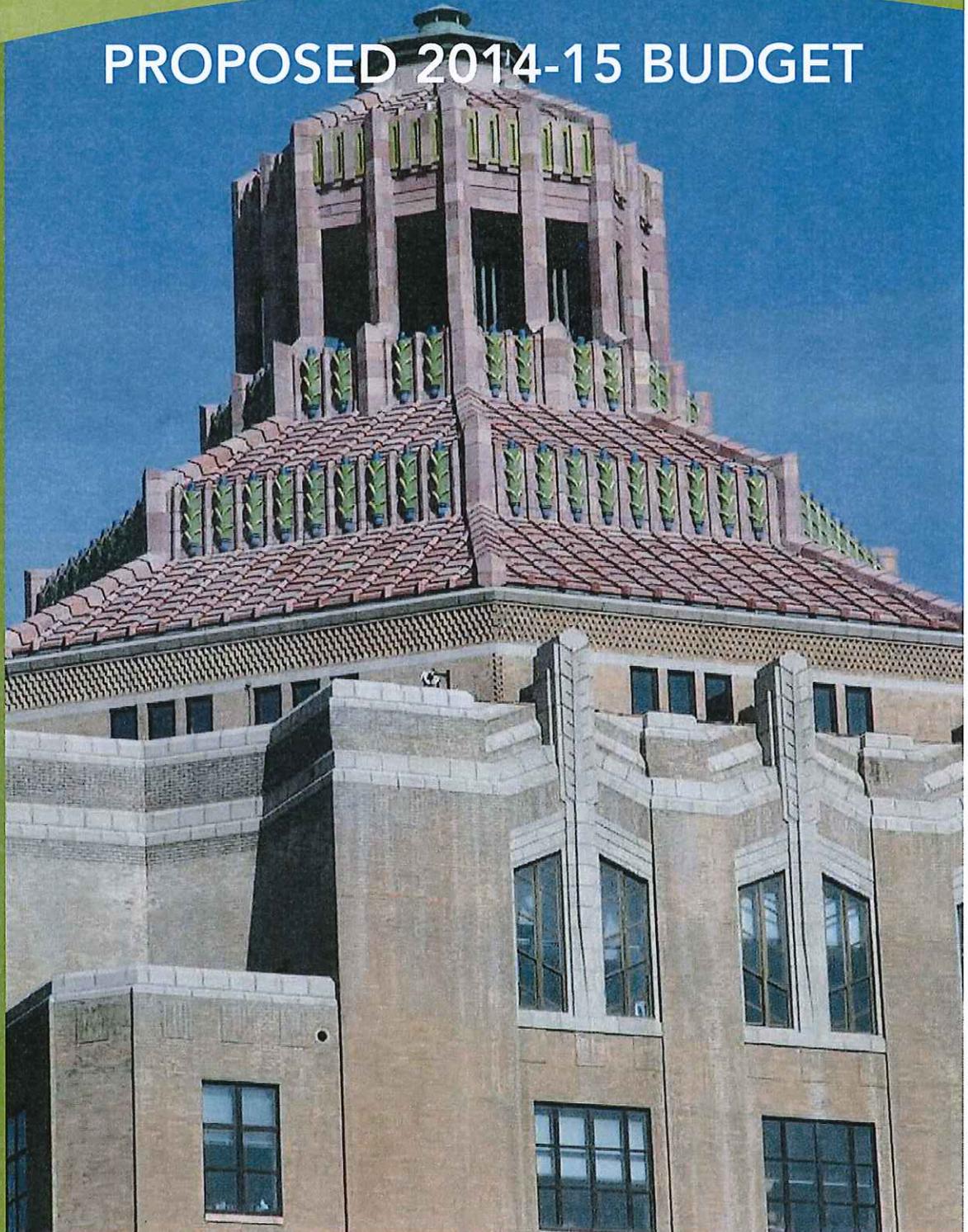




AshevilleNC.gov

CITY OF Asheville, North Carolina

PROPOSED 2014-15 BUDGET



**CITY OF ASHEVILLE
NORTH CAROLINA**

**Proposed Annual Budget
Fiscal Year 2014-15**



Esther Manheimer
Mayor

Marc Hunt
Vice Mayor

Chris Pelly
Councilmember

Cecil Bothwell
Councilmember

Gordon Smith
Councilmember

Jan B. Davis
Councilmember

Gwen Wisler
Councilmember

Gary W. Jackson
City Manager

Barbara Whitehorn
Chief Financial Officer

TABLE OF CONTENTS

	<i>Page</i>
 <i>City Manager's Budget Message</i>	
 <i>Introduction</i>	
Organizational Structure	1
Budget Process	2
FY 2014-15 Budget Schedule	4
Financial Policies	5
 <i>Budget Summary</i>	
Operating Budget Summary - All Funds	11
Budget Summary - Expenditures	12
Budget Summary - Revenues	14
Budget Summary - Staffing	15
General Fund	
Summary	17
General Fund Expenditures	18
 <i>General Government</i>	
Finance & Management Services	21
Administrative Services	24
Economic Development	26
City Attorney's Office	27
Information Technology Services	28
Human Resources	30
Nondepartmental	32
 <i>Public Safety</i>	
Police	33
Fire & Rescue	35
Nondepartmental	37
 <i>Environment & Transportation</i>	
Water Resources Fund	39
Public Works	42
Stormwater Fund	45
Street Cut Utility Fund	46
Transportation	47
Transit Services Fund	49
Parking Services Fund	51
Nondepartmental	53

TABLE OF CONTENTS

	<i>Page</i>
<i>Culture & Recreation</i>	
Parks, Recreation & Cultural Affairs	55
Golf Fund	58
US Cellular Center Fund	59
Nondepartmental	60
<i>Community Development</i>	
Urban & Planning Design	61
Housing Trust Fund	63
Building Safety/Development Services	64
Nondepartmental	66
<i>Capital Improvements Program/Debt Management</i>	
General Capital Improvement Program	67
Water Resources Capital Fund	72

INTRODUCTION

Budget Guide

City Manager's Budget Message

Organizational Structure

Budget Process

Financial Policies

ORGANIZATIONAL STRUCTURE

Fund Accounting

The accounts of the City of Asheville are organized and operated on the basis of funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

Funds included in the City of Asheville proposed budget can be grouped into two types: governmental funds and proprietary funds. Governmental funds are those through which most functions of the City are financed. Proprietary funds are used to account for City activities that are similar to those often found in the private sector. Specific City of Asheville funds include:

General Fund

The General Fund is a governmental fund that encompasses most of the City's day-to-day operations, such as police, fire, refuse collection, street maintenance, and parks and recreation. General Fund operations are primarily funded through property tax dollars, but are also supported through sales tax revenue, charges for service, license & permit fees, and investment earnings.

Enterprise Funds

Enterprise Funds are proprietary funds used to account for activities that operate like private businesses, where expenses are primarily financed by revenues derived from user charges. For the City of Asheville, these funds include:

- Transit Services Fund
- Parking Services Fund
- Water Resources Fund
- US Cellular Center Fund
- Street Cut Fund
- Stormwater Fund

Capital Funds

Capital Funds are used to account for capital replacements and improvements. Funding is provided from operations, federal or state grants, or long-term financing and may be annual appropriations or project appropriations. Appropriations are approved through the Capital Improvement Plan process. Capital Funds include:

- General Capital Projects Fund
- Community Development Fund
- Water Major Capital Improvement Fund
- HOME Fund
- US Cellular Center Capital Fund
- Parking Services Capital Fund
- Transit Services Capital Fund

How Funds Interact

City funds interact in a variety of ways. Expenses that occur in one fund are frequently incurred to benefit another fund. When this occurs, the benefiting fund may reimburse the fund providing the goods and services. Examples of such transactions include general government services provided by the General Fund to the Water Resources Fund. Interfund transfers may also result from the exchange of resources between funds to cover operating and capital expenses. For example, the FY 2013-14 budget includes a transfer from the General Fund to the US Cellular Center Fund to support operations. Transfers between funds result in the budgeting of dollars in both participating funds.

Departments & Divisions

Departments are organizational units that provide a major type of public service, such as fire or police protection. Departments are usually subdivided into one or more divisions. For instance, the fire department consists of three divisions: support services, emergency response, and fire marshal's office. Often within each division there are smaller units responsible for performing specific activities.

BUDGET PROCESS

Budget Preparation Overview

Budget preparation affords departments the opportunity to reassess their goals and objectives and the strategies for accomplishing them. Even though the proposed budget is presented City Council in May and adopted in June, its preparation begins at least six months prior with projections of City revenues, expenditures, and overall financial capacity. It is against this backdrop that departmental expenditure requests are formulated and reviewed. The FY 2014-15 Budget Calendar is displayed on page 4.

Financial Forecasting

The annual budget process begins with the Budget Office preparing revenue and expenditure projections. These projections serve as the framework for financial decision-making during the City's annual strategic planning and budgeting process. The Budget Office updates the City's general fund forecast annually to adjust for changes in local, state, and national economic conditions and trends; changes in City Council priorities and policies; and other variables, such as legislative actions, that might affect the City's ability to provide needed services and maintain its financial health in future years.

City Council Strategic Planning

Linking important objectives with necessary resources requires a process that identifies key goals at the very beginning of budget preparation. The annual strategic planning process begins with the City Council Retreat, at which time Council identifies its goals and priorities for the upcoming fiscal year. The Council's directives set the tone for the development of the annual budget.

Departmental Budget Development

Departments begin developing their budget requests in January. During this phase, departments are encouraged to thoroughly review all programs and services assessing their "value" and priority to the citizens of Asheville. Examination of current departmental programs

or positions for possible trade-offs, reduction, or elimination is strongly suggested.

Any new programs or services that departments would like funded are submitted to the Budget Office as expansion requests. Expansion requests identify the program's purpose, costs, objectives, and proposed funding sources. The expansion request also describes how the new or enhanced program is linked with overall Council priorities. Departments are encouraged to prioritize their expansion requests and only submit a limited number of requests each year.

In addition to the budget worksheets and expansion requests, departments submit the following information to the Budget & Research Office:

- *Low Priority Services.* Departments are encouraged to submit a list of existing programs and services that could be eliminated, reduced or scaled back. These services can be used as possible "program trade-offs," allowing departments to shift resources from low priority services to new or enhanced services in order to maximize effectiveness and efficiency.
- *New or Increased Fees.* Proposals for new or increased user fees are also submitted with the departmental budget request packages.
- *Performance Objectives & Measures.* Performance measures are used to report on the achievements, impacts and outcomes of key City programs. Departments submit an update of their performance objectives and measures during the budget process. Departments report on prior year performance, update current year estimates, and set targets for the upcoming fiscal year. Departments are also encouraged to continually evaluate and refine their performance indicators to ensure that they accurately reflect the organization's mission and priorities.

BUDGET PROCESS

City Manager Review

Once the Budget Office has completed its technical review of the budget, department directors meet with the City Manager in team sessions to discuss the operating and capital budget requests. Expansion requests are evaluated based on the City's financial capacity and on how they relate to City Council priorities. In most years, monies exist to fund only a small number of expansion requests. Following these senior management sessions, a citywide proposed operating budget is developed.

Budget Adoption

The City of Asheville adopts its annual operating budget in accordance with North Carolina General Statutes (N.C.G.S. 159 - Local Government Budget and Fiscal Control Act). These statutes require that City Council adopt a balanced budget in which estimated revenues and appropriated fund balances equal expenditures. The City Manager must submit a balanced budget proposal to the City Council by June 1 of each year, and City Council must adopt the annual Budget Ordinance by July 1. A formal public hearing is required to obtain taxpayer comment before City Council adopts the budget. By state law, the fiscal year begins on July 1 and ends on June 30.

Budget Amendments & Revisions

After the Budget Ordinance is enacted, state law permits City Council to amend it at any time during the fiscal year. Each amendment must continue to adhere to the balanced budget statutory requirements. Amendments may in no way change the property tax levy or alter a taxpayer's liability.

Budget revisions are transfers within a departmental budget not affecting the total departmental appropriation or fund total. Budget revisions do not require City Council approval.

Basis of Budgeting

As required by the North Carolina Local Government Budget & Fiscal Control Act, the budget is prepared and Proposed using the modified accrual basis of accounting. Briefly, this means that obligations of the City are budgeted as expenditures, but revenues are recognized only when they are measurable and available. The City considers all revenues available if they are collected within 60 days after year end, except for property taxes. Those revenues susceptible to accrual include: investment earnings, sales tax, and grants-in-aid earned.

During the year, the City's accounting system is maintained on the same basis as the adopted budget. This enables departmental budgets to be easily monitored via monthly accounting system reports. At year-end, the City's Comprehensive Annual Financial Report (CAFR) is prepared on a basis consistent with "generally accepted accounting principles" (GAAP). This basis of accounting conforms to the way the City prepares its budget, with a couple of notable exceptions. One, certain items that are referred to as revenues and expenditures in the budget are included as other financing sources and uses in the CAFR. In addition, for financial statement presentation, proprietary funds are adjusted to the full accrual basis. The most significant differences between budget and CAFR for proprietary funds are: a) capital outlay & debt service principal payments are recorded as expenditures for budgetary purposes as opposed to adjustments of balance sheet accounts in the CAFR (GAAP); and b) depreciation is recorded as an expense in the CAFR (GAAP) and not recognized for budgetary purposes.

All outstanding encumbrances on the accounting system on June 30 are carried over into the next year's budget. Outstanding encumbrances at year end do not constitute expenditures or liabilities.

FY 2014-15 BUDGET CALENDAR

Item	Date/Deadline
User fee forms distributed to departments	November 4, 2013
User fee proposals due to Budget Office	November 25, 2013
Budget Office analyzes user fee requests	December, 2013
2014-2015 MUNIS Departmental Budget Entry begins	January 6, 2014
Departments complete MUNIS budget entry	January 31, 2014
Budget Office Technical Reviews with departments	February 3-21, 2014
Finance Committee - User Fee Review	March 2014
City Council - Adoption of FY 2014-15 Fees & Charges	April 8, 2014
City Council Operating Budget Worksession	April 22, 2014
City Council Capital Budget Worksession	May 13, 2014
City Council Formal Meeting - Proposed Budget Presentation - Set Public Hearing	May 27, 2014
City Council Formal Meeting: - Budget Public Hearing	June 10, 2014
City Council Formal Meeting Budget Adoption	June 24, 2014

FINANCIAL POLICIES

The City of Asheville financial policies establish general guidelines for the fiscal management of the City. These guidelines, influenced by the North Carolina Local Government Budget and Fiscal Control Act and sound financial principles, provide the framework for budgetary and fiscal planning. Operating independently of changing circumstances and conditions, these policies assist the decision-making processes of the City Council and city administration.

A. Operating Budget Policy

1. Current operating revenues will be sufficient to support current operating expenditures. Fund balance appropriations shall be limited to non-recurring expenditures.
2. Debt proceeds or non-recurring revenues will not be used to finance recurring operating and recurring capital expenditures.
3. The City will integrate performance measures and productivity indicators with the annual budget.
4. The City will prepare a five-year operating budget projection which will include projections of annual growth plus allowances for operating costs of new capital facilities.
5. It is the City's policy that the operating budget be prepared in accordance with Generally Accepted Accounting Principles.

