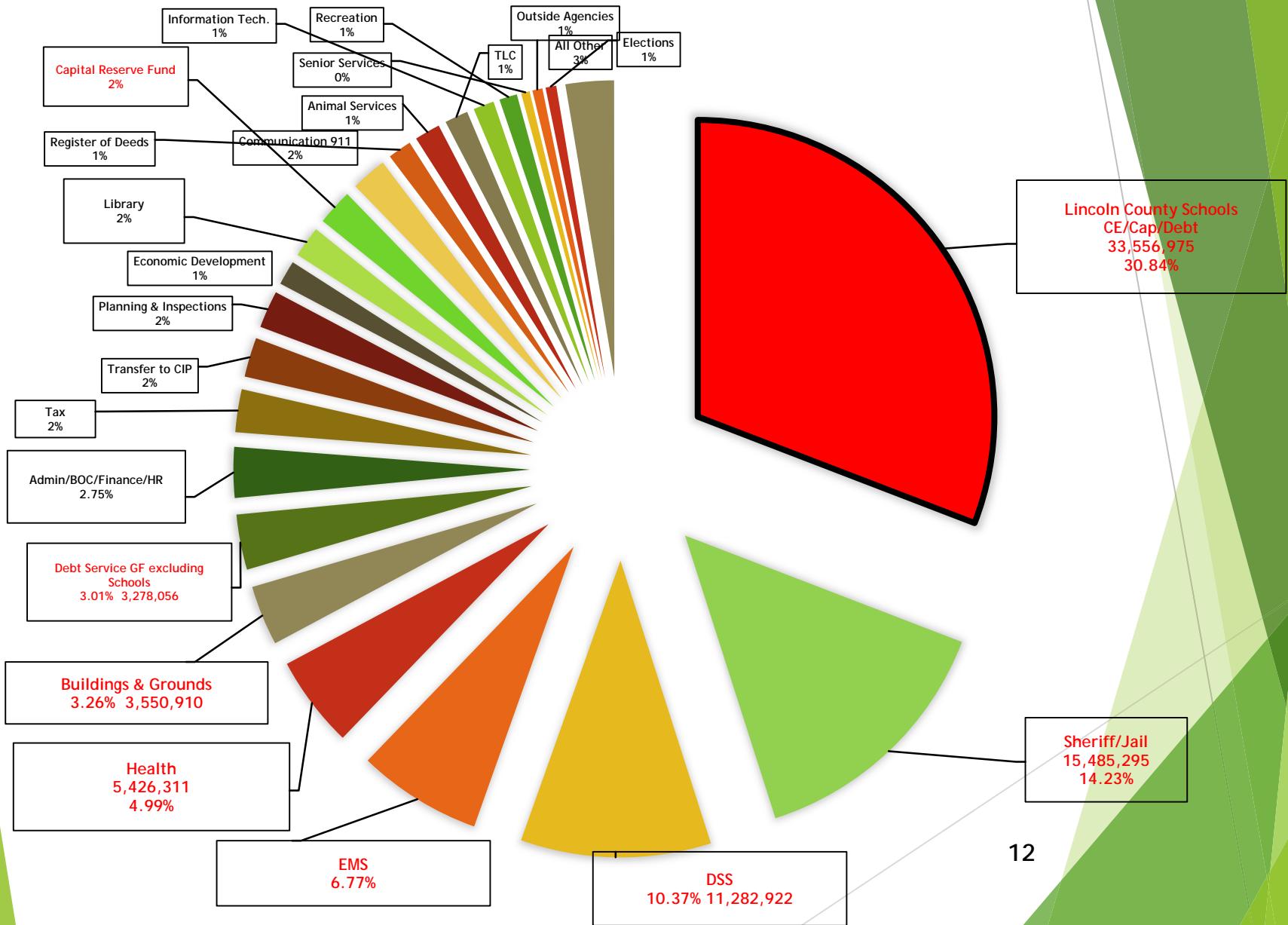
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# General Fund Budget History

