



Recommended Budget Fiscal Year 2020-2021

John Eller, County Manager



FY 2020-21 Manager's Recommended Budget



- Recommended fiscal year 2020-2021 budget for Davie County in the amount of \$78,795,593 of which General Fund makes up \$66,349,428.
- Property tax rate of \$0.738 per \$100 of valuation.
- Value of a penny of property value at this rate equates to \$480,000.
- We have maintained a \$0.04 countywide fire tax; while Advance Rural Fire District also maintained the same rate as current year.
- Sales & Use Taxes are projected to yield revenue reductions due to COVID-19 pandemic. Federal & State resources will be utilized to the greatest extent possible to cover expenses related to the pandemic, which will help mitigate these losses.
- The General Fund contributes an additional \$0.023 to Fire & Rescue services.
- The budget is balanced and prepared in accordance with the Local Government Budget and Fiscal Control Act.

FY 2020-21 Manager's Recommended Budget by Funds

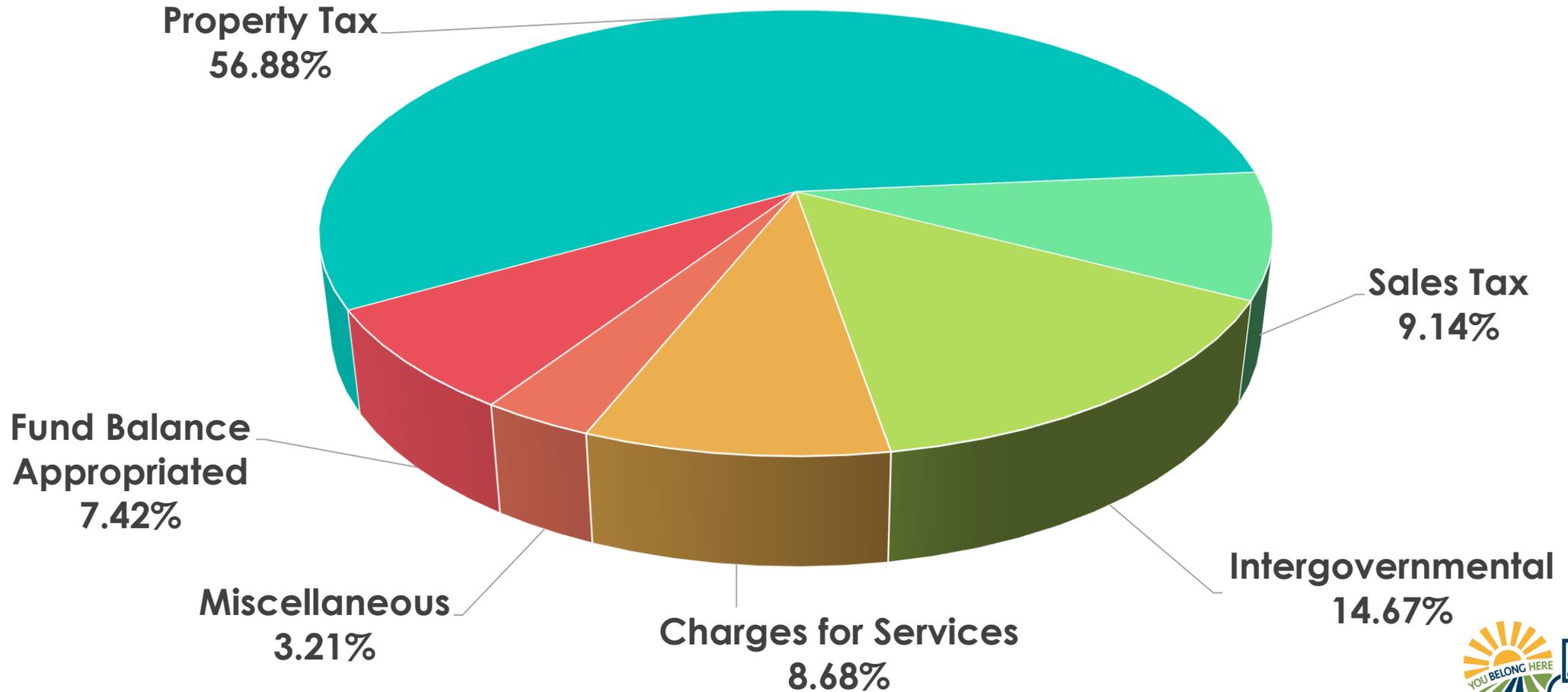


Fund	FY 2021 Manager Recommended
General Fund	\$66,349,428
Advance Rural Fire Protection District Fund	\$421,241
Environmental Protection Fund	\$483,000
Public Utilities Fund	\$7,682,169
E-911 Fund	\$279,766
Employee Health Fund	\$3,579,989
Total FY2020-2021 Recommended Budget	\$78,795,593

