CAPITAL IMPROVEMENTS & DEBT MANAGEMENT

Narrative & Overview
General Capital Fund
Enterprise Capital Funds
Debt Management

CAPITAL IMPROVEMENT PROGRAM
2011/12 TO 2015/16

Capital Budget Process

The Capital Improvement Program (CIP) is a five-year financing plan for infrastructure improvements, facility construction and improvement, and equipment acquisition. The City's emphasis on long-range capital improvement planning focuses attention on the current and future needs of the community and on balancing those needs with the City's fiscal resources.

Expenditures in the General Capital Project section are divided into five categories: Multi-modal, Infrastructure, Buildings and Facilities, Equipment and Technology and Vehicle Replacement. Within each category, projects are organized by program area (i.e., street maintenance, sidewalk maintenance, etc.) or specific projects.

Project Selection

Every project or program area was submitted and evaluated using a team-based scoring model. After the scoring process, results were reviewed and optimized to ensure consistency with Council policy direction, Master Plan priorities and other qualitative factors. Some program areas have specific evaluation tools that help prioritize capital investments. Examples of these areas include:

- Streets – Every city street is evaluated and assigned a score based on condition, allowing the city to resurface the streets with the highest needs first.
- New Sidewalk Construction – Sidewalk projects were divided into two categories: major projects and minor projects. Major projects are considered to be higher capital investment projects that are good candidates for debt financing. These projects tend to be along DOT roads or other major traffic corridors. Minor projects are considered smaller capital investment projects that are good candidates for pay-go funding and in-house construction. These projects tend to be on city streets. Both groups of projects were scored and ranked based on criteria identified in the Pedestrian Thoroughfare Plan. The projects with the highest scores were considered for the available funding.
- Vehicle Replacement – All vehicles in the fleet were evaluated and assigned a score according to a model developed by the American Public Works Association. The model evaluates vehicle age, usage, type of service, reliability, condition and repair costs. The vehicles with the highest score are considered for replacement first.

CIP Structure and Outcomes

As adopted, the CIP projects $59.45 million in investments over five years, which is a 45% increase in funding when compared to the previous five years. This level of funding is slightly above "Scenario 2" that was presented at the City Council capital planning retreat. While the CIP assumes that the General Fund transfer to the capital budget remains flat all five years, the city is able to increase the overall level of capital investment by reinvesting funds into the capital program that are becoming available as a result of debt retirement in FY 11-12 and FY 13-14. If and when city revenues improve as a result of economic recovery, staff would recommend that City Council consider increasing the General Fund transfer to the capital budget in future years.

It is important to note that project detail in the CIP can and often changes during the year based various factors. Staff updates City Council within the quarterly financial reports on progress with capital projects.

The FY 11-12 capital improvement plan proposes investments totaling $17.55 million. This level of funding allows the city to make significant progress toward its capital goals and increases funding in almost every program area of the capital budget.

CAPITAL IMPROVEMENT PROGRAM
2011/12 TO 2015/16

SUMMARY OF MAJOR GENERAL CAPITAL PROJECTS

- The Street Resurfacing and Maintenance program includes $1.02 million in funding which represents a 30% increase in funding over the current year. This funding level will allow for the resurfacing of 5.9 miles of City streets. In addition to the resurfacing program, the CIP includes $293,000 for the Montford Avenue street rebuild project, which the first rebuild project funded in over five years.

- The amount allocated in the CIP for the City's sidewalk program in FY 2011-12 totals just over $2.0 million, which is nearly double the total funding in the current fiscal year. From this amount, $1.8 million is designated for new sidewalk construction. The specific projects that are adopted for FY 2011-12 are listed on page --. This $1.8 million investment is anticipated to produce 1.82 miles of new sidewalk in the City, which is nearly three times the level of output from the current year funding. Funding for maintenance of existing sidewalk is continued at the same level as FY 2010-11.

- The adopted CIP includes $1.45 million in debt proceeds to fund greenway development. $1.25 million of this amount is for the construction of the Beaucatcher/Overlook greenway, which will be 1.5 miles in length. The remaining $200,000 will be used for land acquisition for the Town Branch greenway which is the next scheduled greenway construction project.

- The adopted CIP includes $2.1 million in infrastructure improvement projects. Included in this funding is $660,000 in Sullivan Act proceeds that will be used to completion the Azalea Road project and fund improvements on Melrose. Major infrastructure projects funded in the FY 2011-12 CIP through debt proceeds or pay-go resources include the Wild Cherry bridge replacement, the rebuilding of the historic Cherokee and Sunset retaining wall, the installation of sewer lines on Airport Road, and the replacement of signal poles at two downtown intersections.

