



CITY OF ASHEVILLE

North Carolina

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ADOPTED BUDGET

2015-16

CITY OF ASHEVILLE

NORTH CAROLINA

Adopted Annual Budget Fiscal Year 2015-16



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

Paul Fetherston
Assistant City Manager

Barbara Whitehorn
Chief Financial Officer

MEMORANDUM

August 28, 2015

TO: Mayor Manheimer and City Council Members
FROM: Gary W. Jackson, City Manager 
SUBJECT: 2015-16 Adopted Annual Budget

I am pleased to present you with a copy of the 2015-16 Adopted Annual Budget Document. This document, which was prepared by the City's Budget & Financial Reporting staff, reflects the City's overall budget plan and policies as approved by City Council for the upcoming fiscal year.

The Fiscal 2015-16 Proposed Annual Operating Budget was presented to City Council on May 26, 2015. In accordance with the North Carolina Local Government Budget and Fiscal Control Act, a summary of the Proposed Budget along with a notice of the Public Hearing was published on May 29, 2015. City Council conducted a public hearing on the Proposed Budget on June 9, 2015. The Fiscal Year 2015-16 Budget is balanced with an Ad Valorem tax rate of \$0.475 per \$100 of assessed value, which represents a \$0.015 increase over the current year tax rate. All essential City services are continued in the Adopted Budget.

There were two minor changes made to the Proposed Budget prior to its adoption by City Council on June 23, 2015. Those changes are summarized below.

- **Strategic Partnership Funding:** At the June 9 City Council meeting, Council agreed to consider budgeting an additional \$50,000 in Strategic Partnership grants, pending the recommendations of the Housing and Community Development (HCD) Committee. At their June 16 meeting, the HCD Committee considered applications from ten eligible organizations that had not been granted funds at the June 9 City Council meeting and granted \$50,000 in additional funding. Council is taking action on these recommendations in a separate agenda item at tonight's meeting. Staff has adjusted the FY 2015/2016 Proposed General Budget to reflect this expenditure increase, and the sales tax revenue budget has been increased by \$50,000 to provide the necessary funding.
- **Capital Improvement Program – Craven Street Bridge:** Funding for this project was shown in the Proposed Budget Document Capital Improvement Program (CIP) section as part of the overall RADTIP cash flow. The Adopted Budget Document will show cash flow, including \$300,000 in funding from Buncombe County, for Craven Street Bridge separately from RADTIP. The overall cash flow totals for the five-year CIP remain unchanged.

The FY 2015-16 budget numbers and all narrative in this document reflect the budget as adopted by City Council on June 23, 2015, including the changes noted above between the Proposed and Adopted Budgets. The City Manager's Budget Message, however, is included as it was presented with the Proposed Budget on May 26, 2015.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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**City of Asheville
North Carolina**

For the Fiscal Year Beginning

July 1, 2014

Jeffrey R. Enos

Executive Director



ASHEVILLE

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INTRODUCTION

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BUDGET GUIDE

Local governments exist to provide a wide range of basic services on which we all depend: police and fire protection, streets and sidewalks, water systems, garbage collection, and parks, just to name a few. The ability of a local government to provide this wide range of services rests on its financial decision-making. This document contains the City of Asheville's FY 2015-16 adopted Budget, which is the financial plan that will guide City operations over the next year.

The City of Asheville budget document is designed to emphasize service areas instead of organizational units or funds. Five major service areas are identified in the budget document: (1) Public Safety; (2) Environment & Transportation; (3) Culture & Recreation; (4) Community Development; and (5) General Government.

The budget document is divided into the following sections:

Introduction - This section begins with the City Manager's Budget Message which highlights and explains the major budgetary issues facing the City of Asheville during the 2015-16 fiscal year. The Introduction also includes a description of the budget process and City organizational structure and a presentation of the City's financial policies.

Budget Summary - The Budget Summary section provides a detailed picture of the City's FY 2015-16 adopted annual operating budget, including information on total budget expenditures, revenues, and staffing. This section concludes with an estimate of fund balance for the City's general fund.

Fund Summary - The Fund Summary section segregates the expenditures and revenues by fund. Detailed information is included for all City operating funds, with a focus on the City's largest fund - the general fund. This section also highlights the City's major revenue sources and summarizes the trends and assumptions that were used in developing the FY 2015-16 revenue estimates.

Service Area Summaries - The next five sections present budget data for the major service areas. Detailed budget information is included for the City departments and divisions associated with each service category. Departmental goals, objectives and performance measures are presented in this section.

Capital Improvement Program/Debt Management - The long-range Capital Improvement Program (CIP) describes planned capital improvement projects and funding sources for the next five fiscal years. This section also contains information on the City's annual debt service requirements.

Supplemental Information - The budget document concludes with a Supplemental Information section that includes a community profile, which provides demographic and economic information for the Asheville area. This section also contains a glossary of frequently used budget terms.

