



FY25 Budget Reductions

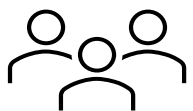
Presented by

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Prevailing Economic Conditions



Unemployment is above 10,600 as of November



9,200 residential units damaged; new construction activity down significantly



Occupancy tax down \$5.9M vs. prior year as of November



Sales tax down \$1M vs. prior year as of October



FY25 Revenues

Category	FY2025		
	Amended	Projection Range	
Property Tax	278.0M	-6.5M	-4.8M
Sales Tax	46.6M	-7.5M	-3.5M
Intergovernmental	49.4M	-3.2M	-1.2M
Sales and Services	24.9M	-4.5M	-3.7M
Other Revenues	30.0M	-3.9M	-2.0M
Revenue	428.9M	-25.7M	-15.1M

\$15.7M of appropriated fund balance is budgeted to balance the FY25 budget



How Do We Achieve Reductions?

- Hiring Freeze - Currently 89 vacancies
- Programmatic reductions across Public Health, Social Work Services, Justice Services, Economic Development, and Economic Services
- Defer IT infrastructure and postpone software implementation
- Deferred Scheduled Maintenance of County facilities and planned Energy Efficient upgrades
- Reductions in Animal Shelter Capacity & Operations, Library & Recreation Programming, & Medical Supplies
- Delayed Purchase/Replacement of Non-Capital Equipment
- Reductions in Tax Reappraisal Funding, Future Conservation Easements, and Early Childhood Education funding



FY25 Expenditure Reduction Summary

Function	FY25 Amended Total Budget	FY25 Amended Remaining Budget	Reduction
Salaries & Benefits	\$197,803,861	\$94,323,045	\$4,166,542
Operating	\$60,550,820	\$17,722,409	\$5,078,174
Program Support	\$21,728,475	\$7,262,636	\$2,497,962
Capital Outlay	\$5,060,607	\$414,361	-
Transfers & Other Finan	\$10,845,574	\$1,587,103	\$1,000,000
Debt Service	\$21,656,974	\$18,278,520	-
Contingency	\$500,000	\$500,000	-

\$318.1M

\$140.1M

\$12.7M

(9% of remaining budget)

% of Available Fund Balance remaining 9-12%



State Statute

- GS 159-13(b)(9) “Appropriations...may not be reduced after the budget ordinance is adopted...unless a general reduction in county expenditures is required because of prevailing economic conditions.”

Before that:

- a) Hold a public meeting at which the school board is given the opportunity to present information on the impact of the reduction.
- b) Take a public vote on the decision to reduce.



Timeline

- 12/17/2024 County Manager Contacted Superintendents
- 12/19/2024 Official Memo submitted to Superintendents that item will be on agenda of January 21st Commission Meeting
- 1/9/2025 Published Agenda for Joint Work Session
- 1/16/2025 Joint Work Session



BOCC Mid-Year Budget Tools



- Decrease Spending
- Decrease Contracted Services



- Cannot raise taxes mid-year (NCGS 159-15)
- Cannot change School Capital Fund Commission Funding (SL 2016-19)
- Cannot change Art. 40/42 School Capital Funding (NCGS 105)