- $7.2 million is allocated in the adopted CIP for buildings and facilities projects. The bulk of this funding $5.5 million) is directed toward the exterior repairs that are needed for City Hall. Other buildings and facilities projects include: 1) $200,000 for roof replacements; 2) $325,000 for recreation center and park maintenance; 3) $845,000 for general maintenance projects such as the Municipal Building chiller replacement, HVAC conversion, and the Fleet building ventilation system; and 4) $87,000 for the maintenance and acquisition of public art.

- $2.9 million in funding is provided in the CIP for vehicle replacement in FY 2011-12, which is a 50% increase over the FY 2010-11 funding level. Included in this amount is nearly $700,000 dedicated to alternative fuel vehicles, which will produce an estimated 1.3% reduction in the City's fleet carbon footprint.

- In addition to the General Capital Projects Fund, the CIP section of the Budget Document includes a summary of the Enterprise Funds' CIPs. Pages – present the Water, Parking and Stormwater capital improvement programs.

- Finally, page – displays the City's 5-year "Green" CIP. As a part of this program, the City plans to borrow approximately $3.0 million over the next three fiscal years to fund street lighting upgrades and other energy improvement projects. The utility savings that will be achieved through these projects will be used to pay the debt service and provide funding for additional energy improvement projects in the future.

CAPITAL IMPROVEMENT PROGRAM
2011/12 TO 2015/16

RELATIONSHIP TO THE ANNUAL OPERATING BUDGET

An important aspect of capital improvement planning is the effect that capital projects have upon the annual operating budget. Most CIP projects in the City of Asheville are funded through annual operating funds, such as the General Fund and the Water Resources Fund. In these instances, the Capital Improvement Program (CIP) and the annual operating budget are directly linked since these projects receive authorization with the adoption of the annual operating budget. Projects funded through debt financing also impact the operating budget through ongoing debt service expenses.

In addition, some completed CIP projects will impact the operating budget through ongoing expenses for staffing and operations. For example, when a new fire station or recreation center is built, the costs of maintaining and staffing the new facility must be funded in the operating budget. Advance knowledge of these costs aids in the budgeting process. Some CIP projects, such as new parking decks, may impact the operating budget by generating additional revenue as well as additional costs. Other projects may create cost savings by reducing annual operating expenses.

The estimated impact of the capital improvement budget on the annual operating budget in FY 2011-12 is $22.68 million, including debt service costs incurred from the long-term financing of capital projects approved this year and in prior years, and pay-as-you-go financing of current year projects. The only capital project approved in the FY 2011-12 CIP that is expected to add costs to the City's operating budget in future years is the Beaucatcher/Overlook greenway. Maintenance costs on the new greenway are expected to be minimal but will be added to the FY 2012-13 Parks operating budget. The table below summarizes the total impact of the capital budget on the FY 2010-11 operating budget.

Total Impact of Capital Budget on FY 2011-12 Operating Budget	
General Fund Pay-Go/Debt	8,283,447
Water Resources Fund CIP Transfer	6,249,673
Water Resources Fund Debt Service	6,202,580
Water Resources Fund Sullivan Act	660,224
Stormwater Fund Pay-Go/Debt	343,184
Parking Services Fund Pay-Go/Debt	944,071
Total	**22,683,179**

CAPITAL IMPROVEMENT PROGRAM
2011/12 TO 2015/16

GENERAL CAPITAL FUND SUMMARY

Pay-As-You-Go	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue Sources:					
General Fund Transfer	2,848,525	2,858,225	2,858,225	2,858,225	2,858,225
Sullivan Act Transfer	660,224	990,336	1,320,448	1,650,560	1,650,560
Debt Savings	1,161,090	215,250	-	-	-
4% Technology Fee Funds	125,000	125,000	125,000	125,000	125,000
Fee In Lieu of Sidewalks	50,000	50,000	50,000	50,000	50,000
Grants	375,000	200,000	40,000	40,000	40,000
Savings from Closed Projects	160,000	75,000	75,000	75,000	75,000
Total Available Funds	**5,379,839**	**4,513,811**	**4,468,673**	**4,798,785**	**4,798,785**
Use of Funds:					
Multi-Modal Maintenance/Improve.					
Street Resurfacing & Maintenance	1,020,274	893,581	873,880	872,130	880,130
Sidewalk Maintenance	250,000	250,000	250,000	250,000	250,000
New Sidewalk Construction	516,225	476,225	366,225	368,288	498,608
Traffic Safety/Pedestrian Improve.	35,000	35,000	35,000	35,000	35,000
Transit System Projects	450,000	250,000	130,313	150,000	50,000
Bicycle Connector Projects	-	96,000	-	-	-
Infrastructure					
Water Line infrastructure	660,224	990,336	1,320,448	1,650,560	1,650,560
Airport Road Sewer Line Project	130,000	-	-	-	-
Cherokee/Sunset Retaining Wall	300,000	-	-	-	-
Facility Maintenance/Improvements					
Roof Replacements	200,000	200,000	200,000	200,000	200,000
Recreation Center Maintenance	100,000	100,000	100,000	100,000	100,000
Park Maintenance	200,000	200,000	200,000	200,000	200,000
Civic Center Renovations	300,000	400,000	400,000	400,000	400,000
Facility Maintenance	755,309	104,862	50,000	30,000	50,000
Public Art Maintenance	40,000	40,000	40,000	40,000	45,000
Public Art Acquisitions	47,807	47,807	47,807	47,807	47,807
McCormick Field Maint. Contract	-	40,000	40,000	40,000	40,000
Equipment & Technology					
Public Safety Radio Replacements	200,000	100,000	200,000	200,000	136,680
Development Ser. Software	125,000	125,000	125,000	125,000	125,000
Fuel Station Pump Replacement	-	75,000	-	-	-
Roll Cart Replacement	-	90,000	90,000	90,000	90,000
Total Use of Funds	**5,379,839**	**4,513,811**	**4,468,673**	**4,798,785**	**4,798,785**

