

## Fiscal Year 2019-2020 Budget Message

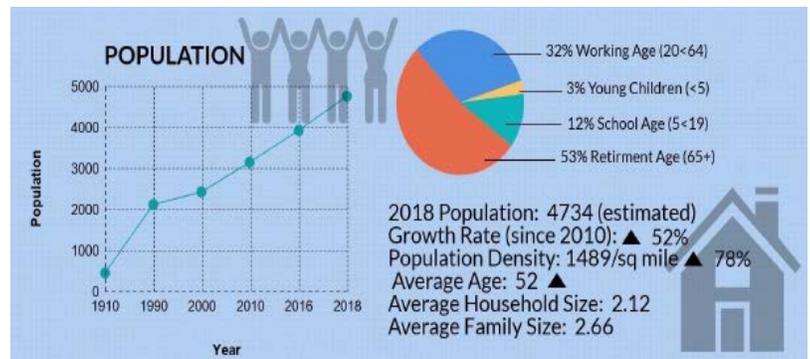
April 15, 2019

Honorable Mayor Al Root, Vice Mayor Doug Jackson, Councilwoman Dottie Sherrill, Councilman Patrick Fitsimmons, Councilman Andrew Nagle, and Councilman Jeff McKenna:

It is my honor and privilege to present for your review and deliberations, the proposed fiscal year 2019-2020 budget. Pursuant to Section 159-11 of the North Carolina General Statutes, the Town of Weaverville's proposed budget for the fiscal year beginning July 1, 2019 and ending June 30, 2020 is hereby submitted for your consideration. This budget is presented in accordance with the North Carolina Local Government Budget & Fiscal Control Act and is balanced as required by North Carolina General Statutes.

The proposed budget, which totals **\$9,962,776** and represents an increase of **1.4%** over the current budget, is representative of your leadership and our dedicated employees' efforts in addressing the service demands of our community during a time of remarkable growth. As they should, our citizens and businesses want responsive police and fire protection, well-maintained streets and roads, timely public works services, enjoyable recreation opportunities, clean water and other amenities that provide them the quality of life that keep them in Weaverville, or attracted them to our beautiful part of the world in the first place. While we maintain high standards for our current residents, we must continue to invest in future generations through upgrades and improvements in all

Figure 1: Excerpt from Weaverville Fact Sheet 2018



Town service areas. Unfortunately, municipalities in North Carolina are somewhat limited in options to fund all of these services. In order to protect our current residents' quality of life and Town character while balancing growth, we must continually evaluate our deployment of services in sensible and sustainable ways. As our Town's elected officials, you have identified strategic priorities for the coming years to work towards this balance while meeting the service needs of the community.

### General Fund Overview

The proposed General Fund budget for fiscal year 2019-2020 totals **\$7,561,526** which represents a **0.1%** or an approximate **\$8,704** increase in expenditures over the fiscal year 2018-2019 budget.

The sources of revenue and categories of expenses within the General Fund are reflected in the illustrations below:

*Where does the Town's revenue come from?*



*Where will the money go?*



The Town's General Fund revenues by source and expenditures by department for fiscal year 2018-2019 and proposed for fiscal year 2019-2020 are summarized in the table below:

Revenues by Source	FY 2018-2019 Amended Budget	FY 2019-2020 Proposed Budget	% Variance
Ad Valorem Taxes	\$3,008,164	\$3,215,564	6.9%
Buncombe County Fire District Taxes	\$1,387,000	\$1,616,629	16.6%
Local Government Sales Taxes	\$1,250,000	\$1,396,000	11.7%
Appropriated Fund Balance	\$824,774	\$184,933	-77.6%
Unrestricted Intergovernmental Revenue	\$833,688	\$883,000	5.9%
Restricted Intergovernmental Revenue	\$106,000	\$106,000	0.0%
Investment Earnings	\$84,300	\$118,900	41.0%
Permits & Fees	\$25,300	\$20,500	-19.0%
Other Revenue	\$12,500	\$20,000	60.0%
<b>Total Revenues:</b>	<b>\$7,531,726</b>	<b>\$7,561,526</b>	<b>0.4%</b>
Expenditures by Department	FY 2018-2019 Amended Budget	FY 2019-2020 Proposed Budget	% Variance
Town Council	\$246,762	\$253,151	2.6%
Administration	\$661,284	\$599,639	-9.3%
Planning	\$106,749	\$108,459	1.6%
Police Department	\$1,706,165	\$1,868,886	9.5%
Fire Department	\$2,144,952	\$2,381,256	11.0%
Public Works	\$2,288,517	\$1,955,326	-14.6%
Contingency	\$20,000	\$20,000	0.0%
Debt Service	\$378,393	\$374,809	-0.9%
<b>Total Expenditures:</b>	<b>\$7,552,822</b>	<b>\$7,561,526</b>	<b>0.1%</b>

