



FY2025 Recommended Budget

Presented by

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May 21, 2024



Agenda

- Budget Process
- Economic Environment
- FY25 Highlights
- Budget By Function
- Personnel
- Capital, IT and Vehicles
- FY25 Budget
- Other Funds



Budget Calendar

| Date | Action |
|--------------------|--|
| September 29, 2023 | FY25 Budget Kickoff with Departments |
| October 27, 2023 | Position Requests Due from Depts |
| November 17, 2023 | Vehicle and Capital Requests Due from Depts |
| November 30, 2023 | FY25 Budget Board Retreat |
| January 26, 2024 | Budget Requests Complete from Depts |
| Jan-Feb, 2024 | Departments Meet with County Management |
| Mar-Apr, 2024 | Budget Work Sessions with the Board |
| May 9, 2024 | Education and Fire Districts Meet with the Board |
| May 21, 2024 | Recommended Budget |



Economic Environment

- Slowing revenue growth with one-time funding in rearview and moderating consumer spending
- Inflation is cooling but higher prices are new normal (21% higher since Feb. 2020¹)
- Low unemployment (2.9%²) and high cost of living
- Highly competitive labor market



¹ Consumer Price Index – All Urban Consumers, as of March 2024

² U.S. Bureau of Labor Statistics, as of May 2024

FY25 Recommended Budget

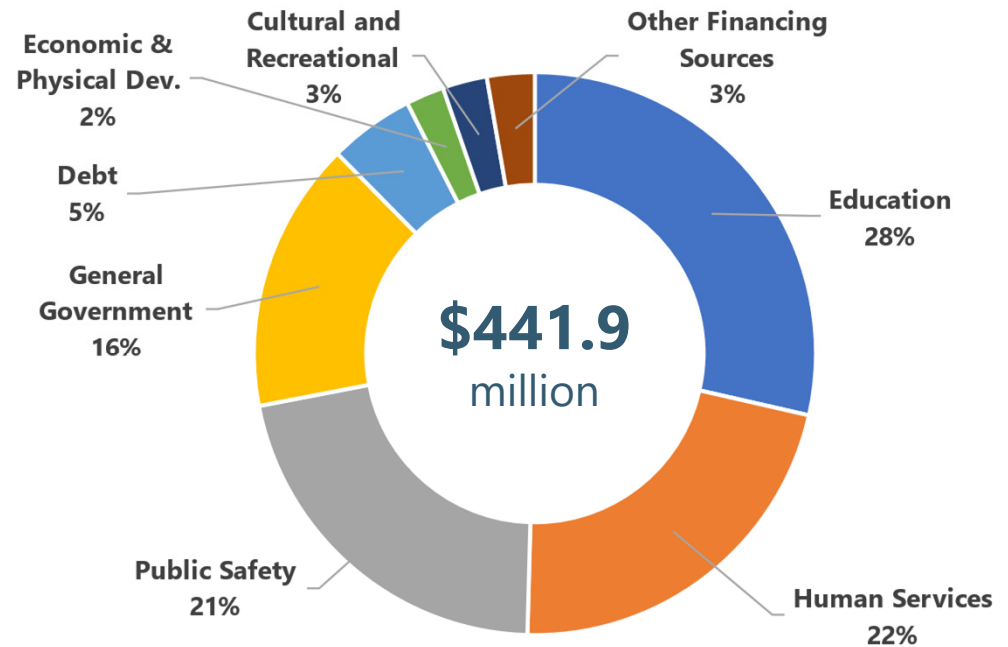
- 4% revenue growth
 - 3.52% unrestricted revenue growth rate
- 1% increase in expenditures
- Continued investment in priorities
- 4.89% COLA
- 52.35 cent tax rate
 - Increase of 1.8 cents for County Operations
 - Increase of 0.75 cents for K-12 increase to local current expense



Expenditure Budget by Function

(millions of \$)

| Function | FY2025 Recommended |
|---------------------------|--------------------|
| Education | 126.2 |
| Human Services | 96.7 |
| Public Safety | 95.3 |
| General Government | 69.0 |
| Debt | 21.7 |
| Economic & Physical Dev. | 9.7 |
| Cultural and Recreational | 11.3 |
| Other Financing Sources | 12.1 |
| Total | 441.9 |



Public Safety Investments

Emergency Services

- Continuing to modernize EMS fleet and commit to staffing (**8 additional paramedics** for upcoming base)
- Investment in resilience and training through apprenticeships