FY 2020-21 General Fund Revenue



\$66,349,428



FY 2020-21 General Fund Expenditures by Focus Area

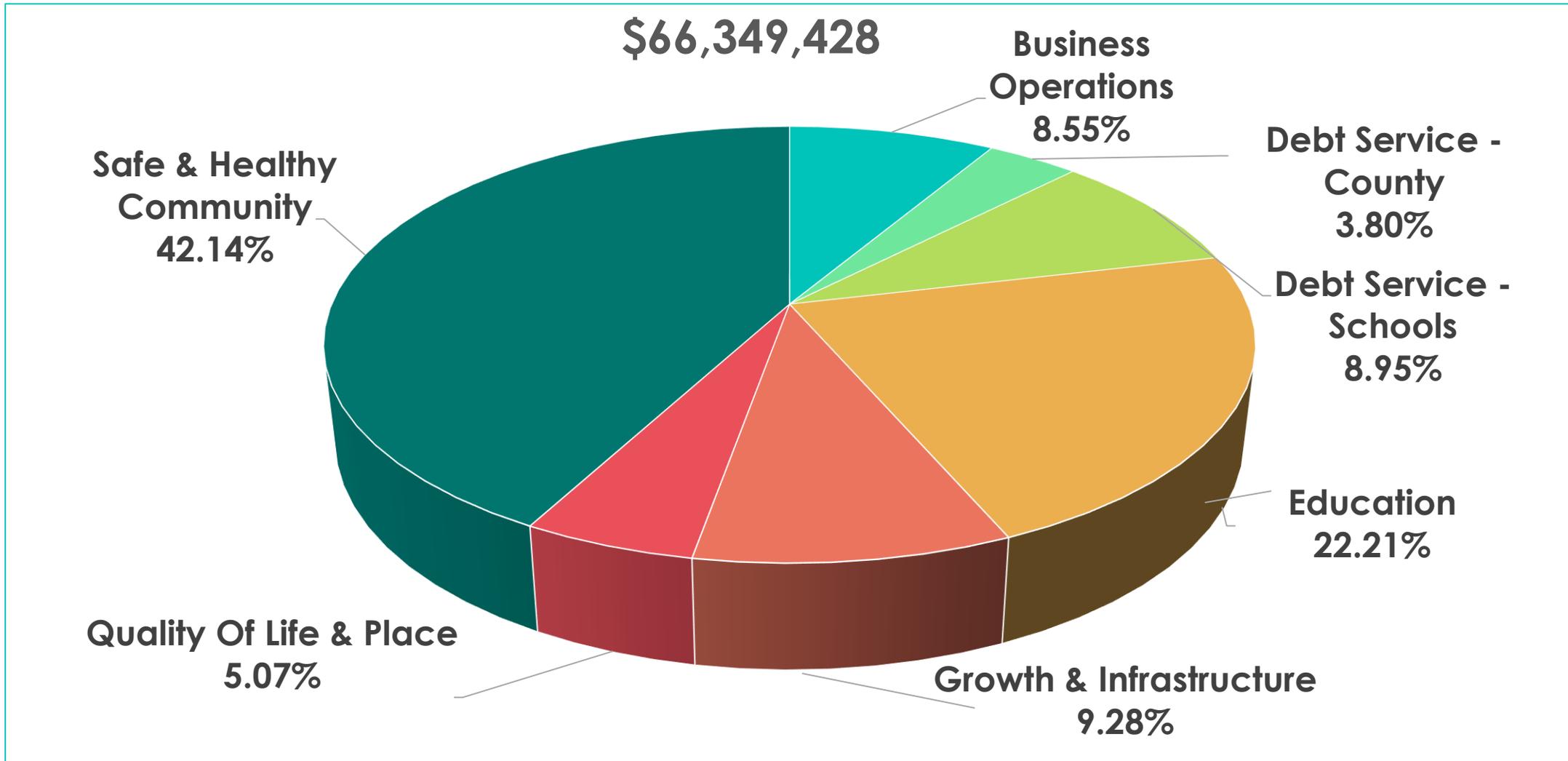


Focus Area	FY 2020 Original Budget	FY 2021 Manager Recommended	Variance*
Education	16,545,963	14,734,714	(a)
Business Operations	5,393,488	5,672,865	(b)
Debt Service	8,280,732	8,460,702	(c)
Growth & Infrastructure	6,476,884	6,154,139	(d)
Quality Of Life & Place	3,104,907	3,366,874	(e)
Safe & Healthy Community	<u>26,367,088</u>	<u>27,960,134</u>	<u>(f)</u>
	66,169,062	66,349,428	

*COLA and Class & Comp increases throughout; (a) Sales Tax decrease; (b) Capital project increases; (c) Structure of debt payments; (d) Economic Development Incentives rolling off; County building/facilities maintenance; (e) Recreation & Parks; (f) Unfunded mandates in Social Services & Sheriff's Office; Convalescent Care Unit; 2 ambulances