### General Fund Revenue Highlights

- Ad Valorem Taxes:** The proposed budget is based on the Town's current tax rate of \$0.38 per \$100 valuation at a collection rate of **99.5%** and tax values estimated by Buncombe County of **\$850,453,330** for real and personal property, a **5.7%** increase over the current year's valuation.
- Buncombe County Fire District Taxes:** As you are aware, Buncombe County levies all fire district taxes within the county and the Weaverville Fire Department receives funding for fire protection for the North Buncombe Fire District. This funding is essential as our department continues providing fire protection to the area, which has seen an increase of 10% in calls over the last year alone. The proposed budget includes approximately **\$229,600** in additional tax revenue.
- Local Government Sales Taxes:** We are forecasting a **4%** increase in sales tax revenue over the current, fiscal year 2018-2019 anticipated revenues. This projection is based primarily on

prior years' collections, but also relying heavily on the North Carolina League of Municipalities' statewide sales tax distribution projections, which forecasts sales tax revenue averaging 4.5% statewide in the upcoming fiscal year.

- **Fund Balance:** The Town's last audit confirmed that we had just over \$6.3 million in available fund balance as of June 30, 2018. Town Council has established a minimum requirement that fund balance be 40% of general fund revenues, and we are currently at 95%. The proposed budget utilizes approximately **\$184,933** of our accumulated fund balance to offset capital equipment and capital improvements.
- **Fees:** The proposed budget includes fee adjustments in several areas, although these are not expected to significantly impact the Town's revenue base in the upcoming fiscal year.

## General Fund Expenditure Highlights

### Personnel Expenses

- **General:** During its fiscal year 2014-2015 budget deliberations, Town Council adopted a *Resolution Adopting a Policy on Paying a Living Wage*, along with all other government jurisdictions in Buncombe County. The Town has continued to maintain the living wage rate every fiscal year since that time. The latest living rate wages for 2019 are as follows:
  - \$13.65 per hour for employees that are not offered employer-provided health insurance; and
  - \$12.15 per hour for employees that are offered employer-provided health insurance

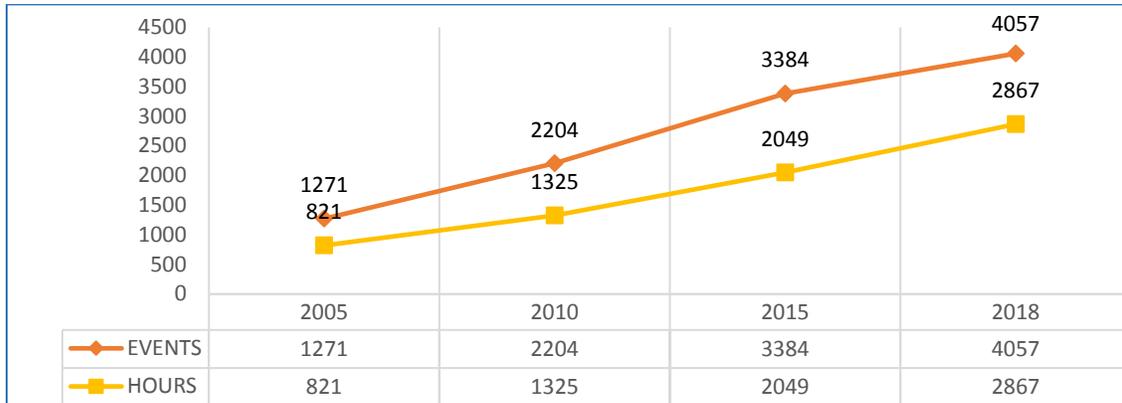
In keeping with this policy, we have included contingent funds for a review of Town employees' hourly wages with the potential of enacting some minor increases, specifically in the lower grades of the Town's pay scale. Any proposed wage adjustments will be brought to the Mayor and Town Council for final approval.