CAPITAL IMPROVEMENT PROGRAM
2011/12 TO 2015/16

GENERAL CAPITAL FUND SUMMARY (Cont.)

Pay-As-You-Use (Debt-Funded)

	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue Sources:					
Debt Proceeds	13,793,000	2,000,000	12,364,840	750,000	2,000,000
Grants	-	-	6,204,000	-	-
Total Available Funds	**13,793,000**	**2,000,000**	**18,568,840**	**750,000**	**2,000,000**
Use of Funds:					
Vehicle & Equipment Replacement					
Vehicle Replacements	2,930,000	1,000,000	2,248,840	750,000	900,000
Emergency Response Vehicle	-	-	245,000	-	-
Multi-Modal Investments					
New Sidewalk Construction	1,300,000	-	8,115,000	-	-
Greenway Development Program	1,450,000	-	-	-	-
Street Rebuilds	293,000	-	315,000	-	-
Infrastructure					
Wild Cherry Bridge Replacement	700,000	-	-	-	-
CBD Traffic Signal Pole Replacements	120,000	-	450,000	-	-
Buildings & Facilities					
City Hall Exterior Repairs	5,500,000	-	-	-	-
Sandhill Road Public Safety Facility	-	-	4,000,000	-	-
Livingston Street Rec. Center Phase II	-	-	3,000,000	-	-
Airport Road Fire Station	-	1,000,000		-	-
Community Center Renovations	-	-	-	-	350,000
Fire Station 9 Remodel	-	-	-	-	750,000
Equipment & Technology					
VHF Radio Replacement	-	-	195,000	-	-
Recycling Carts	1,500,000	-	-	-	-
Total Use of Funds	**13,793,000**	**2,000,000**	**18,568,840**	**750,000**	**2,000,000**

GRAND TOTAL BOTH PAGES	**19,172,839**	**6,513,811**	**23,037,513**	**5,548,785**	**6,798,785**

CAPITAL IMPROVEMENT PROGRAM
2011/12 TO 2015/16

GENERAL CAPITAL FUND YEAR ONE PROJECT DETAIL

CIP Area:	**Multi-Modal**		
Program:	**Streets**		
STREET RESURFACING PROGRAM			
Revenue			
Pay-Go			**$1,020,274**
Project Details:			
City Quadrant	**Street Name**	**Linear Feet**	**Project Cost**
North	Barnard Avenue	2,270.40	$55,118
North	Crabapple Lane	3,168.00	$56,670
South	London Road	5,808.00	$155,842
South	Schenck Parkway	1,320.00	$112,931
South	Springside Road	4,118.40	$105,244
South	Maple Lane	211.20	$4,857
South	Busbee View Circle	400.00	$9,200
North	Montview Drive	1,003.20	$39,012
North	Coleman Avenue	2,323.20	$108,413
North	Conestee Street	1,214.40	$51,948
North	Conestee Place	211.20	$2,968
West	Shelburne Road	3,643.20	$93,101
East	Liberty Street	2,112.00	$101,992
East	Crayton Road	1,214.40	$52,300
North	Westall Avenue	897.60	$30,677
Contingency			$40,000
TOTALS		**29,915.20**	**$1,020,274**
STREET REBUILD PROGRAM			
Revenue			
Debt Financing			**$293,000**
Project Details:			
City Quadrant	**Street Name**	**Linear Feet**	**Project Cost**
North	Montford Avenue	2,270.40	$293,000
TOTALS		**2,270.40**	**$293,000**