FY 2020-21 General Fund Expenditures by Focus Area

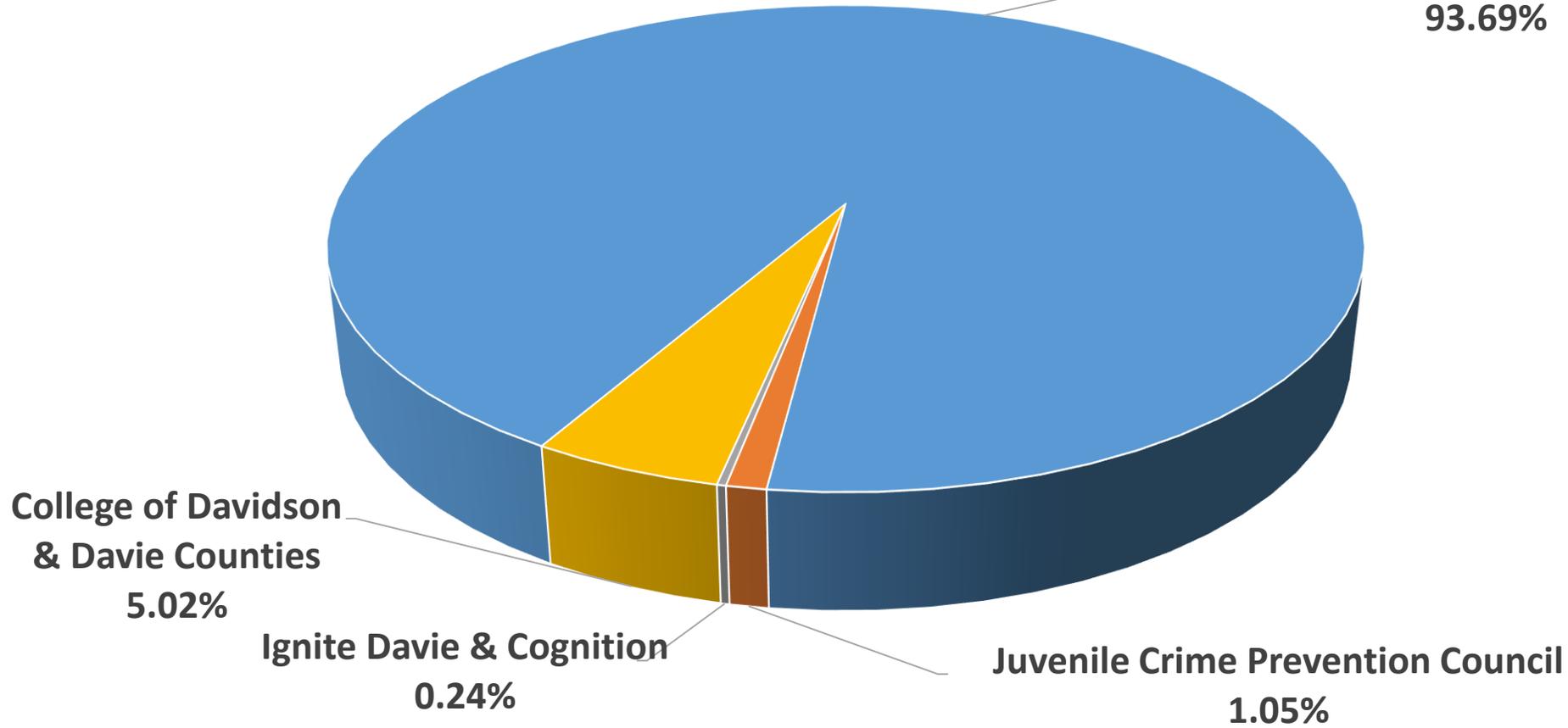


FY 2020-21 General Fund - Education



\$14,734,714

**Davie County
Schools
93.69%**

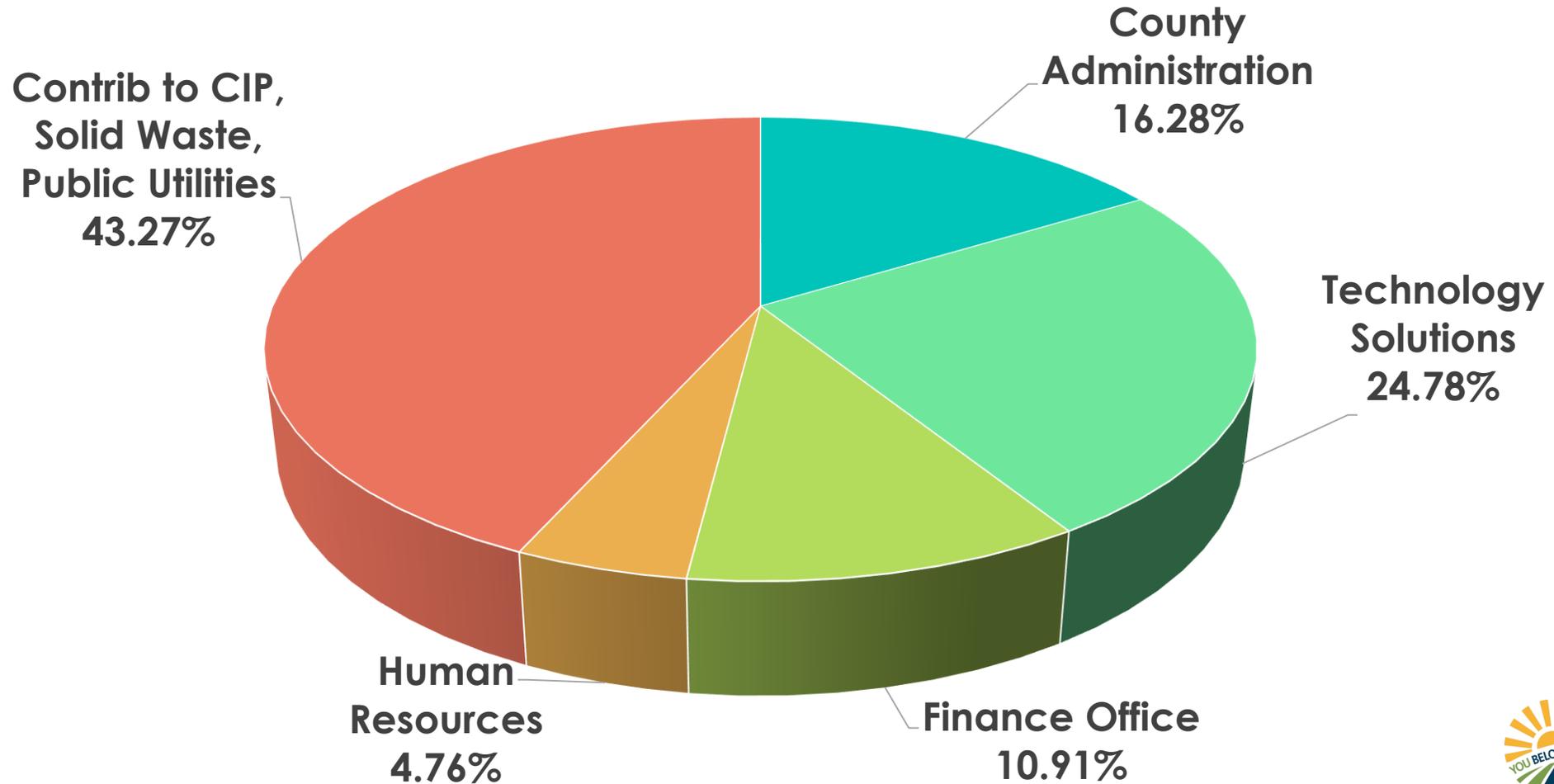


FY 2020-21

General Fund - Business Operations



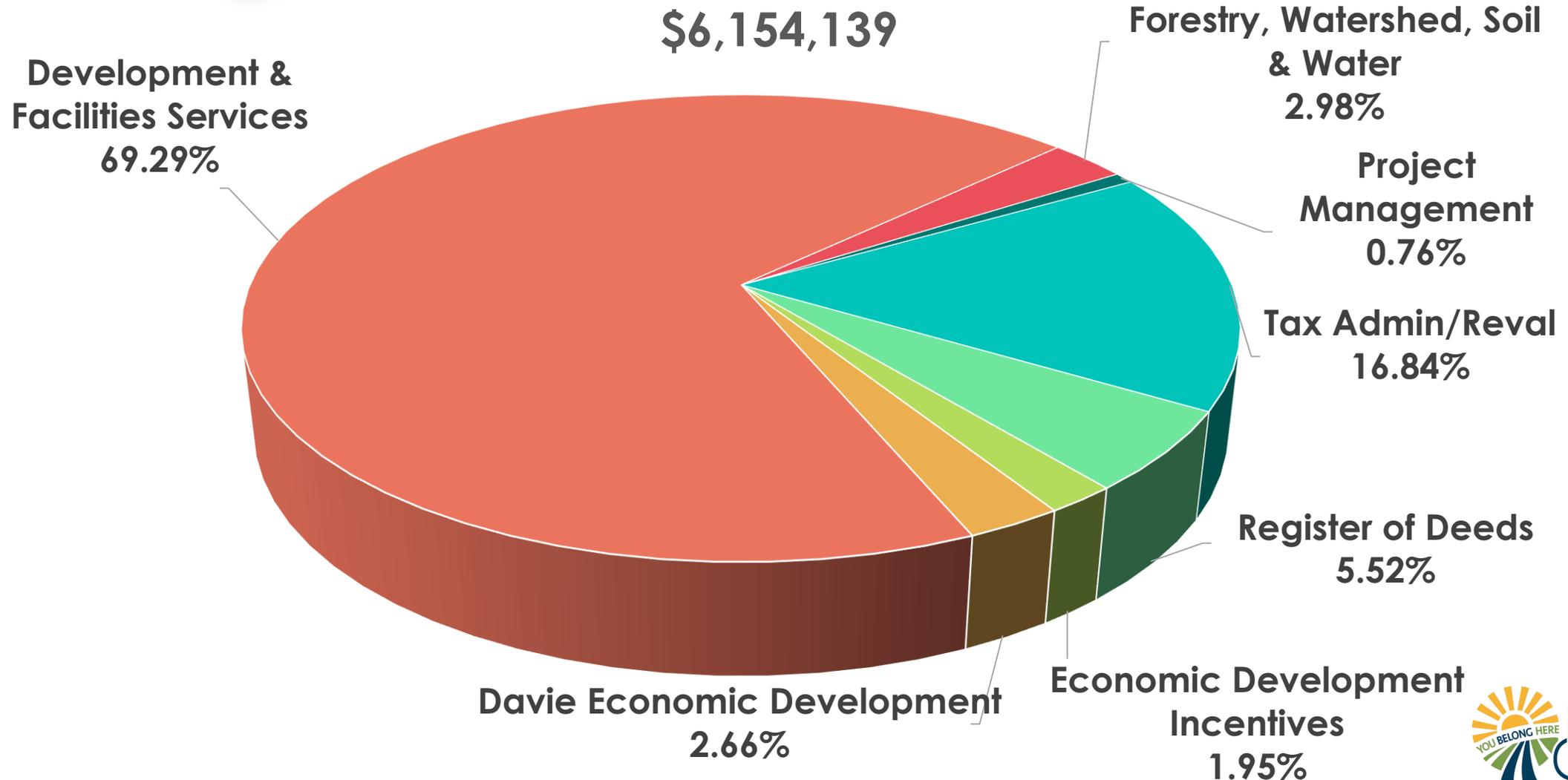
\$5,672,865



FY 2020-21



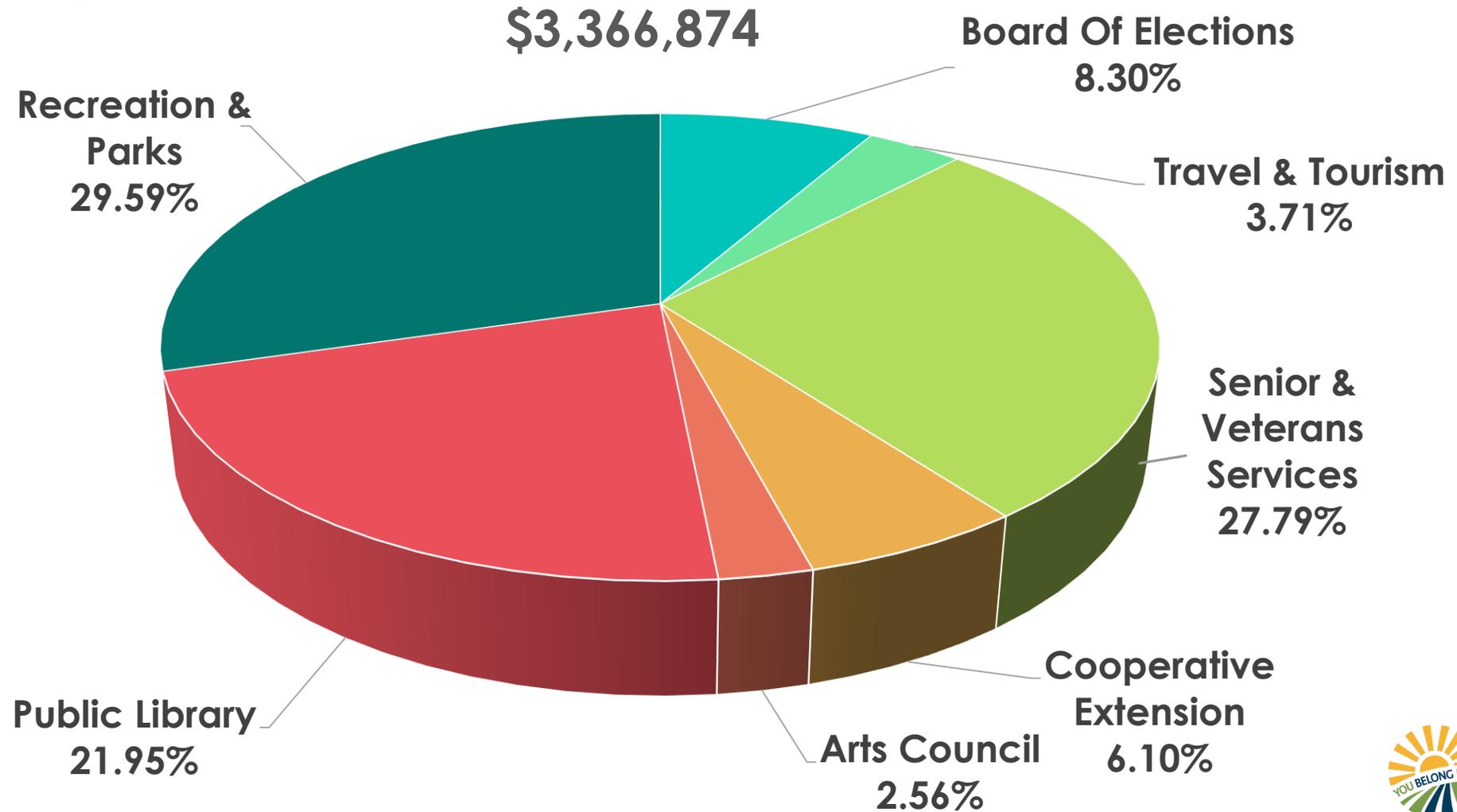
General Fund - Growth & Infrastructure