B. Reserves

1. The City will maintain an undesignated fund balance equal to 15% of the General Fund operating budget, with any amount in excess of 15% being credited to a capital reserve account. This transfer shall be made upon completion of the annual financial audit. The City Council may appropriate this transfer through an amendment to the subsequent year's Budget Ordinance.
2. For all other operating funds, the City shall seek to maintain a minimum fund balance as follows:

Civic Center Fund	16% of the operating budget
Golf Fund	8% of the operating budget
Parking Fund	8% of the operating budget
Stormwater Fund	8% of the operating budget
Transit Fund	8% of the operating budget (portion may be reflected in General Fund)
Water Fund	100% of operating budget/365 days of working capital

C. Interfund Transfers

1. The City will strive to ensure that enterprise funds are financially self sufficient; however, the City may budget a transfer from the General Fund to an enterprise fund to ensure operational and/or capital support for the activities of the fund. If financial performance in the enterprise operating fund is better than budgeted, and the enterprise fund meets the reserve standards set forth in Section B of this policy, then any remaining portion of the interfund transfer shall be returned to the General Fund as part of the annual financial audit process.

D. Revenue Policy

1. Revenue estimates shall be set at realistic and attainable levels and shall be monitored periodically.

FINANCIAL POLICIES

2. The City will conduct an annual review of specific programs and services which have been identified as potential opportunities for user fees and for which user fees are charged. Where appropriate, user fees will be set at a level sufficient to recover the full costs of the program or service.
3. Regulatory fees shall be set at a level that strives to recover full costs (direct and indirect costs, such as depreciation or usage costs associated with capital assets) of providing the service, unless statutory restrictions limit the fee amount.
4. Non-regulatory fees are charged for a wide variety of services with the primary purpose for non-regulatory fees being to: 1) influence the use of the service and 2) increase equity.
5. Non-regulatory user fees shall be set at a level that is competitive in the marketplace and strives to recover full costs (direct and indirect costs, such as depreciation or usage costs associated with capital assets) except when:
 - free or subsidized service provides a significant public benefit;
 - the City has determined that it should influence personal choice to achieve community-wide public benefits;
 - full cost recovery would result in reduced use of the service or limit access to intended users thereby not achieving community-wide public benefits;
 - the cost of collecting the user fees would be excessively high;
 - ensuring the users pay the fees would require extreme measures.

E. Capital Improvement Policy

1. The City will update and readopt annually a five-year capital improvement program which details each capital project, the estimated cost, description and funding source.
2. The capital improvements plan should be tied to the City's comprehensive growth plan, "City Plan 2025," as well as the City's other adopted Master Plans, to ensure that the capital items requested meet the future growth needs and long-term vision for the City.
3. The City shall appropriate all funds for Capital Projects with a Capital Projects ordinance in accordance with State statutes.
4. Operating expenses for all capital projects will be estimated and accounted for in the Capital Improvements Program and incorporated into the annual operating budget.
5. Capital expenditures included in the CIP as a project will cost at least \$50,000 and have a useful life of at least five years. Equipment purchases are considered operating expenses and will not be included in the CIP.
6. Capital facilities to be financed with bond-indebtedness must adhere to the debt policies of the City including maintenance of adopted debt ratios.

F. Accounting Policy

1. The City will establish and maintain the accounting systems according to the North Carolina Local Budget and Fiscal Control Act.
2. An annual audit will be performed by an independent public accounting firm which will issue an official opinion on the annual financial statements, with a management letter detailing areas that need improvement if required. The City will prepare a Comprehensive Annual Financial Report that will be submitted to the Local Government Commission each year according to the commission's stated deadlines.

FINANCIAL POLICIES

3. Full disclosure will be provided in the financial statements and bond representations.
4. Financial system will be maintained to monitor expenditures and revenues on a monthly basis.
5. All revenue collections will be consolidated under the Director of Finance and be audited at least annually.
6. The City's Fiscal Procedures Manual will be maintained as a central reference point and handbook for all activities which have a fiscal impact within the City and will serve as the City's authoritative source for fiscal procedures.

G. Debt Management

1. Capital projects financed through the issuance of bonds shall be financed for a period not to exceed the expected useful life of the project.
2. The general obligation debt of the City of Asheville will not exceed 8% of the assessed valuation of the taxable property of the City.
3. Total debt service on tax-supported debt of the City will not exceed 15% of total general government operating revenue.
4. Payout of aggregate principal outstanding shall be no less than 50% repaid within 10 years.
5. The City will maintain its financial condition so as to maintain a minimum AA bond rating.
6. The City's Water Resources Utility will maintain its financial condition so as to maintain a AA bond rating.
7. The City's debt policy will be comprehensive and the City will not knowingly enter into any contracts creating significant unfunded liabilities.

FINANCIAL POLICIES

Investment Policy

The City of Asheville will demonstrate good stewardship of public funds through an Investment Policy and Program that is transparent, fiscally conservative, aligned with City Council objectives and in compliance with all State and local requirements.

Governance

The City of Asheville's Investment Policy shall be governed by the North Carolina Budget and Fiscal Control Act, North Carolina General Statute (NCGS) §159, the policies of the Local Government Commission (LGC), and the direction of the City Council.

Purpose and Scope

The City of Asheville's Investment Policy applies to the investment activities of the City of Asheville. All financial assets of the City shall be administered in accordance with the provisions of the Policy. In addition to the Policy, the investment of bond proceeds and other bond funds (including debt service and reserve funds) shall be governed and controlled by their governing ordinances and by all regulations and rulings applicable to the issuance of such obligations.

Objectives

The objectives of the City's investment activity are, in order of importance, safety, liquidity and yield.

Safety. The primary objective of the City's investment activity is the preservation of capital in the overall portfolio. Funds shall be invested according to NCGS §159-30-33. These statutes provide the authority to invest idle funds and provide the mandatory framework for cash management, reporting and investment decisions. The statutes outline the investment options open to local governments with an emphasis on preservation of capital and mitigation of risk. The City will invest in those institutions collateralized under the Pooling Method, as prescribed under the North Carolina Administrative Code, Title 20, Chapter 7 (20 NCAC 7). 20 NCAC 7 allows depositories to use an escrow account established with the State Treasurer to secure the deposits of all units of local governments.

Liquidity. The City's investment portfolio should remain sufficiently liquid to enable the City to meet operating requirements that can be reasonably anticipated. Liquidity shall be achieved by maintaining cash equivalent investment balances, matching investment maturities with estimated cash flow requirements and by investing in securities with active secondary markets. Funds held for future capital projects shall be invested in anticipation of projected cash flow requirements.

Yield. The City's operating portfolio shall be designed with the objective of achieving a market rate of return through all budgetary, economic and interest rate cycles. The investment program shall seek to augment returns above this threshold consistent with prudent investment principles. This objective is subject to investment risk constraints and liquidity needs as previously stated.

Responsibility and Control

NCGS §159-25(a)6 delegates management responsibility for the investment program to the City's Finance Officer (FO). The FO shall establish and maintain procedures for the operation of the investment program which are consistent with this policy, State statute, the policies of the LGC, and the strategic plan of the City Council of the City of Asheville. The FO may further delegate authority to persons responsible for investment activities and transactions and the FO will establish and maintain a system of controls to regulate the activities of those persons.

In the absence of a FO and those to which he or she has delegated investment authority, the City Manager or his or her designee is authorized to execute investment activities on behalf of the City of Asheville.

FINANCIAL POLICIES

Investment Policy (Cont)

Authorized Investments

The City of Asheville's management of cash and investments must comply with the North Carolina Budget and Fiscal Control Act (NCGS §159) and the policies of the LGC. Funds of the City of Asheville may be invested in the instruments described below, all of which are authorized by the Act and the LGC.

- Obligations of the United States
- Obligations of US Government Agencies, including, but not limited to:
 - Federal National Mortgage Association ("FNMA")
 - Federal Home Loan Bank ("FHLB")
 - Federal Home Loan Mortgage Corporation ("FHLMC")
 - Federal Farm Credit Bank ("FFCB")
- Prime quality commercial paper
- Bank certificates of deposit (CDs)
- Bank deposit accounts

According to the direction of the City Council, the City shall ensure that financial institutions meeting the following criteria receive full consideration for cash management and investment decision making for bank certificates of deposit:

- a. Institution is collateralized under the Pooling Method (see *Safety* above)
- b. Institution demonstrates a pattern of community reinvestment aligned with City Council's Strategic Plan
- c. Institution has physical location(s) within the City of Asheville city limits
- d. Institution provides employment within the city limits

Changes to the governing North Carolina General Statutes and/or the policies of the Local Government Commission will be considered automatically adopted by the City of Asheville as part of this Investment Policy. Any such changes will be included as revisions of or amendments to the policy; however, their implementation by the City is not predicated on inclusion in this document.



BUDGET SUMMARY

Operating Budget Summary

Expenditures

Revenues

Staffing

Analysis of Fund Balance

OPERATING BUDGET SUMMARY: ALL FUNDS

BUDGET SUMMARY BY FUND

FUND SUMMARY

	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
<u>Revenues:</u>				
General Fund	87,904,644	90,537,354	95,861,764	99,547,954
Water Resources Fund	33,953,603	33,814,544	42,304,346	34,656,358
Transit Services Fund	5,502,704	5,600,322	5,769,288	6,368,151
US Cellular Center Fund	1,886,109	2,984,129	2,878,433	3,468,498
Parking Services Fund	3,249,254	3,870,255	3,856,700	4,027,807
Golf Fund*	793,678	874,849	0	0
Stormwater Fund	3,107,993	3,120,294	3,648,723	5,261,372
Street Cut Utility Fund	<u>1,541,598</u>	<u>1,399,576</u>	<u>1,493,808</u>	<u>1,583,814</u>
Total	137,939,583	142,201,323	155,813,062	154,913,954
Less Interfund Transactions	(5,245,835)	(6,164,308)	(6,506,822)	(7,415,198)
Net Revenue	<u>132,693,748</u>	<u>136,037,015</u>	<u>149,306,240</u>	<u>147,498,756</u>
<u>Expenditures:</u>				
General Fund	86,106,271	87,983,512	95,861,764	99,547,954
Water Resources Fund	30,815,661	30,917,569	42,304,346	34,656,358
Transit Services Fund	5,405,497	5,899,532	5,769,288	6,368,151
US Cellular Center Fund	2,527,333	2,523,728	2,878,433	3,468,498
Parking Services Fund	2,663,519	4,222,899	3,856,700	4,027,807
Golf Fund*	859,860	339,019	0	0
Stormwater Fund	3,694,373	2,836,710	3,648,723	5,261,372
Street Cut Utility Fund	<u>1,447,759</u>	<u>1,339,293</u>	<u>1,493,808</u>	<u>1,583,814</u>
Total	133,520,273	136,062,262	155,813,062	154,913,954
Less Interfund Transactions	(5,245,835)	(6,164,308)	(6,506,822)	(7,415,198)
Net Expenditure	<u>128,274,438</u>	<u>129,897,954</u>	<u>149,306,240</u>	<u>147,498,756</u>

* The City contracted out operation of the Municipal Golf Course during FY 2012-13.

BUDGET SUMMARY - EXPENDITURES

<u>Service Area</u>	2011-12	2012-13	2013-14	2014-15
Departments	Actual	Actual	Budget	Proposed
<u>General Government</u>				
Finance & Management Services	3,083,570	2,636,836	2,526,710	2,957,459
Administrative Services	1,219,875	1,298,955	4,191,500	4,042,582
Economic Development	497,557	615,845	438,457	764,515
City Attorney	646,661	671,846	665,063	806,748
Information Technology Services	2,675,076	2,751,099	2,868,637	2,539,664
Human Resources	1,018,123	1,232,396	1,276,285	1,419,701
Nondepartmental	1,342,974	1,132,134	2,158,195	1,098,500
Total General Government	10,483,836	10,339,111	14,124,847	13,629,169
<u>Public Safety</u>				
Police	20,072,896	20,556,220	22,617,301	24,255,781
Fire & Rescue	18,600,324	20,005,479	19,579,293	20,777,981
Nondepartmental	427,795	417,258	433,903	465,547
Total Public Safety	39,101,015	40,978,957	42,630,497	45,499,309
<u>Environment & Transportation</u>				
Water Resources Fund	30,815,661	30,917,569	42,304,346	34,656,358
Public Works	11,253,197	10,955,219	12,894,771	11,817,550
Stormwater Fund	3,694,373	2,836,710	3,648,723	5,261,372
Street Cut Utility Fund	1,447,759	1,339,293	1,493,808	1,583,814
Transportation	941,261	978,670	1,196,052	1,230,927
Transit Services Fund	5,405,497	5,899,532	5,769,288	6,368,151
Parking Services Fund	2,663,519	4,222,899	3,856,700	4,027,807
Nondepartmental	985,295	985,295	1,207,502	1,700,546
Total Environ. & Transportation	57,206,562	58,135,187	72,371,190	66,646,525
<u>Culture & Recreation</u>				
Parks, Rec. & Cultural Arts	9,236,605	9,138,655	9,376,097	9,653,537
US Cellular Center Fund	2,527,333	2,523,728	2,878,433	3,468,498
Golf Fund	859,860	339,019	0	0
Nondepartmental	392,594	1,281,646	885,927	1,120,576
Total Culture & Recreation	13,016,392	13,283,048	13,140,457	14,242,611
<u>Community Development</u>				
Building Safety	3,902,508	3,974,976	0	0
Urban & Planning Design	1,626,996	1,272,140	1,105,908	1,085,823
Housing Trust Fund	300,000	500,000	500,000	500,000
Development Services	0	0	2,858,310	3,596,839
Nondepartmental	719,674	1,540,365	900,800	717,800
Total Community Development	6,549,178	7,287,481	5,365,018	5,900,462
Capital Pay-Go/Debt	7,163,290	6,038,478	8,181,053	8,995,878
TOTAL EXPENDITURES	133,520,273	136,062,262	155,813,062	154,913,954
Less: Interfund Transactions	(5,245,835)	(6,164,308)	(6,506,822)	(7,415,198)
NET EXPENDITURES	<u>128,274,438</u>	<u>129,897,954</u>	<u>149,306,240</u>	<u>147,498,756</u>

BUDGET SUMMARY - EXPENDITURES

<u>Expenditures by Category</u>	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Salaries & Wages	49,595,672	50,664,726	52,278,174	55,063,698
Fringe Benefits	21,201,534	19,476,861	21,290,864	22,653,111
Operating Costs	33,861,638	35,819,661	40,513,945	42,159,164
Debt Service	13,504,998	12,336,685	12,830,574	12,750,379
Capital Outlay	<u>10,110,596</u>	<u>11,600,021</u>	<u>22,392,683</u>	<u>14,872,404</u>
NET BUDGET	<u>128,274,438</u>	<u>129,897,954</u>	<u>149,306,240</u>	<u>147,498,756</u>