CAPITAL IMPROVEMENT PROGRAM
2011/12 TO 2015/16

GENERAL CAPITAL FUND YEAR ONE PROJECT DETAIL

CIP Area:	**Multi-Modal**		
Program:	**Sidewalks**		
SIDEWALK MAINTENANCE PROGRAM			
Revenue			
Pay-Go			**$250,000**
Project Details:			
City Quadrant	**Project Name**	**Linear Feet**	**Project Cost**
West	Patton to Rumbough	3,000	$33,000
West	Olney	800	$30,100
North	Robindale Street	880	$9,773
Central	Clingman Avenue	1,344	$17,127
North	Washington Street	1,806	$22,000
Central	Pearl Street	1,014	$38,000
Various	Sidewalk repairs and ADA improvements		$100,000
TOTALS		**8,844**	**$250,000**

CIP Area:	**Multi-Modal**		
Program:	**New Sidewalk Construction**		
NEW SIDEWALK CONSTRUCTION PROGRAM			
Revenue			
Pay-Go			$516,225
Fee-in-lieu			$50,000
Debt Financing			$1,300,000
TOTAL			**$1,866,225**
Project Details:			
City Quadrant	**Project Name**	**Linear Feet**	**Project Cost**
	Sidewalk crew labor costs & related expenses		$316,225
East	Tunnel Road (Crockett to Arco)	2,084	$50,000
North	Merrimon Avenue (connection to Beaverdam park)	250	$50,000
Central	Short Coxe Avenue (Southside to Biltmore)	550	$100,000
North	Lake Shore Drive (Merrimon to Mt. Vernon)	245	$50,000
East	Kennilworth Knoll (existing sidewalk to Tunnel Rd)	240	$45,000
East	Tunnel Road (Maple Springs to Craig Circle)	1,300	$316,250
West	Patton Ave Sidewalk (Smokey Park Bridge to Wilburn)	5,200	$711,250
South	Overlook Road Sidewalk - Design and ROW acquisiton	N/A	$111,250
North	Beaverdam Road (Kimbery to Elk Mountain)	1,000	$116,250
TOTAL		**9,869**	**$1,866,225**

CAPITAL IMPROVEMENT PROGRAM
2011/12 TO 2015/16

GENERAL CAPITAL FUND YEAR ONE PROJECT DETAIL

CIP Area:	**Multi-Modal**		
Program:	**Traffic Safety & Pedestrian Improvements**		
TRAFFIC SAFETY & PEDESTRIAN IMPROVEMENTS			
Revenue			
Pay-Go			$35,000
Project Details:			
City Quadrant	**Project Name**		**Project Cost**
Central	Haywood & Montford Traffic Signal Upgrade		$35,000
	Ped signals & crosswalks along 3 approaches		

CIP Area:	**Multi-Modal**		
Program:	**Transit System Improvements**		
TRANSIT SYSTEM PROGRAM FY 11-12			
Revenue			
Pay-Go			$75,000
Grants			$375,000
TOTAL			**$450,000**
Project Details:			
Project Name		**Description**	**Project Cost**
Transit Security Cameras		Cameras on buses	$150,000
Bus Shelter Replacement (3)		Transit Master plan	$50,000
Bus System Signage		Transit Master plan	$25,000
Automated Vehicle Location System		Transit Master plan	$225,000
TOTAL			**$450,000**

CAPITAL IMPROVEMENT PROGRAM
2011/12 TO 2015/16

GENERAL CAPITAL FUND YEAR ONE PROJECT DETAIL

CIP Area:	**Multi-Modal**		
Program:	**Greenways**		
GREENWAY DEVELOPMENT PROGRAM			
Revenue			
Debt Financing			$1,450,000
Project Details:			
City Quadrant	**Project Name**	**Length in Miles**	**Project Cost**
Central	Downtown Beaucatcher Overlook Greenway	1.5	$1,250,000
N/A	Land Acquition funds for Greenway Projects	N/A	$200,000
TOTAL MILES		1.5	$1,450,000

CIP Area:	**Infrastructure**	
Program:	**Water Line Infrastructure Projects**	
INFRASTRUCTURE ASSOCIATED WITH WATER LINES		
Revenue		
Sullivan Act Transfer		**$660,224**
Project Details:		
Project Name		**Project Cost**
Azalea Road project		$560,000
Melrose Avenue		$100,224
TOTAL		**$660,224**

CAPITAL IMPROVEMENT PROGRAM
2011/12 TO 2015/16

GENERAL CAPITAL FUND YEAR ONE PROJECT DETAIL

CIP Area:	**Facility Maintenance and Improvements**	
Program:	**Roof Replacement**	
ROOF REPLACEMENT PROGRAM		
Revenue		
Pay-Go		$200,000
Project Details:		
Project	**Decsription**	**Cost**
Fire Station 3	Oregon Avenue	$57,000
Fire Station 5	Hendersonville Rd	$57,000
Fire Station 8	Tunnel Road	$57,000
Fleet Maintenance	Charlotte Street	$29,000
TOTAL		**$200,000**