911 Communications

- Backup Center design under way at 35 Woodfin
- Staffing contract to ensure timely answering of calls

Sheriff

- Increased investment in Jail health and mental health
- Support of co-responder model (**2 positions**)
- 20 hybrid vehicles

Justice Services

- Moving toward new County-led Family Justice Center model (**2 positions** in this budget)
- **\$14.4M** investment in Public Safety Capital Projects for EMS Bases and Detention Center infrastructure



Education Investments

Buncombe County Schools

- Local Current Expense - **\$98.9M**
 - Increase of \$3.4M

Asheville City Schools

- Local Current Expense - **\$18.3M**
 - Increase of \$623k
- Maintain tax rate of 10.62 cents

AB Tech

- County contribution - **\$8.4M**
 - Increase of \$286k

Early Childhood Education

- **\$3.9M** investment in Early Childhood programs

Education Support

- **\$80k** in Special Projects
- **\$434k** in contracts to other education projects
- School Nursing and Social Work Support (HHS)
- School Resource Officers (Sheriff)

Capital Support

- **\$4.1M** additional investment in Solar on Public Buildings and Schools



Human Services Investments

Division of Social Services

- Bringing community assistance benefits back in-house to deliver ~\$3.3M in benefits (**4 new positions** in this budget)
- Managing Medicaid Expansion (**1 new position** for additional call volume)
- Continued funding of GRACE center and staffing for foster care visitation (**4 positions**)

Public Health

- Continued support of mobile health team with mobile unit coming online
- Behavioral health investments through opioid settlement funding (**\$3.3M** in FY25)

Aging Services

- **\$500k** in funding of HCCBG contracts to support this population



Cultural and Recreational Investments

Libraries

- Continuing to manage 11 branches across the County
- Continued support of Library staffing plan (**1 new position**)
- Increased demand and support for online services

Parks & Recreation

- Maintaining CORE services and programming at our 13 County Parks and five pools
- Completion of Master Plan due this year to guide future investment and development
- Continued recreational grant funding to promote community health and well-being
- **\$450k** in grant match for Enka Recreation Destination Phase II
- Open Space projects for recreation at Ferry Road and Deaverview Mountain



Economic and Physical Development Investments

Planning

- Continued efforts on implementation of the 2043 Comprehensive Plan
- Addressing demand for code enforcement (**1 new position**)

Permits & Inspections

- Increased administrative capacity for management of workload (**1 new position**)
- **\$75k** investment in the Code Enforcement Pilot for outreach and condemnation prevention

Property Assessment

- Completing 2025 Revaluation and implementing initiatives recommended by the Ad Hoc Reappraisal Committee (**\$720k** investment in Reappraisal Reserve Fund)
- **1 additional position** for Business Property Appraisal

Economic Development

- Continued investment in our Incentive programs (**\$2.6M**)



General Government Investments

Elections

- **\$308k** investment over FY2024 in Elections for the Presidential election year

General Services & Fleet

- Maintenance and repair for Detention Center (**1 new position**) and Fleet (**1 new position**)

Human Resources

- Continuing to support all employees and departments (**1 new position**)

Community Investments

- Continued support for Affordable Housing (**\$2.3M**) and Conservation Easements (**\$750k**) in addition to managing the allocation for the Affordable Housing and Open Space General Obligation Bonds
- Commitment to Community Repairs (**\$520k**)
- **\$3.7M** investment in Facility Assessment Renovation and Repair
- **\$426k** investment in Electric Vehicle Charging Infrastructure

Information Technology

- Continuing support of software systems across the organization (**1 new position**)

FY25 Debt Service

General Fund

- Total = **\$21.7M**
- Existing (Limited Obligation Bonds) = **\$17.8M**
- 2024 Issuance (GO Bonds, FY24 vehicles, etc.) = **\$3.9M**

Other Funds

- Public School Capital Needs Fund = **\$25.4M**
- AB Tech Fund = **\$6.6M**
- Solid Waste Capital Projects Fund = **\$2.9M**

Reserve Policy (Pending)

- To ensure funding for capital program and aid in forecasting fiscal capacity
- Recommend to establish annual transfer to potential Capital Reserve Fund and/or Debt Service Fund
- Base annual transfer = 120% of annual General Fund debt obligation
- Grow at compounded rate between 2% and annual % change in CPI-U