Please direct any comments or questions to:
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CITY MANAGER'S BUDGET MESSAGE

May 26, 2015

Honorable Mayor Manheimer and City Council Members:

It is my pleasure to respectfully submit to you the City Manager's Proposed Budget for the fiscal year beginning July 1, 2015 and ending June 30, 2016 with a total operating budget of \$154 million. The proposed budget includes a total General Fund Budget of \$103 million, a 3.6% increase over the adopted fiscal year 2014-2015 budget. The proposed budget includes an increase to the property tax rate of 1.5 cents per \$100 of valuation, bringing the total millage rate to 47.5 cents.

Economic Improvements and Constraints

The 2015-2016 proposed budget for operations continues existing service levels while striving for a more balanced financial foundation. The City of Asheville has entered a period of consistent growth. After several years of experiencing the negative effects of the Great Recession, Asheville has, over the last few years, witnessed slow but steady economic improvement. This improvement has provided opportunity for the City to begin addressing long-term structural sustainability. Meanwhile, City staff continues to work on reengineering and managed cost savings with a goal not only of long-term structural sustainability but also continued high level of service.

Asheville entered the operating budget process for fiscal year 2015-2016 with clear direction from City Council: fund the implementation of the classification and compensation study, continue funding strategic improvements in the Police Department, and evaluate City programs and services that are taxpayer subsidized for potential reductions in the level of subsidy. I am pleased to once again present a proposed budget that successfully meets the City Council strategic goals, while maintaining the high level of service the citizens of Asheville expect.

City staff has planned, prioritized, and worked cross-departmentally to ensure that the budget for fiscal year 2015-2016 includes the efficient use of resources while continuing current service levels. In the past year, Asheville has been highlighted nationally for its culture, cuisine and quality of life. While this is exciting and inspiring, the City of Asheville's fiscal health is dependent on two distinct factors: the local, regional, and national economy and the legislative environment within the North Carolina General Assembly. The General Assembly continues to pursue a number of legislative issues, in particular sales tax redistribution, which could impact municipal finances and service delivery. Asheville staff works to optimize the use of limited resources while attempting to contingency plan for legislative and regulatory changes. Ongoing careful fiscal management and reengineering efforts allow management to entertain strategic goals beyond the maintenance of core services. Asheville has shown remarkable increases in sales tax collections and development revenue over the last year. Sales tax receipts are a lagging economic indicator, suggesting this phase of economic recovery is well underway within the City. Increasing development revenue indicates not only the City's current positive economic health, but the likelihood of continued growth. More visitors and more residents add pressure to the City's aging infrastructure and make investment in long-term capital improvements all the more important. As the economic hub of Western North Carolina, Asheville's long-term financial sustainability has a significant impact on the economic health of the region as a whole.

Though Asheville successfully weathered the economic storm of the Great Recession, costs of supporting existing city services continue to outpace growth in revenues. One consequence of a recovering economy is an increasing cost of materials and labor. These increases are good for Asheville's economy as a whole, but make managing costs for the City more challenging. This ongoing structural gap is a phenomenon familiar to cities, particularly to those cities that are long-established and have

CITY MANAGER'S BUDGET MESSAGE

infrastructures dating back a hundred years or more, which adds pressure to operating and capital budgets already stretched to cover rising costs. Over the past few years, Asheville has addressed this gap by reducing expenditures, primarily through freezing salaries, reducing staffing levels through hiring freezes, and deferring capital improvements. Unfortunately, while these tactics allowed the City to weather the economic storm, they did not come without consequences. The City fell behind in capital

maintenance and investment, employee compensation fell behind market, and current staffing levels are inadequate to maintain a high level of service.

In addition to challenges facing cities throughout the United States, the North Carolina General Assembly passed HB 1050 in the 2014 Short Session, eliminating cities' ability to charge a local privilege license fee as of July 1, 2015. This bill has had a significant impact on North Carolina cities. As a result of this legislative action, Asheville started the budget planning for 2015-2016 with a revenue hole of \$1.5 million, or almost 1.5 percent of the General Fund budget. In order to fill this gap, the proposed budget contains a 1.5 cent increase in the property tax rate, as mentioned above.

