

MEMORANDUM

September 8, 2011

TO: Mayor Bellamy and City Council Members

FROM: Gary W. Jackson, City Manager *AX*

SUBJECT: 2011-12 Adopted Annual Budget

I am pleased to present you with a copy of the 2011-12 Adopted Annual Budget. This document, which was prepared by the City's Budget & Research Division, reflects the City's overall budget plan and policies as approved by City Council for the upcoming fiscal year.

The Fiscal Year 2011-12 Proposed Annual Operating Budget was formally presented to City Council on April 26, 2011. In accordance with the North Carolina Local Government Budget and Fiscal Control Act, a summary of the budget along with a notice of the public hearing was published on April 29 and May 6, 2011. City Council conducted a public hearing on the proposed budget on May 10, 2011. The Fiscal Year 2011-12 budget is balanced with a tax rate of \$0.42 per \$100 of assessed valuation, which represents no change from the previous fiscal year. All essential City programs and services are maintained.

The Adopted Annual Operating Budget includes three changes that were approved by Council after the Proposed Budget was published. Those changes are:

1. Recycling Program Enhancements: At its May 10, 2011 meeting, Council approved enhancements to the household recycling program that included the purchase of 95 gallon containers. To fund this additional cost, Council approved an increase in the household recycling fee of \$0.55 per month. Since the program enhancements and the fee increase will not take place on July 1, 2011, staff only included a partial year's worth of revenue and expenses in the FY 2011-12 operating budget. The amount added to the FY 2011-12 operating budget totaled \$180,000.
2. Funding for the Asheville-Buncombe Regional Sports Commission: Also at the May 10, 2011 meeting, Council approved the addition of \$45,000 to the FY 2011-12 operating budget to provide support to the Asheville-Buncombe Regional Sports Commission. This funding will provide the Sports Commission the resources it needs to hire a full time Executive Director that will continue the work of creating, recruiting, and supporting sporting events in the community.
3. COPS Hiring Program Grant: After the Proposed Budget was presented to Council, the City received notification that it will receive a grant award under the Fiscal Year 2011 Federal COPS Hiring Program. Council approved the City's application for COPS funding for 5 additional police officers. The grant award will be received in October. As a result, the \$129,000 in funding that was included in the Proposed Budget to hire three additional officers in association with the opening of the Hillcrest Bridge was removed from the Adopted Budget pending receipt of the COPS grant funds in October.

On the capital budget side, staff added \$1.5 million to the FY 2011-12 CIP to fund the purchase of the 95 gallon containers. This purchase will be debt financed and the debt service expenses are included in the operating budget adjustment mentioned above. Public Works staff has also updated its cost estimates for two projects that were included in the FY 2011-12 Proposed CIP that was presented to Council on April 26th. Staff is now anticipating that the Montford Street rebuild project will cost \$493,000, and the Wild Cherry bridge replacement will cost \$700,000. Both projects will be debt financed, and the new cost estimates do not change the overall CIP budget for FY 2011-12.