In terms of across-the-board compensation expenses, I am proposing an aggregate of 5% within each departmental budget for cost of living adjustments (COLA) and merit pay for those employees who qualify based on their performance reviews.

- **Fire Department:** In recent years, Town Council has made great strides in bringing our Fire Department to appropriate staffing levels by increasing the number of full-time firefighters to meet the North Buncombe Fire District's growing call volume. The proposed budget also provides for bringing our part-time firefighters' pay up to \$13.50 per hour, which is the rate being offered by our neighboring fire departments. This results in a \$31,000 increase to the Fire Department's personnel budget.
- **Police Department:** The proposed budget includes one (1) new police officer position. Last year, the Town added three (3) additional firefighter positions to address increased call volumes from the prior year. I am recommending the additional police officer position for the same reason. The number of dispatched events has increased by almost 220% since fiscal

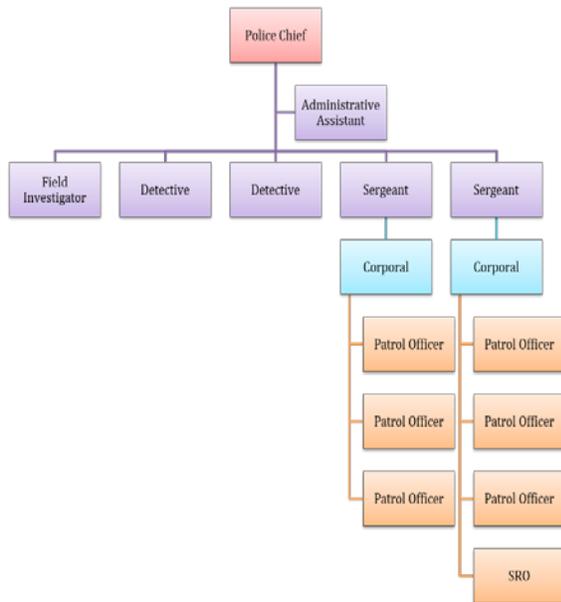
year 2005-2006 when the last position was added to the Police Department Patrol Division (Figure 2).

Figure 2: Weaverville Police Department Dispatched Events & Hours

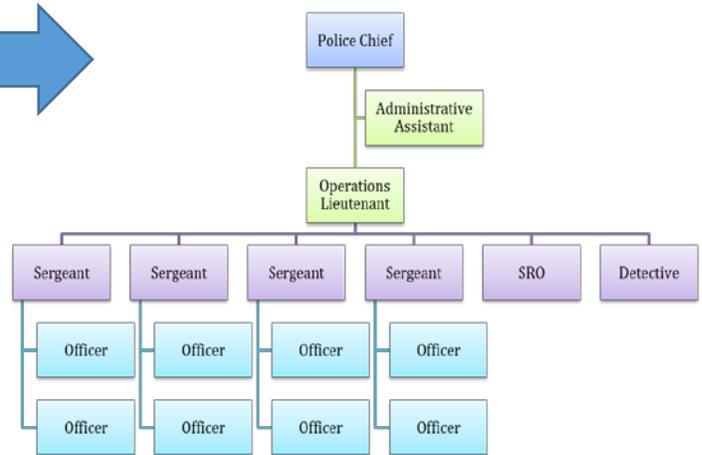


By adding this additional position, our Police Department will be able to provide a 4-team, 3-officer approach (see figure below), which is used by virtually all law enforcement agencies in our region. This shift in approach will improve police presence in our communities, provide improved flexibility among shift supervisors, and reduce overtime.