Management Initiatives, Compensation and Staffing

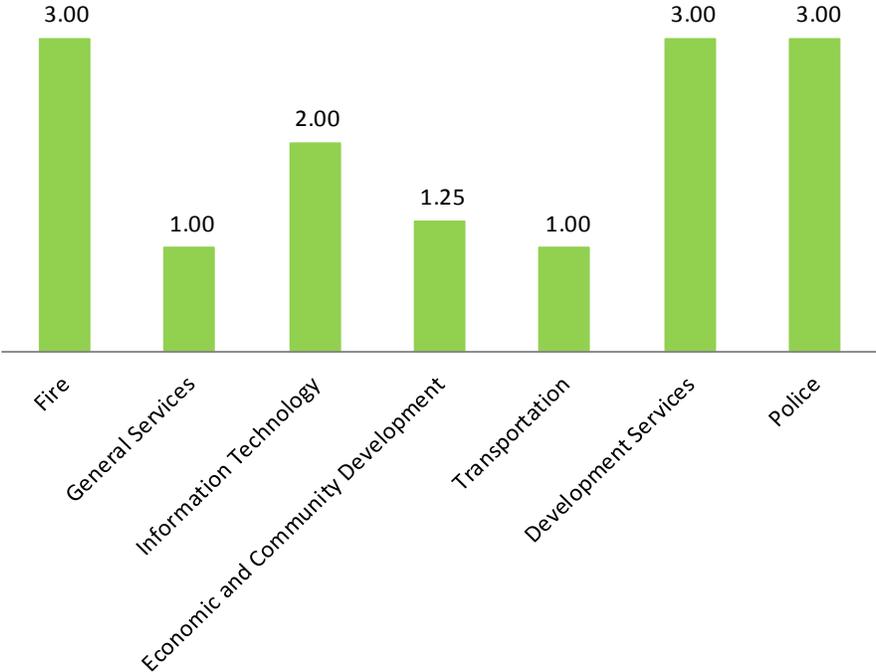
The 2015-2016 operating budget proposes implementation of the city-wide Classification and Compensation Study completed in April, 2015, as well as a one-percent across the board increase for all employees. The classification structure and compensation plan developed by Segal Water consultants working with Human Resources and other teams within the city, will enable Asheville to establish a baseline for competitive salaries that should reduce turnover and improve recruitment of qualified candidates. The recommendations include market increases for employees making less than the minimum for their job, and compression increases to account for the time an employee has served in a role. The total cost of these initiatives is \$1.15 million. With the additional one-percent across the board increase, the total compensation increase in the General Fund for fiscal year 2015-2016 is \$1.65 million. The operating budget also includes \$250,000 to extend the living wage to temporary/seasonal classified employees. At the May 12 work session, Council directed management to further evaluate the classification of employees as temporary/seasonal versus permanent part-time; staff evaluation of positions is currently underway.

The economic growth in Asheville is exciting. In order to support the City's investment in Innovation Districts and job creation in our improving economy, the operating budget includes an increase from \$60,000 to \$100,000 for the City's contribution to the Asheville Economic Development Coalition and Asheville 5x5 Plan. While an improving economy presents opportunity, growth is placing considerable pressure on existing City staff. Improving compensation is part of the equation to address this challenge; however, in order to maintain a high level of service, staffing levels have to increase. Some positions were added during fiscal year 2014-2015 to address this challenge; additions below are included in the 2015-2016 budget. Staff evaluates opportunities for efficiency and considers multiple alternatives before recommending any additional full-time equivalent positions be added to the City budget. In several cases, staff collaborated to provide resources across departments, sharing positions or transferring vacant, authorized positions to other areas.

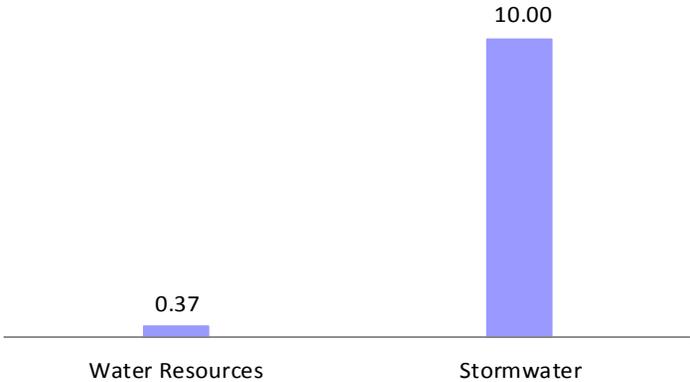
The fiscal year 2015-2016 operating budget will add 14.25 positions in the General Fund and 10.37 in enterprise funds.

CITY MANAGER'S BUDGET MESSAGE

General Fund



Enterprise Funds



CITY MANAGER'S BUDGET MESSAGE

Right Size, Right Staff

The Police Department will add an Administrative Services Manager, a Financial/Budget Analyst, two part-time Property and Evidence Technicians, and other administrative service positions. Several of these are offset by efficiencies and reallocations of existing positions, for a net increase of three full-time equivalents. These additions will help address challenges faced by the department. The Fire Department will add three fire inspectors with an expectation that the associated costs will be 100% offset by increased inspection revenues. Development Services, in light of the significant increase in workload, will add Permit Facilitators and move to a five-day schedule for the Development Services office. The Stormwater Fund will have an additional ten positions, including a crew of six maintenance workers, with

a goal of reducing capital costs over the long term by increasing the amount of current maintenance work that can be completed. Fractions of positions above indicate the conversion of a part-time position to full-time. In addition, based on Council direction to more closely regulate short-term rental properties, a full-time inspector position, with offsetting fee revenue, will be incorporated by the conclusion of the budget process.