Personnel

| Function | New Positions |
|---------------------------------|---------------|
| Public Safety | 13 |
| Human Services | 9 |
| General Government | 5 |
| Economic & Physical Development | 2 |
| Cultural & Recreational | 1 |
| General Fund | 30 |
| Solid Waste | 3 |
| Enterprise Fund | 3 |
| Total | 33 |

| Changes (millions of \$) | |
|--|--------------|
| Reduction resulting from staggered start dates | -0.3 |
| Salary reduction for vacancy and turnover | -10.0 |
| Reduction from 133 requested positions to 33 recommended | -10.0 |

FY2025 COLA Calculation

$$\frac{\left(\frac{300.728 - 273.925}{273.925} \right)}{2} = 4.89\%$$

\$20.3M

In Reductions from Personnel Strategies

FY2025 Recommended Capital and IT Projects



FY25 Capital Improvement Plan – Debt Projects

| FY25 Recommended Capital Projects | Department | FY2025 Recommended | Ongoing Annual Cost |
|--|------------------------|-----------------------|------------------------|
| EMS Local Base - Design | Emergency Services | \$0.8M | \$1.6M |
| EMS Regional Base - Land & Design | Emergency Services | \$1.8M | \$1.7M |
| Shelter Resiliency Generator Project | Emergency Services | \$2.3M | Minimal |
| 205 College St. Renovation & Repair | General Services | \$1.2M | Minimal |
| Countywide Roofing and Parking Decks Renovation & Repair | General Services | \$2.5M | Minimal |
| New Parks and Recreation Facility - Design | General Services | \$0.2M | Minimal |
| Public Safety Interoperability Partnership Core System Replacement | Information Technology | \$10.0M | \$650K |
| Detention Center Facility Assessment Renovation & Repair | Sheriff's Office | \$1.9M | Minimal |
| Electric Vehicle Charging Infrastructure | Sustainability | \$0.4M | Minimal |
| Solar on Public Buildings and Schools | Sustainability | \$4.1M | -\$200K |
| Total | | \$25.1M | |

FY25 Capital Improvement Plan – Pay-Go Projects

| FY25 Recommended Capital Projects | Department | FY2025 Recommended | Ongoing Annual Cost |
|---|---------------------|--------------------|---------------------|
| Comprehensive Facility Assessment Renovation & Repair | General Services | \$0.3M | Minimal |
| Enka Recreation Destination - Phase II | Recreation Services | \$0.5M | \$70K |
| Detention Center Dryer Installation | Sheriff's Office | \$0.3M | Minimal |
| Total | | \$1.0M | |

Note: Enka Recreation Destination is a \$3.7M match for a grant from the TDA and the contribution will be spread over four years. The actual transfer from the General Fund for the projects above will only be \$154K due to savings realized from closing older capital projects and grants.

FY25 Information Technology Projects

| Department | Request | FY2024 Recommended | Ongoing Annual Cost |
|--------------------|-------------------------------------|-----------------------|------------------------|
| CAPE | Content Management System (Website) | \$225K | TBD |
| Emergency Services | EMS Inventory Management | \$11K | \$7K |
| Legal and Risk | Enterprise Risk Management | \$41K | \$35K |
| Sustainability | Energy Manager Replacement | \$3K | \$3K |
| Finance | Cobblestone Digital Signature | \$8K | \$8K |
| Finance | Cobblestone Collaboration | \$15K | \$2K |
| Total | | \$303K | \$55K |

Recommended Vehicles for Debt Funding

| Department | Vehicles | FY2025 Recommended |
|---------------------------------------|---|-----------------------|
| Sheriff's Office | 20 Hybrid SUVs w/ upfit (replacements) | \$1.3M |
| Emergency Services - EMS (Ambulances) | 4 Ambulances & 3 Ambulance Chassis | \$1.7M |
| Emergency Services - EMS | 2 Hybrid SUVs w/ upfit (new & replacement) | \$128K |
| Emergency Services - Em. Management | 1 Hybrid SUV w/ upfit (replacement) | \$64K |
| Emergency Services - PSTC | 1 Hybrid Truck w/ upfit (new) | \$54K |
| Recreation Services | 1 Electric Cargo Van (replacement) & 1 Gas Box Truck (new) w/ upfit | \$145K |
| TOTAL | | \$3.4M |

Note: Though not Public Safety vehicles, the two Recreation Services vehicles were determined to not be good fits for leasing due to the amount of upfits required.