CIP Area:	**Facility Maintenance and Improvements**	
Program:	**Park Maintenance**	
PARK MAINTENANCE		
Revenue		
Pay-Go		$200,000
Project Details:		
Project	**Description**	**Cost**
Montford Center Playground Replacement		$150,000
Aston Park Court Lifts		$30,000
Court Resurfacing	Tennis and basketball courts	$20,000
TOTAL		**$200,000**

CAPITAL IMPROVEMENT PROGRAM
2011/12 TO 2015/16

GENERAL CAPITAL FUND YEAR ONE PROJECT DETAIL

CIP Area:	**Facility Maintenance and Improvements**	
Program:	**Facility Maintenance Projects**	
FACILITY MAINTENANCE PROGRAM		
Revenue		
Pay-Go		$755,309
Project Details:		
Project	**Decsription**	**Cost**
HVAC Conversion to 410A	Required by law	$370,000
Municipal Building Chiller Replacement		$125,000
National Guard Armory Remediation		$50,000
Fire Extinguishing System for Data Center	Safety project	$75,000
Fleet Building Vehicle Exhaust Ventilation	Safety project	$100,000
General facility maintenance projects		$35,309
TOTAL		**$755,309**

CIP Area:	**Facility Maintenance and Improvements**	
Program:	**Recreation Center Maintenance**	
RECREATION CENTER MAINTENANCE		
Revenue		
Pay-Go		$100,000
Project Details:		
Project	**Description**	**Cost**
Stephens Lee Floor Replacement	1st floor retile	$40,000
Stephens Lee Exterior Repairs	Reseal brick, replace flashing	$30,000
ADA Improvements at centers	Two centers per year	$30,000
TOTAL		**$100,000**

CAPITAL IMPROVEMENT PROGRAM
2011/12 TO 2015/16

WATER RESOURCES CAPITAL IMPROVEMENT FUND SUMMARY

	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue Source:					
Transfer from Water Operating Funds	6,249,673	6,530,550	6,843,000	7,087,000	7,259,739
Use of Funds:					
NCDOT Projects:					
Brevard Rd (Long Shoals to NC 280)					950,000
Brevard Rd (Parkway to Long Shoals)					711,489
I-26 Widening Project				1,000,000	1,000,000
Long Shoals I-26 to 191					569,250
Distribution System Projects					
24" and 36" Main Transmission Line Evaluation	100,000				
Affordable Housing Infill Development Incentive	100,000	50,000	50,000	50,000	50,000
Allen Mountain / Goodson Cove Tank	400,000				
Automated Meter Reading (AMR)	1,850,000	1,300,000			
Automated Valve, Lowes Tunnel Road	50,000				
Bulk Water Stations (4)	159,225				
Fairview Reservoir - 1 MG		500,000	800,000		
Merrimon Avenue Main Replacement				925,000	925,000
Mine Hole Gap Tank		250,000			
New Maintenance Facility	250,000	250,000	500,000	1,000,000	
North Fork WTP Dam / Tunnel Eval. & Repairs	555,000	750,000	750,000		
North Fork WTP Generator Transfer Switch			250,000	1,000,000	500,000
Road Resurfacing at the NF and WD WTP's	175,000	85,000			
Software Updates / HMI - all WTP's				150,000	
Spillway Gate Inspection/Repairs	140,000				
Spivey Mountain Tank					500,000
Microturbine	100,000				
Walnut Cove Pump Replacement	150,000				
Water Storage Tank / Pump Station Maint.	100,000	100,000	100,000	100,000	100,000

CAPITAL IMPROVEMENT PROGRAM
2011/12 TO 2015/16

WATER RESOURCES CAPITAL IMPROVEMENT FUND SUMMARY (Cont.)

	2011/12	2012/13	2013/14	2014/15	2015/16
Neighborhood Water Line Replacement Projects					
Challedon Subdivision	460,000				
Chatham Road Water	125,000				
Franam Acres Subdivision / Oakbrook Road	270,000				
Horizon Hill	62,948	419,650			
Grovemont Development	600,000	716,000			
Lindsay Road from Old 19/23 to Pisgah Hwy				170,000	
McIntosh Road "B"		424,900			
Mountain Crest Road / Patton Cemetery Road		335,000	335,000		
Mount Carmel Line Replacement		200,000			
Muirfield Subdivision			350,000		
Old Haw Creek Road	200,000				
Riddle Road	402,500				
Woodcrest, Innsbrook, & Maplewood Roads		150,000	250,000		
Water System Master Plan Projects:					
Additional Water Treatment Plant Capacity			1,000,000	1,000,000	1,000,000
Beaucatcher Rd from Buckstone to Kenilworth			926,000		
Candler School Rd / Old Candler Town Rd					550,000
College Street from Windswept to Clemmons				500,000	
Enka Lake Rd from Sand Hill to Ironwood				700,000	404,000
Monte Vista / Sand Hill School Road		1,000,000	1,532,000		
Tunnel Rd from Overbrook and Crockett				228,000	
Swannanoa River Rd from Caledonia to Bryson				264,000	
Total Use of Funds	**6,249,673**	**6,530,550**	**6,843,000**	**7,087,000**	**7,259,739**