Former Police Department Structure



Proposed Police Department Structure



## Capital Expenses

- **Police Department:** In conformity with the Town's vehicle replacement guidelines, funds are budgeted for the replacement of three (3) police vehicles, which will be purchased under state contract pricing. The vehicles to be purchased this year include two (2) marked hybrid sport utility vehicles and one (1) truck. The hybrid vehicles are being proposed in recognition of Council members' suggestions that we attempt to utilize more environmentally-friendly vehicles in the future. I am proposing these vehicles at a net cost of \$95,000 (total of \$105,000 with offsetting revenue of \$10,000 for the sale of four (4) older vehicles currently in the Police Department's fleet).
- **Fire Department:** The proposed budget includes the purchase of a sport utility vehicle to replace the Fire Marshal's 2009 Dodge Durango. This vehicle serves as a fire response vehicle and meets the vehicle replacement guidelines due to its age, mileage, and increasing repair costs. We can anticipate some offsetting revenue from the sale of the former vehicle.
- **Public Works Department:** The proposed budget includes the replacement of two (2) trucks for the Public Works Department for the Streets and Recreation Divisions. These vehicles meet the vehicle replacement guidelines due to their age, mileage, and increasing repair costs.

## Capital Improvements Program (CIP)

- **Streets Improvements Plan:** The proposed budget includes a total of \$375,000 for street improvements to address the Town's ongoing commitment to street maintenance and improvements. This includes \$275,000 in Town funding and approximately \$100,000 in restricted Powell Bill funds.
- **Sidewalks Study:** Included within the proposed budget is \$25,000 for the development of a study analyzing the Town's existing sidewalks and potential for future sidewalks. This type of study was performed some ten years ago and, based on input from the community during this year's ongoing comprehensive land use planning project, it is appropriate to review Town sidewalks again.
- **Community Center:** Town staff is currently working with the Legerton Architectural firm to design development for the new Lake Louise Community Center. Staff anticipates that the final plans and project budget will come before Town Council for final approval in May. I will be proposing that a project fund be established at that time, with a subsequent budget amendment transferring the project funds from the General Fund to a multi-year Capital Project Fund during the current fiscal year.
- **Greenways Project:** The Town has continued to budget \$60,000 for the greenways project for the last two fiscal years, but none of this money has been spent to date. The project is moving forward, albeit slowly. I am again proposing that these funds remain in the General Fund budget until the time that they are utilized for the greenways planning efforts.

- **Lake Louise Restroom Facility Improvements:** I am proposing funding totaling \$80,000 for substantial improvements to the Lake Louise Park restroom facilities. The current facility is aged and consistently in need of repairs.

**New Initiatives**

- **Police Department:** Our Police Department currently does not have access to computer-aided dispatch (CAD), while all other law enforcement agencies in Buncombe County have CAD (Sheriff’s Department, Asheville Police, and Woodfin Police) or they have their own dispatch centers (Black Mountain and Biltmore Forest). For this reason, our officers currently only receive call information from a radio message from Buncombe County and cannot access information entered into Buncombe County’s CAD system at the time of a call. If one of our officers for some reason does not hear a radio transmission or are busy with another call, they must make a return call to dispatch and seek the information again. This greatly impacts our officers’ efficiency and has the potential to negatively impact our citizens because we do not get all of the typical information that a 911 caller provides (i.e. what kind of assistance they need, details of the situation, etc). Further, with Weaverville Police Department being a “non-terminal agency” (without CAD), we do not receive crime analysis data. This prevents our Department from being able to analyze average response times, types of calls, and geographic locations of calls. For the reasons detailed here, I am recommending funding in the amount of \$43,000 for CAD for the Police Department. This amount is less than the Town would expend in providing its own dispatch center and I feel that it is incumbent on us to fund this new initiative for the betterment of our Police Department and benefit to the Town’s citizens.
- **Capital Reserve for Fire Truck:** The Town paid off the final \$75,000 in debt service for one of its fire trucks in fiscal year 2018-2019. However, within the proposed budget, I am recommending that this amount of funds be budgeted and transferred to a capital reserve fund for the future purchase of a replacement fire truck or necessary fire apparatus.

**Water Fund Overview**

The proposed Water Fund budget for fiscal year 2019-2020 totals **\$2,401,250**, which represents a **6.3%** increase over the fiscal year 2018-2019 budget. The table below outlines the major sources of revenue and operational and capital expenditures proposed within the fiscal year 2019-2020 budget.