FY 2020-21



General Fund - Quality of Life & Place

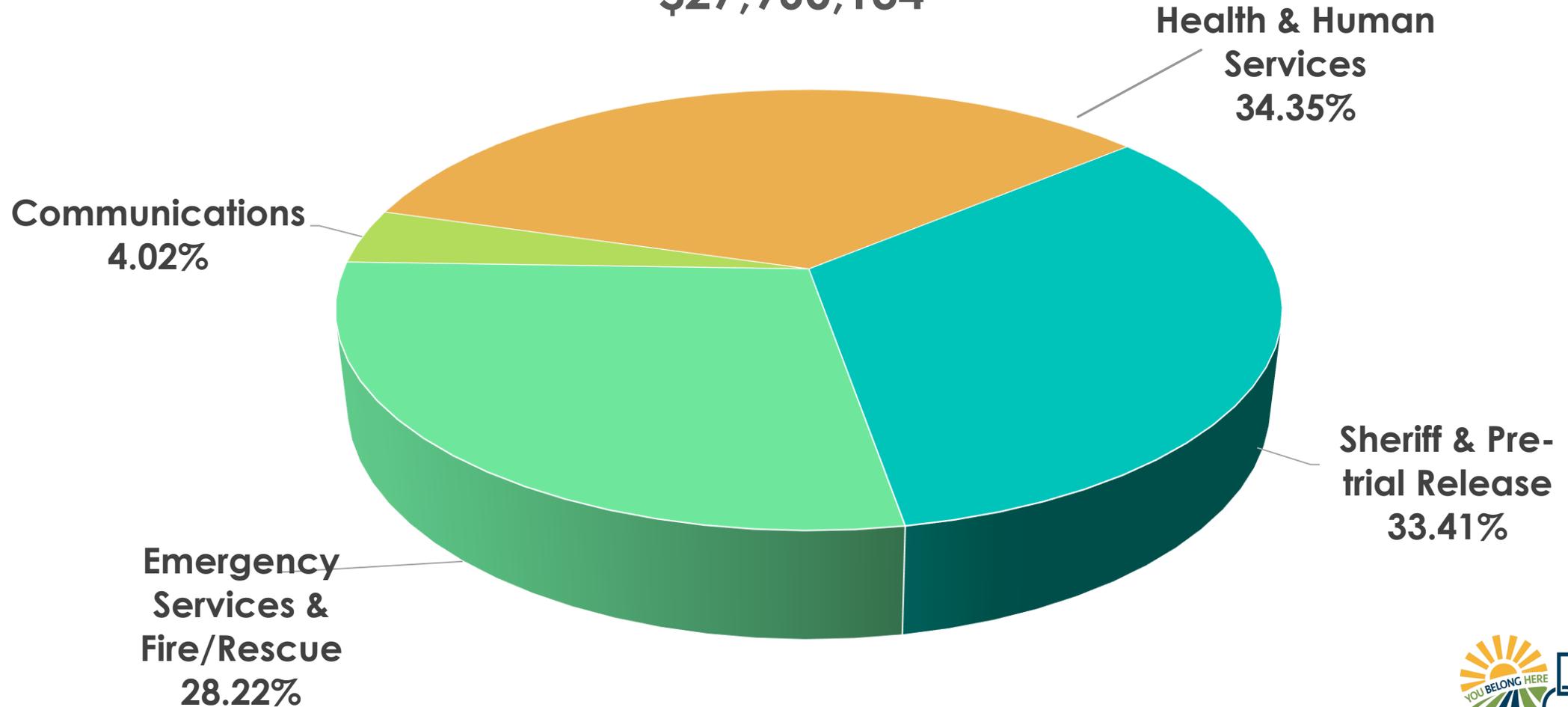


FY 2020-21



General Fund - Safe & Healthy Community

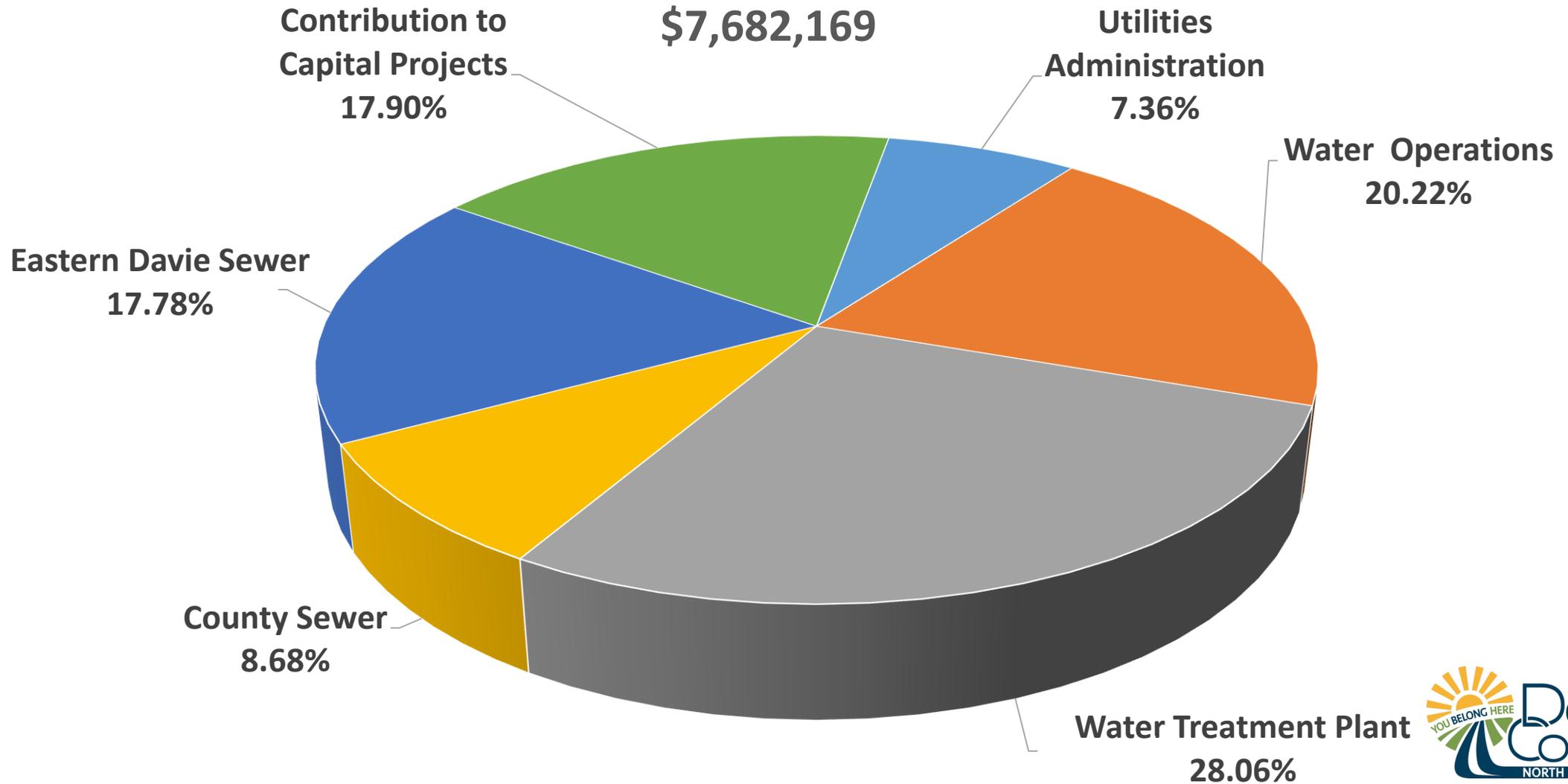
\$27,960,134



FY 2020-21



Public Utilities - Growth & Infrastructure



Implement Capital Improvement Plan – General Fund



Project	2020-2021	Funding Source
1. Government Center (Furniture, Equipment / Wiring)	\$1,517,397	Debt Financing & other funding
2. DCCC	\$825,000	General Fund
3. CAD/Viper/Radio	\$80,900	General Fund
4. Space Study Implementation	\$335,000	General Fund
5. Administration Building	\$60,000	General Fund
6. Library Expansion	\$378,000	General Fund
7. Hospital	\$383,533	General Fund
Total CIP – General Fund	\$3,579,830	
<p>To be fiscally conservative, the County will delay Projects 2, 4, and 6 until January 2021, or later.</p>		

Implement Capital Improvement Plan – Public Utilities



Project	2020-2021	Funding Source
1. Water System Expansion Study	\$825,000	Public Utilities Fund
2. SCADA Upgrade	\$200,000	Public Utilities Fund
3. Carbon System Sparks Rd	\$350,000	Public Utilities Fund
4. New Water Main Extension	\$500,000	Public Utilities Fund
Total CIP – Public Utilities Fund	\$1,875,000	