To address the increasing cost of labor and the challenge of retention, staff is working to identify the right mix of employees: full-time, permanent part-time, temporary/seasonal and temporary contract. The first step has been to identify temporary contract employees in important roles across the City that are full-time and could be defined as permanent. Through this analysis, five positions were identified for conversion from temporary contract positions to permanent City positions. These changes have no net financial impact.

Capital Improvement Program

The capital budget for fiscal year 2015-2016 continues the rolling five-year capital improvement program (CIP). The program seeks to address Council priorities, infrastructure needs and deferred maintenance by including projects that meet one or more of the City Council's strategic goals: economic growth and sustainability, affordable housing and community development, and high quality of life. Additionally, projects are evaluated for potential outside funding sources in the form of grants or contributions, and perceived return on investment using a triple bottom line approach considering social, environmental, and financial returns. The plan will be revisited annually, at which point project timelines may shift and priorities realign. As a rolling five-year budget for capital projects, each year, one year of the five-year plan will be adopted as the capital budget.

The capital improvement program, begun in fiscal year 2013-2014 is now in full swing. The program, which leverages the funds available for CIP through a long-term debt model and the use of outside sources of funds, will enable the City to fund significant investment in capital improvements city-wide over the next five years, including the construction of signature projects like the Riverfront Redevelopment, greenways, sidewalks and other transportation connections, investment in the City's aging fleet and critical infrastructure repairs. Capital investment needs, which could easily cost more than \$400 million, continue to far exceed available resources which forced staff to work diligently to prioritize projects and ensure that the available CIP funds are put to the highest and best use.

Capital Expenditures (Cash Flow), FY 2014-FY 2015	\$ 16,919,385
Capital Expenditures (Cash Flow), FY 2016	\$ 26,241,588
Capital Expenditures (Cash Flow), FY 2017-FY2020	\$ 64,328,405
Total from Inception, FY 2014- FY 2020	\$ 107,489,378

CITY MANAGER'S BUDGET MESSAGE

Details of the capital budget begin on page 135.

Summary

2014-2015 has shown steady growth in revenues, with notable growth in local development permitting revenue and sales tax, as previously mentioned. Permitting activity has increased precipitously in the last two years; 2013-2014 revenue increased almost 32% over the previous year, and 2014-2015 is anticipated to increase another 6%. As a leading indicator of the economic health of the City of Asheville, increases in permit activity will translate over time into additional ad valorem taxable value. The turnaround for projects from permit to completion is usually 12-24 months, so the City should start to see the impact of the increased activity as early as fiscal year 2015-2016.

Legislative Climate

A level of uncertainty remains in the intergovernmental arena, and Asheville will need to remain flexible and adaptive as the North Carolina General Assembly's legislative session comes to a close and the FY 2015-2016 budget is adopted. Several key legislative assumptions are included in the budget:

- **Disposition of the City of Asheville's Municipal Water System:** On June 9, 2014, Judge Manning issued a Memorandum of Decision and Order RE: Summary Judgement. In the Decision, Judge Manning ruled that HB 488 violates Article II, Section 24 of the North Carolina Constitution (prohibiting local acts related to health and sanitation), Article I, Section 19 of the N.C. Constitution (prohibiting the taking of a proprietary asset with no rational basis), and Article I, Section 19 and 35 of the N.C. Constitution (because the taking results in no change in use and is not a valid exercise of the legislative power to condemn). Judge Manning ruled further, if it were determined that HB 488 was a valid exercise of the sovereign power of the State of North Carolina, then the City would be entitled to just compensation for its water system. The State of North Carolina filed a Notice of Appeal from Judge Manning's Memorandum of Decision and Order RE: Summary Judgement to the North Carolina Court of Appeals on July 8, 2014. Allowing time for preparation of the Record on Appeal and briefing of the issues, it is anticipated the North Carolina Court of Appeals may issue a decision in the case in the next few months. It is unlikely that the Appeals Court would overturn the decision of Judge Manning.
- **Senate Bill 369, Sales Tax Fairness Act; Senate Bill 608, Simple and Fair Formula for Sales Tax Distribution:** These two bills convert the local sales and use tax authorized under Articles 39, 40 and 42 of the North Carolina General Statutes to a State sales and use tax. Both bills redistribute this state revenue to counties on a per capita basis; the key difference is that SB 608 begins with a base level of revenue that will not be reallocated. Proposed reallocation would negatively impact all of the State's economic engines and redistribute tax from sales in areas of economic growth to rural counties. Cities like Asheville, experiencing economic growth including increasing sales tax, would be hardest hit. Using information provided by the State and the North Carolina League of Municipalities, the revenue loss to the City of Asheville is estimated to be between \$250,000 and \$4.1 million in budget year 2015-2016 were one of the bills to pass. These bills not only directly impact the financial health of cities, they redefine the tax itself as a State tax, no longer controlled by cities or counties, which could be redefined, reallocated, or removed from cities' revenue altogether. While it does not appear that there is enough support in the General Assembly for one of these bills to pass, the devastating effect that they could have on the fiscal health of the City cannot be understated.