Revenues by Source	FY 2018-2019 Amended Budget	FY 2019-2020 Proposed Budget	% Variance
Water Revenue	\$1,845,000	\$1,968,750	6.7%
Miscellaneous Revenue	\$17,000	\$15,000	-11.8%
Water Taps	\$35,000	\$42,000	20.0%
System Development Fees	\$130,000	\$270,000	107.7%
Fees for MSD Collection	\$50,000	\$55,000	10.0%
Interest Earned	\$38,000	\$50,500	32.9%
Appropriated Fund Balance	\$144,128	\$0	-100%
<b>Total Revenues:</b>	<b>\$2,259,128</b>	<b>\$2,401,250</b>	<b>6.3%</b>

Expenditures by Function	FY 2018-2019 Amended Budget	FY 2019-2020 Proposed Budget	% Variance
Personnel	\$1,004,634	\$1,041,653	3.7%
Operations	\$614,125	\$598,300	11.0%
Capital Outlay	\$40,000	\$213,000	432.5%
Capital Improvements	\$381,100	\$180,000	-51.6%
Contingency	\$15,000	\$15,000	0.0%
Reserve for Bond Payment	\$204,270	\$203,974	-0.1%
Transfer to Water Capital Reserve Fund	\$0	\$149,323	100.0%
<b>Total Expenditures:</b>	<b>\$2,259,129</b>	<b>\$2,401,250</b>	<b>6.3%</b>

### Water Fund Revenue Highlights

- **Water Rates:** In accordance with recent water rates analysis provided by Withers-Ravenel, the fiscal year 2019-2020 budget includes a **5.0%** increase in water rates for all Town water customers. The rates, as recommended by this analysis will continue to fund the Water Fund and will assist the Town in planning for the eventual water plant expansion.

### Water Fund Expenditure Highlights

#### Capital Equipment & Improvements

- **Vehicle Replacements:** In conformity with the Town’s vehicle replacement guidelines, funds are budgeted for the replacement of one (1) truck and one (1) dump truck for the Water Department.
- **Capital Equipment:** Funds are budgeted for a replacement air compressor and two (2) pump rebuilds for water operations.
- **Capital Improvements:** Within the Water budgets, there are funds budgeted for waterline improvements to the Coleman Street and Shuford Road and the abandonment of an asbestos line. In addition, and as the Town has budgeted annually in the past, funds are included to replace old water meters with automated radio-read meters.

#### New Initiatives

- **North Buncombe Middle School Waterline Match:** The Town has been approached by the Buncombe County Public Schools System to request financial assistance in making water related improvements totaling \$150,000 at North Buncombe Middle School. In an effort to assist the school system with this project, this budget includes \$75,000 in financial assistance.

### In Closing

The Town has accomplished much in the current fiscal year, including the Comprehensive Land Use planning process; implementation of a new Strategic Plan; secured USDA funding for a major

waterline improvement project; entering the planning phase of the Reems Creek Greenway project; and entering into the design and development phase of the Lake Louise Community Center project.

Included with this budget message, you will find an executive summary of the budget. As noted in the budget calendar, the public hearing on the budget is scheduled for June 11, 2019 at 6:00pm, with adoption scheduled for your regular meeting on June 17, 2019.

The Town's management team has been instrumental in the development of this budget. Our team has done an exceptional job at controlling costs while their departments have continued to provide the high-quality services that our citizens deserve. I would like to extend a special thanks to them for their time and effort during this budget process. Furthermore, I wish to express my gratitude to Finance Director Tonya Dozier. She has been instrumental in analyzing revenues and expenditures, assisting department heads with their budget requests and assisting me in developing the proposed fiscal year 2019-2020 budget.

The fiscal year 2019-2020 budget reflects the challenges typical with a growing community, but it also reflects the Town's capacity to provide excellent services to our residents, businesses and visitors. It has been my pleasure to serve the Town of Weaverville, the Mayor and Town Council, and our citizens and to serve alongside our management team and employees. I hope to have many more years serving this wonderful community.

