



# YANCEY COUNTY

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## YANCEY COUNTY BUDGET MESSAGE FISCAL YEAR 2009-2010

*To the Yancey County Board of County  
Commissioners and Citizens of Yancey County:*

In accordance with North Carolina Statute 159-11, the Yancey County Fiscal Year 2009-2010 proposed budget is respectfully submitted for your review and consideration. The proposed budget sets forth a plan of operation for all county departments, programs, and capital projects for the coming year. This proposed budget is balanced in accordance with the Local Government Budget and Fiscal Control Act with general fund revenues and expenditures each totaling \$20,797,477.

### INTRODUCTION

This budget message will introduce you to Yancey County's Fiscal Year 2009-2010 proposed budget. It will outline how the county plans to utilize its resources and will highlight some of the more significant changes to the county's budget.

### REVENUES

The county's primary sources of funding are property taxes and sales taxes. Property taxes constitute the county's largest source of revenue. For Fiscal Year 2009-2010, it is recommended that Yancey County maintain the current property tax rate at \$0.45 per \$100 of valuation providing \$11,302,015 or 54% of the total general fund budget. It is also recommended that Yancey County maintain the fire tax levy by township at its current rate. The sales tax projection for the county has become complex for the coming fiscal year due to the state assuming 100% of county Medicaid costs for expenses incurred after July 1, 2009. As part of the Medicaid swap legislation, the per capita one-half of the Article 42 sales tax was converted to point of delivery effective October 1, 2009. In anticipation of this change in division of sales tax revenue, we have budgeted less than was budgeted in Fiscal Year 2008-2009. However, we view the overall effect of the Medicaid swap as positive as it relieves the county of the rapidly growing expense of Medicaid benefits.

## MAJOR INITIATIVES AND EXPENDITURES

Yancey County, as with many other governments, both state and local, has experienced worsening economic conditions over the past few years. Despite the financial difficulties that this present economy has produced, I am pleased to recommend a budget for the coming fiscal year which will contribute to the restoration of the county's fiscal health, protect funding for our public schools, support community initiatives, and ensure public safety for our citizens. Specifically, our proposed budget addresses these issues as follows.

- 1) **Fiscal Control and Financial Stability:** This proposed budget makes a concerted effort to address issues concerning fiscal stability, which is the paramount concern of the present administration. In the proposed budget, there are a number of initiatives which address these issues. First, this budget recommends an allocation in the amount of \$500,000 to the fund balance of the general fund. Additionally, the budget contains an appropriation to secure debt financing for costs associated with completion of the Yancey County Detention Center, which to this point has represented a substantial impairment to the fund balance of the county's general fund. The budget also contains an appropriation for enhancement of the county's tax assessing and collection procedures to insure that the county manages to collect all appropriate property tax revenues. Other initiatives to address fiscal stability include making improvements in technology to increase security, productivity, and accountability in county operations.
  
  - 2) **Public Schools and Education:** Yancey County continues a close working partnership with the Yancey County Board of Education. Yancey County Schools has done exceptional work to improve educational performance among our students. This proposed budget continues the significant appropriation to the Yancey County School System by maintaining the county's current level of funding to the schools. We are pleased to be able to continue to provide the schools with funding at present levels at a time when the state and other county governments are cutting their appropriations to public schools. This budget specifically appropriates \$3,000,000 for the school system's current expense budget, of which \$406,647 is specifically appropriated for classroom teachers and \$100,000 for teacher assistants. Additionally, the county has made a \$100,000 appropriation for local supplements, a \$40,000 appropriation for continuation of the JROTC program, and a \$750,000 appropriation to the schools' capital outlay fund. This is a total commitment to the Yancey County School System of \$3,890,000.
  
  - 3) **Community Initiatives:** Yancey County is fortunate to have many beneficial community agencies serving the needs of Yancey County's citizens. This budget supports these initiatives by providing an appropriation of \$100,000 each to the future Senior Citizen's
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Center, and to the Yancey County Public Library Renovation Project. Additionally, this budget supports several other entities such as the Yancey County Literacy Council, the Middle School Health Centers, Hospice of Yancey County, the Yancey County Humane Society, and provides a new appropriation to the Reconciliation House for heating fuel assistance. Anticipated state budget reductions will eliminate valuable youth service programs currently known as Save Our Students and the Governor's One on One Program administered by the Yancey Cooperative Extension Service. This budget contains appropriations to maintain these valuable initiatives for our students. Furthermore, Yancey County values the benefits of youth and adult recreational opportunities. To that end, this budget appropriates \$199,740 for matching a Parks and Recreation Trust Fund grant for the development of the Comprehensive Recreation Grounds on Whittington Road. The budget also contains an appropriation to continue the county's support for Yancey County Youth League sports and activities.

- 4) ***Public Safety:*** Providing for the safety and welfare of its citizens is one of the foremost responsibilities of the county government. The Yancey County Sheriff's Department is one of the few county departments to show a significant increase in funding. With the completion of the new Yancey County Detention Facility and its beginning full-scale operations, we have allocated an increase in the Sheriff's budget for the projected increased costs of the jail's operation at its full capacity. The Sheriff anticipates offsetting this expense by entering into a contract with the U.S. Marshals Service to house federal inmates. Also, we have appropriated the funds necessary to provide full time emergency management staff, to provide new equipment and training to appropriate staff, and to update the county's emergency operations plan. We have also allocated funds to continue the county's financial commitment to the Yancey County Rescue Squad and the Yancey Firefighters Association to support the important emergency services they provide.
  
  - 5) ***Facility Needs and Capital Outlay:*** With the relocation of the Yancey Community Medical Center, the facility located on Pensacola Road which formerly housed the center has become vacant and available for other county uses. The county has engaged an architectural firm to conduct a feasibility study to help determine how best to use this vacated space. An allocation of \$300,000 has been placed in this budget to renovate this space if deemed appropriate. These renovations, if undertaken, would provide the county with significant additional office space and would also result in a considerable increase in the value of the facility as a capital asset. Additionally, the county remains committed to beginning construction of the Micaville water and sewer infrastructure project during this fiscal year and an allocation of \$155,000 is included for matching the North Carolina Rural Development Center grant which will finance that project.
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## BUDGET SUMMARY

This has been a very difficult budget to prepare due in large part to the fact that Yancey County, as well as many other communities, is suffering from a depressed economy, particularly in regard to the housing and construction industry. This budget strives to maintain expenditures near last year's levels where possible and to continue to provide cost containment measures. County staff undertook efforts to reduce certain budget costs by soliciting competitive proposals from various service providers, including the county's general liability and worker's compensation insurance carriers and employee medical insurance providers. This competitive bidding process has produced a savings in excess of \$200,000 to the county on its general liability and worker's compensation premiums alone and is a 50% decrease from the previous rate charged to the county for the same coverage. Through measures such as these, and the diligent work of county employees, despite the economic hardships bearing on our county we are pleased that this recommended budget for Fiscal Year 2009-2010 addresses the county's fiscal health, protects funding for our public schools, supports community initiatives, and ensures public safety for our citizens.

This proposed budget reflects a continued focus on providing efficient services to the citizens of Yancey County. On behalf of the management team, I would like to acknowledge the leadership of the Yancey County Board of County Commissioners in the preparation of this budget. The goals that the Commission has set forth will enable Yancey County to continue moving forward in the coming fiscal year.

Respectfully submitted on this the 23rd day of June 2009.



Nathan R. Bennett,  
Yancey County Manager