## FY 2009-2020

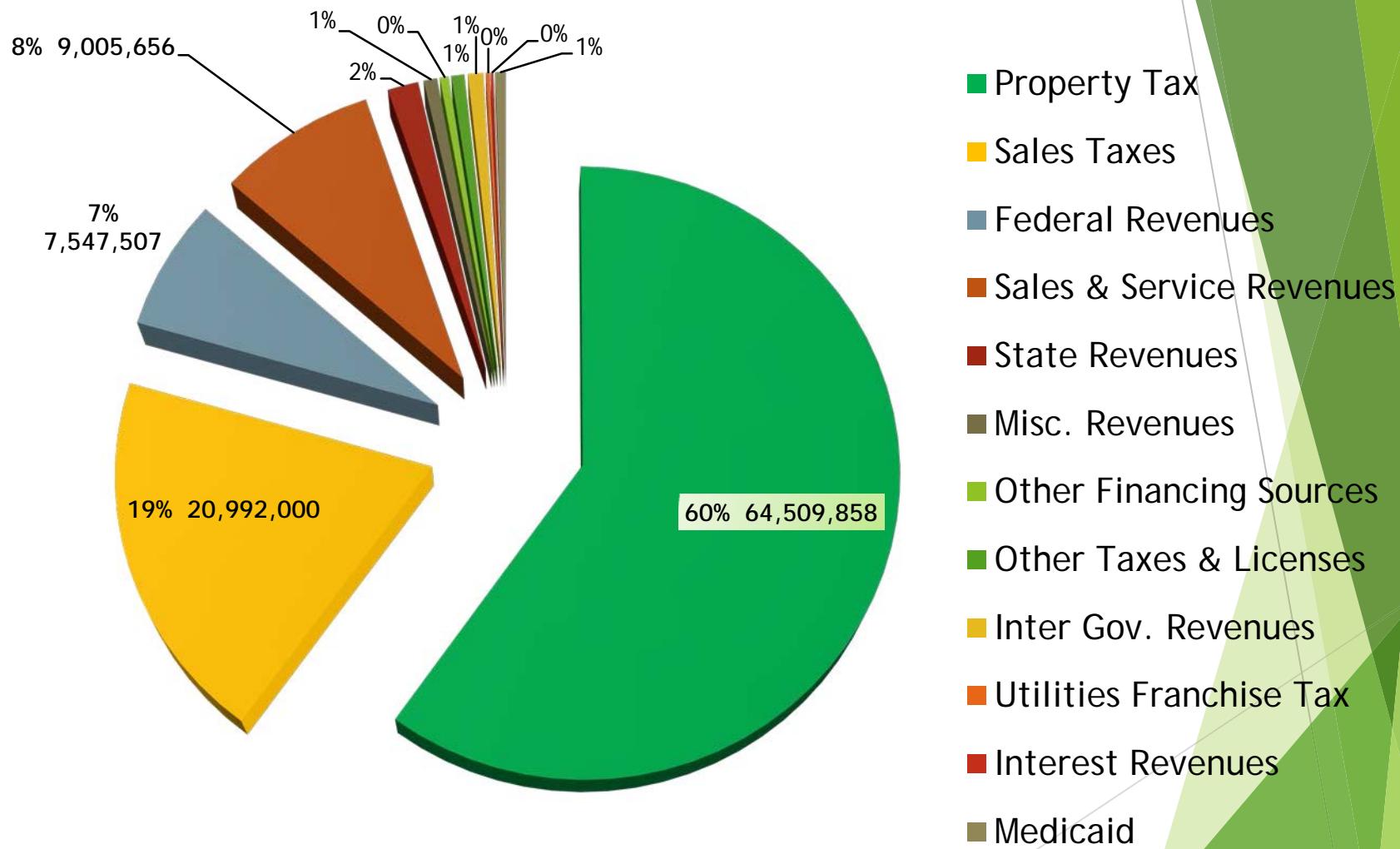


# Fund 11 Expenditures FY 20 (\$107,705,645)



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

## Recommended



# Lincoln County Schools



# FY 20 Funding

## Education Funding

Current Expense: \$19,658,705

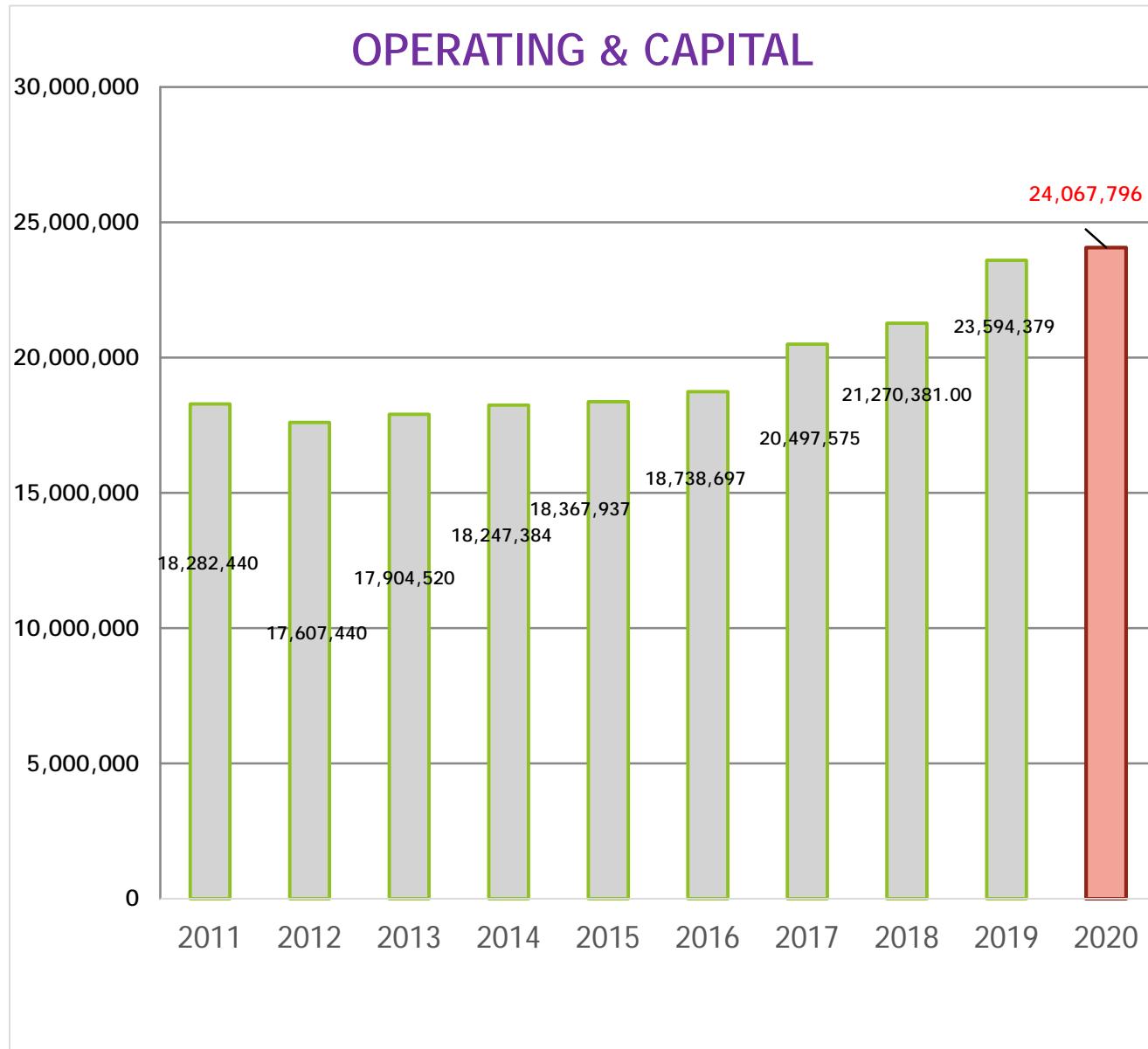