Recommended Vehicles for Lease

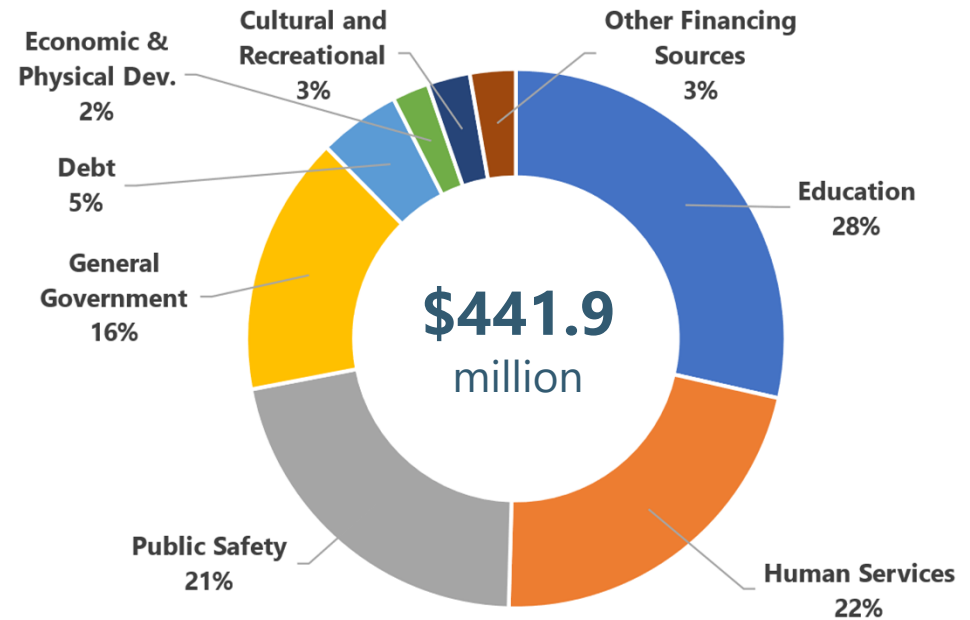
| Department | Vehicles | FY2025 Recommended |
|---|---|-----------------------|
| Health & Human Services - DSS | 10 Hybrid SUVs (1 replacement & 9 new) & 3 Electric SUVs (new) | \$119K |
| Health & Human Services - Public Health | 3 Hybrid Sedans (new), 1 Elec. Truck & 1 Hybrid Truck (replacement) | \$48K |
| General Services | 2 Electric Trucks (new & replacement) | \$26K |
| Planning | 1 Electric Trucks (new) | \$13K |
| Agriculture & Land Resources | 1 Electric Truck (new) | \$13K |
| Permits & Inspection | 2 Electric Trucks (replacement) | \$26K |
| TOTAL | | \$247K |

Note: In FY25, purchasing these same vehicles is estimated to have cost \$0.9M. Leasing results in an initial savings of around \$0.7M in FY25.

Expenditure Budget by Function

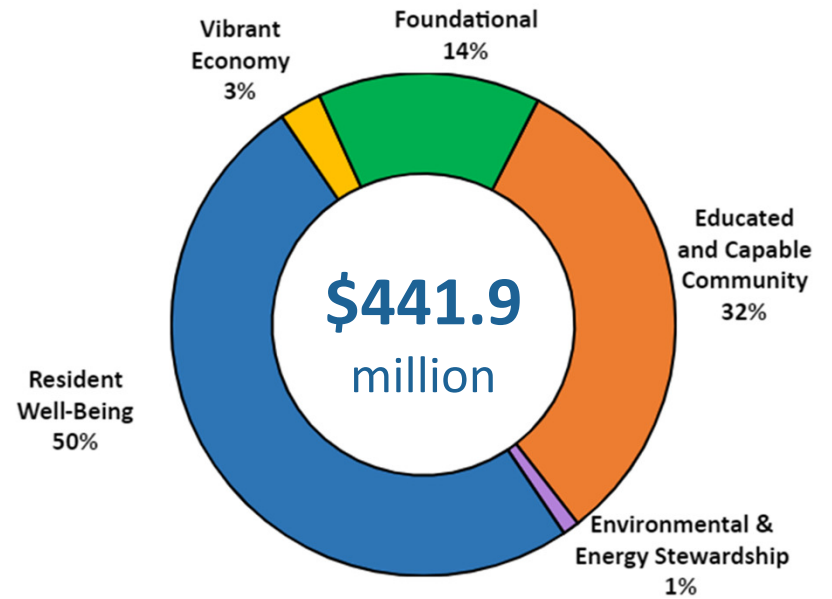
(millions of \$)

| Function | FY2024 Amended | FY2025 Recommended | Variance |
|---------------------------|-------------------|-----------------------|-----------|
| Education | 122.2 | 126.2 | 3% |
| Human Services | 96.3 | 96.7 | 0% |
| Public Safety | 90.5 | 95.3 | 5% |
| General Government | 72.2 | 69.0 | -5% |
| Debt | 19.9 | 21.7 | 9% |
| Economic & Physical Dev. | 10.5 | 9.7 | -7% |
| Cultural and Recreational | 10.9 | 11.3 | 4% |
| Other Financing Sources | 14.2 | 12.1 | -15% |
| Total | 436.8 | 441.9 | 1% |