BUDGET HIGHLIGHTS

- Overall, the City's FY 2014-15 proposed budget shows a 1.2% decrease compared to the FY 2013-14 budget. This decrease is primarily due to the fact that the FY 2013-14 Water Resources Fund budget included an \$8.3 million fund balance appropriation for high priority capital projects. Factoring out this large FY 2013-14 fund balance appropriation, the citywide budget-to-budget increase totals 4.6%.
- The FY 2014-15 proposed budget for personnel costs (salaries & wages and fringe benefits) includes funding for a 3% cost of living adjustment (COLA) for employees. Citywide, the budget impact of a 3% COLA is approximately \$1.9 million. Also, as part of the FY 2013-14 budget, a number of positions were frozen as a budget balancing strategy. Most of those positions are being added back in FY 2014-15, which is another factor impacting the personnel budget. Finally, in FY 2013-14, the City temporarily redirected resources from the workers' compensation program to the property and liability insurance program. For FY 2014-15, contributions to the workers' compensation program are restored to prior years' levels. The impact of this change totals approximately \$900,000 and is shown as a budget-to-budget increase in fringe benefit costs. The FY 2014-15 fringe benefit budget also includes a \$200,000 increase in the City's Other Post Employment Benefits (OPEB) contribution as part of the five-year step up plan to fully fund the City's annual required contribution.
- Citywide operating costs for FY 2014-15 are budgeted to increase by 4.1%. Much of this increase is in the Stormwater Fund where operating costs show a \$1.6 million increase. Additional revenue from the Stormwater rate adjustments will be programmed into professional services expenses such as watershed assessments, and contracted service including drainage structure installation and additional maintenance. Operating costs in the Transit Services Fund show a \$560,000 increase due to overall inflation and the plan to implement limited Sunday service beginning January 1, 2015. In the General Fund, operating costs show a decrease primarily due to the fact that funding for the City's annual resurfacing contract is removed from the Public Works Department's annual operating budget and moved to the City's General Capital Projects Fund.
- The City's FY 2014-15 debt service budget totals \$12.7 million, which is essentially flat compared to the current fiscal year.
- Capital outlay includes small capital purchases in departmental operating budgets as well as transfers to the City's various capital project funds. For FY 2014-15, the capital outlay budget totals \$14.9 million. This budget is down about \$7.5 million compared to FY 2013-14, but it should be noted that the FY 2013-14 budget was inflated by the one-time \$8.3 million fund balance appropriation in the Water Resources Fund for capital projects. Even with this decrease, the FY 2014-15 Water Resources Fund budget still includes \$10.1 million in pay-as-you-go funding for capital improvement projects. The General Fund capital outlay budget, which totals \$3.7 million, includes \$3.3 million in funding from the 3-cent property tax rate increase that was approved by City Council in June 2013. Details on the City's Capital Improvement Program (CIP) can be found in the CIP section of the budget document, which begins on page 67.

BUDGET SUMMARY - REVENUES

<u>Revenue Sources:</u>	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Property Tax	46,800,092	46,891,865	51,606,975	52,103,473
Charges For Service	45,305,834	45,272,645	49,296,623	52,330,539
Intergovernmental	15,187,531	13,994,461	14,095,571	14,307,480
Sales & Other Taxes	16,258,875	17,067,516	18,084,277	18,704,766
Licenses & Permits	4,901,834	5,955,454	5,213,690	5,682,010
Investment Earnings	346,925	152,398	332,677	245,324
Parking Fees	3,249,254	3,865,516	3,840,200	4,024,663
Miscellaneous	2,267,297	2,359,072	1,349,358	1,535,795
Other Financing Sources	<u>3,621,941</u>	<u>6,642,395</u>	<u>11,993,691</u>	<u>5,979,904</u>
Total Revenue	137,939,583	142,201,322	155,813,062	154,913,954
Less: Interfund Transactions	(5,245,835)	(6,164,308)	(6,506,822)	(7,415,198)
Net Revenue	<u>132,693,748</u>	<u>136,037,014</u>	<u>149,306,240</u>	<u>147,498,756</u>

BUDGET HIGHLIGHTS

- The property tax, which comprises 35% of total revenue, is the single largest source of revenue for the City. The proposed FY 2014-15 budget maintains the current tax rate at 46 cents per \$100 of assessed valuation. Based on projections received from the Buncombe County Tax Office, staff is budgeting a 0.9% increase in property tax revenue in FY 2014-15.
- Most of the revenue in the charges for services category, approximately \$34.4 million, comes from water utility charges. In April, City Council approved minor rate adjustments for the 2014-15 fiscal year based on the Raffelis financial model. These rate adjustments are expected to generate approximately \$460,000 in additional revenue. Overall, revenue from charges for services is budgeted to increase by 6.1% in FY 2014-15. Much of this increase is in the Stormwater Fund, where rate adjustments are projected to produce \$1.9 million in additional revenue.
- Based on statewide projections from the North Carolina League of Municipalities and local trend data, staff is projecting a 3.4% budget-to-budget increase in sales tax revenue in FY 2014-15.
- Intergovernmental revenue, which includes state-shared utility taxes as well as Powell Bill funding, is budgeted to increase 1.5% in FY 2014-15.
- Revenue from licenses and permits shows a 9.0% increase. Part of this increase is the result of an upward adjustment in the budget for business privilege licenses to reflect actual collections from the prior year. In addition, based on current trends, staff is budgeting a \$300,000 increase in license and permit revenue in the Development Services Department (DSD).
- The budget for investment earnings revenue in the Water Resources Fund is reduced to reflect recent trends.
- The other financing sources budget includes items such as interfund transfers and fund balance appropriations. The large decrease in this category in FY 2014-15 is due to the removal of the \$8.3 million FY 2013-14 fund balance appropriation in the Water Resources Fund which has been discussed in other sections of the budget document. The FY 2014-15 proposed general fund budget includes a \$2.0 million fund balance appropriation. The City ended FY 2012-13 with available fund balance of \$15.4 million, which equated to 17.6% of expenditures. Based on current revenue and expenditure projections for FY 2013-14, staff estimates that the City will end the year with sufficient fund balance to appropriate \$2.0 million for budget purposes and maintain a fund balance that exceeds the City's 15% policy target.

BUDGET SUMMARY - STAFFING

FULL-TIME EQUIVALENT POSITIONS BY FUND

	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Environment & Transportation	339.13	314.13	306.25	309.25
Public Safety	504.00	517.00	533.75	533.75
Culture & Recreation	124.40	115.88	110.13	110.13
General Government	97.92	126.93	127.05	127.05
Community Development	74.38	58.30	62.75	62.75
TOTAL CITY WIDE	1,139.83	1,132.24	1,139.93	1,142.93

BUDGET HIGHLIGHTS

- The FTE count for FY 2013-14 has been adjusted since the start of the fiscal year to reflect position changes since July 1. This includes staff additions in the Development Service Department to meet the higher workload.
- The FY 2014-15 proposed budget includes an additional 3.0 FTE positions. Two of those positions are in the Stormwater Fund. One of the stormwater positions is slated for the new maintenance crew. The other stormwater position is a project manager that will assist with the expanded construction activity and professional service work. The other new position proposed for FY 2014-15 is GIS Technician in the Water Resources Fund.
- Otherwise, position counts for FY 2014-15 will remain the same as the revised FY 2013-14 budget counts. The chart on the following page shows the changes in FTE positions by service area and department for each of the last four fiscal years.

BUDGET SUMMARY - STAFFING

<u>SERVICE AREAS</u>	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Departments & Divisions				
<u>Public Safety</u>				
Police	260.00	264.00	267.00	267.00
Police Grant Funded Positions- General Fund	5.00	5.00	5.00	5.00
Police Grant Funded Positions- Grant Fund	-	-	4.00	4.00
Fire & Rescue	239.00	248.00	257.75	257.75
Total Public Safety	<u>504.00</u>	<u>517.00</u>	<u>533.75</u>	<u>533.75</u>
<u>Culture & Recreation</u>				
Parks, Recreation & Cultural Arts	97.15	97.38	93.63	93.63
Golf Fund	11.00	0.00	0.00	0.00
Civic Center Fund	16.25	18.50	16.50	16.50
Total Culture & Recreation	<u>124.40</u>	<u>115.88</u>	<u>110.13</u>	<u>110.13</u>
<u>General Government</u>				
Administrative Services	9.75	46.75	48.00	48.00
Finance & Management Services	43.00	33.75	32.75	32.75
Information Technology Services	19.00	19.00	19.00	19.00
Human Resources	15.67	15.68	16.05	16.05
City Attorney	6.00	6.00	6.00	6.00
Economic Development	4.50	5.75	5.25	5.25
Total General Government	<u>97.92</u>	<u>126.93</u>	<u>127.05</u>	<u>127.05</u>
<u>Environment & Transportation</u>				
Water Resources Fund	147.00	148.00	147.63	148.63
Public Works	106.00	83.51	84.51	84.51
Transportation	11.63	12.30	12.29	12.29
Stormwater Fund	34.00	28.99	28.99	30.99
Transit Services Fund	3.00	3.00	3.00	3.00
Parking Services Fund	19.00	21.33	21.33	21.33
Street Cut Utility Fund	18.50	17.00	8.50	8.50
Total Environment & Transportation	<u>339.13</u>	<u>314.13</u>	<u>306.25</u>	<u>309.25</u>
<u>Community Development</u>				
Urban & Planning Design	19.38	13.50	10.25	10.25
Building Safety	50.00	0.00	0.00	0.00
Development Services	0.00	39.80	48.00	48.00
Community Development Fund	5.00	5.00	4.50	4.50
Total Community Development	<u>74.38</u>	<u>58.30</u>	<u>62.75</u>	<u>62.75</u>
TOTAL CITY WIDE FTE POSITIONS	<u>1,139.83</u>	<u>1,132.24</u>	<u>1,139.93</u>	<u>1,142.93</u>

GENERAL FUND SUMMARY

	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
<u>Revenues:</u>				
Property Taxes	46,800,092	46,891,865	51,606,975	52,103,473
Intergovernmental	10,860,618	11,171,151	11,250,660	11,476,750
Sales & Other Taxes	16,258,875	17,067,516	18,084,277	18,704,766
Charges For Service	4,519,107	4,594,340	8,470,569	8,595,455
Licenses & Permits	4,711,318	5,382,921	4,706,690	5,175,010
Investment Earnings	142,546	69,341	150,000	150,000
Miscellaneous	1,729,173	1,755,350	1,180,063	1,342,500
Other Financing Sources	2,882,915	3,604,870	412,530	2,000,000
Total Appropriations	87,904,644	90,537,354	95,861,764	99,547,954

	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
<u>Appropriations:</u>				
Police	20,072,896	20,556,220	22,617,301	24,255,781
Fire & Rescue	18,600,324	20,005,479	19,579,293	20,777,981
Public Works	11,253,197	10,955,219	12,894,771	11,817,550
Capital Pay-Go/Debt	7,163,290	6,038,478	8,181,053	8,995,878
Parks, Recreation & Cult. Arts	9,236,605	9,138,655	9,376,097	9,653,537
Finance & Management Srv.	3,083,570	2,636,836	2,526,710	2,957,459
Information Technology Services	2,675,076	2,751,099	2,868,637	2,539,664
Nondepartmental	2,490,443	3,089,757	3,542,898	2,281,847
Building Safety	3,902,508	3,974,976	0	0
City Attorney	646,661	671,846	665,063	806,748
Development Services	0	0	2,858,310	3,596,839
Administrative Services	1,219,875	1,298,955	4,191,500	4,042,582
Economic Development	497,557	615,845	438,457	764,515
Transportation	941,261	978,670	1,196,052	1,230,927
Urban & Planning Design	1,626,996	1,272,140	1,105,908	1,085,823
Transit Fund Transfer	985,295	985,295	1,157,502	1,700,546
US Cellular Center Transfer	392,594	662,594	885,927	1,120,576
Golf Fund Transfer	0	619,052	0	0
Human Resources	1,018,123	1,232,396	1,276,285	1,419,701
Housing Trust Fund Transfer	300,000	500,000	500,000	500,000
Total Appropriations	86,106,271	87,983,512	95,861,764	99,547,951

GENERAL FUND EXPENDITURES

<u>Service Areas</u>	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Public Safety	39,101,015	40,978,957	42,630,497	45,499,309
Environment & Transportation	13,269,253	12,919,184	15,298,325	14,749,023
General Government	10,394,336	10,339,111	14,124,847	13,629,169
Culture & Recreation	9,629,199	10,420,301	10,262,024	10,774,113
Capital Pay-Go/Debt	7,163,290	6,038,478	8,181,053	8,995,878
Community Development	6,549,178	7,287,481	5,365,018	5,900,462
Total General Fund	<u>86,106,271</u>	<u>87,983,512</u>	<u>95,861,764</u>	<u>99,547,954</u>

BUDGET HIGHLIGHTS

- The FY 2014-15 proposed budget includes general fund expenditures that are 3.8% more than the FY 2013-14 adopted budget.
- Public Safety is the largest general fund service area, accounting for 46% of all general fund expenditures. Public Safety expenditures show a \$2.9 million increase in FY 2014-15. A portion of this increase is due to the 3% COLA included in the budget. In addition, the Police Department operating budget reflects a \$325,000 increase in the City's share of the County's Criminal Justice Information System (CJIS) program costs. This increase is primarily due to debt service on a \$3 million new public safety system. The Police Department proposed operating budget also includes \$187,000 in funding to provide all officers with smart phones and \$85,000 to continue purchasing in-car and body cameras.
- Environment & Transportation is the second largest service area in the general fund, representing 15% of the FY 2014-15 general fund budget. This service area shows a decrease of approximately \$600,000, which is primarily the result of a technical change in which the City's annual resurfacing contract is removed from the Public Works Department's annual operating budget and moved to the City's General Capital Projects Fund. Highlights to note in this service area include: 1) a \$543,000 increase in the General Fund support for Transit Services to cover operating cost increases and the introduction of limited Sunday bus service beginning in January 1, 2015; 2) the inclusion of \$300,000 in contracted services funding in the Public Works Department for a full year of sidewalk cleaning in the central business district; and 3) the addition of \$100,000 in funding in the Public Works Department for median maintenance.
- The decrease in General Government reflects the removal of the every-other-year election costs as well as the accounting change in which unemployment costs and the City's annual contribution to the North Carolina State Treasurer's OPEB Fund are moved to the nondepartmental budget to individual departmental budgets.
- The Culture and Recreation service area shows a 5.0% increase. A portion of this increase (approximately \$234,000) is due to the accounting change in which the US Cellular Center is now being charged the full cost of indirect services provided by the general fund. This accounting change is reflected as an increase in the general fund transfer to the US Cellular Center Fund. Other factors impacting the Culture and Recreation service area include: 1) a \$250,000 increase in pay-as-you-go capital funding for parks facility maintenance; 2) a \$100,000 inflationary increase in the City's mowing contract; and 3) the inclusion of 50,000 for the installation of additional security cameras at parks facilities.
- The increase in the Community Development service area is primarily the result of mid-year FY 2013-14 staffing additions in the Development Services Department to meet the higher workload. In addition, the Planning Department budget includes \$100,000 to fund the River District form based code project.