Respectfully Submitted,



Selena D. Coffey, MPA, ICMA-CM  
Town Manager / Budget Officer

**PROPOSED BUDGET**  
**Fiscal Year 2019-2020**  
**Budgets by Department, Function & Category**

<b>GENERAL FUND REVENUE</b>	<b>FY 2019 Amended Budget</b>	<b>FY 2020 Preliminary Draft</b>	<b>\$ Variance</b>	<b>% Variance</b>
Prior Year Tax Revenue	\$2,500	\$1,000	(\$1,500)	-60.0%
Prior Year Interest & Penalties	\$200	\$0	(\$200)	-100.0%
Ad Valorem Tax Revenue	\$3,008,164	\$3,215,564	\$207,400	6.9%
DMV Tax Revenue	\$250,000	\$255,000	\$5,000	2.0%
Tax Penalties & Interest	\$4,000	\$4,000	\$0	0.0%
Utilities Franchise Tax	\$450,000	\$470,000	\$20,000	4.4%
Beer & Wine Tax	\$16,000	\$17,000	\$1,000	6.3%
Powell Bill Distributions	\$106,000	\$106,000	\$0	0.0%
Local Government Sales Tax	\$1,250,000	\$1,396,000	\$146,000	11.7%
Buncombe County Fire Protection	\$1,387,000	\$1,616,629	\$229,629	16.6%
ABC Store Distribution to Town	\$90,000	\$120,000	\$30,000	33.3%
ABC Store Alcohol Education	\$1,392	\$0	(\$1,392)	-100.0%
ABC Store Police Department	\$3,595	\$0	(\$3,595)	-100.0%
Cell Tower Revenue	\$16,000	\$16,000	\$0	0.0%
Miscellaneous Revenue	\$7,500	\$5,000	(\$2,500)	-33.3%
Interest Earned	\$84,000	\$115,500	\$31,500	37.5%
Interest Earned-Powell Bill	\$300	\$3,400	\$3,100	1033.3%
Zoning Inspections Fees	\$25,000	\$20,000	(\$5,000)	-20.0%
Fire Inspections Fees	\$300	\$500	\$200	66.7%
Sale of Property	\$5,000	\$15,000	\$10,000	200.0%
Appropriated Fund Balance	\$824,774	\$184,933	(\$639,841)	-77.6%
<b>TOTAL GENERAL FUND REVENUE</b>	<b>\$7,531,726</b>	<b>\$7,561,526</b>	<b>\$29,799</b>	<b>0.4%</b>

<b>GENERAL FUND EXPENDITURES</b>	<b>FY 2019 Amended Budget</b>	<b>FY 2020 Preliminary Draft</b>	<b>\$ Variance</b>	<b>% Variance</b>
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**Town Council**

Personnel	\$89,522	\$106,751	\$17,229	19.2%
Operations	\$157,240	\$146,400	(\$10,840)	-6.9%
Capital Outlay	\$0	\$0	\$0	--
<b>Total</b>	<b>\$246,762</b>	<b>\$253,151</b>	<b>\$6,389</b>	<b>2.6%</b>

**Administration**

Personnel	\$434,099	\$425,389	(\$8,710)	-2.0%
Operations	\$174,185	\$174,250	\$65	0.0%
Capital Outlay	\$53,000	\$0	(\$53,000)	-100.0%
<b>Total</b>	<b>\$661,284</b>	<b>\$599,639</b>	<b>(\$61,645)</b>	<b>-9.3%</b>

**Planning & Code Enforcement**

Personnel	\$87,079	\$96,859	\$9,780	11.2%
Operations	\$19,670	\$11,600	(\$8,070)	-41.0%
<b>Total</b>	<b>\$106,749</b>	<b>\$108,459</b>	<b>\$1,710</b>	<b>1.6%</b>

**Police Department**

Personnel	\$1,281,999	\$1,418,647	\$136,648	10.7%
Operations	\$329,165	\$345,239	\$16,074	4.9%
Capital Outlay	\$95,000	\$105,000	\$10,000	10.5%
<b>Total</b>	<b>\$1,706,165</b>	<b>\$1,868,886</b>	<b>\$162,722</b>	<b>9.5%</b>

**Fire Department**

Personnel	\$1,814,741	\$1,991,501	\$176,760	9.7%
Operations	\$330,211	\$345,755	\$15,544	4.7%
Capital Outlay	\$0	\$44,000	\$44,000	#DIV/0!
<b>Total</b>	<b>\$2,144,952</b>	<b>\$2,381,256</b>	<b>\$236,304</b>	<b>11.0%</b>