CAPITAL IMPROVEMENT PROGRAM
2011/12 TO 2015/16

PARKING FUND CAPITAL SUMMARY

	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue Source:					
Transfer from Parking Operating Funds	421,260	275,000	245,000	275,000	275,000
Parking Fund Reserves	0	55,000	0	155,000	280,000
Total Revenue	421,260	330,000	245,000	430,000	555,000
Use of Funds:					
Vehicle Replacement	15,000	65,000	0	0	0
Civic Center Garage Lighting	0	160,000	140,000	0	0
Replace Parking Meters - 150 per year	105,000	105,000	105,000	105,000	105,000
Streetline Smart Parking	201,260	0	0	0	0
Civic Center Parking Garage Restoration	0	0	0	0	450,000
PARCS Equipment Replacement	0	0	0	325,000	0
AT&T Surface Parking Lot	100,000	0	0	0	0
Total Expenditures	421,260	330,000	245,000	430,000	555,000

STORMWATER FUND CAPITAL SUMMARY

	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue Source:					
Debt Proceeds	430,000	0	0	0	0
Stormwater Fund Reserves	700,000	290,000	0	0	0
Total Revenue	1,130,000	290,000	0	0	0
Use of Funds:					
Vehicle Replacement	430,000	0	0	0	0
Michigan Ave. Drainage	0	290,000	0	0	0
Victoria Road	700,000	0	0	0	0
Total Expenditures	1,130,000	290,000	0	0	0

CAPITAL IMPROVEMENT PROGRAM
2011/12 TO 2015/16

STORMWATER FUND IN-HOUSE CAPITAL PROJECTS

	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue Source:					
Stormwater Fund Operating Funds	254,500	248,500	240,000	240,000	220,000
Total Revenue	254,500	248,500	240,000	240,000	220,000
Use of Funds:					
North Bear Creek Drainage				120,000	120,000
Fairway Drive Drainage		124,000			
Gardenwood Ln. Drainage	65,000				
Robindale Ave	120,000				
State Street			125,000		
Waynesville Ave		124,500	115,000	120,000	100,000
Small Capital Projects:					
Ballentree Pipe Replacement					
Hanover St Slipline					
White Fawn Dr					
Armory Fleet Wash Facility	2,500				
N. Market St. Drainage	50,000				
Federal Alley	17,000				
Lakewood Dr			40,000		
Lakeshore Dr			40,000		
Total Expenditures	254,500	248,500	320,000	240,000	220,000

CAPITAL IMPROVEMENT PROGRAM
2011/12 TO 2015/16

GREEN CAPITAL PROJECTS

	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue Source:					
Debt Proceeds	1,192,481	1,478,004	1,094,115		
Utility Savings	90,102	261,416	414,218	474,773	446,578
Transfer from Reserves				24,995	39,450
Total Revenue	1,282,582	1,739,420	1,508,333	499,768	486,028
Use of Funds:					
LED Streetlight Upgrades	1,192,481	1,478,004	406,115		
Facility Energy Improvements			688,000		
Transfer to Reserves	90,102	68,643	54,050		
Transfer to Debt Service		162,774	306,169	499,768	486,027
Total Expenditures	1,282,582	1,739,420	1,508,333	499,768	486,028

GENERAL FUND DEBT SERVICE

Debt service expenditures in the general fund for FY 2011-12 are as follows:

BUDGET SUMMARY	Adopted 2011/12
General Obligation Bonds:	
1993 Street and Sidewalk Series A	108,875
1993 Street and Sidewalk Series B	48,390
1999 Refunding Bonds	25,545
G/O Refunding 2000	145,850
Total General Obligation Bonds	**328,660**
Installment Financings:	
2006 Fire Station 10 & 11	536,133
1997A Municipal Bldg	1,127,718
1997C Grove Arcade	151,600
2010 Livingston St. Center	294,905
Prior Year CIP Projects**	457,133
Total Installment Financings	**2,567,489**
Other Debt:	
MSD	38,000
Total Other Debt Service	**38,000**
Equipment Lease-Purchases:	
2002 Fire Trucks/Trash Cans	160,547
2008 BTIP/Fire & PW Vehicles	1,069,136
2011 Fire Aerial Ladder*	230,000
Total Equipment Lease-Purchases	**1,459,683**
TOTAL GENERAL FUND DEBT SERVICE	**4,393,832**