Advancing our Strategic Plan: Budget by Focus Area

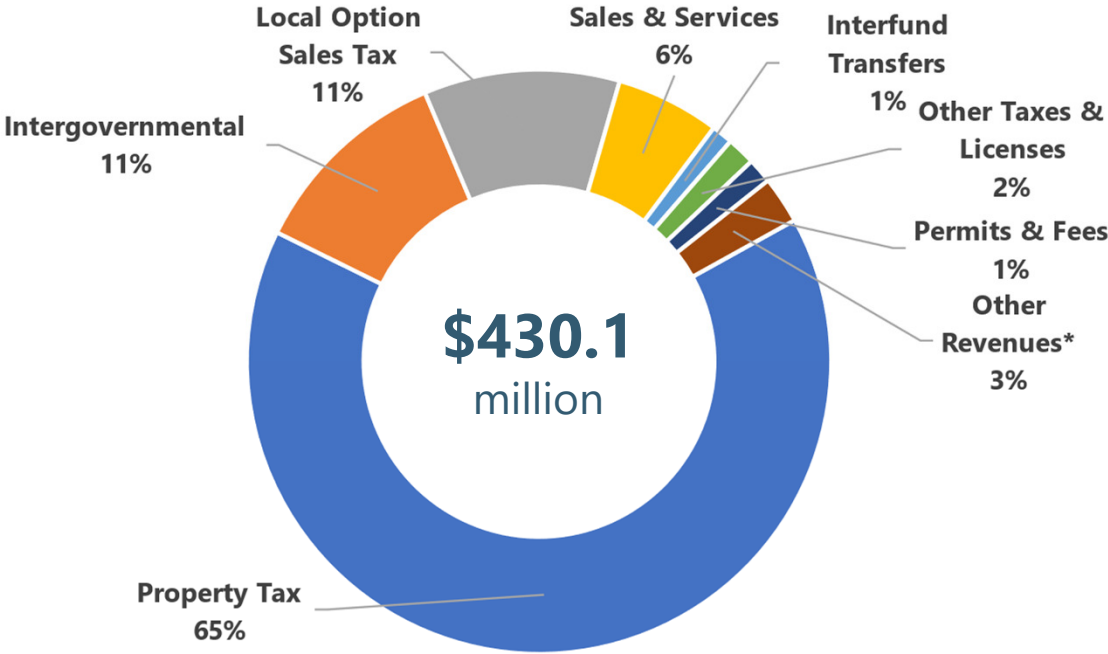
| Strategic Focus Area | |
|------------------------------------|-----------------|
| Educated and Capable Community | \$141.4M |
| Environmental & Energy Stewardship | \$4.4M |
| Resident Well-Being | \$221.0M |
| Vibrant Economy | \$13.3M |
| Foundational | \$61.9M |
| Total | \$441.9M |



Revenue Budget by Source

(millions of \$)

