

Budget Discussion



FY25 Budget Strategies

Staff conducted a survey of North Carolina budget personnel around strategies used to balance budgets in FY25. Top responses were as follows:

1. Personnel strategies
2. Deferring capital
3. Increasing tax rate



1. Personnel Strategies

Position Count

From 133 to 33
(~\$10M in savings)

- 8 EMS – Headcount Only
- 9 DSS – Partial Contract & Revenue Offset
- 1 Permits – Revenue Offset
- 2 FJC – Partial Contract Offset
- 3 Solid Waste Enterprise Fund
- 10 Remaining Positions – Service Demands

Lapsed Salary/COLA

\$10M Lapsed Salary reduction (5%)

FY25 COLA Calculation: 4.89%
(\$7.1M)

FY25 NC Avg. COLA: 4.32%

Potential strategies:

- 4.32% COLA (\$0.8M in savings)
- 4.00% COLA (\$1.3M in savings)

Staggered Start Dates

\$267K in savings:

- Moved applicable positions off of July 1 start date

2. Deferring Capital

Reduce Pay-GO Funding

From \$2.9M First Pass to \$0.9M
(\$2.0M in savings)

- Deferred projects to future years
- Reallocated funding from closing older projects

Utilize Debt Funding

\$28.5M in debt funded costs
(\$25.1M capital + \$3.4M vehicles)

- All debt eligible capital projects and public safety vehicles are recommended to be debt funded to spread costs over long-term
- No FY25 debt service costs from FY25 debt funded projects or vehicles

Leasing Vehicles

\$0.8M in savings

- Budgeting for leasing all new FY25 General Government vehicles rather than cash purchase

FY2025 Second Pass Budget

\$416.5 million
projected revenues

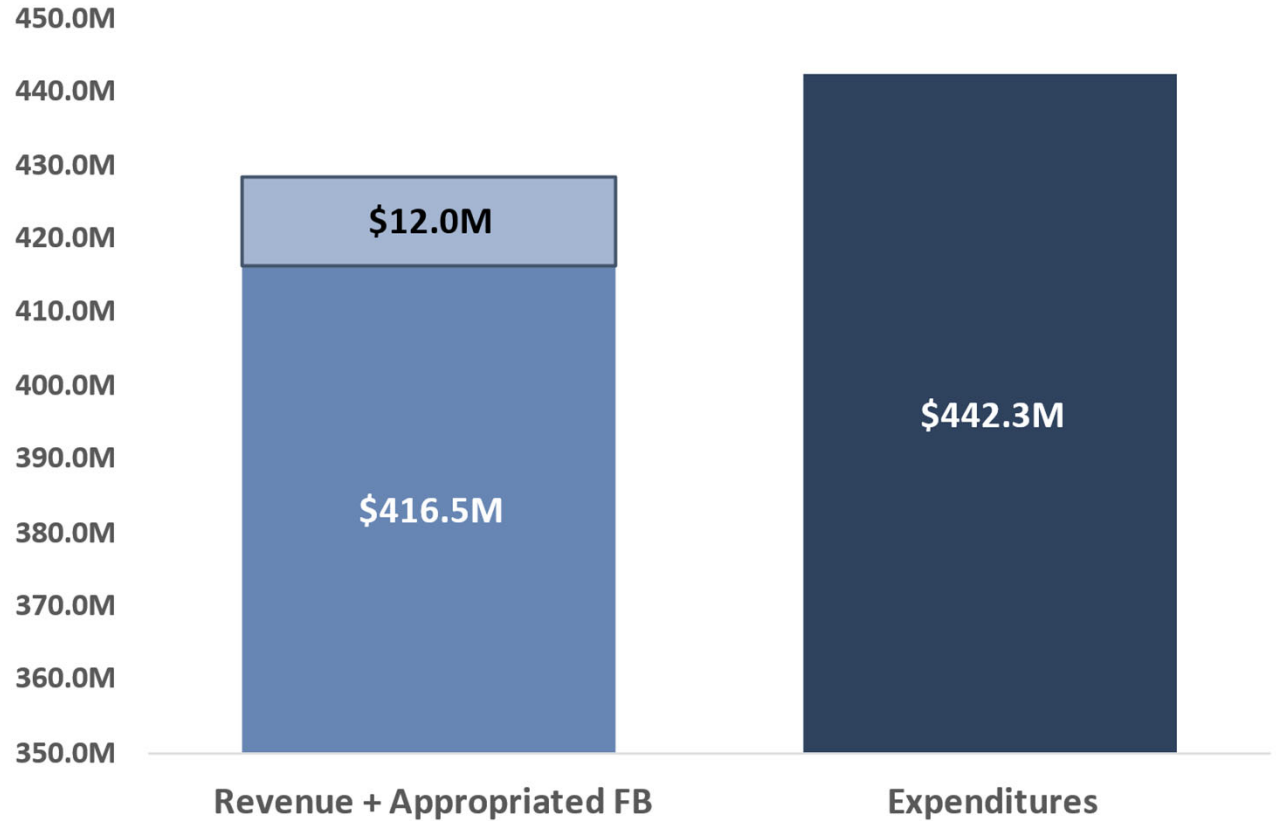
\$12.0 million
recommended appropriated
fund balance

\$442.3 million
projected expenditures

=

\$13.9 million
projected funding gap

(= 2.60¢ tax increase)



Note: Numbers above do not include 3.52% increase in funding for Education

Other Budget Drivers for Discussion

Option	Description	Amount
Affordable Housing Services Program (AHSP)	Annual allocation to ensure comprehensive opportunities for affordable and safe housing	\$2,311,845
Other Post-Employment Benefits (OPEB)	County contribution required in future years for Other Post-Employment Benefits	\$1,943,678
American Rescue Plan Act (ARPA)	Revenue replacement allows ability to fund projects outside of predefined ARPA expenditure categories. Reallocate funding from Broadband (\$1M)	\$1,000,000
Clean Water Fund	Provides funding to nonprofit and government organizations working to improve water quality in Buncombe County	\$100,000

*All recommendations except for ARPA are intended to be one-time (FY25) pauses in funding



3. Increasing Tax Rate

	\$ Amount	Equivalent Tax Rate Increase
County Operations Gap	\$13.89M	2.60¢
Recommended Education Funding	\$3.99M	0.75¢

Note: 1¢ tax rate increase = ~\$5.35M in FY25



Discussion

