



**Wanda Greene, PhD, CPA**  
County Manager

## Buncombe County Manager

**Jon Creighton, MBA**  
Assistant County Manager / Planning Director

**Mandy Stone, MSW**  
Assistant County Manager / DSS Director

May 15, 2012

Buncombe County Board of Commissioners:

The Honorable David Gantt, Chairman  
The Honorable William (Bill) Stanley, Vice-Chairman  
The Honorable K. Ray Bailey  
The Honorable Holly Jones  
The Honorable Carol Peterson

Mr. Chairman and Members of the Board:

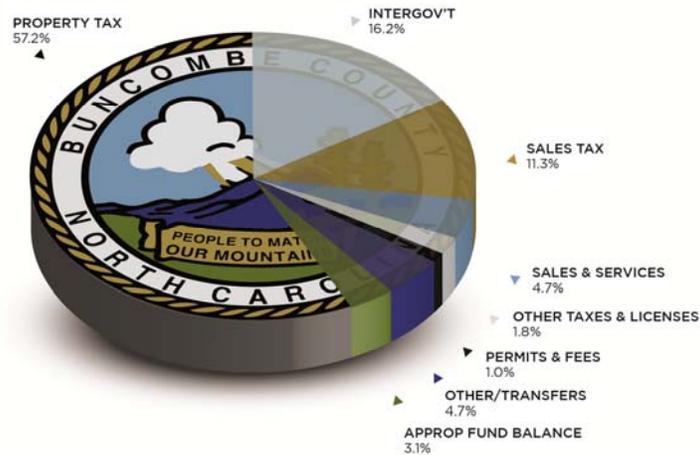
It is my pleasure and privilege to present Buncombe County's Fiscal Year 2012-2013 (FY2013) Budget Estimate of \$337,702,237. The budget is balanced and prepared under the guidelines of the North Carolina Local Government Budget and Fiscal Control Act. This balanced budget uses our current 52.5 cent tax rate and includes a General Fund Budget Estimate of \$265,830,585 and Non-General Fund operating plans totaling \$71,871,652. This is a 1% increase over the FY2011/12 budget. Since the non-general fund operation plans are paid for with fees and special revenues, this message focuses on the General Fund portion of the budget.

We believe the FY2013 Budget Estimate continues our strong financial management of County resources. Following is information on revenues and expenditures specific to the FY2013 Budget Estimate:

### **Revenues - Where the Money Comes From:**

Property tax represents 57.2 percent of our general fund revenue. In North Carolina, counties can access only those limited revenue streams that the North Carolina General Assembly authorizes counties to use. While conditions continue to improve in certain sections of the economy, public sector revenue streams have not returned to the pre-recession levels. The following chart reflects the sources of revenue included for the general fund budget:





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

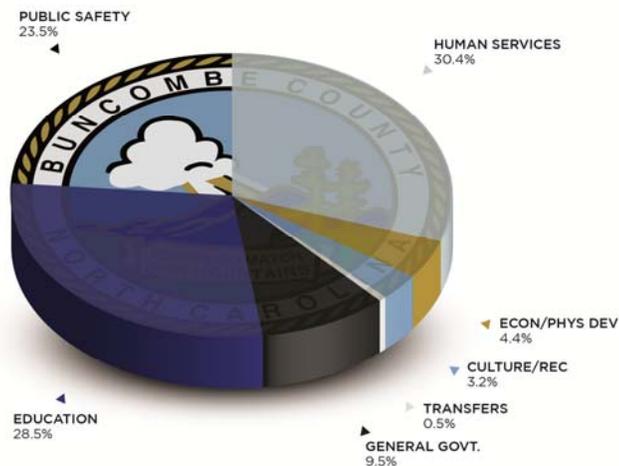
Revenue Source	Revenues	% of 2013 Budget
Property Tax	\$152,174,182	57.2%
Intergovernmental	43,041,744	16.2%
Sales Tax	30,017,067	11.3%
Other Taxes & Licenses	4,723,520	1.8%
Permits & Fees	2,609,745	1.0%
Sales & Services	12,474,333	4.7%
Other Revenues	12,433,238	4.7%
Fund Balance	8,356,756	3.1%
<b>TOTAL</b>	<b>\$265,830,585</b>	<b>100%</b>