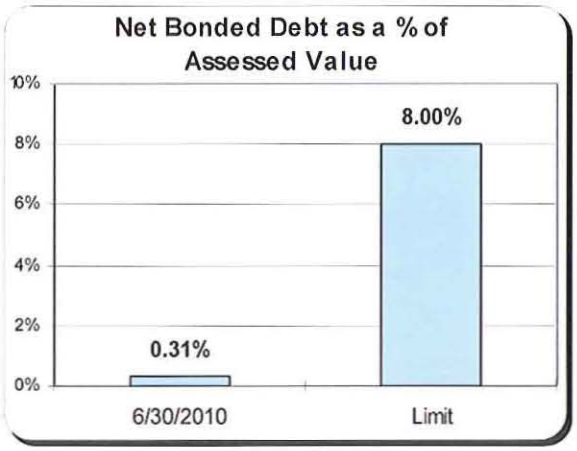
** Estimates

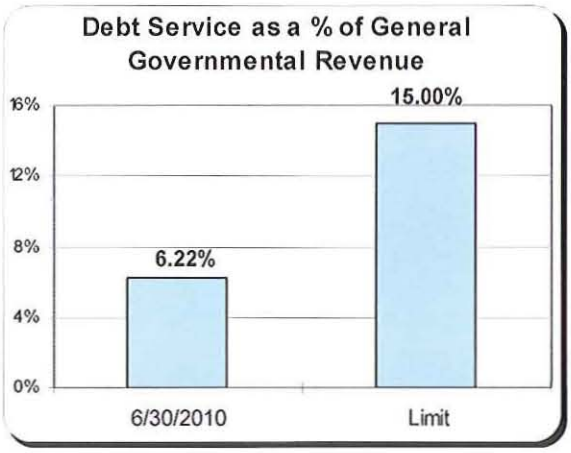
DEBT MANAGEMENT

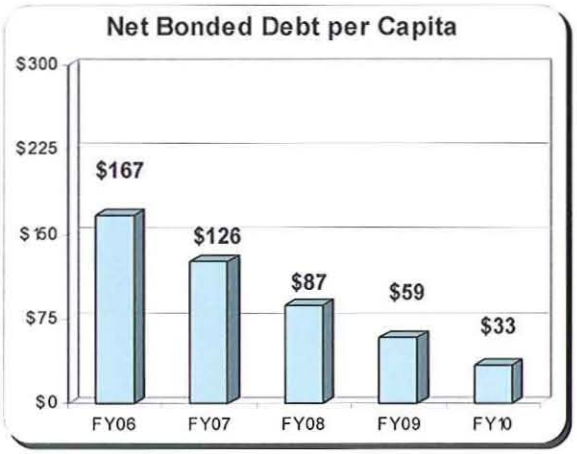
The objective of the City of Asheville debt management policy is to maintain the City's ability to incur present and future debt at the most beneficial interest rates without adversely affecting the City's ability to finance essential City services.

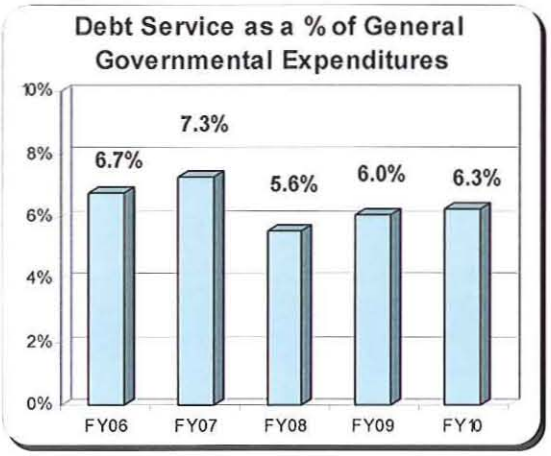
Policy Statements:

- Capital projects financed through the issuance of bonds shall be financed for a period not to exceed the expected useful life of the project.
- The general obligation debt of the City of Asheville will not exceed 8% of the assessed valuation of the taxable property of the City.
- Total debt service on tax-supported debt of the City will not exceed 15% of total general government operating revenue.
- Interest, operating, and/or maintenance expenses will be capitalized only for facilities of enterprise activities and will be strictly limited to those expenses incurred prior to actual operation of the facilities.
- The City will maintain its financial condition so as to maintain a minimum AA bond rating.
- The City's debt policy will be comprehensive and the City will not knowingly enter into any contracts creating significant unfunded liabilities.