CITY MANAGER'S BUDGET MESSAGE

- **House Bill 903, County Tax Flexibility/Municipal Rev Opts.** This bill would give counties increased flexibility within their current authority for sales and use tax and would allow cities to adopt, by resolution, a local one-quarter cent sales and use tax to offset the loss of the privilege license tax repealed in 2014. This bill is not considered likely to pass; however, were one of the other bills to pass, this bill's passage would become important in order for cities to maintain service levels.

Government-wide Highlights

City Council budget goals 2015-2016

Classification and Compensation Study, Managed Savings

- City of Asheville Staff has worked to carefully manage departmental budgets since the financial downturn. With slow but steady improvement in revenues, this conservatism created adequate savings to fund an increase in employee compensation in the fiscal year 2014-2015 budget, as well as funding a classification and compensation study to evaluate whether the City's compensation package is adequate to recruit and retain high quality employees. In order to ensure that any adjustments to the compensation plan could be funded, staff was tasked with continuing careful budget management. Asheville continues to pursue rightsizing and
- reengineering of service delivery to make the most cost effective use of the limited resources available. The FY 2015-2016 budget for personnel costs includes fully implementing the classification and compensation study recommendations, as well as a 1% across the board increase for all City employees.

Asheville Police Department Management Goals and Strategic Plan

- Chief William Anderson retired in December 2014. Chief Steve Belcher, a well-known police consultant, has filled the chief's role since February 2015. Chief Belcher has worked to identify challenges within the Asheville Police Department (APD) and develop management strategies for improvement in line with the strategic plan to improve service delivery, employee retention, and resolve structural issues within the department. The 2015-2016 budget funds several changes within the civilian support structure of the APD, including the addition of an Administrative Services Manager, as well as assigning a Human Resources Consultant and a Financial Analyst who will work with the APD but will report to Human Resources and Finance, respectively. This structure is intended to increase communications and cross-departmental cooperation. The classification and compensation study performed in 2014-2015 evaluated issues of compensation in the police department, including salary compression, which will be addressed with the implementation of the plan in fiscal year 2015-2016.
- The replacement of the aging APD vehicle fleet will continue to be funded in fiscal year 2015-2016, working toward the eventual goal of replacing patrol vehicles on a five-year asset life schedule. APD management is evaluating the department's take-home vehicle policy to determine the most efficient and effective method to manage such a program so that it benefits not only the employees, but the community with the visibility of take-home vehicles in neighborhoods.

CITY MANAGER'S BUDGET MESSAGE

Reducing Taxpayer Subsidy of Programs

- An ongoing area of focus is examining programs and services that the City provides that are taxpayer subsidized, some of which might be more appropriately funded through user fees and other sources of revenue. The Solid Waste Collections fee will increase in 2015-2016 according to the plan developed by staff in 2011 to move the program toward full-cost recovery. Additionally, the City contracted a comprehensive Parks and Recreation fee study in fiscal year 2014-2015, which helped staff identify which programs are most heavily subsidized. Identified among these were the Aston Park Tennis Center, which was 80% taxpayer subsidized, and the Western North Carolina Nature Center, which was 65% taxpayer subsidized. Council expressed a desire to reduce the subsidy at the Tennis Center. New fees adopted in March accomplish this by shifting costs to the users, while still maintaining a facility that is significantly less expensive to use than other comparable clay-court facilities in the region. The Council goal for the Nature Center is to reduce the taxpayer subsidy to more accurately reflect the use of the facility by City of Asheville residents. Residents make up about 25% of the visitors to the Center annually. Staff developed a three-year plan to reduce the subsidy. Key components of the plan include increase financial support from the Friends of the Western North Carolina Nature Center and raising gate admission rates, which have not been increased since 2007. The new rates will remain below the national average for similar facilities. City of Asheville residents will continue to receive a discounted rate for gate admission.

Continuing Sound Financial Management by Addressing Long-Term Liabilities

- The City contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing defined benefit pension plan administered by the State of North Carolina. No increase is required in fiscal year 2015-2016.
- In December 2011, the City of Asheville created an irrevocable trust and fully funded the City's net obligation for Other Post-Employment Benefits (OPEB), which consists of retiree health care benefits. The City invested its assets with the State of North Carolina State Treasurer's OPEB Investment Fund, which mirrors investments used for statewide pension funds. Concurrent with establishing the trust, the City also adopted a five-year step up plan to fully fund the annual required contribution to meet the ongoing OPEB obligation. The proposed FY 2015-2016 budget includes an annual contribution in the amount of \$800,000. It should be noted that the City suspended offering the retiree health care benefit to new employees hired after June 30, 2012, which will limit future growth of the OPEB obligation. These actions show that Asheville is taking deliberate steps to ensure retiree health care benefits are sustainable and affordable over the long term.

