

City
of Asheville
North Carolina



2014-2015 Budget Worksession

April 22, 2014

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Finance and Management Services



Presentation Objectives

Process Capstone:

Review information and recommendations provided to City Council as part of building the City Manager's Recommended Budget

Process Recap



**City
Staff**

- Quarterly Reports
- Economic and Legislative Updates
- Committee Presentations

Communication
to Council

**City
Council**

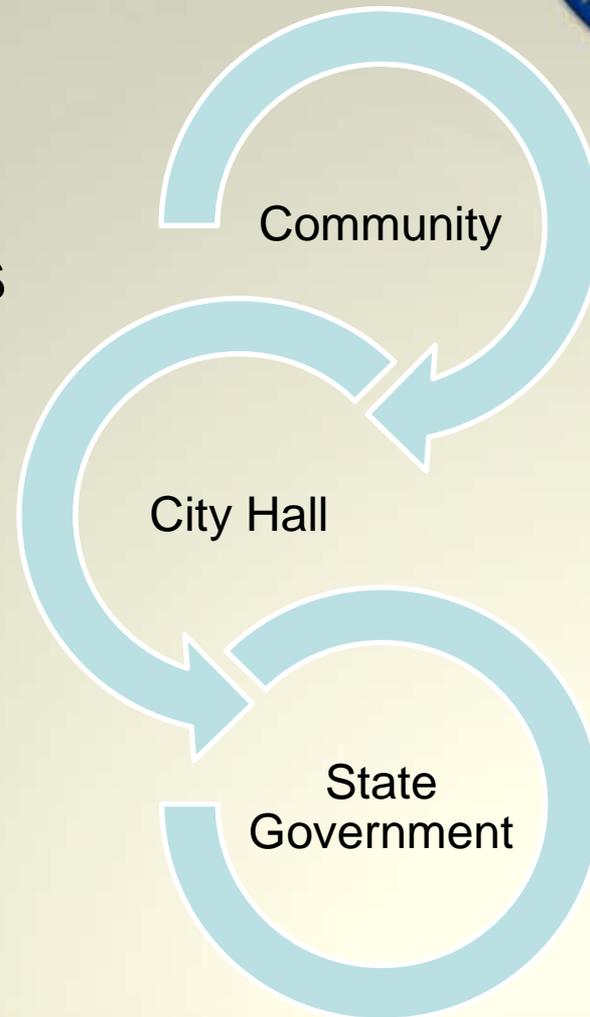
Guidance from
Council

- Community Concerns
- High Priority Projects
- Policy Decisions

Process Recap



- **Local Concerns**
 - **Community Issues**
 - **Reevaluation of Fees**
- **Expense Patterns**
 - **Review**
 - **Forecast**
- **Legislative Issues**
 - **Current**
 - **Future**





General Fund

Overview of 2014-15 Expectations



Modest Growth in Revenues

Property Tax

- No Increase to Rate
- County Tax Office predicts value increase of less than 1%

Sales Tax

- North Carolina League of Municipalities (NCLM) projects growth of 3.75%
- FY 2013-14 is trending at a 3.3% increase over prior year (8 of 12 months reporting)

Overview of 2014-15 Expectations



Modest Growth in Revenues

- Building Permits are up
 - FY 2013-14 has seen an increase of 28% over prior year
- Business Privilege Licenses
 - Collections in 2014 are up \$127k (9%) over prior year
 - 2014-15 collections assumed at 2014 collection amounts

2014-15 Goals



- Continue to Provide Core Services
- Priorities/Guidance from City Council:
 1. Compensation
 2. Transit
 3. Police Strategic Plan

2014-15 Goals



General Fund Expenditures

Priority: Compensation

Employee Compensation Pool

- Budgeted 3% across the board increase in compensation
- GF Impact of \$1.5 million

2014-15 Goals



General Fund Expenditures

Priority: Transit

Sunday Service

- Included in Fiscal Year 2014-15 Budget
 - GF Impact of \$321,000

2014-15 Goals



General Fund Expenditures

Priority: Police Strategic Plan

Four key components

1. *Compensation* 
2. *Vehicle Replacement* 
3. *Take-home Vehicle Program*
4. *Management Structure Changes*