DEBT MANAGEMENT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2010
(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes: County Subtotal, overlapping debt	$ 67,860	37.35%	$ 25,346
City of Asheville direct debt	1,652	100.00%	1,652
Total direct and overlapping debt	$ 69,512		$ 26,998

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Asheville. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

DEBT MANAGEMENT

OUTSTANDING GENERAL OBLIGATION BONDS AS OF JUNE 30, 2010

The City has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities related to both general and proprietary activities. All general obligation bonds are backed by the full faith, credit and taxing power of the City. Principal and interest requirements are appropriated when due. General obligation bonds outstanding at June 30, 2010 are as follows:

	Interest rates	Date issued	Date series matures	Amount of original issue	Balance outstanding June 30,2010
General Fund:					
Street, sidewalk and storm drainage, Series 1993A	5.10-5.25%	7/1/1993	2/1/2013	1,300,000	265,000
Street, sidewalk and storm drainage, Series 1993B	5.10-5.25%	7/1/1993	2/1/2013	500,000	105,000
General Obligation refunding bonds, Series 1999	4.20%	2/9/1999	6/1/2012	4,952,360	211,997
General Obligation refunding bonds, Series 2000	4.90-5.00%	12/01/2000	12/01/2020	1,970,000	1,070,000
Total General Fund					**1,651,997**
Enterprise Fund:					
Water - 1995	5.10%	6/1/1995	6/1/2011	3,000,000	475,000
Water - 1999	4.20%	2/9/1999	6/1/2012	12,217,640	522,003
Total Enterprise Fund					**998,003**
Total General Obligation Bonds					**2,650,000**

ANNUAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Annual debt service requirements to maturity for the City's general obligation bonds are as follows:

	Governmental Activities		Business–type Activities	
	Principal	Interest	Principal	Interest
Fiscal Year Ending June 30,				
2011	422,480	78,804	937,520	46,191
2012	269,517	59,145	60,483	2,540
2013	190,000	45,675	-	-
2014	100,000	36,000	-	-
2015-2019	500,000	105,000	-	-
2020-2022	170,000	7,750	-	-
Total	1,651,997	332,374	998,003	48,731

DEBT MANAGEMENT

INSTALLMENT FINANCING CONTRACTS

The City has entered into various installment financing contracts with the Asheville Public Financing Corporation, a blended component unit, for renovation and construction of municipal facilities. These contracts were funded by the execution and delivery of Certificates of Participation and certain lease contracts. The outstanding contracts at June 30, 2010 are as follows:

	Interest rates	Date issued	Date series matures	Amount of original issue	Balance outstanding June 30,2010
General Fund:					
Municipal Building Series 1997-A	4.00-5.13	11/01/1997	6/01/2018	14,045,000	7,255,000
Taxable 1997-C	Variable	11/13/1997	6/01/2018	5,515,000	1,590,000
Fire Stations & Equip. Series 2006	3.92	6/28/2006	6/28/2021	8,030,300	4,687,287
					13,532,287
Enterprise Fund:					
Stormwater Series 2006	3.92	6/28/2006	6/28/2011	215,000	43,000
Total Installment Financing					**$13,575,287**

ANNUAL DEBT SERVICE REQUIREMENTS – INSTALLMENT FINANCING CONTRACTS

Annual debt service requirements to maturity for the installment financing contracts are as follows:

	Governmental Activities		Business–type Activities	
	Principal	Interest	Principal	Interest
Fiscal Year Ending June 30,				
2011	2,145,753	799,939	43,000	1,652
2012	1,330,153	697,506	-	-
2013	1,380,153	631,903	-	-
2014	1,435,153	563,596	-	-
2015-2019	6,885,767	1,554,858	-	-
2020-2022	770,308	45,294	-	-
Total	13,532,287	4,152,959	43,000	1,652

DEBT MANAGEMENT

INSTALLMENT PURCHASE CONTRACTS

The City has entered into installment purchase contracts with various agencies for the purchase of assorted assets. These obligations are considered a limited obligation of the City and are secured by the assets themselves.

	Interest Rates	Date Issued	Date Series Mature	Amount of Original Issue	Balance Outstanding at June 30, 2010
Fire trucks	3.06%	11/29/2002	11/15/2012	1,546,308	386,577
Fire and Sanitation trucks	2.49%	6/25/2008	6/1/2013	5,000,000	3,072,157
Fire trucks	3.58%	5/7/2010	5/1/2015	1,300,000	1,300,000
Total					**$4,758,734**

ANNUAL DEBT SERVICE REQUIREMENTS – INSTALLMENT PURCHASE CONTRACTS

Annual maturities on all installment purchase contracts are as follows:

	Governmental Activities	
	Principal	Interest
Fiscal Year Ending June 30,		
2011	$ 1,413,449	$ 124,401
2012	1,438,474	86,112
2013	1,386,811	46,420
2014	260,000	16,289
2015	260,000	6,981
Total	$ 4,758,734	$ 280,203