GENERAL FUND EXPENDITURES

GENERAL FUND EXPENDITURES BY EXPENSE CATEGORY

	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Salaries & Wages	40,459,457	41,450,688	42,806,366	45,481,705
Fringe Benefits	16,421,854	15,621,129	17,155,663	18,319,295
Operating Costs	19,928,626	22,700,361	25,550,753	23,963,816
Interfund Transfers	1,767,389	1,490,767	2,043,429	2,738,441
Debt Service	4,109,806	5,055,446	5,387,021	5,387,021
Capital Outlay	3,419,139	1,665,121	2,918,532	3,657,676
TOTAL	<u>86,106,271</u>	<u>87,983,512</u>	<u>95,861,764</u>	<u>99,547,954</u>

BUDGET HIGHLIGHTS

- Personnel costs, including both salaries and wages and fringe benefits make up 64% of the proposed FY 2014-15 general fund budget. As noted earlier in the budget document, the personnel budget includes funding for a 3% cost of living adjustment (COLA) for employees, which has a budget impact of approximately \$1.5 million in the general fund. The personnel budget in the general fund is also impacted by the mid-year staffing additions in the Development Services Department as well as the full cost budgeting of several positions in the general fund that were frozen in FY 2013-14. Finally, the fringe benefit budget in the general fund is impacted by the restoration of funding to the workers' compensation program that was discussed earlier. The impact to the general fund is approximately \$680,000.
- Operating costs show a net decrease of \$1.6 million. Most of this decrease, however, is due to the technical change in which the City's annual resurfacing contract is removed from the Public Works Department's annual operating budget and moved to the City's General Capital Projects Fund. Major operating cost increases impacting the FY 2014-15 general fund budget, all of are discussed elsewhere in the document, include: 1) a \$325,000 increase in the City's share of the County's Criminal Justice Information System (CJIS) program costs; 2) \$272,000 in funding for police technology (smart phones and in-car and body cameras); 3) a \$100,000 inflationary increase in the City's mowing contract; and 4) \$150,000 to fund a full year (\$300,000) of sidewalk cleaning in the central business district.
- Interfund transfers are budgeted to increase by \$695,000. The US Cellular Center transfer is increasing to reflect the FY 2014-15 technical accounting change in which the full cost of indirect services are now being budgeted and accounted for in enterprise funds. The general fund transfer to the Transit Services Fund is budgeted to increase by \$543,000 due to proposed service enhancements, the slight reduction in grant funding, and overall cost inflation.
- In accordance with the City's multi-year debt service and capital improvement financial model, the General Fund debt service budget is maintained at the FY 2013-14 budget level.
- The FY 2014-15 capital outlay budget reflects the transfer of the full \$3.3 million from the FY 2013-14 tax rate increase into the City's debt service and capital improvement fund, along with additional pay-go capital maintenance funding that will be transferred to the general capital fund.



GENERAL GOVERNMENT

Finance and Management Services

General Administration

Economic Development

City Attorney's Office

Information Technology Services

Human Resources

Nondepartmental

FINANCE AND MANAGEMENT SERVICES

Barbara Whitehorn, Finance Director

MISSION: The City of Asheville's Department of Finance and Management Services provides fundamental business services, critical resources and support to City departments so they can provide the best possible services to the public. The department consults with operational departments to provide: budgeting, accounting and long-range financial planning for operational and capital needs; high quality building operations; management of the City's purchasing and contracting systems; implementation of comprehensive risk management and insurance programs, and; a framework for sustainable government operations with a focus on resources conservation and climate protection.

DEPARTMENT SUMMARY

	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Budget	Proposed
Expenditures:				
Salaries & Wages	1,771,984	1,795,325	1,503,875	1,830,138
Fringe Benefits	789,427	680,310	633,284	716,809
Operating Costs	582,020	215,375	389,551	460,443
Capital Outlay	0	0	0	19,069
Cost Transfers	<u>-59,861</u>	<u>-54,174</u>	<u>0</u>	<u>-69,000</u>
Total	3,083,570	2,636,836	2,526,710	2,957,459
FTE Positions	43.00	33.75	32.75	32.75

BUDGET HIGHLIGHTS

- The FY 2013-14 Finance Department budget included savings from holding several positions vacant. The FY 2014-15 proposed budget includes funding to fill all of the positions that were held vacant in FY 2013-14.
- The FY 2014-15 Finance Department budget also includes a full year of funding for a capital budget analyst position that was added after adoption of the FY 2013-14 budget. This position is funded with revenue from the enhanced capital improvement program.
- The risk management division budget includes \$68,000 to fund the ongoing contract for City Hall security. This contract was previously funded with building security monies that were part of the City's General Capital Projects Fund.
- The central stores budget includes \$19,069 to purchase an inventory management system that allows automated bar coding.

FINANCE AND MANAGEMENT SERVICES

DIVISION SUMMARY	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
<u>Budget & Research</u>	186,005	175,023	180,336	191,978
FTE Positions	2.00	2.00	3.00	3.00

The function of the Budget & Research Division is to plan, prepare and monitor the City's operating and capital budgets, review the efficiency of City activities, and provide assistance to the City Manager and other departments in performance management, planning and evaluation.

<u>Purchasing</u>	353,009	282,588	278,846	334,570
FTE Positions	4.00	4.00	4.00	4.00

The Purchasing Division's functions include the procurement of all City commodities and the sale of City-owned surplus property by sealed bids and/or public auction. The operation of the City's Central Stores Facility is also a function of this division, but Central Stores expenses are accounted for in a separate division.

<u>Central Stores</u>	145,694	140,674	151,851	164,840
FTE Positions	2.00	2.00	2.00	2.00

The Central Stores Division maintains inventory in support of all departments and divisions of the City. Inventory consists of three major classes: water maintenance materials, stormwater/drainage materials and general operating supplies (consisting of office, safety and janitorial products).

<u>Risk Management Admin</u>	172,901	144,237	199,760	323,525
FTE Positions	3.00	3.00	4.00	4.00

The Risk Management Administration Division analyzes the relative loss exposure for all City operations and activities and provides recommendations to City staff and City departments. Risk Management also places appropriate protective coverage for the City either through adequate insurance at the best possible premium or by selecting and implementing alternative risk financing, risk transfer, loss prevention and loss control techniques.

<u>Finance Administration</u>	469,474	141,688	494,185	616,171
FTE Positions	4.00	3.00	4.00	4.00

The Finance Administration Division provides leadership for the variety of responsibilities assigned to the department. This division also: monitors the City's Capital Improvement Program; directs and manages the Asheville Public Financing Corporation; and structures, implements and monitors special financial arrangements such as the City's self-insurance program and pension obligation financing.

FINANCE AND MANAGEMENT SERVICES

DIVISION SUMMARY	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
<u>Accounting</u>	1,145,252	1,114,202	1,221,732	1,326,372
FTE Positions	15.00	16.00	15.75	15.75

The Accounting Division maintains City financial records in accordance with the North Carolina General Statutes and generally accepted principles of governmental accounting. This division's activities include: financial record keeping, all payroll related functions, accounts payable & accounts receivable activities, treasury management, and fiscal grant management. This division is also responsible for the City's internal audit functions.

<u>City Hall Operations</u>	495,435	468,390	*	*
FTE Positions	8.00	*	*	*

* The City Hall Division budget was moved to General Services during FY 2012-13 (7 FTE to General Services and 1 FTE to the Economic Development Department).

<u>Sustainability</u>	115,801	170,034	*	*
FTE Positions	1.00	2.75	*	*

The Sustainability Division coordinates the City's efforts to achieve the goal of reducing its carbon footprint by 4% each year for the next five years.

* The Sustainability Division budget was moved to the Administrative Services Department during FY 2013-14 (2.00 FTE).

ADMINISTRATIVE SERVICES

Paul Fetherston, Assistant City Manager

MISSION: The City of Asheville's Department of Administrative Services is in the business of ensuring the highest quality of life in the community we serve so that Asheville remains one of the best places to live in the country. The department consults with operational departments to provide: coordination and support in community relations, public engagement, marketing and communications services; and administration of the City Manager's office.

DEPARTMENT SUMMARY

	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Budget	Proposed
Expenditures:				
Salaries & Wages	832,419	845,716	2,487,987	2,468,998
Fringe Benefits	241,124	267,995	932,513	942,361
Operating Costs	146,332	185,244	4,371,000	3,031,223
Capital Outlay	0	0	0	0
Cost Transfers	0	0	<u>-3,600,000</u>	<u>-2,400,000</u>
				0
Total	1,219,875	1,298,955	4,191,500	4,042,582
FTE Positions	9.75	9.75	48.00	48.00

BUDGET HIGHLIGHTS

- The community relations division includes \$20,000 to fund an enhanced marketing program.
- The reduction in the community relations division budget reflects the technical adjustment to move the Changing Together program to the City's Grant Fund.
- Otherwise, the proposed Administrative Services Department budget represents a continuation of existing programs and services.

ADMINISTRATIVE SERVICES

DIVISION SUMMARY	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
<u>Governing Body</u>	177,620	197,872	170,808	176,716
FTE Positions	0.00	0.00	0.00	0.00

The Governing Body Division provides funding for the salaries and operating expenses of the Mayor and the City Council.

<u>City Clerk</u>	111,031	115,749	115,482	119,464
FTE Positions	1.00	1.00	1.00	1.00

The City Clerk gives notice of Council meetings, maintains a journal of proceedings of City Council, is the custodian of all official City records, and performs other duties that may be required by law or City Council.

<u>City Manager</u>	577,617	615,291	649,448	715,252
FTE Positions	4.75	4.75	5.00	5.00

The City Manager Division is responsible for managing and coordinating the operations of all City departments and for ensuring that City Council goals and objectives are incorporated into departmental goals and objectives.

<u>Community Relations</u>	353,607	370,043	409,678	366,784
FTE Positions	4.00	4.00	4.00	4.00

The Community Relations Division facilitates the creation and continuance of programs that focus on making information about City services and programs more accessible to communities, neighborhoods and individuals in Asheville.

<u>Sustainability</u>	*	*	129,922	170,655
FTE Positions	*	*	2.00	2.00

The Sustainability Division coordinates the City's efforts to achieve the goal of reducing its carbon footprint by 4% each year for the next five years. FY 2011-12 and FY 2012-13 expenses for the Sustainability Division are included in the Finance Department.

<u>General Services</u>			2,716,162	2,493,711
FTE Positions			36.00	36.00

The General Division coordinates the City's following functions: fleet maintenance, building maintenance, and City Hall operations.

ECONOMIC DEVELOPMENT

Sam Powers, Director

MISSION: The focus of the City of Asheville, Office of Economic Development, is to promote the City's economic development policies through linked and collaborative initiatives that leverage resources to create a vibrant and robust Asheville economy.

DEPARTMENT SUMMARY

	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Expenditures:				
Salaries & Wages	228,030	206,600	205,993	302,958
Fringe Benefits	89,755	73,882	91,542	114,125
Operating Costs	171,459	335,363	140,922	347,432
Capital Outlay	8,313	0	0	0
Total	497,557	615,845	438,457	764,515
FTE Positions	4.50	5.75	5.25	5.25

BUDGET HIGHLIGHTS

- The Economic Development (ED) Department budget reflects the addition of two positions that were moved to the department after the 2013-14 budget was adopted.
- The Economic Development Coalition (\$60,000) and Sports Commission (\$45,000) budgets are now included as contracts for service in the Economic Development Department budget.
- The FY 2014-15 ED budget also includes \$40,000 in funding to continue Moogfest support. Since FY 2013-14 funding was added mid-year, it is not included in the adopted budget shown above.

CITY ATTORNEY'S OFFICE

Robin Curtin, City Attorney

MISSION: The City Attorney's Office advises and represents the City of Asheville in all settings where legal advice and representation are needed or requested.

DEPARTMENT SUMMARY

	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Budget	Proposed
Expenditures:				
Salaries & Wages	428,163	449,429	440,253	541,792
Fringe Benefits	147,492	139,474	153,332	164,068
Operating Costs	71,006	82,943	71,478	100,888
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	646,661	671,846	665,063	806,748
FTE Positions	6.00	6.00	6.00	6.00

BUDGET HIGHLIGHTS

- Based on trends in the current fiscal year, the City Attorney's FY 2014-15 budget includes a total of \$50,000 for outside legal services, which is a \$20,000 increase compared to the adopted FY 2013-14 budget.
- Otherwise, the budget reflects a continuation of existing programs and services.

INFORMATION TECHNOLOGY SERVICES

Jonathan Feldman, Director/CIO

MISSION: Information Technology Services strives to provide a high level of customer service by providing quality technical deliverables with a high level of professionalism and responsiveness. We adhere to principles of technical and fiscal stewardship with an end goal of a high quality of life for employees and citizens.

DEPARTMENT SUMMARY

	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Budget	Proposed
Expenditures:				
Salaries & Wages	1,131,377	1,209,630	1,211,675	1,229,200
Fringe Benefits	413,653	382,131	421,908	442,937
Operating Costs	1,458,633	1,482,287	1,560,054	1,192,527
Capital Outlay	20,955	47,590	25,000	25,000
Cost Transfers	<u>-349,542</u>	<u>-370,539</u>	<u>-350,000</u>	<u>-350,000</u>
		0		
Total	2,675,076	2,751,099	2,868,637	2,539,664
FTE Positions	19.00	19.00	19.00	19.00

BUDGET HIGHLIGHTS

- After adoption of the FY 2013-14 budget, funding for computer replacements (\$350,000) was moved from the Information Technology Services (ITS) Department's general fund operating budget to the capital project fund. The decrease in the operating budget between FY 2013-14 and FY 2014-15 reflects this accounting change.
- Otherwise, the ITS budget reflects a continuation of existing programs and services.

INFORMATION TECHNOLOGY SERVICES

DIVISION SUMMARY	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
<u>Administration</u>	256,402	228,764	229,768	249,882
FTE Positions	3.00	3.00	2.00	2.00

The Administration Division ensures that customer friendly, useful, and labor-saving technology services are deployed by each area of the department. To this end, we responsibly plan and manage personnel, budget, capital projects, and outsourcing activities; act as liaison to and provide performance metrics to external departments, City Council, vendors, and citizens; and provide administrative support to all divisions of the department.

<u>IT Support Services</u>	583,653	908,360	1,055,652	690,704
FTE Positions	5.00	5.00	5.00	5.00

The IT Support Services Division ensures all customer information technology needs are met in a timely, efficient, and courteous way. To meet these needs, provide a centralized Help Desk service, documentation and knowledge management, and other task and project management tools and services.

<u>Technical Services</u>	1,165,192	888,194	755,271	839,649
FTE Positions	5.00	5.00	6.00	6.00

The Technical Services Division continuously improves network infrastructure in order to enhance the quality and reliability of both data and communication systems.

<u>GIS & Application Services</u>	669,829	725,781	827,946	759,429
FTE Positions	6.00	6.00	6.00	6.00

The GIS & Application Services Division provides flexible, automated, and standards-based application services and software to the City's business units. By focusing and tailoring our products, we aim to provide increased business intelligence, leading to a more efficient and effective City. We will accomplish this goal by working with customers to best prioritize and use resources and by organizing information by geography to best serve our customers' location-based activities.

HUMAN RESOURCES

Kelley Dickens, Director

MISSION: It is the mission of the City of Asheville Human Resources Department to provide excellent service in alignment with The Asheville Way organizational core values. The department will strive to provide for the personal and professional development of employees by encouraging opportunities for continuous improvement in an ethical, diverse, safe, healthy, and fair work environment.

DEPARTMENT SUMMARY

	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Budget	Proposed
Expenditures:				
Salaries & Wages	604,330	725,087	741,680	829,015
Fringe Benefits	262,848	268,308	305,247	332,128
Operating Costs	150,945	239,001	229,358	258,558
Capital Outlay	0	0	0	0
Cost Transfers	0	0	0	0
Total	1,018,123	1,232,396	1,276,285	1,419,701
FTE Positions	15.67	15.68	16.05	16.05

BUDGET HIGHLIGHTS

- The Human Resources budget reflects a continuation of existing programs and services.