School Capital Expense: \$4,409,091

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

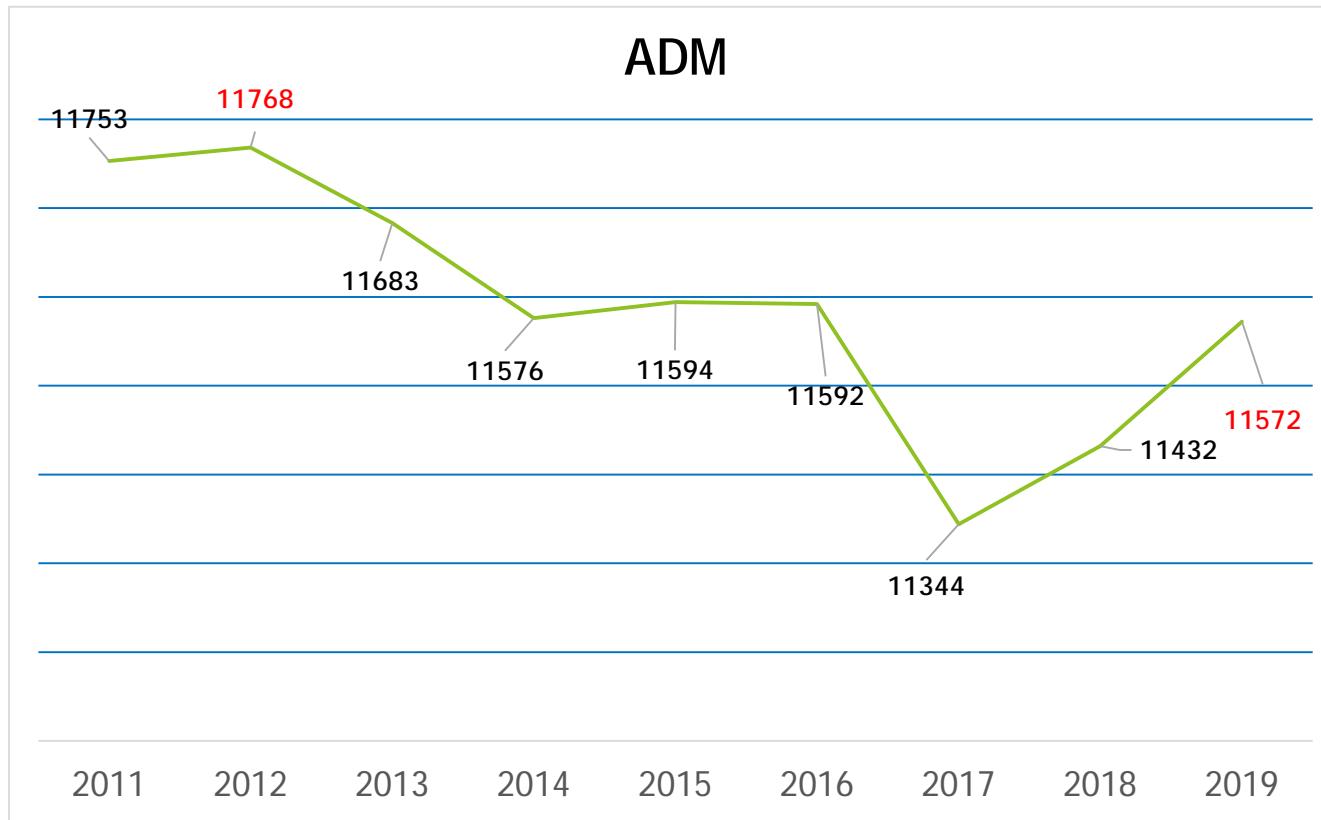
School Debt Expense: \$9,489,179

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

# Lincoln County Schools Operating and Capital



# Lincoln County Schools Average Daily