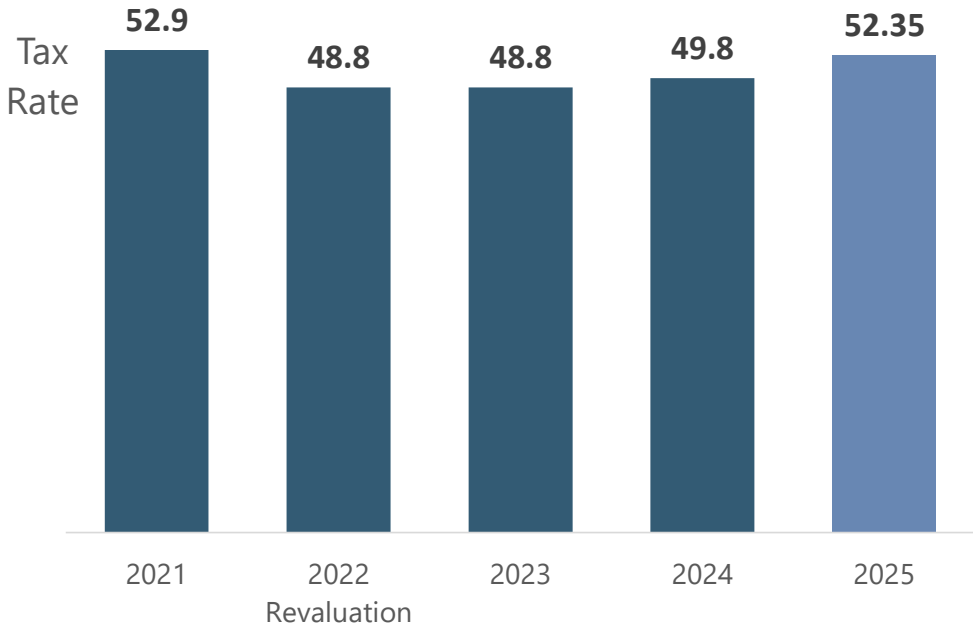
| Revenue Source | FY2025 Recommended |
|---------------------------|--------------------|
| Property Tax | 281.1 |
| Intergovernmental | 48.7 |
| Local Option Sales Tax | 46.6 |
| Sales & Services | 24.8 |
| Interfund Transfers | 5.0 |
| Other Taxes & Licenses | 6.8 |
| Permits & Fees | 5.9 |
| Other Revenues* | 11.2 |
| Total | 430.1 |
| Appropriated Fund Balance | 11.8 |
| Total | 441.9 |



*Note: Other Revenue includes indirect cost recovery, investment earnings, program revenue, and sale of assets



FY2025 Recommended General Fund Budget



FY2025 Recommended

| | |
|---------------------------|---------------|
| Revenues | \$430,118,938 |
| Expenditures | \$441,905,358 |
| Appropriated Fund Balance | \$11,786,420 |



Investments in Other Funds

Solid Waste Enterprise Fund

- **\$180k** investment in the countywide cleanup initiative
- Bringing in new contractor for waste collection
- Continuing efforts of recycling and composting while maintaining landfill and transfer station
(3 new positions)

911 Fund

- Additional equipment and maintenance
- Funding of backup center

Opioid Settlement Fund

- Continuing efforts of harm reduction (**\$3.3M**)



Reference Documents

The following materials are available for review with the May 21st agenda at www.BuncombeCounty.org/governing/Commissioners:

- FY2025 Recommended Budget in Brief, which includes:
 - County Manager’s message
 - Recommended Capital Improvement Plan (CIP)
 - Recommended community funding awards
- Interactive Budget Explorer
- FY2025 Fee Schedule
- FY2025 Classification and Compensation Plan



Appendix



FY2025 Recommended Special District Tax Rates



FY2025 Special District Recommended Tax Rates

| Tax District | FY2024 Tax Rate | FY2025 Requested Tax Rate | FY2025 Recommended Tax Rate |
|------------------------|-----------------|---------------------------|-----------------------------|
| Asheville City Schools | 10.62 | 12.00 | 10.62 |
| Asheville Special | 8.36 | 8.36 | 8.36 |
| Asheville Suburban | 8.97 | 8.97 | 8.97 |
| Barnardsville | 22.00 | 22.00 | 22.00 |
| Broad River | 16.00 | 16.00 | 16.00 |
| East Buncombe | 10.69 | 10.69 | 10.69 |
| Enka-Candler | 12.00 | 12.00 | 12.00 |
| Fairview | 14.50 | 16.00 | 16.00 |
| French Broad | 22.20 | 22.20 | 22.20 |
| Garren Creek | 13.84 | 13.84 | 13.84 |
| Jupiter | 12.75 | 12.75 | 12.75 |

| Tax District | FY2024 Tax Rate | FY2025 Requested Tax Rate | FY2025 Recommended Tax Rate |
|----------------|-----------------|---------------------------|-----------------------------|
| Leicester | 14.03 | 14.03 | 14.03 |
| North Buncombe | 10.77 | 12.27 | 12.27 |
| Reems Creek | 15.07 | 15.07 | 15.07 |
| Reynolds | 11.24 | 11.24 | 11.24 |
| Riceville | 16.60 | 16.60 | 16.60 |
| Skyland | 9.80 | 9.80 | 9.80 |
| Swannanoa | 14.00 | 14.00 | 14.00 |
| Upper Hominy | 19.00 | 19.00 | 19.00 |
| West Buncombe | 13.50 | 13.50 | 13.50 |
| Woodfin | 10.59 | 10.59 | 10.59 |