HUMAN RESOURCES

DIVISION SUMMARY	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
<u>Administration</u>	861,259	1,083,482	1,110,706	1,235,844
FTE Positions	12.00	11.60	12.00	12.00

The Administration Division provides leadership for the variety of responsibilities assigned to the Human Resources Department.

<u>CAYLA</u>	149,477	148,914	165,579	183,857
FTE Positions	1.00	1.00	1.00	1.00

The City of Asheville Youth Leadership Academy (CAYLA) is committed to providing its students with a) a meaningful summer work experience, b) leadership development through seminars and community service, and c) college preparatory activities, including yearlong academic support. CAYLA recruits, trains and places local high school students at meaningful summer jobs with the City and with participating agencies, in addition to providing weekly day-long workshops on financial literacy, leadership, career exploration and 21st Century job skills.

<u>Health Services</u>	*7,387	*	*	*
FTE Positions	2.67	3.08	3.05	3.05

The Health Services Division is responsible for providing programs on employee health and wellness, including certain OSHA compliance programs, initial management of work injuries, and Federal DOT and City drug & alcohol testing. Health Services also strives to improve the quality of life for City employees by serving as an accessible medical resource for all employees.

* The Health Services Division budget was moved to the Health Insurance Fund beginning in FY 2011-12.

NONDEPARTMENTAL GENERAL GOVERNMENT

BUDGET SUMMARY

Expenditures:	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Buncombe County Tax Collections	713,710	719,357	720,000	820,000
Board of Elections	229,441	0	250,000	0
Unemployment	121,652	137,798	415,000	0
OPEB Contribution	0	0	341,404	0
Employee Transit Passes	3,155	3,559	4,000	4,000
City Stormwater Costs	118,624	82,252	135,000	110,000
Other	<u>156,392</u>	<u>189,168</u>	<u>292,791</u>	<u>164,500</u>
Total	1,342,974	1,132,134	2,158,195	1,098,500

BUDGET HIGHLIGHTS

- The FY 2013-14 budget included \$250,000 for the payment to the Buncombe County Board of Elections for City Council elections. Since elections occur every other year, this funding is not included in the FY 2014-15 budget.
- The budgets for unemployment costs and the City's annual contribution to the North Carolina State Treasurer's OPEB Fund, which were budgeted in the adopted nondepartmental budget in FY 2013-14 are moved to departmental budgets in the FY 2014-15 proposed budget.

PUBLIC SAFETY

Police

Fire

Nondepartmental

POLICE

William Anderson, Chief of Police

MISSION: We provide the highest level of police services in partnership with the community to enhance the quality of life. We provide public safety and maintain order; enforce the laws of North Carolina, uphold the United States Constitution and enhance national security. We adhere to the guiding principles of: Integrity, Fairness, Respect and Professionalism.

DEPARTMENT SUMMARY

	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Expenditures:				
Salaries & Wages	12,016,269	12,376,905	12,820,056	13,484,516
Fringe Benefits	4,930,962	4,664,486	5,019,582	5,599,304
Operating Costs	3,106,425	3,496,254	4,777,663	5,171,961
Capital Outlay	19,240	18,575	0	0
Transfer to Grant Fund	0	0	0	0
				0
Total	20,072,896	20,556,220	22,617,301	24,255,781
FTE Positions	265.00	269.00	276.00	276.00

BUDGET HIGHLIGHTS

- The Police Department proposed operating budget includes \$187,000 in funding to provide all officers with smart phones.
- The Police Department budget also includes \$85,000 for the purchase of in-car and body cameras.
- The Police Department operating budget reflects a \$325,000 increase in the City's share of the County's Criminal Justice Information System (CJIS) program costs. This increase is primarily due to debt service on a \$3 million new public safety system.

POLICE

DIVISION SUMMARY	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
<u>Administration</u>	1,627,104	2,780,557	7,813,911	8,475,815
FTE Positions	12.00	15.00	57.00	57.00

The Administration Division provides top management support, direction, and coordination for all operations and activities of the department. Specific activities include: professional standards, project management, and employee services.

<u>Criminal Investigations</u>	2,830,196	2,919,492	2,997,038	3,485,644
FTE Positions	39.00	42.00	47.00	47.00

The Criminal Investigations Division is responsible for investigating all serious crimes reported to police. Functions include: general investigations, youth services and sexual assault investigations, support for the Metropolitan Enforcement Group, forensic services, school liaison, and victim services.

<u>Patrol Bureau</u>	11,999,374	11,087,394	11,806,352	12,294,322
FTE Positions	175.00	167.00	172.00	172.00

The Patrol Division responds to public calls for service, conducts criminal incident and traffic accident investigations, enforces laws, maintains continuous 24-hour patrol, and provides organization and leadership in community-based problem solving activities.

<u>Support Bureau</u>	3,616,222	3,768,777	*	*
FTE Positions	39.00	45.00	*	*

The Support Services Division provides services to both the public and the police operating divisions. These services include: police/fire communications, property control, police records, court liaison, crime analysis, accreditation, and building maintenance. The animal control function is responsible for enforcing the City of Asheville animal control ordinance. The officers also investigate violations of state laws concerning domestic animals and coordinate with the Wildlife Resources Commission and the Humane Society.

* The Support Bureau Division budget is merged with the Administration Division in FY 2013-14.

FIRE & RESCUE
Scott Burnette, Fire Chief

MISSION: The mission of the City of Asheville Fire and Rescue Department is to protect the lives, property and environment of all people within Asheville by preventing the occurrence and minimizing the adverse effects of fires, accidents and all other emergencies. This mission will be accomplished with firefighter pride, preparedness and professionalism, with a focus on quality customer service and continuous improvement.

DEPARTMENT SUMMARY

	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Expenditures:				
Salaries & Wages	12,074,277	13,090,499	12,803,307	13,370,442
Fringe Benefits	4,234,415	4,298,167	4,366,866	4,938,270
Operating Costs	2,291,632	2,616,813	2,409,120	2,469,269
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	18,600,324	20,005,479	19,579,293	20,777,981
FTE Positions	239.00	248.00	257.75	257.75

BUDGET HIGHLIGHTS

- The Fire Department proposed budget reflects a continuation of existing programs and services.

FIRE & RESCUE

DIVISION SUMMARY	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
<u>Accountability/Administration</u>	2,564,722	2,807,927	2,523,129	2,789,662
FTE Positions	9.00	9.00	9.00	9.00

The Fire/Rescue Accountability and Administration Division is responsible for ensuring that our citizens and taxpayers are receiving the level and quality of fire and emergency services that they are paying for. This division encompasses the senior leadership of the department as well as the business office operations. Overall organizational management and leadership are focused in this division. Services include policy direction and development, problem resolution, comprehensive departmental human resource functions, long range and short term planning, payroll, purchasing, clerical and data processing and information management. Projects include all department capital improvements, contracts for specialized services, emergency service contracts and agreements, annexation service contracts, insurance rating programs, accreditation initiatives, performance measurement, organizational management and benchmarking, as well as being liaisons with neighboring fire and rescue departments, city government departments and divisions and other city, county, state and community based agencies and organizations.

<u>Emergency Response</u>	14,706,935	15,846,112	15,751,220	16,780,195
FTE Positions	216.00	225.00	233.75	233.75

The Emergency Response Division is responsible for response to 911 emergency calls for service. This division responds to emergencies throughout the city and all contractual areas. This responsibility is shared by shift operations personnel as well as necessary support personnel. Emergency responses to fires, medical emergencies, technical rescue incidents, hazardous materials spills, natural disasters and other type emergencies are provided 24/7/365 through three distinct work shifts. The department operates eleven (11) fire and rescue stations with fifteen (15) response companies, responding to over 15,000 emergencies annually. In addition, hydrant maintenance, fleet maintenance and repair, pre-emergency incident surveys, emergency preparedness, all safety and training programs, recruit academy partnerships, firefighter certification and career development as well as all other direct support services are provided for in this division.

<u>Fire Marshal's Office</u>	1,328,667	1,351,440	1,304,944	1,208,124
FTE Positions	14.00	14.00	15.00	15.00

The Fire Marshal's Office provides state mandated periodic fire inspections of all commercial properties within the City's jurisdiction. This division is responsible for ensuring that buildings and conditions meet minimum safety code requirements. Issuance of necessary permits and regulatory services are a function of this division. In addition, this division provides new construction plans review and new construction inspections. Fire scene investigation services and the City's fire investigation team are also a part of this division. Fire and injury prevention services, including child safety seats and public information, are also provided through this division to the public – especially for targeted groups such as children, the elderly and the business community.

NONDEPARTMENTAL PUBLIC SAFETY

Nondepartmental public safety appropriations for FY 2014-15 include the following:

BUDGET SUMMARY

Expenditures:	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
CrimeStoppers	39,849	40,695	41,576	41,359
Police ID Bureau	<u>387,946</u>	<u>376,563</u>	<u>392,327</u>	<u>424,188</u>
Total	427,795	417,258	433,903	465,547

BUDGET HIGHLIGHTS

- The Police ID Bureau and Crimestoppers are both part of Buncombe County government, and the City pays 50% of the costs of the programs. The FY 2014-15 proposed budget amounts are based on estimates supplied by Buncombe County, which include a \$32,000 increase in Police ID Bureau costs.



ENVIRONMENT & TRANSPORTATION

*Water Resources Fund
Public Works
Stormwater Fund
Street Cut Utility Fund
Transportation
Transit Services Fund
Parking Services Fund
Nondepartmental*

WATER RESOURCES FUND

Steve Shoaf, Director

MISSION: It is the mission of the Water Resources Department to manage and protect community resources and to provide the highest quality of water service to customers. The department will do this in the following ways: continuous improvement in products, systems and processes to maximize customer satisfaction; continuous communication among and between staff, customers and governing board; continuous involvement with the community and region; valuing honesty, hard work, creativity, faith in each other, perseverance, and respect for diversity.

DEPARTMENT SUMMARY

	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Expenditures:				
Salaries & Wages	5,544,056	5,787,616	6,141,684	6,087,858
Fringe Benefits	2,911,238	2,430,963	2,698,681	2,837,398
Operating Costs	8,524,536	8,375,951	8,765,720	9,229,166
Debt Service	6,198,691	6,124,616	6,152,519	6,108,208
Capital Outlay	<u>7,637,140</u>	<u>8,198,423</u>	<u>18,545,742</u>	<u>10,393,728</u>
Total	30,815,661	30,917,569	42,304,346	34,656,358
FTE Positions	147.00	148.00	147.63	148.63
Revenues:				
Charges For Service	33,100,375	33,171,207	33,719,987	34,364,376
Investment Earnings	190,627	72,711	150,677	69,780
Miscellaneous	432,721	458,426	46,295	46,295
Intergovernmental	0	0	0	0
Other Financing Sources	<u>229,880</u>	<u>112,200</u>	<u>8,387,387</u>	<u>175,907</u>
Total	33,953,603	33,814,544	42,304,346	34,656,358

BUDGET HIGHLIGHTS

- In April, City Council approved minor rate adjustments for the 2014-15 fiscal year based on the Raftelis financial model. These rate adjustments are expected to generate approximately \$460,000 in additional revenue.
- The FY 2014-15 proposed Water Resources budget includes funding to add one GIS Technician position.
- The current year budget included an \$8.3 million appropriation from fund balance for capital improvements. The FY 2014-15 proposed budget includes a smaller (\$175,907) appropriation from fund balance; as a result, the overall Water Resources Fund budget shows an 18% year-over-year decrease. Even with this decrease, the FY 2014-15 budget still includes \$10.1 million in pay-as-you-go funding for water capital improvement projects.
- The internal Non-Revenue Water (NRW) Team will continue its efforts to establish operational practices for managing and controlling water loss due to leakage, water theft, and metering inaccuracies.

WATER RESOURCES FUND

DIVISION SUMMARY	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
<u>Administration</u>	841,142	1,001,741	1,044,675	1,069,666
FTE Positions	7.00	8.00	7.00	8.00

The Administration Division provides planning and management services for the Water Resources Department.

<u>Meter Services</u>	1,229,389	1,166,432	1,315,508	1,817,143
FTE Positions	19.00	19.00	25.00	25.00

The Meter Services Division is responsible for timely and accurate meter reading services and maintenance and replacement of meters.

<u>Water Education</u>	2,996	0	4,400	0
FTE Positions	0.00	0.00	0.00	0.00

The Water Education Division promotes customer education and directs and coordinates programs to make more efficient use of our existing water supplies. Water education programs are conducted for all members of the community with a special emphasis on school children. These efforts are currently accomplished through a partnership with the City's sustainability division whereby water quality, stormwater and environmental sustainability education are offered.

<u>Construction Crew</u>	527,123	300,718	0	0
FTE Positions	7.00	7.00	0.00	0.00

The Construction Crew Division is responsible for performing small water distribution system improvement projects. This division is merged with Water Maintenance for the FY 2013-14 budget.

<u>Water Maintenance</u>	3,593,754	3,437,600	4,322,800	3,760,188
FTE Positions	42.00	42.00	42.00	42.00

The Water Maintenance Division is responsible for maintaining and upgrading approximately 1,625 miles of distribution mains, service lines, valves, meters, fire hydrants, pumps, and storage reservoirs throughout the water system.

<u>Water Production</u>	4,817,487	4,537,995	5,011,622	5,327,177
FTE Positions	41.00	41.00	41.63	41.63

The Water Production and Quality Control Division is responsible for operating and maintaining the North Fork, Mills River, and Bee Tree Water Treatment Plants as well as protecting and managing a 22,000-acre watershed.

WATER RESOURCES FUND

DIVISION SUMMARY	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
<u>Department-Wide Expenses</u>	17,490,419	17,855,959	28,312,176	20,359,724

Costs of this activity are not allocable to individual divisions or activities. Examples include debt service, transfer to capital, bad debt expense, insurance, and cost allocation (administrative costs to the City) expenses.

<u>Water Operating Equipment</u>	267,495	684,822	258,480	254,728
---	---------	---------	---------	----------------

There is a five-year replacement plan in place to ensure that capital equipment is replaced in a timely and cost effective manner. This plan is based on a comprehensive evaluation of all capital equipment, including rolling stock.

<u>Customer Service</u>	1,429,219	1,337,657	1,391,474	1,385,022
FTE Positions	23.00	23.00	23.00	23.00

The Customer Service Division is responsible for processing utility bill payments, establishing new water and sewer service, and assisting customers with various water and other City related issues or concerns.

<u>Engineering Services</u>	616,637	594,645	643,211	682,710
FTE Positions	8.00	8.00	9.00	9.00

The Engineering Services Division is responsible for providing timely plan review and inspection services to the development community, external customers, and internal customers. This includes processing water availability requests, reviewing and approving water line extensions, and inspecting newly installed water lines.

PUBLIC WORKS

Greg Shuler, Director

MISSION: The Public Works Department exists to provide safe and efficient movement of people and goods within the City and to maintain a safe, litter-free environment in the most economical and efficient manner possible. The Department functions to maintain and improve a variety of services and infrastructures.