Goals for 2014-15



General Fund Expenditures

Managed Savings in Current Fiscal Year

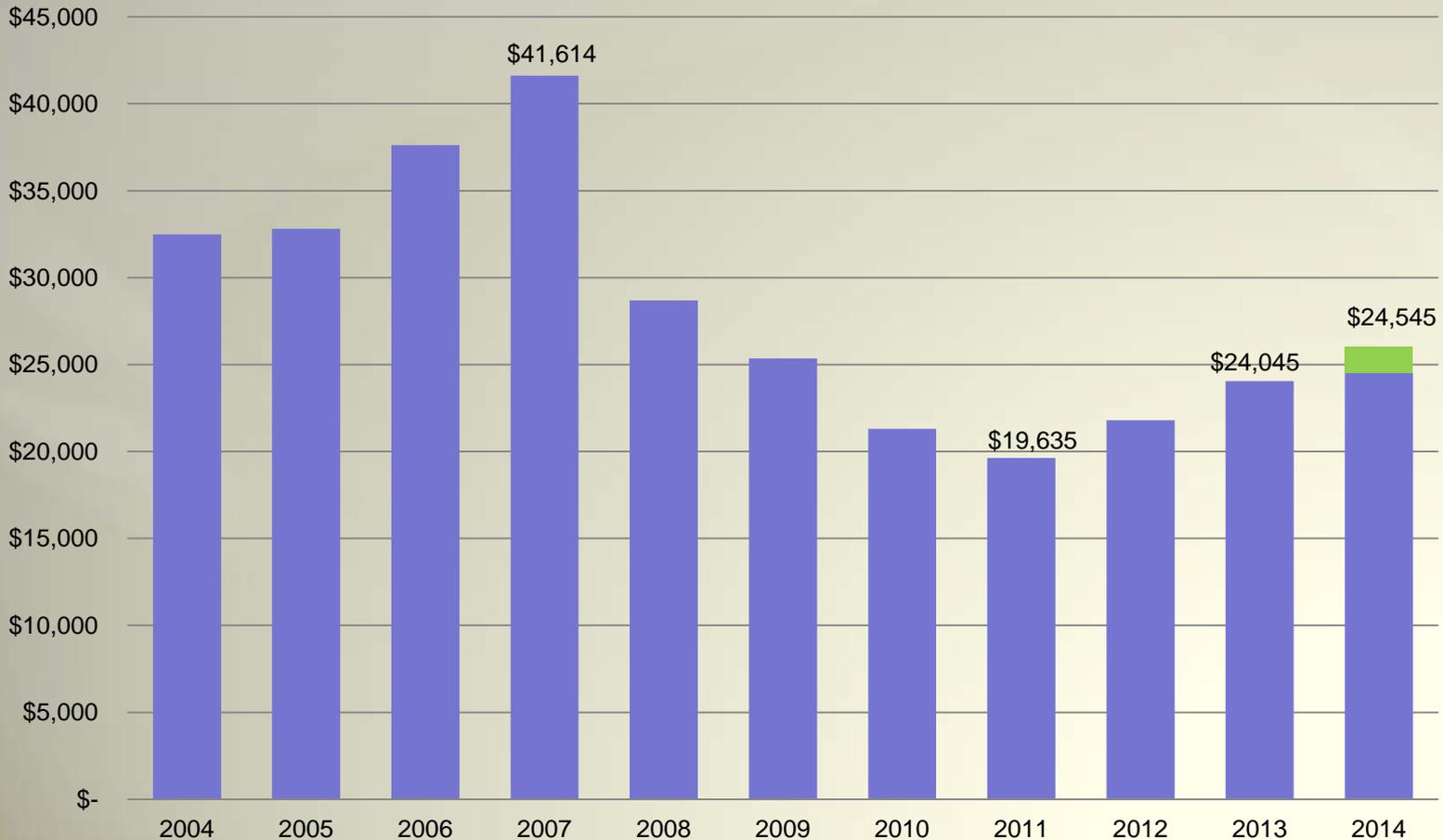
Savings identified in Current Year will be swept into FY 2014-15 budget to fund the COLA

Maintain Fund Balance at Desired Level

Goals for 2014-15: Compensation



General Fund Balance
(in 1000s)





Enterprise Funds

Water Fund



- Continued stable performance
- Minor rate adjustments based on financial model were approved on April 8
- \$10.1M pay-go investment in water capital improvements

Transit Fund



- Limited Sunday Service
 - \$321k
- Continued financial pressure
 - Decrease in state funding
 - Loss of \$38k (6% of State funding)
 - \$300k increase in operating costs
- General Fund support increased by \$621k

Parking Fund



- Strong revenue growth
- No adjustments to garage or meter rates
- Maintain \$616k in support to Transit Fund

US Cellular Center Fund



- Strong performance in FY 2013-14
 - Higher event load trend expected to continue
- Anticipated savings from outsourcing custodial operations
- No increase in General Fund operating support

Budget Process Calendar



- ~~April 8: City Council considers fees & charges~~
- *April 22: Operating Budget Work Session*
- May 13: Capital (CIP) Budget Work Session
- May 27: Proposed budget presented to City Council
- June 10: Public Hearing
- June 24: Budget Adoption