



Wanda Greene, PhD, CPA
County Manager

Buncombe County Manager

Jon Creighton, MBA
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May 19, 2015

Buncombe County Board of Commissioners:

The Honorable David Gantt, Chairman
The Honorable Joe Belcher, Vice-Chairman
The Honorable Holly Jones
The Honorable Brownie Newman
The Honorable Ellen Frost
The Honorable Mike Fryar
The Honorable Miranda DeBruhl

Mr. Chairman and Members of the Board:

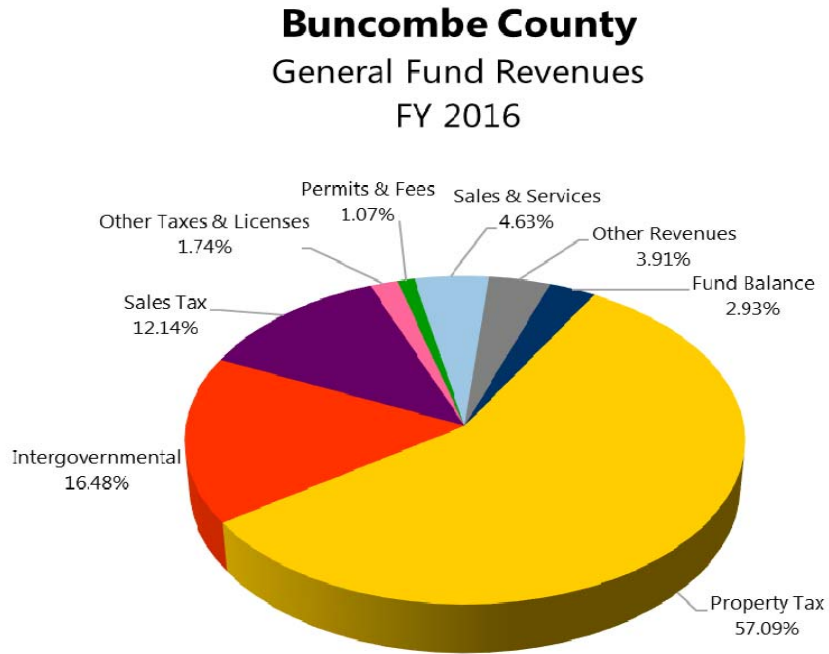
Each year, it is my pleasure, privilege and responsibility to present the Board of County Commissioners and citizens of Buncombe County a balanced budget. The recommended budget for fiscal year 2015-2016 (FY2016) is \$387,541,381. The budget is prepared and balanced under the guidelines of the North Carolina Local Government Budget and Fiscal Control Act. This recommendation includes a General Fund Budget of \$307,564,418 and non-General Fund operating plans totaling \$79,976,963. This is a 4.6 percent decrease (\$14.7 million) from the FY2014-2015 amended General Fund budget.

The non-General Fund operation plans are paid for with fees and special revenues. Non-General Funds include: Occupancy Tax Fund, Emergency Telephone System (911) Fund, Register of Deeds Automation Fund, Fire Service Districts Fund, Mountain Mobility Fund, Solid Waste Enterprise Fund, Inmate Commissary Enterprise Fund, Sheriff and BCAT Federal/State Forfeiture Funds, and the Insurance Fund. Since property taxes are used primarily in the General Fund, this message focuses on the General Fund portion of the budget.

Our goal was to focus on our priorities and address our greatest needs while balancing those needs with our revenue streams. Our resources continue to be allocated, and reallocated as needed, to our highest priorities. Following is information on revenues and expenditures specific to the FY2016 Recommended Budget:

Revenues

The following chart reflects the sources of revenue included in the General Fund budget:



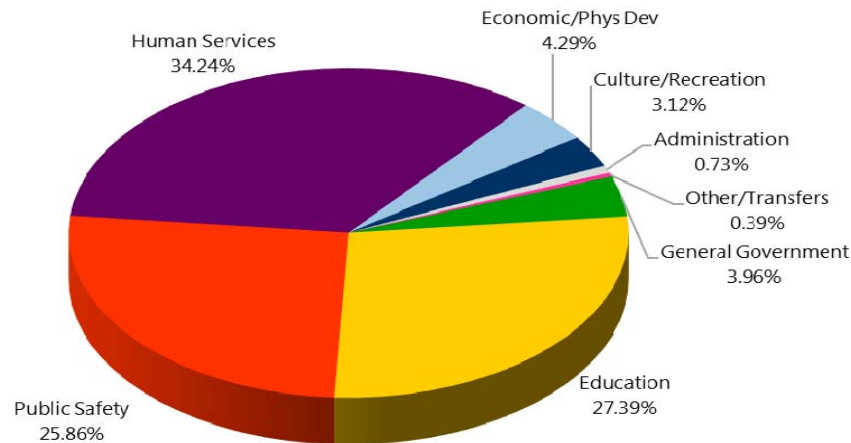
Composition of the County's General Fund Revenues is reflected in the following table:

Revenue Source	Revenues	% of 2016 Budget
Property Tax	\$175,598,725	57.09%
Intergovernmental	50,684,966	16.48%
Sales Tax	37,349,984	12.14%
Other Taxes & Licenses	5,362,520	1.74%
Permits & Fees	3,293,008	1.07%
Sales & Services	14,238,808	4.63%
Other Revenues	12,036,004	3.91%
Fund Balance	9,000,403	2.93%
TOTAL	\$307,564,418	100.00%

Expenditures

We continue to focus on providing core services to our citizens. While revenues remain relatively level and are challenged with state and federal legislation, demand for service, especially public safety, human service, and education continues to increase.

Buncombe County General Fund Expenditures FY 2016



Core businesses of human services, public safety and education consume 87.5 percent (\$269,115,769) of our FY2016 General Fund Recommended Budget. The history of core service expenditures are reflected in the following table:

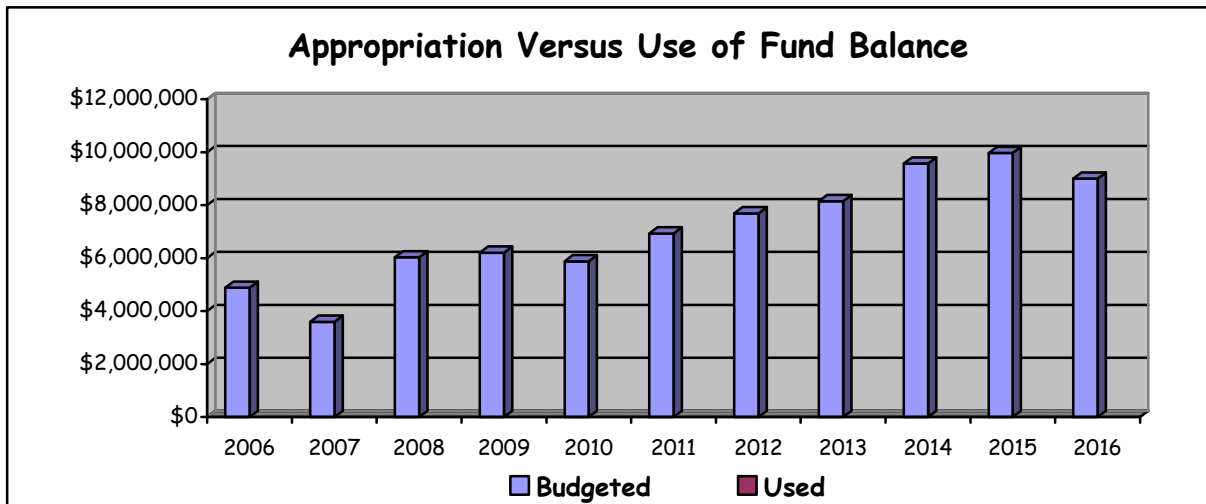
Function	Adopted Expenditures				Recommended Expenditures	
	FY2014	NCC	FY2015	NCC	FY2016	NCC
Education	75,681,612	65,582,033	79,583,744	68,638,402	84,245,900	72,692,649
Human Services	92,541,886	52,013,686	98,859,822	57,420,890	105,321,180	58,193,962
Public Safety	69,196,032	56,371,269	76,734,507	62,174,217	79,548,689	64,490,693
Total Exp	237,419,530	173,966,988	255,178,073	188,233,509	269,115,769	195,377,304
% of Budget	86.2		87.4		87.5	