DEPARTMENT SUMMARY

	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Budget	Proposed
Expenditures:				
Salaries & Wages	3,716,766	2,920,762	3,358,157	3,504,107
Fringe Benefits	1,866,023	1,761,860	1,503,685	1,783,202
Operating Costs	7,562,097	7,679,667	7,983,429	7,015,831
Capital Outlay	342,606	561,124	49,500	4,750
Cost Transfer	<u>-2,234,295</u>	<u>-1,968,194</u>	0	<u>-490,340</u>
		0		
Total	11,253,197	10,955,219	12,894,771	11,817,550
FTE Positions	106.00	83.51	84.51	84.51

BUDGET HIGHLIGHTS

- For FY 2014-15, funding for the City's annual resurfacing contract is removed from the Public Works Department's annual operating budget and moved to the City's General Capital Projects Fund. This change is reflected in the operating cost budget.
- In April 2014, City Council approved a new graffiti ordinance that included a 90 day concentrated initiative to aggressively remove graffiti from property. During the 90 day graffiti removal initiative, which will run from July 1, 2014 to September 30, 2014, property owners will receive significant assistance from the City when removing graffiti. \$300,000 has been included in the FY 2014-15 Public Works Department budget to fund the City's potential costs for this 90 day graffiti removal initiative. The proposed budget also includes funding for administrative costs associated with this program. The money for this 90 day initiative is coming from the City's general fund fund balance.
- Following two mild winters, staff reduced the storm control budget at the start of FY 2013-14. However, the FY 2013-14 budget was later amended as a result of the especially harsh winter. For FY 2014-15, staff is proposing to restore the storm control budget to the amount adopted prior to FY 2013-14. This \$100,000 budget-to-budget increase is reflected in the street and sidewalk division.
- The FY 2014-15 proposed Public Works Department budget includes \$100,000 in funding for median maintenance.
- The FY 2014-15 proposed Public Works Department budget also includes \$300,000 in contracted services funding for a full year of sidewalk cleaning in the central business district.

PUBLIC WORKS

DIVISION SUMMARY	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
<u>Administration</u>	996,619	2,882,316	922,718	1,237,463
FTE Positions	6.50	6.50	6.50	6.50

The responsibilities of the Public Works Administration Division include overseeing, leading and directing the Public Works divisions. This division develops operational procedures and policies; keeps abreast of new cost effective materials, equipment and training opportunities; and ensures that service levels remain constant or are improved without increasing costs. Public Works Administration also manages general street, sidewalk, bridge, drainage and signalization improvements.

<u>Street Lighting</u>	1,608,526	1,383,562	1,696,139	1,356,000
FTE Positions	0.00	0.00	0.00	0.00

The Public Works Department is responsible for overseeing the City's street lighting. The budget above represents the cost for street lighting in the City of Asheville. Annual savings in the street lighting budget from the installation of LED lights is used to help fund the City's green sustainability initiatives.

<u>Streets & Sidewalks</u>	3,323,904	1,275,164	4,339,219	3,733,090
FTE Positions	43.50	33.01	34.01	34.01

The Street Maintenance Division's mission is to construct and maintain the City's streets, sidewalks, and storm drainage systems in an efficient, customer-oriented manner; and to provide responsive emergency services in all types of weather.

<u>Sanitation</u>	4,674,728	4,654,707	4,945,325	4,988,421
FTE Positions	32.00	32.00	32.00	32.00

The Sanitation Division's mission is to provide quality services to all customers through on-schedule collection of municipal solid waste, bulky items, yard waste, and brush debris; and to ensure efficiency in every task, special project, equipment operation, and customer request.

<u>Engineering Services</u>	555,855	442,813	991,370	502,576
FTE Positions	9.00	12.00	12.00	12.00

The Engineering Services Division provides professional engineering, surveying and other technical services to all City departments. These services include the design and administration of capital improvement projects, all water system record-keeping, review and inspection of all extensions to the water system, water line design, storm drainage design, street paving, public inquiries of water availability, right-of-way research, and flood plain management. This division was moved to the Public Works Department during FY 2009-10.

PUBLIC WORKS

DIVISION SUMMARY	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
<u><i>Fleet Management</i></u>	93,565	316,657	*	*
FTE Positions	15.00	*	*	*

The Fleet Management Division is responsible for the maintenance and repair of more than 700 vehicles and equipment within the City's fleet. Fleet's highly trained and competent staff typically completes more than 8,000 work orders annually. The Fleet Management Division supplies fuel for City vehicles as well as for several other government and non-profit agencies including the Buncombe County School Board. The budget for Fleet Management represents the remaining net budget after allocating costs back to the departments.

*The Fleet Management division was moved to the General Services division during FY 2012-13.

STORMWATER FUND

MISSION: The Stormwater Fund is responsible for the timely installation, maintenance, repair and revitalization of the storm drainage, catch basins, pipes, etc. within the City's streets and rights-of-way.

FUND SUMMARY

	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Expenditures:				
Salaries & Wages	1,064,925	1,083,070	1,170,422	1,314,940
Fringe Benefits	623,901	487,885	567,823	553,968
Operating Costs	544,495	597,842	1,175,078	2,660,264
Debt Service	129,382	87,673	94,400	91,200
Capital Outlay	<u>1,107,984</u>	<u>580,240</u>	<u>641,000</u>	<u>641,000</u>
Total	3,470,687	2,836,710	3,648,723	5,261,372
FTE Positions	34.00	28.99	28.99	30.99
Revenues:				
Charges For Service	2,756,911	2,585,060	2,789,723	4,832,372
Licenses & Permits	190,516	253,928	187,000	187,000
Other Financing Sources	116,551	0	636,000	206,000
Miscellaneous	31,503	3,944	25,000	25,000
Investment Earnings	<u>12,512</u>	<u>4,362</u>	<u>11,000</u>	<u>11,000</u>
Total	3,107,993	2,847,294	3,648,723	5,261,372

BUDGET HIGHLIGHTS

- The current rate structure for single family properties is \$2.34 per month. The proposed rate structure is moving to a tiered system - Properties from 225–2000 square feet will pay \$2.50 per month; properties from 2001–4000 square feet will pay \$4 per month and properties greater than 4001 square feet will pay \$5.50 per month. For non-single family properties, the current rate of \$2.34/ERU (Equivalent Residential Unit) per month will be increased to \$4/ERU per month.
- Staff will utilize the additional funds from the rate change to perform more watershed assessments, install more drainage structures through contracts with construction companies, and perform additional maintenance services. These enhancements will include re-engineering a construction crew to become a preventative maintenance crew, which will include adding a FTE position to this crew. A Project Manager position will also be added to the budget to assist with the construction activities and professional service work that will be taking place.
- As discussed elsewhere in the Budget Document, all FY 2014-15 enterprise fund budgets now include the full cost of indirect services provided by the General Fund. For the Stormwater Fund, the cost of these services totals \$599,778. This accounting change is reflected on the expense side of the budget as an increase in operating costs.

STREET CUT UTILITY FUND

MISSION: The Street Cut Utility Fund is responsible for the repair of all street cuts on city streets made by private contractors, utility companies such as gas, power, and cable, and the City's Water & Stormwater operations.

FUND SUMMARY

	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Budget	Proposed
Expenditures:				
Salaries & Wages	574,156	505,521	390,465	353,890
Fringe Benefits	283,819	236,590	150,044	161,708
Operating Costs	444,084	517,240	906,290	968,216
Debt Service	780	844	3,359	0
Capital Outlay	<u>144,920</u>	<u>79,098</u>	<u>43,650</u>	<u>100,000</u>
Total	1,447,759	1,339,293	1,493,808	1,583,814
FTE Positions	18.50	17.00	8.50	8.50
Revenues:				
Charges For Service	1,541,598	1,399,498	1,493,808	1,483,814
Other Financing Sources	0	0	0	100,000
Internal Charges	0	0	0	0
Miscellaneous	<u>0</u>	<u>78</u>	<u>0</u>	<u>0</u>
Total	1,541,598	1,399,576	1,493,808	1,583,814

BUDGET HIGHLIGHTS

- As noted on the previous page, enterprise fund budgets for FY 2014-15 now include the full cost of indirect services provided by the General Fund. For the Street Cut Fund, the cost of these services totals \$235,843. This accounting change is reflected on the expense side of the budget as an increase in operating costs.
- The FY 2014-15 proposed budget includes \$100,000 for equipment/vehicle replacement. Debt proceeds will fund these purchases.
- Otherwise, the proposed budget represents a continuation of existing services.

TRANSPORTATION

Ken Putnam, Director

MISSION: The City of Asheville's Transportation Department is dedicated to providing for the safety, health, mobility, and quality of life for Asheville citizens and guests through the administration of engineering, infrastructure and transportation related projects.

DEPARTMENT SUMMARY

	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Budget	Proposed
Expenditures:				
Salaries & Wages	553,089	564,597	562,701	587,826
Fringe Benefits	222,407	219,620	227,300	251,958
Operating Costs	165,765	194,453	406,051	391,143
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
			0	
Total	941,261	978,670	1,196,052	1,230,927
FTE Positions	11.63	12.30	12.29	12.29

BUDGET HIGHLIGHTS

- The FY 2014-15 proposed budget for the Transportation Department includes continued funding in the amount of \$100,000 for traffic calming projects and \$35,000 for traffic safety projects.
- Otherwise, the budget for the Transportation Department represents a continuation of existing programs and services.

TRANSPORTATION

DIVISION SUMMARY	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Budget	Proposed
<u>City Engineering/Admin</u>	179,906	186,806	197,880	222,857
FTE Positions	2.00	2.67	2.67	2.67

The City Engineering function moved to the Public Works Department during FY 2009-10, and the division was renamed Transportation Administration.

<u>Traffic Engineering</u>	185,076	206,931	200,138	203,817
FTE Positions	2.00	2.00	2.00	2.00

The Traffic Engineering Division is responsible for the planning, design, installation, operation, and maintenance of traffic control devices (signs, signals, street markings) throughout the City and on a contract basis with the North Carolina Department of Transportation for state routes within the City. The division also conducts traffic studies and surveys, and reviews major developments and curb cut requests. The division also works with citizens, other departments, and outside agencies on traffic-related issues.

<u>Traffic Signal Maintenance</u>	191,968	188,298	199,131	213,406
FTE Positions	2.00	2.00	2.00	2.00

The Traffic Signal Maintenance Division provides for the safe control and flow of all modes of transportation in the City through the development of standards, high quality customer service, quick response, and careful planning.

<u>Transportation Planning</u>	144,756	189,595	222,524	184,002
FTE Positions	1.63	1.63	1.63	1.63

The Transportation Planning Division provides citywide planning services, including MPO and transit projects.

<u>Transportation Demand Mgt.</u>	2,830	0	0	0
FTE Positions	0.00	0.00	0.00	0.00

The Transportation Demand Management Division seeks to alter the demand for roadway capacity and increase transportation system efficiency by moving more people in fewer vehicles. A series of strategies are used to decrease the use of the single occupancy vehicle (SOV) and encourage the use of alternatives such as transit, carpooling, vanpooling, bicycling, walking, teleworking and alternative work schedules.

<u>Signs and Markings</u>	236,725	207,040	241,379	271,845
FTE Positions	4.00	4.00	4.00	4.00

The Signs & Markings Division was previously accounted for in the Public Works Department.

<u>Traffic Safety Funds</u>	0	0	135,000	135,000
------------------------------------	---	---	---------	----------------

These funds were previously accounted for in a capital project fund.

TRANSIT SERVICES FUND

MISSION: It shall be the mission of the Transit Services division to provide public transportation, within the confines of available resources, in such a manner as to maximize service to all destinations necessary for the benefit and well-being of the citizens of this community. This includes access to health, employment and recreation facilities, as well as to the goods and services necessary for everyday living.

FUND SUMMARY

	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Expenditures:				
Salaries & Wages	153,591	157,781	159,341	192,383
Fringe Benefits	61,897	55,665	59,851	63,287
Operating Costs	4,763,307	5,356,548	4,996,596	5,558,981
Operating Pass Through	419,967	253,556	553,500	553,500
Capital Outlay	<u>6,735</u>	<u>75,982</u>	<u>0</u>	<u>0</u>
Total	5,405,497	5,899,532	5,769,288	6,368,151
FTE Positions	3.00	3.00	3.00	3.00
Revenues:				
Operating Revenue	840,414	802,845	855,000	925,000
Miscellaneous	1,462	11,883	0	0
Federal/State Grants	2,832,316	2,599,634	2,266,411	2,252,230
Operating Pass Through	419,967	223,676	553,500	553,500
General Fund Subsidy	985,295	985,295	1,157,502	1,700,546
Parking Fund Subsidy	500,000	616,875	616,875	616,875
Other	0	41,509	0	0
Motor Vehicle License Fee	<u>312,874</u>	<u>318,605</u>	<u>320,000</u>	<u>320,000</u>
Total	5,502,704	5,600,322	5,769,288	6,368,151

BUDGET HIGHLIGHTS

- The proposed budget includes funding to implement limited Sunday service and make changes to route C to address inefficiencies with that route. Both of these changes will be implemented on January 1, 2015. The FY 2014-15 cost of these two service changes is \$220,000. The City has applied for additional grant funding that may partially fund this cost increase
- In addition to the changes noted above, overall operating costs for the transit system are up about \$300,000 in FY 2014-15. In addition, there is a slight decrease in State funding for transit operations. reduction in State funding for transit.
- With the reduction in grant funding, increases in operating costs, and the other service changes, the FY 2014-15 budget includes a \$543,000 increase in the General Fund support for Transit Services.
- As discussed elsewhere in the Budget Document, enterprise fund budgets now include the full cost of indirect services provided by the General Fund. For the Transit Services Fund, the cost of these services totals \$69,461. This accounting change is reflected on the revenue side of the budget as an increase in the General Fund transfer, and on the expense side as an increase in operating costs.

TRANSIT SERVICES FUND

DIVISION SUMMARY	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
<u>Administration</u>	346,101	439,756	414,220	460,211
FTE Positions	3.00	3.00	3.00	3.00

The Administration Division will evaluate and implement strategies and routes necessary to achieve the mission of the department. This division includes the salary, fringe benefits, and operating costs for the Transit Services Director.

<u>Transit Operations</u>	5,059,396	5,459,776	5,355,068	5,907,940
FTE Positions	0.00	0.00	0.00	0.00

The City contracts with a private sector management firm for transit operation services. The Transit Operations Division includes those contract costs, as well as the costs for para-transit service.

PARKING SERVICES FUND

MISSION: The City of Asheville is dedicated to providing safe, reliable and efficient parking in downtown Asheville. The city's Parking Services Division provides for the orderly turnover of parking and the maximum utilization of parking spaces. Asheville provides on-street parking as well as three parking garages and several permit lots downtown.