General Fund Highlights

Revenue Highlights:

- The property tax is the single largest source of revenue for the City. Based on projections received from the Buncombe County Tax Office, staff is assuming a 1.8% increase in the City's property tax base in FY 2015-16. The proposed FY 2015-16 budget also includes a 1.5 cent increase in the City's property tax rate to offset the loss of revenue from the business privilege

CITY MANAGER'S BUDGET MESSAGE

license fees which were eliminated by state legislation. If staff's proposal is approved by City Council, the City's tax rate for FY 2015-16 will be 47.5 cents per \$100 of assessed valuation.

- Based on statewide projections from the North Carolina League of Municipalities and local trend data, staff is projecting a 7.5% increase in sales tax revenue in the current fiscal year and a 4.0% increase in FY 2015-16.
- Revenue from licenses and permits in the General Fund shows a 12.0% decrease due to the loss in revenue from business privilege licenses. Part of the loss in this category is offset by continued strong performance from development services (DSD) permit revenue. Based on current year trends, DSD revenue shows a budget-to-budget increase of 35% or approximately \$900,000.
- Intergovernmental revenue in the General Fund, which includes state-shared utility taxes as well as Powell Bill funding, is budgeted to increase 5.4% in FY 2015-16 mostly as a result of an increase in utility tax revenue due to changes in the distribution method for the electricity sales tax. It should be noted that intergovernmental revenue is negatively impacted by the expiration of the COPs grant.
- The FY 2015-16 proposed General Fund budget includes no fund balance appropriation, which is shown in the table below under Other Financing Sources.

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Proposed
<u>Revenues:</u>				
Property Taxes	46,891,865	52,052,585	52,103,473	54,833,390
Intergovernmental	11,171,151	10,801,589	11,476,750	12,098,379
Sales & Other Taxes	17,067,516	17,793,854	18,704,766	20,079,180
Charges For Service	4,594,340	8,673,961	8,595,455	9,985,234
Licenses & Permits	5,382,921	5,844,444	5,175,010	4,550,994
Investment Earnings	69,341	158,368	150,000	150,000
Miscellaneous	1,755,350	1,917,784	1,342,500	1,401,450
Other Financing Sources	3,604,870	83,765	2,000,000	0
Total Revenues	90,537,354	97,326,350	99,547,954	103,098,627

Expenditure Highlights:

- The FY 2015-16 proposed budget includes General Fund expenditures that are 3.6% more than the FY 2014-15 adopted budget.
- Public Safety is the largest General Fund service area, accounting for 45% of all general fund expenditures. Public Safety expenditures show a \$1.0 million increase in FY 2015-16. A portion of this increase is the result of the salary adjustments discussed early in the budget document. In addition, the Police Department proposed budget includes funding to begin implementation of the Strategic Operating Plan & Organizational Assessment. Specific items funded in the budget

CITY MANAGER'S BUDGET MESSAGE

include the addition of a Deputy Chief, an Administrative Services Manager, a Financial Analyst, and Property & Evidence Technicians, along with additional funding for management training and development. A portion of the cost of these enhancements will be offset through the reallocation and freezing of existing vacant positions along with some reductions in the overtime budget. The new impact of the changes is approximately \$157,000. The Fire Department budget includes funding to add three positions to enhance the fire inspection program. The cost of the three positions will be fully offset by additional revenue from the inspections that they perform.

- Environment & Transportation represents 15% of the FY 2015-16 General Fund budget. This service area shows an increase of approximately \$354,000, which is primarily the result of the salary adjustments discussed early in the budget document, as well as the addition of one greenway position in the Transportation Department and the shifting of the mowing program from the Parks and Recreation Department to the Public Works Department.
- The increase in General Government expenses is due to several factors including: 1) a \$538,000 increase in economic incentive payments; 2) the inclusion in the budget of every-other-year City Council election costs and; 3) mid-year FY 2014-15 staffing additions in the Human Resources Department and the Communication & Public Engagement Division.
- The budgetary change most directly impacting the Culture and Recreation service area is the proposal to begin paying all temporary/seasonal staff a salary that meets the living wage guidelines for Buncombe County. This change has the biggest effect in Parks & Recreation and at the US Cellular Center, which are both large users of non-benefitted labor. In Parks & Recreation, the estimated impact is \$150,000 and at the US Cellular Center it is \$90,000.
- The slight increase in the Community Development service area is primarily the result of the addition of 2 FTE positions to help meet increased workload in the Development Services Department.