Membership



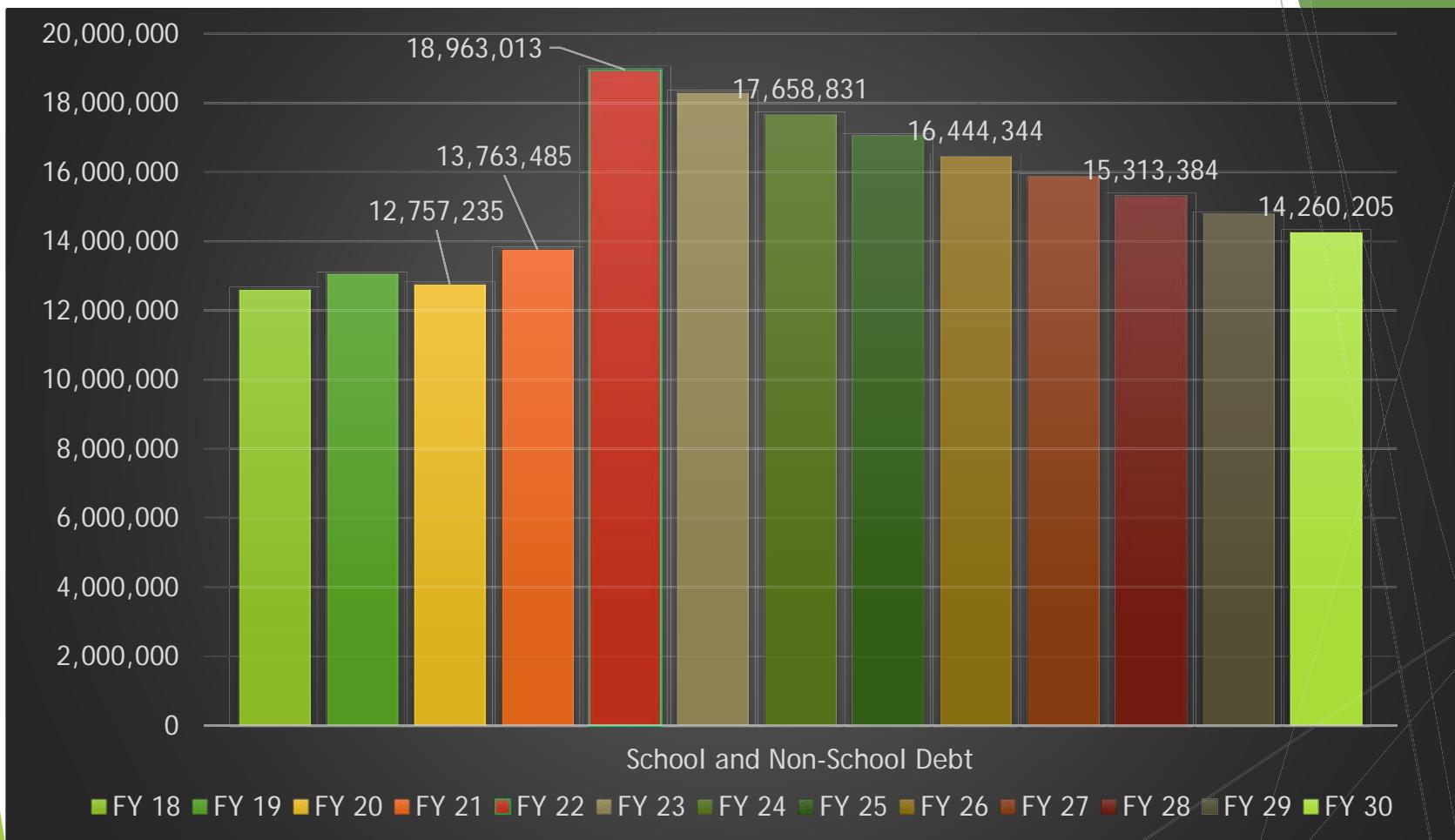
# Addressing Debt



# Estimated Debt Service

	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 20</b>
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	
<b>Total Debt Service</b>	<b>11,906,129.13</b>	<b>12,601,308</b>	<b>13,036,951</b>	<b>12,757,235</b>

## 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
<b>Population</b>	83,318	83,230	157,376	218,754	98,427	90,776	176,229
<b>Total GF Debt</b>	\$83,160,127	\$31,669,988	\$164,493,026	\$427,024,633	\$57,940,475	\$67,418,428	\$252,112,332
<b>Per Capita Debt</b>	\$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%