FY 2020-21 Manager's Recommended Budget Employee Compensation



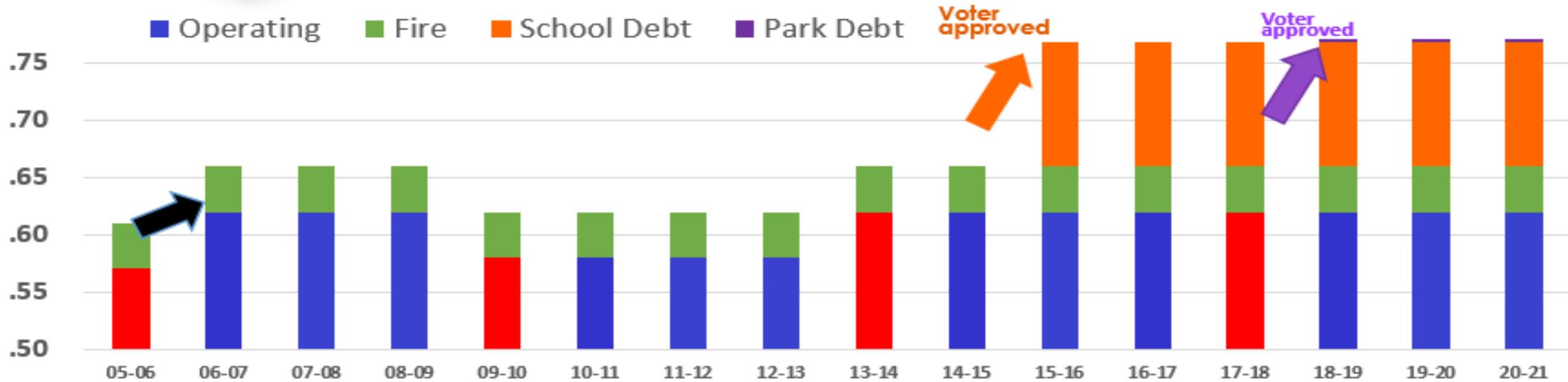
- To remain competitive as a preferred employer, full-time and regular part-time employees are eligible to receive a 2% increase.
- 1% will occur no later than January 3, 2021 (so revenue projections can be assessed once they are received in the Fall) for those who are not experiencing any performance issues or are not serving in a probationary status.
- Employees who meet performance goals on the county-wide performance appraisal can be eligible to receive up to an additional 1% salary merit increase on their anniversary date, at the discretion of department director.
- The County will continue a multi-year market rate study cycle to ensure that staff salaries are competitive in our region.
- There was an increase in retirement contribution rate for the County portion only (no increase in employee portion) according to the NC Local Governmental Employee's Retirement System regulations.

FY 2020-21 Manager's Recommended Budget Employee Benefits



- Any Healthcare cost Increase is being absorbed into the County budget keeping Healthcare premiums unchanged for employees since FY 2015-2016 **(this will be the 6th FY with no health insurance increase for staff)**.
- In order to reduce Health Care Claims and keep our premiums at the current level, we will continue the Health Risk Assessment (HRA) for full time employees and their spouses on the County's Health Insurance plan.
- HRA visit and labs will be performed at the Davie County Employee Wellness Center or employee's primary care physician's office.
- The County has implemented a Wellness Incentive for employees and their spouses on the Health plan to be paid out once a year as a bonus for those that complete the HRA and maintain healthy ranges.
- In order to remain self-insured and maintain sufficient benefits coverage for all staff, covered employees and covered spouses who fail to complete the HRA will be charged a cost / penalty on their insurance premiums.

Property Tax Rate History



No operational increases in revenue since FY 06-07 while pressures increase

➔ Five (5) cent increase – Debt service (1), Fire (1), Schools current expense (1.5); EMS #3 (1.5)

■ Revaluation Years (FY 05-06, FY 09-10, FY 13-14, FY 17-18)

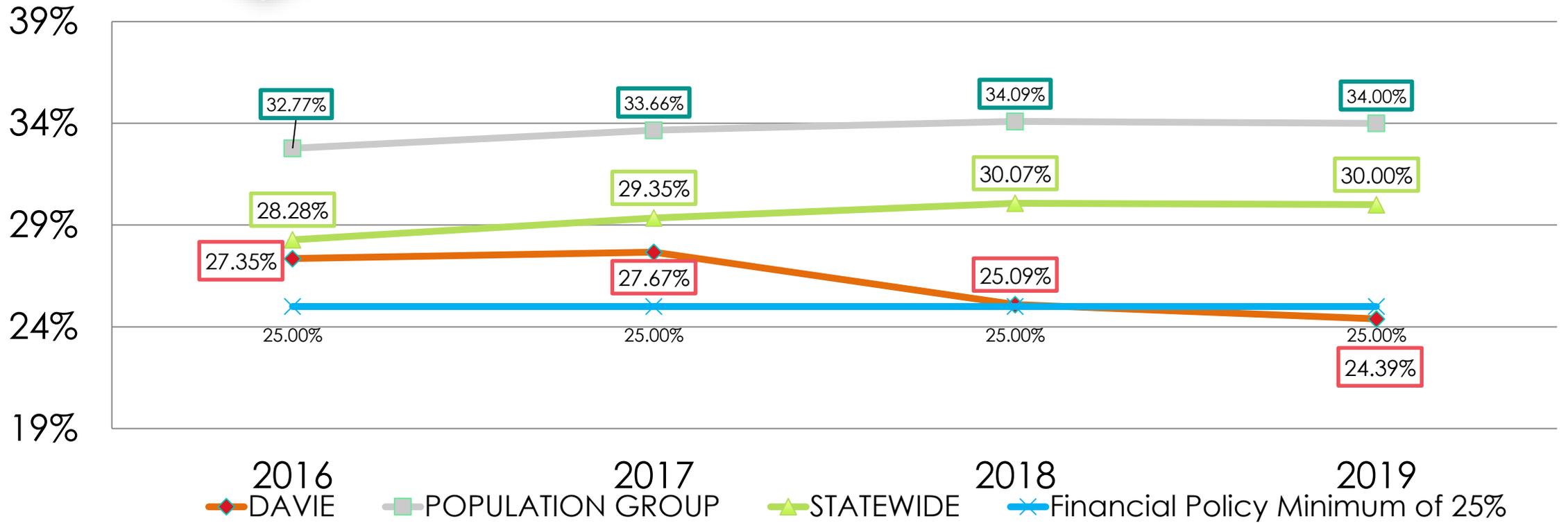
Tax changes in Revaluation years are due to adjustments to Revenue Neutral Rate