### Expenditures - Where the Money Goes:

We are budgeting a 0.8% percent increase in property tax based on some growth in the assessed values and improved collections. We also budgeted a 6 percent increase in sales tax based on actual collections over the last 12 months.

We continue to focus on providing core services to our citizens. This budget holds departments at previous year programming levels except in the core, mandated services that are experiencing case load growth. The budget also continues City School, County School and ABTCC operational funding at the FY2012 levels.





While funding remains relatively level, demand for service, especially public safety and human service, continues to increase.

Core business budgets consume 82.4 percent (\$219,139,622) of our FY2013 General Fund Budget Estimate. The history of core service expenditures are reflected in the following table:

Function	Adopted Expenditures					
	FY2011	<i>NCC</i>	FY2012	<i>NCC</i>	FY2013	<i>NCC</i>
Education	72,490,575	<i>63,755,300</i>	75,531,762	<i>66,453,589</i>	75,809,954	<i>66,153,591</i>
Human Services	76,420,365	<i>33,523,656</i>	79,249,542	<i>37,725,686</i>	80,871,220	<i>40,842,803</i>
Public Safety	56,730,379	<i>47,505,452</i>	59,544,009	<i>48,438,302</i>	62,458,448	<i>50,373,431</i>
Total Exp	205,641,319	<i>144,784,408</i>	214,325,313	<i>152,617,577</i>	219,139,622	<i>157,369,825</i>
% of Budget	81.3		83.2		82.4	

\*NCC = Net County Cost

The increases in the FY2013 budget are driven by: loss of federal funding for mandated Social Services (\$2.5m); federal government narrow banding requirements for radio systems (\$700,000); fuel cost increases for fleet and utilities (\$400,000); job creation incentives (\$2.5m); general election (\$700,000); reappraisal (\$200,000); and infrastructure investments in public safety and the Civic Center (\$640,000 and \$340,000 respectively).

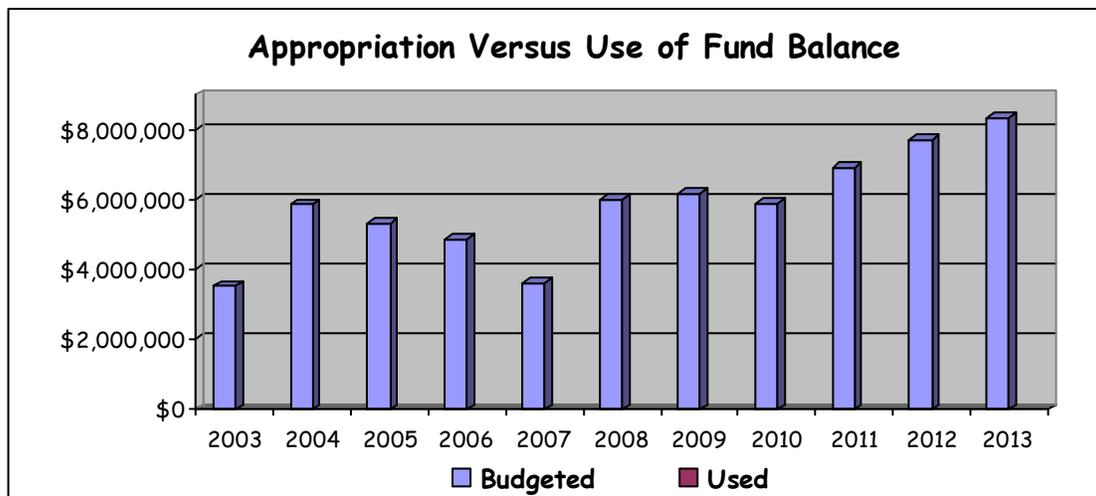


The balance of the General Fund budget includes services such as administration, information technology, finance, human resources, facilities, tax, election services, Register of Deeds, economic development, planning, permitting, recreation, and libraries. The following table reflects the expenditure breakdown for the General Fund:

Function	Expenditures	Revenues	Net County Cost	% of Total Budget
General Government	\$25,198,040	\$5,119,125	\$20,078,915	9.5%
Education	75,809,954	9,656,363	66,153,591	28.5%
Public Safety	62,458,448	12,085,017	50,373,431	23.5%
Human Services	80,871,220	40,028,417	40,842,803	30.4%
Economic/Phys Dev	11,659,303	574,924	11,084,379	4.4%
Culture/Recreation	8,588,947	1,205,066	7,383,881	3.2%
Capital/Transfers	1,244,673	0	1,244,673	0.5%
<b>TOTAL</b>	<b>265,830,585</b>	<b>68,668,912</b>	<b>197,161,673</b>	<b>100%</b>

### Balancing the Budget:

Fund Balance Appropriation is one means to help lower the burden on property tax owners. Each year we appropriate fund balance with the challenge to save the appropriated amount. Historically, we have been able to do that, and we expect to be able to achieve this savings in FY2013. The FY2013 Budget Estimate includes a fund balance appropriation of \$8,356,756. 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 current and 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	FY2012 Tax Rate	FY 2013 Requested Tax Rate
Asheville Suburban	8.5	8.5
Barnardsville/Barnardsville N.E.	15.0	15.0
Beaverdam/Beaverdam N.C.	11.0	11.0
Broad River	10.0	10.0
East Buncombe	9.0	9.0
Enka-Candler	7.5	7.5
Fairview	7.5	9.0
Fletcher	7.8	7.8
French Broad	12.0	12.0
Garren Creek	14.0	14.0
Haw Creek-Asheville	9.0	9.0
Haw Creek-Reems Creek	9.0	9.0
Haw Creek-Riceville	9.0	9.0
Jupiter	9.5	9.5
Leicester/Leicester N.W.	10.0	10.0
N. Buncombe /N. Buncombe N.E.	10.6	10.6
N. Buncombe N. C.	10.6	10.6
Reems Creek/Reems Creek N.C.	12.0	12.0
Reems Creek N. E.	12.0	12.0
Reynolds	11.0	11.0
Riceville	11.0	11.0
Skyland/Skyland-S. Buncombe	7.8	7.8
Swannanoa	12.0	12.0
Upper Hominy/Upper Hominy S.D.	11.0	11.0
Woodfin/Woodfin N.C.	10.0	10.0
W. Buncombe/W. Buncombe N.W.	9.0	9.0
School District Ad Valorem Tax Rate (in cents)		
Asheville City Schools	15.0	15.0

These are difficult and uncertain economic times that require discipline and sacrifice in all aspects of government and life in general. The County continues to use the current



economic climate as an opportunity to reorganize and streamline operations leading to a leaner organization that is more effectively and efficiently serving our citizens.

We appreciate the Board of County Commissioners' support and guidance as we serve our citizens. That guidance has been critical in these economically turbulent times. We are in the people business - and that includes a wide spectrum of services. With continuing economic challenges, we find our citizens need our services even more than in years past. Every day most of our employees touch a person's life, often having a very significant impact on the person and our community. This budget focuses on maintaining quality in our core service areas that citizens need most.

It is our intention to SERVE our citizens well within the constraints that honor the need to hold costs down for all citizens while serving more citizens than have traditionally needed our services.

As always, Buncombe County Government is here to SERVE.

Respectfully submitted,



Wanda S. Greene, PhD, CPA  
County Manager