<u>Service Areas</u>	2012-13 Actual	2013-14 Actual	2014-15 Adopted	2015-16 Proposed
Public Safety	40,978,957	42,668,751	45,499,309	46,569,606
Environment & Transportation	12,919,184	13,994,542	14,919,678	15,274,671
General Government	10,339,111	12,847,324	14,053,914	15,785,300
Culture & Recreation	10,420,301	9,596,690	10,774,113	10,955,585
Capital Pay-Go/Debt	6,038,478	8,057,714	8,995,878	9,086,878
Community Development	<u>7,287,481</u>	<u>4,930,139</u>	<u>5,305,062</u>	<u>5,426,587</u>
Total General Fund	<u>87,983,512</u>	<u>92,095,160</u>	<u>99,547,954</u>	<u>103,098,627</u>

Unassigned Fund Balance Analysis

The City of Asheville Financial Management Policy recommends that the City maintain a fund balance in the General Fund equal to 15% of expenditures. The City ended FY 2013-14 with \$17.0 million in unassigned fund balance. The adopted FY 2014-15 budget included a \$2.0 million fund balance appropriation, which brought that total down to \$15.0 million. Since the start of the fiscal year, an additional \$218,518 has been appropriated from fund balance. Based on the positive revenue and

CITY MANAGER'S BUDGET MESSAGE

expenditure trends observed through the first three quarters, staff is projecting that instead of decreasing, fund balance will actually increase slightly in the current fiscal year. Current revenue and expenditure projections for FY 2014-15 indicate that unassigned fund balance at June 30, 2015 will be \$17.7 million or 18.0% of estimated expenditures. As noted earlier, the FY 2015-16 General Fund budget does not include any appropriation from fund balance. Therefore, based on the proposed budget total of \$103 million, unassigned fund balance at the end of the FY 2015-16 would be 17.2%.

Highlights from Other Funds

Water Resources Fund

- In April, City Council approved minor rate adjustments for the 2015-16 fiscal year based on the Raftelis financial model. These rate adjustments are expected to generate approximately \$465,000 in additional revenue.
- The FY 2015-16 proposed budget includes \$11.98 million in pay-as-you-go funding for water capital improvement projects and \$335,000 to fund the routine replacement of vehicles and equipment. The capital budget is partially funded with a \$1.89 million appropriation from Water fund balance.
- Operating costs show an increase due to \$750,000 budgeted in Professional Services for on-call professional engineering contracts. On-call contracts will allow the department to expedite project design, bidding, and construction
- City staff is currently in the process of completing a refunding of water debt that was issued in 2005 and 2007. This refunding will result in substantial debt service savings over the life of the repayment. Since the transaction has not closed yet (scheduled for June 11), staff has not adjusted the debt service budget for FY 2015-16.

Stormwater Fund

- Based on the financial model developed in the previous fiscal year, staff submitted and City Council approved in April a 5% increase in Stormwater fees for FY 2015-16. This rate adjustment is expected to generate approximately \$240,000 in additional revenue for the fund.
- The proposed budget includes funding for an additional crew of 6 FTE to enhance the stormwater maintenance program. The crew will be utilized to perform additional preventative maintenance services including performing ditching activities and replacing failed drainage systems.
- In addition to the crew noted above, there were several other position changes during FY 2014-15 including the addition of a utility locator, a project manager, and a customer service representative. Half of the salary of an engineering technician position formerly charged to the General Fund is now also being charged to Stormwater.

Transit Fund

- The adopted FY 2014-15 budget included a half-year of funding to implement limited Sunday service and make other minor route changes on January 1, 2015. The FY 2015-16 proposed budget includes a full year of grant and City funding for these service enhancements.

CITY MANAGER'S BUDGET MESSAGE

- Overall operating costs for the transit system, including the item noted above, are up about \$260,000 in FY 2015-16.

Parking Services Fund

- 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 2015-16 proposed budget.
- The proposed budget includes a \$300,000 appropriation from Parking fund balance for capital projects including: 1) elevator rehabilitation in the three older garages, and 2) structural maintenance in the Civic Center Garage.
- The proposed budget also includes funding to hire a consultant to prepare a comprehensive parking study from a “big picture” vantage point in order to develop the appropriate strategic framework and philosophy to help formulate policy decisions to ensure that resources are used efficiently during the next 10 to 15 years.
- A half-time account clerk position was added to the budget during FY 2014-15.

US Cellular Center Fund

- Event bookings and operating revenue have been lower than originally anticipated in the adopted FY 2014-15 budget, and this trend is expected to continue in FY 2015-16.
- The proposed US Cellular Center budget includes funding to pay all temporary/seasonal employees a living wage beginning in FY 2015-16.
- The General Fund transfer shows a slight decrease due to a reduction in the Center's charge for indirect costs.

Street Cut Utility Fund

- The FY 2015-16 proposed budget includes \$240,000 for equipment/vehicle replacement in the Street Cut Fund. Debt proceeds will fund these purchases.
- Otherwise, the FY 2015-16 proposed budget for the Street Cut Fund reflects a continuation of existing programs and services.

Conclusion

I am pleased to present a proposed budget for Fiscal Year 2015-2016 that make improvements to service delivery and continues the comprehensive capital improvement program begun in 2014-2015 that is sustainable and will move Asheville to a higher level of financial sophistication and security.

