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

<table>
<thead>
<tr>
<th>Reduce Pay-GO Funding</th>
<th>Utilize Debt Funding</th>
<th>Leasing Vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>From $2.9M First Pass to $0.9M ($2.0M in savings)</td>
<td>$28.5M in debt funded costs ($25.1M capital + $3.4M vehicles)</td>
<td>$0.8M in savings</td>
</tr>
<tr>
<td>• Deferred projects to future years</td>
<td>• All debt eligible capital projects and public safety vehicles are recommended to be debt funded to spread costs over long-term</td>
<td>• Budgeting for leasing all new FY25 General Government vehicles rather than cash purchase</td>
</tr>
<tr>
<td>• Reallocated funding from closing older projects</td>
<td>• No FY25 debt service costs from FY25 debt funded projects or vehicles</td>
<td></td>
</tr>
</tbody>
</table>


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

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

*All recommendations except for ARPA are intended to be one-time (FY25) pauses in funding*
### 3. Increasing Tax Rate

<table>
<thead>
<tr>
<th></th>
<th>$ Amount</th>
<th>Equivalent Tax Rate Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Operations Gap</td>
<td>$13.89M</td>
<td>2.60¢</td>
</tr>
<tr>
<td>Recommended Education Funding</td>
<td>$3.99M</td>
<td>0.75¢</td>
</tr>
</tbody>
</table>

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