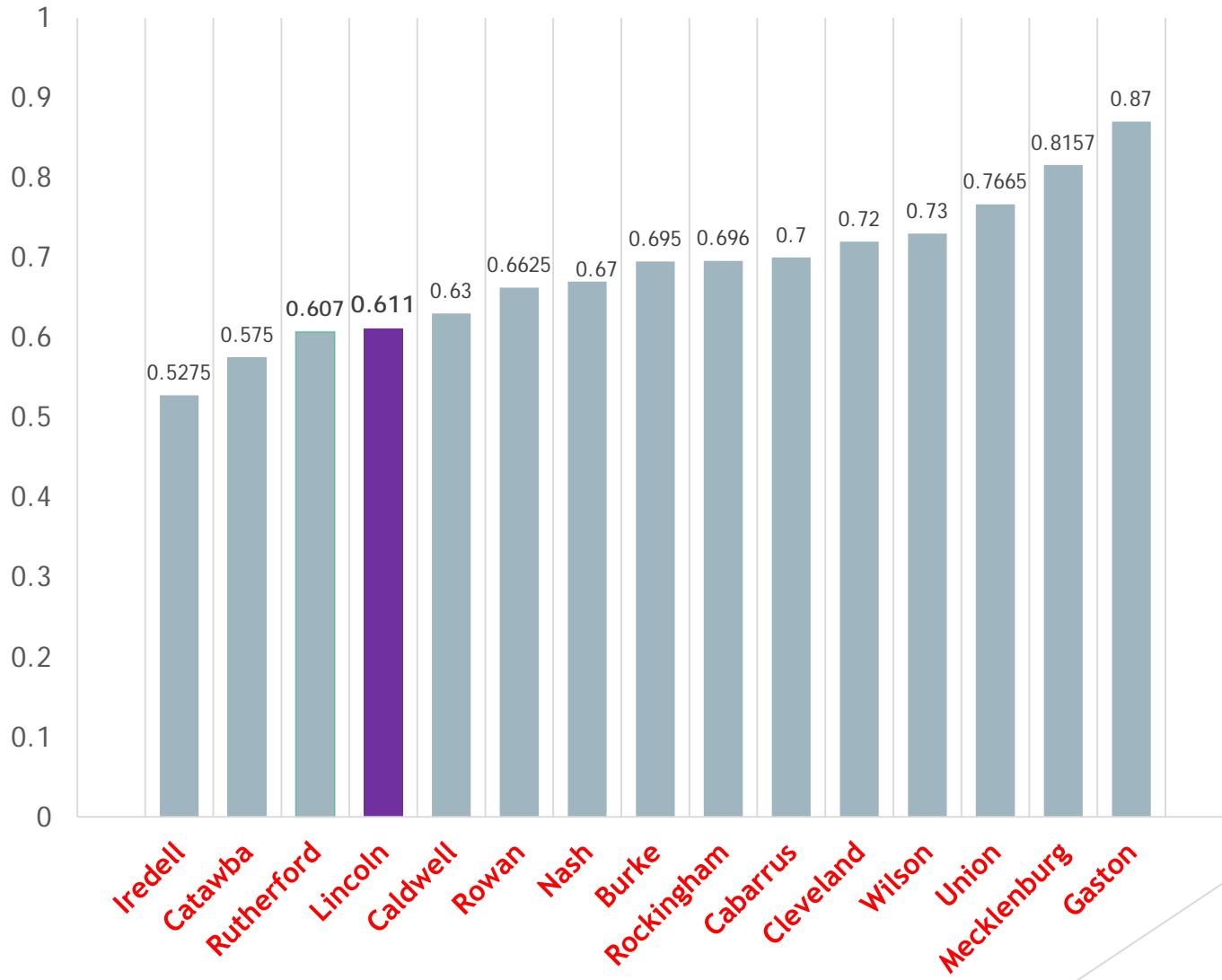
# Tax Rates and Revenues

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
<b>General Fund</b>					
<b><u>Non Spendable</u></b>					
<i>Prepays</i>	630,872	631,607	256,545	229,546	226,528
<b><u>Restricted</u></b>					
<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
<b><u>Committed</u></b>			1,000,000		
<i>Assigned</i>	2,202,711		5,500,388	3,405,237	3,346,021
<b><u>Unassigned</u></b>	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%
<b><u>Total General Fund Balance</u></b>	<b>23,606,549</b>	<b>27,162,136</b>	<b>33,256,233</b>	<b>34,570,359</b>	<b>38,479,554</b>