➔ New Davie High School Debt increase 10.8 (FY 15-16) Approved by Davie Voters in 2014

➔ Park Debt Increase 1.0 (FY 18-19) Approved by Davie Voters in 2014



Fund Balance History



While Fund Balance Available for Use increased in FY 2019, expenditures also increased – causing the Fund Balance as a percentage of Expenditures to decrease. Expenditures increased in salaries, retirement benefit contributions, and contribution for Capital Projects.



General Fund - Fiscal Policies



The County will:

Use one-time or other special revenues for funding special projects, not continuing operations.

Maintain a targeted Available Fund Balance at the close of each fiscal year equal to 25% of the General Fund Expenditures. Commissioners may appropriate funds that would reduce the Available Fund Balance below the 25% threshold during declared fiscal emergencies or to protect the long-term fiscal security of the County. **In such circumstances, the Commissioners will adopt a plan to restore the Available Fund Balance to or above the threshold within 36 months from the date of the appropriation.** (FY 2018-2019 = 24.39%).

Develop a Capital Improvement Plan; review and update (latest update to be adopted June 2020).

General Fund - Fiscal Policies



The County will:

Use a balanced approach to capital funding utilizing debt financing, draws on capital reserve and current year (pay as you go) appropriations.

Confine long term borrowing to capital improvement or projects that cannot be paid from current revenues or fund balance except where approved justification is provided.

Structure debt so that minimum total payout ratio of all debt will be 55% over a 10 year period.

Net debt service expenditures/total General Fund expenditures shall not exceed 15%. This ratio will potentially be exceeded beginning FY 2023-2024 when we finance the Detention Center.

Develop a Five Year Financial Forecast.



Utility Fund - Fiscal Policies



The County will:

Maintain a minimum Debt Service Coverage Ratio of 1.50x

Maintain a minimum Days Cash on Hand of 365 Days

Formalize a projection of revenues, expenditures, capital investments, and reserve requirements

Develop a Five Year Financial Forecast

Utility Fund - Fiscal Policies



The County will:

Incorporate annual rate increases, as necessary, to comply with adopted financial policies and budgetary requirements with a goal of limiting any increases to a maximum of 3.0%, if possible

Adopt on an annual basis the CIP and Financial and Rate Forecast. (CIP and Financial/Rate Forecast was adopted on June 3, 2019)

Adopt and Implement a System Development Fee strategy to fund continued growth of system (Adopted January 2, 2018)

Other Noteworthy Items



- Supporting 352 Full Time and 110 Part Time/Hourly staff to provide superior services to our citizens;
- Revised Fee Schedules;
- Canine Privilege Tax will be rescinded on tax bills beginning in 2021;
- Mileage reimbursement rate of \$0.45 per mile;
- Interlocal Agreements with towns included;
- Replacement of decommissioned vehicles that have reached end of life- including two ambulances;
- Incentives for business recruitment, growth, and retention for economic development;
- County has negotiated an agreement for one additional year (FY2021) for county-wide residential curbside recycling service;

Other Noteworthy Items



- Continuation of the Five Focus Areas as outlined in the Board of Commissioners' Strategic Plan and Performance Based Budget;
- Continued investments in needed infrastructure and technology as prioritized in our capital improvement plan and operational budget;
- Continued implementation of the County Building Staging plan based on the Facility Space Need Study;
- Continued implementation of our Davie County Comprehensive Plan, and completion of the Joint Water Feasibility Study, and Utilities Master Plan to align and complement our County Strategic Plan;

Other Noteworthy Items



- Continued investment in education for Davie County children through the Interlocal Agreement (seventh consecutive year of current expense increase to Davie County Schools);
- Continued investment in secondary education for Davie County citizens through increased contribution to College of Davidson and Davie Counties (DCCC);
- Alignment with Davie Economic Development Commission's Strategic Plan (Workforce Development through Ignite Davie Promise /Davie Works, Cognition Museum, economic development incentives, and next gen leadership);

Other Noteworthy Items



- Improving our Safe and Healthy Community with enhanced access to health services through Convalescent Care transportation and partnership with a Federally Qualified Health Center;
- Operational increases to support New Government Center that will house Sheriff and Health & Human Services, to open January 2021;
- YVEDDI Transportation Services to residents (and supporting the Mocksville Circulator Route);
- Maintain Fire Department/Rescue funding (no reduction), will work with Chiefs and Commissioners to develop a Fire/ Rescue Services report to include alternate funding options for FY 2021/2022, new fire contracts complete, purchasing reporting software for all departments, and radios for out of county departments;

Other Noteworthy Items



- Investment in our environment through Cooperative Extension, NC Forest Service, Davie Soil and Water Conservation and Davie County Watershed Improvement Commission;
- Continued investment in Senior and Veteran services/programs and expansion of Senior Center programming at the Brock gymnasium;
- Funding for cultural, arts and tourism partner agencies;
- Operational increases to support New County Park and partnership with Twin City Soccer for field turf;
- Contribution to Lake Louise Park for maintenance;
- Outside agency funding for recreation centers will be reviewed and allocated by the Recreation and Parks Advisory Board.



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