FUND SUMMARY

	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Expenditures:				
Salaries & Wages	525,763	569,561	626,747	667,497
Fringe Benefits	321,854	268,613	317,893	351,618
Operating Costs	768,181	845,714	1,158,701	1,436,817
Debt Service	102,355	801,284	892,725	875,000
Transfer to Transit Fund	500,000	616,875	616,875	616,875
Transfer to General Fund	0	120,000	0	0
Capital Outlay	<u>445,366</u>	<u>1,000,852</u>	<u>243,759</u>	<u>80,000</u>
Total	2,663,519	4,222,899	3,856,700	4,027,807
FTE Positions	19.00	21.33	21.33	21.33
Revenues:				
Garage Revenues	1,586,979	1,927,120	1,848,000	2,073,000
Parking Meters	1,103,316	1,091,540	1,250,000	1,239,413
Parking Violations	334,831	632,471	427,700	448,250
Parking Lots & Peripheral	181,314	189,745	314,000	264,000
Other	<u>42,814</u>	<u>29,379</u>	<u>17,000</u>	<u>3,144</u>
Total	3,249,254	3,870,255	3,856,700	4,027,807

BUDGET HIGHLIGHTS

- As discussed elsewhere in the Budget Document, enterprise fund budgets now include the full cost of indirect services provided by the General Fund. For the Parking Services Fund, the cost of these services totals \$348,756.
- Revenues in the current fiscal year are performing better than budget, and this trend is expected to continue next fiscal year. There are no rate changes included in the FY 2014-15 proposed budget.
- Overall, the proposed budget reflects a continuation of existing programs and services.

PARKING SERVICES FUND

DIVISION SUMMARY	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
<u>Parking Services</u>	1,229,383	2,494,907	1,095,254	988,686
FTE Positions	9.50	10.00	10.83	10.83

The Parking Services Division manages and coordinates the operation of all parking facilities except parking garages. This includes on-street parking, meter installation and repair, parking enforcement, administration of parking rules and regulations, and the depositing of all revenues generated from parking operations, including garages.

<u>Parking Garages</u>	1,434,136	1,727,992	2,761,446	3,039,121
FTE Positions	9.50	11.33	10.50	10.50

The Parking Garages Division is responsible for the daily operation and maintenance of the City's three parking garages. This division also handles special event parking operations.

NONDEPARTMENTAL ENVIRONMENT & TRANSPORTATION

BUDGET SUMMARY

Expenditures:	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
GF Transfer to Grant Fund	0	0	50,000	0
GF Transfer to Transit Fund	<u>1,074,795</u>	<u>985,295</u>	<u>1,157,502</u>	<u>1,700,546</u>
Total	1,074,795	985,295	1,207,502	1,700,546

BUDGET HIGHLIGHTS

- As discussed in the Transit Services section, the FY 2014-15 budget includes a \$543,000 increase in the General Fund support for Transit Services.



CULTURE & RECREATION

*Parks, Recreation & Cultural Arts
Civic Center Fund
Nondepartmental*

PARKS, RECREATION & CULTURAL ARTS

Roderick Simmons, Director

MISSION: The Parks, Recreation & Cultural Arts Department is dedicated to enhancing your quality of life by providing diverse cultural and recreational experiences.

DEPARTMENT SUMMARY

	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Expenditures:				
Salaries & Wages	4,076,824	4,181,094	4,166,886	4,328,001
Fringe Benefits	1,801,372	1,594,953	1,666,740	1,838,670
Operating Costs	3,339,090	3,307,808	3,542,471	3,486,866
Capital Outlay	<u>19,319</u>	<u>54,800</u>	<u>0</u>	<u>0</u>
Total	9,236,605	9,138,655	9,376,097	9,653,537
FTE Positions	97.15	97.38	93.63	93.63

BUDGET HIGHLIGHTS

- The proposed FY 2014-15 Parks & Recreation Department budget reflects the elimination of all expenses (and revenue) associated with the Bele Chere festival.
- The park maintenance division budget includes an additional \$100,000 to fund cost increases associated with the City's mowing contract.
- The Parks & Recreation budget includes \$50,000 for the installation of additional security cameras at facilities.
- The park maintenance division budget also includes an additional \$250,000 in pay-as-you-go capital funding for facility maintenance, which brings the total amount to \$650,000.

PARKS, RECREATION & CULTURAL ARTS

DIVISION SUMMARY	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
<u>Administration</u>	372,740	345,863	412,383	409,664
FTE Positions	2.00	2.00	2.00	2.00

The Administration Division provides overall leadership and coordination of the department's activities and goals; coordinates department activities with other departments; and is responsible for execution of the Master Plan for the department.

<u>Business Services</u>	995,187	966,884	1,054,927	1,046,290
FTE Positions	7.00	7.00	4.00	4.00

The Business Services Division provides business planning and strategic planning expertise; provides "back of house" operational support for the department; and oversees marketing, communications and media relations.

<u>Cultural Arts</u>	1,076,643	1,233,502	752,951	0
FTE Positions	4.75	4.63	0.00	0.00

The Cultural Arts Division promotes all aspects of the department's Cultural Arts programming; manages the W.C. Reid Center; oversees permitting of COA events; coordinates City of Asheville Events/Festivals; and manages the City of Asheville's Public Art collection.

<u>Park Maintenance</u>	2,685,681	2,741,525	3,129,784	3,567,543
FTE Positions	34.75	33.75	35.38	35.38

The Park Maintenance Division oversees maintenance of all City of Asheville Parks and Public Facilities; manages the grounds keeping at McCormick Field; and oversees Park Security and safety with the assistance of APD.

<u>Planning</u>	156,161	148,134	210,208	213,075
FTE Positions	2.00	2.00	2.00	2.00

The Parks Planning and Development Division manifests vision for all park projects; provides site planning and detailed project plans; and manages the contracting process for construction projects.

<u>Recreation Programs</u>	2,382,375	2,229,420	2,378,057	2,401,943
FTE Positions	31.90	32.50	29.50	29.50

The Recreation Division oversees all Community Centers and their City-organized activities; provides management of the youth and adult athletics programming; provides recreational programming in the community; and serves special populations including seniors and afterschool.

PARKS, RECREATION & CULTURAL ARTS

DIVISION SUMMARY	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
------------------	-------------------	-------------------	-------------------	---------------------

<u>Community Programs</u>				574,842
FTE Positions			6.00	6.00

Specialized Facilities: The Specialized Facilities Division provides management and/or oversight of: McCormick Field, Municipal Golf Course, WNC Nature Center, Swimming Pools, Riverside Cemetery, Food Lion Skate Park, and Aston Park Tennis Center. The budgets for those individual cost centers are listed below.

<u>Riverside Cemetery</u>	28,724	35,190	32,663	29,763
FTE Positions	0.00	0.00	0.00	0.00
<u>Nature Center</u>	946,953	906,228	902,922	905,265
FTE Positions	11.75	11.75	11.75	11.75
<u>McCormick Field</u>	140,171	86,822	0	0
FTE Positions	0.00	0.00	0.00	0.00
<u>Aston Park</u>	209,463	205,683	218,766	221,019
FTE Positions	2.00	2.00	2.00	2.00
<u>Food Lion Skate Park</u>	85,108	85,327	94,397	95,094
FTE Positions	1.00	1.00	1.00	1.00
<u>Swimming Pools</u>	157,242	154,077	189,039	189,039
FTE Positions	0.00	0.00	0.00	0.00
<u>Specialized Facilities</u>	157	0	0	0
FTE Positions	0.00	0.00	0.00	0.00

GOLF FUND

FUND SUMMARY

	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Budget	Proposed
Expenditures:				
Salaries & Wages	359,741	177,901	*	*
Fringe Benefits	186,263	52,745	*	*
Operating Costs	313,856	108,068	*	*
Capital Outlay	<u>0</u>	<u>305</u>	-	-
Total	859,860	339,019	*	*
FTE Positions	11.00	0.00	*	*
Revenues:				
Pro Shop Sales	17,497	7,024	*	*
Membership Fees	91,200	0	*	*
Snack Bar	47,409	14,464	*	*
Equipment Rental	250,036	85,967	*	*
Green Fees	377,523	130,475	*	*
Other	<u>10,013</u>	<u>17,867</u>	-	-
Subtotal Operations	793,678	255,797	*	*
		0		
General Fund Subsidy	<u>0</u>	<u>619,052</u>	-	-
Total	793,678	874,849	*	*

BUDGET HIGHLIGHTS

- The City contracted out operation of the Municipal Golf Course during FY 2012-13. A lease payment from the contractor of \$75,000 is included as a revenue in the proposed FY 2014-15 General Fund Parks & Recreation Department budget.

US CELLULAR CENTER FUND

Sam Powers, Director

MISSION: The mission of the U.S. Cellular Center Asheville, formerly the Asheville Civic Center, is to foster exceptional experiences for patrons and promoters in the heart of Asheville. The Center has been providing facilities for entertainment, convention, commercial, cultural and sports activities for the City and surrounding community since 1974. The Center includes a 7,200-seat arena, a banquet hall, a performing arts auditorium with seating capacity of 2,431, and an exhibition hall.

DEPARTMENT SUMMARY

	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Expenditures:				
Salaries & Wages	913,983	932,588	983,149	965,425
Fringe Benefits	390,708	323,271	340,909	365,837
Operating Costs	909,346	1,001,047	1,253,825	1,848,286
Debt Service	0	266,822	300,550	288,950
Capital Outlay	<u>313,296</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	2,527,333	2,523,728	2,878,433	3,468,498
FTE Positions	16.25	18.50	16.50	16.50
Revenues:				
Food & Beverage Sales	602,810	728,359	946,006	1,153,922
Rent	469,115	669,707	519,000	451,500
Admissions & Other Sales	249,802	792,221	424,500	558,500
Capital Maintenance Fee	79,163	74,910	90,000	90,000
Investment Earnings	1,240	1,857	5,000	2,000
Other	<u>41,385</u>	<u>54,481</u>	<u>8,000</u>	<u>32,000</u>
Subtotal Operations	1,443,515	2,321,535	1,992,506	2,287,922
General Fund Transfer	392,594	662,594	885,927	1,120,576
Appr. Fund Balance	--	--	--	60,000
Total	1,886,109	2,984,129	2,878,433	3,468,498

BUDGET HIGHLIGHTS

- As discussed elsewhere in the Budget Document, all enterprise fund budgets for FY 2014-15 include the full cost of indirect services provided by the General Fund. In FY 2013-14, the first year of this accounting change, enterprise funds were charged 50% the total cost. For the US Cellular Center Fund, the total cost of these services is \$439,032. This accounting change is reflected on the revenue side of the budget as an increase in the General Fund transfer, and on the expense side as an increase in operating costs.
- Event bookings and operating revenue have been higher than originally anticipated in the adopted FY 2013-14 budget, and this trend is expected to continue in FY 2014-15.
- The proposed budget includes a \$60,000 appropriation from fund balance for small equipment purchases.

NONDEPARTMENTAL CULTURE & RECREATION

Outside agency and nondepartmental culture & recreation funding for FY 2014-15 includes the following:

BUDGET SUMMARY

Expenditures:	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Transfer to Civic Center Fund	392,594	662,594	885,927	1,120,576
Transfer to Golf Fund	<u>0</u>	<u>619,052</u>	<u>0</u>	<u>0</u>
Total	392,594	1,281,646	885,927	1,120,576

BUDGET HIGHLIGHTS

- The General Fund nondepartmental budget includes the transfer to the US Cellular Center, which was discussed earlier in the Culture and Recreation section.

COMMUNITY DEVELOPMENT

Planning & Development
Community Development & HOME Funds
Housing Trust Revolving Fund
Development Services Department
Nondepartmental

URBAN & PLANNING DESIGN

Cathy Ball, Interim Director

MISSION: The mission of the Asheville Urban & Planning Design Department is to encourage sustainable sound physical and economic development through implementation of City Council policies that value our resources (historic, natural, housing, etc.) and ongoing community involvement; and by providing quality service, information and assistance.

DEPARTMENT SUMMARY

	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Budget	Proposed
Expenditures:				
Salaries & Wages	1,074,789	878,763	655,782	639,406
Fringe Benefits	432,350	291,773	347,967	243,751
Operating Costs	119,857	101,604	102,159	202,666
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,626,996	1,272,140	1,105,908	1,085,823
FTE Positions	19.38	13.50	10.25	10.25

BUDGET HIGHLIGHTS

- \$200,000 in savings from the FY 2013-14 budget are being reallocated to cover the cost of the Comprehensive Plan update. Work on the Comprehensive Plan update will occur during FY 2014-15.
- The FY 2014-15 proposed budget includes \$100,000 to fund the River District form based code project.

URBAN & PLANNING DESIGN

DIVISION SUMMARY	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
<u>Planning Services</u>	1,433,462	1,066,030	906,926	867,970
FTE Positions	16.88	11.00	7.50	7.50

The Planning Services Division conducts current and long-range planning. Planners are responsible for reviewing plans for development and redevelopment in the City's jurisdiction to ensure conformance with sound planning principles and City regulations, and for revising the City development guidelines as necessary. This division is also responsible for all comprehensive and small area plans and related matters. This division provides assistance to the Planning and Zoning Commission, the Board of Adjustment, the River District Design Review Board, and the Technical Review Committee. The primary focus of the code enforcement section is to enforce City of Asheville's codes, policies, & procedures which relate to land development. These activities include flood plain, zoning, sign and other ordinances. This division is also involved in enforcement of the junked car ordinance and the noise ordinance.

<u>Historic Resources</u>	125,279	125,070	129,302	146,543
FTE Positions	1.50	1.50	1.75	1.75

The Historic Resources Division provides assistance to the Historic Resources Commission in its efforts to protect and preserve the architectural history of Asheville.

<u>Homeless Program</u>	68,255	81,041	69,680	71,310
FTE Positions	1.00	1.00	1.00	1.00

HOUSING TRUST FUND

The Housing Trust Fund provides resources to increase the supply of affordable housing in the City of Asheville. The Fund's activities are administered by the Planning & Development Department's Community Development Division.

BUDGET SUMMARY	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Budget	Proposed
Expenditures:				
General Fund Contribution	300,000	500,000	500,000	500,000

BUDGET HIGHLIGHTS

- The FY 2014-15 proposed budget continues the \$500,000 General Fund operating budget contribution to the Housing Trust Fund.

BUILDING SAFETY

DEPARTMENT SUMMARY

	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Budget	Proposed
Expenditures:				
Salaries & Wages	1,951,140	2,206,281	*	*
Fringe Benefits	865,219	836,812	*	*
Operating Costs	1,041,427	931,883	*	*
Capital Outlay	<u>44,722</u>	<u>0</u>	-	-
Total	3,902,508	3,974,976	*	*
FTE Positions	50.00	*	*	*

BUDGET HIGHLIGHTS

- During FY 2012-13, departmental functions were re-organized and the permitting and inspections division was moved under the Development Services Department (DSD) and the building maintenance division was moved under the General Services.

Development Services Department

Shannon Tuch, Director

DEPARTMENT SUMMARY

	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Budget	Proposed
Expenditures:				
Salaries & Wages			1,848,014	2,365,306
Fringe Benefits			725,293	947,712
Operating Costs			285,003	283,821
Capital Outlay			<u>0</u>	<u>0</u>
Total			2,858,310	3,596,839
FTE Positions			48.00	48.00

BUDGET HIGHLIGHTS

- A number of positions in the Development Services Department were held vacant or eliminated during the recession. As development activity has picked up recently, staffing levels in the department have been increased to meet the higher workload. Staffing levels were adjusted upward after adoption of the FY 2013-14 budget. The FY 2014-15 proposed budget reflects a full year of those increased staffing costs.