# 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

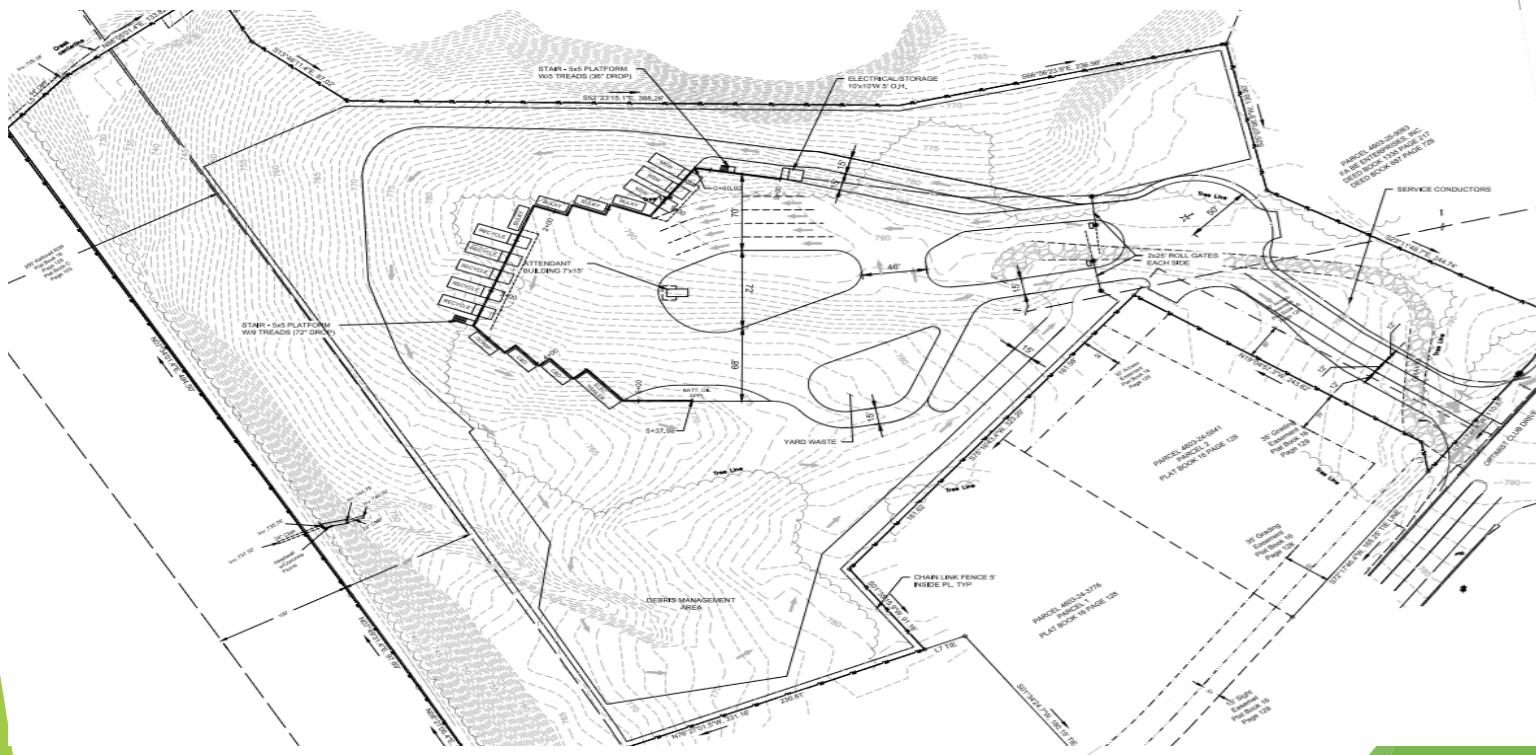
- ▶ The proposed budget for Water and Sewer is \$11,139,911. The proposed budget is balanced.
- ▶ As of July 1, 2019, Water Rates will increase 5% and Sewer Rates will increase 15% as a result of the approved Raftelis revenue plan in 2018.

# 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	<b>9.80</b>
▶ Howards Creek-	12.233	<b>13.55</b>
▶ 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	<b>10.87</b>	\$391,156	<b>11.65</b>	\$419,225	<b>\$28,069</b>
Boger City	10.50	<b>9.56</b>	\$729,820	<b>10.50</b>	\$801,580	<b>\$71,760</b>
Crouse	8.60	<b>7.92</b>	\$149,573	<b>8.60</b>	\$162,415	<b>\$12,842</b>
Denver	11.50	<b>10.23</b>	\$2,441,926	<b>11.50</b>	\$2,745,078	<b>\$303,152</b>
East Lincoln	8.90	<b>7.95</b>	\$2,325,432	<b>9.80</b>	\$2,831,760	<b>\$506,328</b>
Howards Creek	12.23	<b>11.55</b>	\$319,555	<b>13.55</b>	\$407,821	<b>\$88,266</b>
321 North	7.0	<b>6.68</b>	\$561,237	<b>7.00</b>	\$588,123	<b>\$26,886</b>
Northbrook	10.0	<b>9.16</b>	\$349,596	<b>10.0</b>	\$381,656	<b>\$32,060</b>
Pumpkin Center	9.70	<b>6.68</b>	\$515,630	<b>9.70</b>	\$552,055	<b>\$36,425</b>
South Fork	12.50	<b>11.79</b>	\$371,797	<b>12.50</b>	\$394,187	<b>\$22,390</b>
Union	12.50	<b>11.43</b>	\$339,467	<b>12.50</b>	\$371,246	<b>\$31,779</b>

# Thank You!



May 20, 2019