**Public Works: All Divisions**

Personnel	\$772,735	\$811,236	\$38,501	5.0%
Operations	\$496,883	\$520,090	\$23,207	4.7%
Capital Outlay	\$50,999	\$90,000	\$39,001	76.5%
Capital Improvements	\$967,900	\$534,000	(\$433,900)	-44.8%
<b>Total</b>	<b>\$2,288,517</b>	<b>\$1,955,326</b>	<b>(\$333,191)</b>	<b>-14.6%</b>

**Debt Service**

Loan Payment-Fire Truck 09/14	\$53,541	\$53,541	\$0	0.0%
Loan Payment-Fire Trucks	\$74,707	\$75,000	\$293	0.4%
Loan Payment-Fire Station	\$250,145	\$246,268	(\$3,877)	-1.6%
<b>Total</b>	<b>\$378,393</b>	<b>\$374,809</b>	<b>(\$3,584)</b>	<b>-0.9%</b>

**Contingency**

<b>Total</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$0</b>	<b>0.0%</b>
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<b>Total General Fund Revenue</b>	<b>\$7,531,726</b>	<b>\$7,561,526</b>	<b>\$29,799</b>	<b>0.4%</b>
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<b>Total General Fund Expenditures</b>	<b>\$7,552,822</b>	<b>\$7,561,526</b>	<b>\$8,704</b>	<b>0.1%</b>
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<b>WATER FUND REVENUE</b>	<b>FY 2019 Amended Budget</b>	<b>FY 2020 Preliminary Draft</b>	<b>\$ Variance</b>	<b>% Variance</b>
Water Revenue	\$1,845,000	\$1,968,750	\$123,750	6.7%
Miscellaneous Revenue	\$17,000	\$15,000	(\$2,000)	-11.8%
Water Taps	\$35,000	\$42,000	\$7,000	20.0%
System Development Fees	\$130,000	\$270,000	\$140,000	107.7%
Fees for MSD Collection	\$50,000	\$55,000	\$5,000	10.0%
Interest Earned	\$38,000	\$50,500	\$12,500	32.9%
Appropriated Fund Balance	\$144,128	\$0	(\$144,128)	-100.0%
<b>Total Water Fund Revenue</b>	<b>\$2,259,128</b>	<b>\$2,401,250</b>	<b>\$142,122</b>	<b>6.3%</b>

<b>WATER FUND EXPENDITURES</b>	<b>FY 2019 Amended Budget</b>	<b>FY 2020 Preliminary Draft</b>	<b>\$ Variance</b>	<b>% Variance</b>
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**Water Fund**

Personnel	\$1,004,634	\$1,041,653	\$37,019	3.7%
Operations	\$614,125	\$598,300	(\$15,825)	-2.6%
Capital Outlay	\$40,000	\$213,000	\$173,000	432.5%
Capital Improvements	\$381,100	\$180,000	(\$201,100)	-52.8%
<b>Total</b>	<b>\$2,039,859</b>	<b>\$2,032,953</b>	<b>(\$6,906)</b>	<b>-0.3%</b>

<b>Contingency</b>	<b>Total \$15,000</b>	<b>\$15,000</b>	<b>\$0</b>	<b>0.0%</b>
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<b>Reserve for Bond Payment</b>	<b>\$204,270</b>	<b>\$203,974</b>	<b>(\$296)</b>	<b>-0.1%</b>
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<b>Transfer to Water Capital Reserve</b>	<b>\$0</b>	<b>\$149,323</b>	<b>\$149,323</b>	<b>100.0%</b>
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<b>Total Water Fund Revenue</b>	<b>\$2,259,128</b>	<b>\$2,401,250</b>	<b>\$142,122</b>	<b>6.3%</b>
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<b>Total Water Fund Expenditures</b>	<b>\$2,259,129</b>	<b>\$2,401,250</b>	<b>\$142,121</b>	<b>6.3%</b>
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<b>GRAND TOTAL BUDGET</b>	<b>\$9,811,951</b>	<b>\$9,962,776</b>	<b>\$150,825</b>	<b>1.5%</b>
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