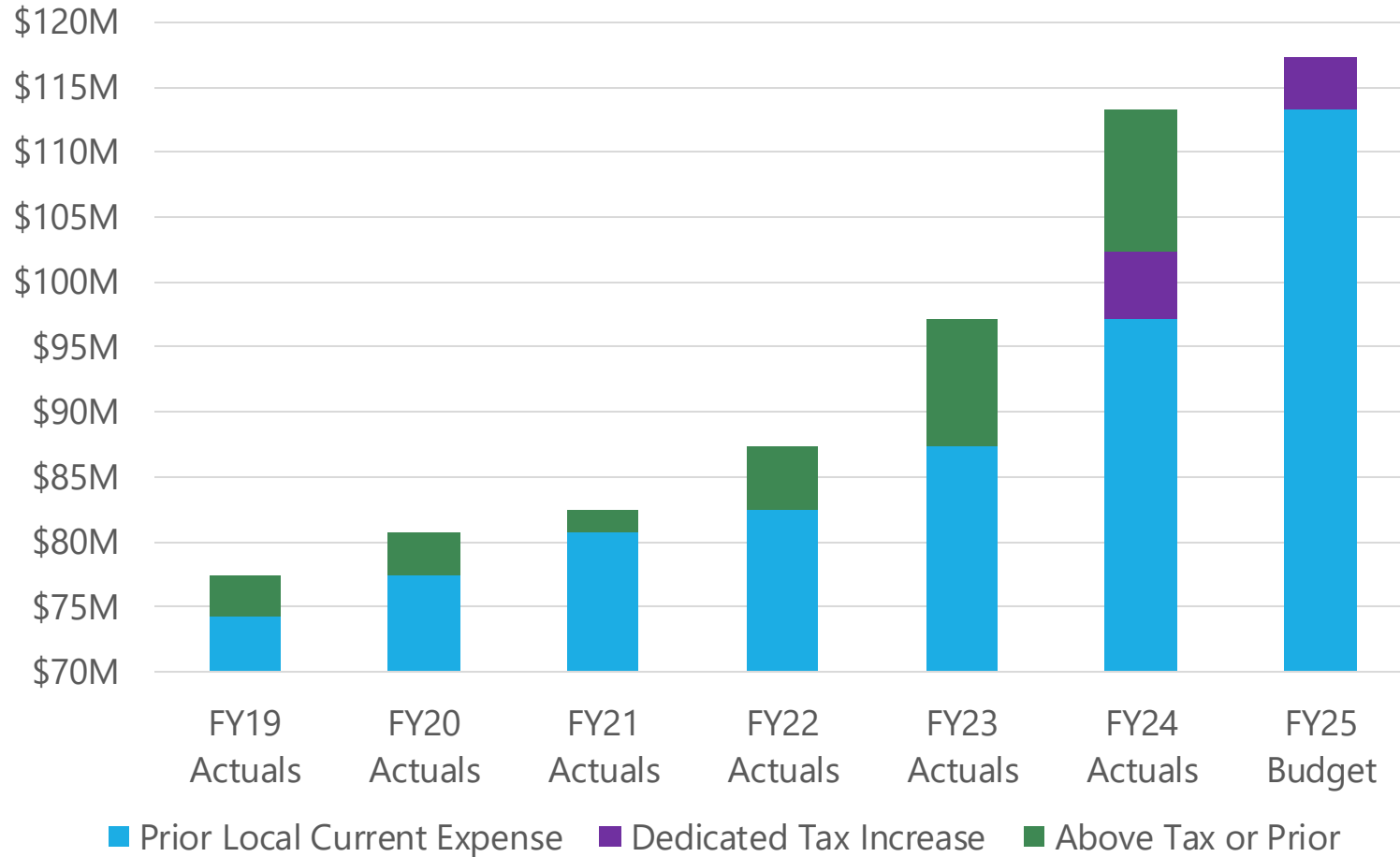
Fund Balance

	Available Fund Balance (\$)	Available Fund Balance (%)	
Ending FY23	\$86,069,168	21.46%*	
Ending FY24	\$70,332,274	16.38%	Actual Use of Fund Balance: \$11,108,384
Projected FY25	\$41M to \$57M	9.5%-13.5%	Based on the projection range of revenues plus the reduction request, equaling \$13.2M-\$28.7M in use of Fund Balance

*A contribution to capital was not made because it failed the two-point test of also being above 20% of Unassigned Fund Balance.



Historical K-12 Operational Funding



FY24 Use of Fund Balance

- Buncombe County used **\$11,108,384**
- Buncombe County Schools returned **\$8,475,796**
- Asheville City Schools returned **\$2,259,915**



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Capital Outlay	\$5,060,607	
Transfers & Other	\$10,845,574	\$1,000,000
Debt Service	\$21,656,974	
Contingency	\$500,000	
Education	\$126,475,477	\$4,815,450

\$444.6M **\$17.6M**

% of Available Fund Balance remaining
10.5%-13.5%



Request for Action

- Approve budget amendment to reduce local current expense