*NCC = net County cost

For FY2016, we included support services (information technology, finance, human resources, etc.) with the program functions to more accurately reflect the cost of services. The balance of the General Fund budget includes: administration, tax, election services, Register of Deeds, economic development, planning and permitting. The following table reflects the expenditure breakdown for the General Fund:

Function	Expenditures	% of Total Budget	Net County Cost	% of Net County Cost
General Government	12,192,450	3.96%	6,245,111	2.77%
Education	84,245,900	27.39%	72,692,649	32.28%
Public Safety	79,548,689	25.86%	64,490,693	28.64%
Human Services	105,321,180	34.24%	58,193,962	25.84%
Economic/Phys Dev	13,197,900	4.29%	11,193,650	4.97%
Culture/Recreation	9,593,969	3.12%	8,994,281	3.99%
Administration	2,259,452	0.73%	2,191,785	0.97%
Other/Transfers	1,204,878	0.39%	1,204,878	0.54%
TOTAL	307,564,418	100.00%	225,207,009	100.00%

Fund balance appropriation is one means to maintain the property tax rate. Each year we appropriate fund balance with the challenge to save the appropriated amount. Historically, we have been able to do that. The FY2016 Budget Estimate includes a fund balance appropriation of \$9,000,403. The following graph reflects the historical appropriation versus use of fund balance in our annual budgets:



Other Taxing Districts:

During the budget process, the County also sets property tax rates for other taxing districts. The following schedule reflects the FY2015 adopted and FY2016 requested rates for the fire districts and Asheville City Schools

Buncombe County Fire, Ambulance and Rescue Service Districts Ad Valorem Tax Rates (in cents)		
District	FY 2015 Adopted Tax Rate	FY 2016 Requested Tax Rate
Asheville Suburban	8.5	8.5
Barnardsville/Barnardsville N.E.	15.0	15.0
Beaverdam/Beaverdam N.C.	13.0	13.0
Broad River	14.0	14.0
East Buncombe	9.9	9.9
Enka-Candler	9.0	9.0
Fairview	10.5	10.5
French Broad	14.0	14.0
Garren Creek	14.0	15.0
Haw Creek-Asheville	9.7	9.7
Haw Creek-Riceville	9.0	9.0
Jupiter	12.0	12.0
Leicester/Leicester N.W.	11.0	14.0
N. Buncombe /N. Buncombe N.E. N. Buncombe N. C.	11.2	11.2
Reems Creek/Reems Creek N.C. Reems Creek N. E. Haw Creek-Reems Creek	13.0	13.0
Reynolds	11.3	11.3
Riceville	11.0	11.0
Skyland/Skyland-S. Buncombe Fletcher	9.1	9.1
Swannanoa	12.9	12.9
Upper Hominy/Upper Hominy S.D.	12.5	12.5
Woodfin/Woodfin N.C.	10.0	10.0
W. Buncombe/W. Buncombe N.W.	10.0	12.0
Other Districts Ad Valorem Tax Rate (in cents)		
Asheville City Schools	15.0	15.0

Summary:

In summary, the recommended FY2016 budget is \$387,541,381 and it maintains our current tax rate of 60.4 cents. As you consider the FY2016 budget, there are a couple of key thoughts to keep in mind. We prepare the recommended budget without a perfect picture of the future. Given what we know about the economy, the state and federal governments, and current challenges, we make our best assumptions. We will continue to follow closely state and federal activities that can impact our budget.

We appreciate the Board of County Commissioners' support and guidance as we prepare the budget. This budget focuses on maintaining quality in our core service areas that citizens need for their health, safety, and prosperity.

The next step will be for you to hold a public hearing on June 2, 2015 at 4:30 pm in the Commissioner Board Room at 200 College Street.

As always, Buncombe County Government is here to SERVE.

Respectfully submitted,

A handwritten signature in cursive script that reads "Wanda Greene".

Wanda S. Greene, PhD, CPA
County Manager