NONDEPARTMENTAL COMMUNITY DEVELOPMENT

The City provides funding to outside agencies for the purpose of promoting community and economic development in the City of Asheville. The City also supports community and economic development through nondepartmental activities, such as the Economic Incentives program. Outside agency and nondepartmental funding includes the following:

BUDGET SUMMARY

Expenditures:	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
One Youth at a Time	5,600	5,480	5,440	*
YWCA	6,000	12,000	8,000	*
AHOPE	15,000	25,000	20,000	*
United Way 211	0	2,500	2,500	*
Children First	17,800	15,740	15,740	*
Asheville Greenworks	8,000	8,000	8,000	*
Youthful Hand	0	4,000	4,720	*
Child Abuse Prevention Services	5,000	5,832	5,000	*
Asheville Design Center	3,000	0	4,000	*
Green Opportunities	0	25,000	25,000	*
Community Relations Council	35,705	43,295	35,000	*
Kids Voting	1,000	0	0	*
Hall Fletcher PTO	0	0	0	*
Governor's Western Residence	5,000	0	0	*
FY'15 Strategic Partnerships	0	0	0	98,400
Economic Development Coalition	40,000	60,000	60,000	**
A/B Sports Commission	45,000	45,000	45,000	**
YMI Utilities	24,000	24,000	24,000	24,000
Economic Incentives	508,518	1,264,518	638,400	595,400
Other	<u>51</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	719,674	1,540,365	900,800	717,800

BUDGET HIGHLIGHTS

- The City has \$98,400 set aside to allocate for Strategic Partnership (outside agency) funding in FY 2014-15. City Council adoption of the funding recommendations will occur later.
- The Economic Development Coalition and Sports Commission budgets are now included as contracts for service in the Economic Development Department budget.
- Funding for the Community Relations Council is now included in the Police Department budget.

CAPITAL IMPROVEMENTS & **DEBT MANAGEMENT**

Narrative & Overview
General Capital Fund
Enterprise Capital Funds
Debt Management

CAPITAL IMPROVEMENT PROGRAM

2014/15 TO 2018/19

General Capital Project Summary

As discussed with City Council at its May 13, 2014 budget worksession, staff worked with financial advisors to develop a multi-year debt management and capital improvement program utilizing additional revenue that was generated by the 3-cent property tax rate increase that City Council approved in June 2013. The total five-year capital improvement program (CIP) includes project expenses totaling \$132 million, representing a substantial increase over the most recent five-year period (2009-2013) which included a project total of just under \$42 million.

Projects will be funded with a mix of internal City resources and external resources such as grants and partnerships. Approximately \$90 million in funding will come from City resources through the use of pay-as-you-go general fund operating contributions, and the issuance of municipal debt. Projects were selected based on a number of criteria including: public safety, economic growth and sustainability, affordable housing & community development, quality of life, availability of outside funding sources, and potential return on investment.

The chart beginning on page 68 shows a summary of the projects and their anticipated cash flows between the current fiscal year and FY 2018-19. At the end of the summary is a list of project budgets that will be included in the FY 2014-15 budget ordinance, which includes new projects that will either 1) incur actual cash expenses during FY 2014-15, or 2) require budget authorization for contract approval in FY 2014-15 with actual cash expenses occurring after June 30, 2015.

CAPITAL IMPROVEMENT PROGRAM 2014/15 TO 2018/19

FIVE-YEAR GENERAL CAPITAL PROJECT SUMMARY (Cash Flow)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	TOTAL
AFFORDABLE HOUSING							
Eagle Market Place	500,000	3,449,500	-	-	-	-	3,949,500
Affordable Housing Partnerships	-	500,000	500,000	1,000,000	1,000,000	1,000,000	4,000,000
Southside Neighborhood Improv.	-	-	-	1,000,000	-	-	1,000,000
Subtotal	500,000	3,949,500	500,000	2,000,000	1,000,000	1,000,000	8,949,500
PUBLIC SAFETY							
Radio Infrastructure	-	2,049,000	3,785,000	-	-	-	5,834,000
Radio Replacement	-	200,000	200,000	200,000	200,000	200,000	1,000,000
Replacement Engine	-	-	-	-	600,000	600,000	1,200,000
Replacement ladder truck	-	-	-	1,000,000	-	-	1,000,000
SCBA replacement	-	-	1,000,000	-	-	-	1,000,000
Fire Station # 14 Land	-	500,000	-	-	-	-	500,000
Fire Station # 14 Design/ Build	-	172,000	-	1,700,000	1,000,000	-	2,872,000
Fire Station # 14 Engine	-	-	-	600,000	-	-	600,000
Finalee Landslide Mitigation	-	550,000	-	-	-	-	550,000
Traffic Calming	-	100,000	100,000	100,000	100,000	100,000	500,000
Traffic Safety Projects	-	35,000	35,000	35,000	35,000	35,000	175,000
Unsafe Building Demo	-	20,000	-	-	-	-	20,000
Chunn's Cove Bridge Rehab	-	-	-	-	-	500,000	500,000
Subtotal	-	3,626,000	5,120,000	3,635,000	1,935,000	1,435,000	15,751,000
MULTIMODAL TRANSPORTATION							
Hendersonville Road Sidewalk	200,000	1,750,000	1,750,000	425,000	-	-	4,125,000
New Leicester Highway Sidewalk	-	-	-	500,000	3,130,000	-	3,630,000
Transit, buses and shelters	-	47,807	447,807	47,807	1,047,807	47,807	1,639,035
Town Branch Greenway	-	500,000	1,000,000	1,000,000	-	-	2,500,000
Livingston Complete Street	-	-	250,000	1,000,000	250,000	-	1,500,000
Craven Street	-	3,000,000	1,300,000	1,100,000	-	-	5,400,000
RADTIP	-	1,557,577	1,206,344	3,660,307	5,840,915	9,734,857	22,000,000
Five-Points Roundabout	-	350,000	350,000	-	-	-	700,000
Clingman Forest Greenway	-	-	300,000	1,200,000	-	-	1,500,000
French Broad River W. Greenway	-	250,000	500,000	250,000	-	-	1,000,000
Charlotte Street Improvements	-	125,000	125,000	1,100,000	2,500,000	-	3,850,000
Bicycle Connections	-	-	20,000	50,000	50,000	50,000	170,000
Azalea Road Improvements	-	1,037,588	-	-	-	-	1,037,588
Subtotal	200,000	8,617,972	7,249,151	10,333,114	12,818,722	9,832,664	49,051,623
ECONOMIC DEVELOPMENT							
Public Art Maintenance	-	40,000	40,000	40,000	40,000	40,000	200,000
I-26 Connector	-	-	-	-	1,000,000	1,000,000	2,000,000
Parks Maintenance Relocation	-	100,000	500,000	-	-	-	600,000
Civic Center	-	111,050	115,000	120,000	125,000	130,000	601,050
City Property Demo on Haywood	500,000	-	-	-	-	-	500,000
Sidewalk Cleaning	20,000	300,000	300,000	300,000	300,000	300,000	1,520,000
Trash/Recycling Containers	175,000	-	-	-	-	-	175,000
River Arts District Projects	-	-	-	-	2,100,000	-	2,100,000
Subtotal	695,000	551,050	955,000	460,000	3,565,000	1,470,000	7,696,050

CAPITAL IMPROVEMENT PROGRAM 2014/15 TO 2018/19

FIVE-YEAR GENERAL CAPITAL PROJECT SUMMARY (Cash Flow)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	TOTAL
MAINTENANCE							
Median Maintenance	-	100,000	100,000	100,000	100,000	100,000	500,000
Roll Cart Replacement	-	90,000	90,000	90,000	90,000	90,000	450,000
Sidewalk maintenance	-	250,000	250,000	250,000	250,000	250,000	1,250,000
Fleet Replacement	1,800,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	16,800,000
Pack Place capital improvements	-	-	-	2,000,000	-	-	2,000,000
Roofs	-	150,000	150,000	150,000	150,000	150,000	750,000
Various facility upgrades	-	275,000	275,000	275,000	275,000	275,000	1,375,000
Resurfacing Program	250,000	1,984,193	2,000,000	2,000,000	2,000,000	2,000,000	10,234,193
Project Management	40,000	500,000	500,000	500,000	500,000	500,000	2,540,000
Contingency	-	-	-	2,000,000	2,000,000	2,000,000	6,000,000
Subtotal	2,090,000	6,349,193	6,365,000	10,365,000	8,365,000	8,365,000	41,899,193
QUALITY OF LIFE							
Park Facilities/ Playgrounds	-	600,000	3,950,000	600,000	600,000	600,000	6,350,000
Park Maintenance	-	400,000	400,000	400,000	400,000	400,000	2,000,000
Golf Course Irrigation System	-	450,000	-	-	-	-	450,000
McCormick Field	100,000	-	-	275,000	-	-	375,000
Subtotal	100,000	1,450,000	4,350,000	1,275,000	1,000,000	1,000,000	9,175,000
PROJECT TOTALS	3,585,000	24,543,715	24,539,151	28,068,114	28,683,722	23,102,664	132,522,366

CAPITAL IMPROVEMENT PROGRAM 2014/15 TO 2018/19

FY 2014-15 GENERAL CAPITAL PROJECT SUMMARY (Budget)

Listed below are the projects and funding amounts that staff anticipates including in the FY 2014-15 budget ordinance for the general capital projects fund.

Revenue	Amount
General Fund Pay-Go	197,807
Debt Proceeds/Grants/Partnerships	18,460,921
Total Revenue	18,658,728
Projects	Amount
Roofs	150,000
Transit shelters	47,807
Eagle Market Place	1,700,000
RADTIP (design/right of way)	2,763,921
French Broad River W. Greenway	1,000,000
Clingman Forest Greenway	1,500,000
Five-Points Roundabout	700,000
Charlotte Street Improvements (design)	250,000
Town Branch Greenway	2,500,000
Livingston Complete Street (design)	250,000
Affordable Housing Partnerships	500,000
Resurfacing Program	2,000,000
Parks Maintenance Relocation	600,000
Finalee Landslide Mitigation	550,000
Fire Station # 14 Land	500,000
Fire Station # 14 Design/ Build	172,000
Fleet Replacement	3,000,000
Various facility upgrades	125,000
Park Facilities/ Playgrounds	350,000
Total Projects	18,658,728

CAPITAL IMPROVEMENT PROGRAM 2014/15 TO 2018/19

FY 2014-15 PAY-GO CAPITAL MAINTENANCE SUMMARY (Budget)

Listed below are the capital maintenance items that are funded with pay-go resources but included in the FY 2014-15 general fund operating budget.

Revenue	Amount
General Fund Pay-Go	2,046,050

Item	Amount
Sidewalk Cleaning	300,000
Civic Center	111,050
Traffic Calming	100,000
Public Art Maintenance	40,000
Various facility upgrades	150,000
Radio Replacement	200,000
Park Maintenance	650,000
Sidewalk maintenance	250,000
Median Maintenance	100,000
Traffic Safety Projects	35,000
Roll Cart Replacement	90,000
Unsafe Building Demo	20,000
Total	2,046,050

CAPITAL IMPROVEMENT PROGRAM 2014/15 TO 2018/19

WATER RESOURCES CAPITAL IMPROVEMENT FUND SUMMARY

	2014/15	2015/16	2016/17	2017/18	2018/19
Revenue Source:					
Transfer from Water Operating Fund	10,084,000	16,250,000	10,932,000	10,595,500	8,617,500
Use of Funds:					
NCDOT Projects:					
Brooks Cove Road Bridge	15,000				
Grassy Branch Bridges (Up. GB Ext/Lower GB)	120,000				
McFee Road Bridge			80,000		
Mills' Gap Road Bridge		65,000			
Distribution System Projects					
Affordable Housing Infill Development Incentive	50,000	50,000	50,000	50,000	50,000
Brevard Road from I-26 to Sardis Road	386,000				
Main Transmission Line Projects	500,000	500,000	500,000		
Meadow Rd Lyman St Victoria Rd & McDowell St			2,500,000		
Merrimon Avenue Main Replacement			1,350,000	3,825,000	3,825,000
Meter / Vault Repair	500,000	500,000	500,000	500,000	
Right-of-Way (ROW) Clearing	150,000	150,000	150,000	150,000	150,000
Water Production Projects					
Mills River Raw Water Reservoir 15 MG			1,540,000		
North Fork/William DeBruhl WTP Wastewater Upgrades		200,000			
North Fork WTP Dam / Tunnel Eval & Repairs	6,000,000	6,000,000			
Ridgeview Tank 95,000 GAL		300,000			
Software Updates / HMI - all WTP's			200,000		
Water Storage Tank / Pump Station Maintenance	150,000	150,000	150,000	250,000	150,000
Neighborhood Water Line Replacement					
Barnard Avenue & Sevier Street			142,000		
Beacon Village					2,000,000
Biltmore Avenue			300,000		
Blue Ridge Rd, BR Assembly Dr, & Maney Lane				640,000	
College Circle	150,000	850,000			
Conestee St & Conestee Place		121,000			
Daniel/Starnes Cove Roads, Pisgah View Ct.		242,000			
Deanwood Cir, Forest St, & Ardmore St				168,000	
Dogwood Court (East)		105,000			
Frederick Street		30,000			
Gashes Creek Rd & Gabrielle Lane					350,000
Gatehouse, Parkridge, & Creekside Court		122,000			
Glenn Bridge Road SE		200,000			
Gorman Bridge, River View Church, Wilson, etc.	1,130,000				
Joyner Avenue					224,000

CAPITAL IMPROVEMENT PROGRAM 2014/15 TO 2018/19

WATER RESOURCES CAPITAL IMPROVEMENT FUND SUMMARY (Cont.)

	2014/15	2015/16	2016/17	2017/18	2018/19
<i>Neighborhood Water Line Replacement (cont)</i>					
Kenilworth side roads, Ravenna St, Finalee Ave,		542,000			
Knauth Road			100,000		
Lindsey Road		140,000			
Long Shoals Road				250,000	
Mt. Carmel Subdivision and Erwin Hills Road	210,000	1,190,000			
Muirfield Subdivision	160,500	909,500			
Old Bee Tree/Rainbow Ridge/Halcyon Hill, etc.			350,000		
Patton Avenue				550,000	
Piney Mountain Church Rd		160,000			
Pisgah View Apartments				450,000	
Plateau & Hilltopia Roads				88,000	
Sherwood Road				38,000	
Smokey Park Highway & Old 19/23			2,500,000	2,500,000	
South Grove Street & Morgan Avenue				180,000	
South Lexington Avenue				60,000	
South Malvern Hills Subdivision	97,500	552,500			
Springdale Avenue				110,000	
Sunset Drive					206,000
Sweeten Creek Road	150,000	850,000			
Valley View Road				64,000	
Waynesville Ave, Tremont St, & Short Tremont		536,000			
<i>Water System Master Plan Projects:</i>					
Beaucatcher Rd from Buckstone to Kenilworth	142,500	807,500			
Candler School Rd / Old Candler Town Rd				172,500	977,500
Enka Lake Rd from Sand Hill to Ironwood	172,500	977,500			
Fairmont Rd from Old 19/23 to Justice Ridge Rd				550,000	685,000
Swannanoa River Rd from Caledonia to Bryson			280,000		
Tunnel Rd from Overbrook and Crockett			240,000		
<i>Total Use of Funds</i>	10,084,000	16,250,000	10,932,000	10,595,500	8,617,500