CITY MANAGER'S BUDGET MESSAGE

I would like to take this opportunity to thank our department director team for their leadership during the budget process and recognize the tremendous work of the staff in the budget division, Tony McDowell, John Sanchez and Erin Marie Wheeler. Special thanks to the project managers, directors, staff, Barbara Whitehorn, Paul Fetherston and Cathy Ball for their tireless work on the capital improvement program. I would also like to recognize the efforts of all city employees for their dedication to delivering quality services to the Asheville community.

I look forward to working with you and the community to adopt the Fiscal Year 2015-2016 Budget.

Sincerely,

A handwritten signature in black ink that reads "Gary W. Jackson". The signature is written in a cursive style with a large, stylized initial "G".

Gary W. Jackson
City Manager

2015-2016 STRATEGIC GOALS & OBJECTIVES



Focus Area 1: Economic Growth and Sustainability

Goal 1: Implement the Economic Development Capital Improvement Plan
Action Item: Add Special Obligation Bonds to the menu of available permanent financing options.

Action Item: Elevate efforts to use additional funding to leverage money from other partners including NCDOT, Buncombe County, the TDA, as well as other public and private partners.

Action Item: Extend the Capital Improvement Plan to 10 years.

Goal 2: Invest and leverage investment in community infrastructure.

Action Item: Research, develop and propose incentives for in-fill and redevelopment. Evaluate City owned property to determine best use.

Action Item: Evaluate the opportunities to improve ART services.

Action Item: Respond to results of Asheville In Motion Plan incorporating Complete Streets and Multi modal transportation policies.

Action Item: Prioritize transportation system that supports walking, biking, greenways and transit.

Action Item: Support I-26 Connector improvements.

Action Item: Promote innovative forms of development including Form Based Code, mixed use development, and strategies for sustainable infill development in coordination with the comprehensive plan.

Action Item: Research access to better broad-band internet connectivity throughout the city and for underserved populations.

Goal 3: Create economic development and community investment opportunities through partnerships, planning and incentives.

Action Item: Update the Comprehensive Plan 2025.

Action Item: Leverage regional service provider partnerships to assist small businesses and minority businesses in gaining access to effective business plan development.

Action Item: Support the Economic Development Coalition in update to the 5 X 5 Plan

Action Item: Review the City's current economic incentives policies to potentially include a minimum wage for created jobs and incentives for small businesses.

Goal 4: Support staff's continued implementation of operational efficiencies and practices of sustainability

2015-2016 STRATEGIC GOALS & OBJECTIVES

Action Item: Evaluate the recommendations from the Mayor's Development Task Force.

Action Item: Continue sustainability efforts to reduce the city's carbon footprint, including options to further solid waste reduction goals.

Actions Items: Continue strategic review of management models for key city parks and recreation facilities including the Nature Center and Aston Park Tennis Center.

Action Item: Implement environmentally sustainable storm water planning policies.

Action Item: Research possible loose leaf collections models.



Focus Area 2: Affordability and Economic Mobility

Goal 1: Expand Asheville's supply of quality, affordable homes for current and future residents.

Action Item: Develop an action plan with the Housing Authority for the redevelopment of a public housing community to include affordable, mixed income housing.

Action Item: Promote affordable housing located close to the CBD, jobs and transportation.

Action Item: Identify and initiate use of city owned land for development of affordable housing projects.

Action Item: Develop and implement a Comprehensive Affordable Housing Strategy which includes review of land use and zoning regulations, recommendations from the Affordable Housing Advisory Committee and development incentives to increase the production of affordable housing units.

Goal 2: Improve citizen equity by reducing disparity gaps with an emphasis on education and socio-economic mobility.

Action Item: Partner with Asheville City Schools to track progress toward the City School Strategic Plan; receive regular updates from the school system through City Council appointed liaison.

Action Item: Continue and consider elevating support for the City of Asheville Youth Leadership Academy.

Action Item: Identify appropriate partnership opportunities to improve access to affordable housing, transportation, and living wage jobs.

2015-2016 STRATEGIC GOALS & OBJECTIVES



Focus Area 3: High Quality of Life

Goal 1: Make Asheville one of the safest cities in America based on approved metrics for similarly sized cities

Action Item: Develop strategies to address nuisance behaviors.

Action Item: Address traffic and pedestrian safety throughout Asheville in partnership with the North Carolina Department of Transportation.

Action Item: Implement the Asheville Police Department Strategic Plan including an open and transparent process for the selection of the police chief.

Action Item: Support and expand community based policing efforts to improve relationships between the police and the community.

Goal 2: Encourage policies that improve public health and safety for City of Asheville employees and citizens.

Action Item: Continue implementation of the Food Action Plan, including public/private partnerships to create community gardens and farmers markets on publically owned land, to ensure all citizens have access to affordable healthy food options.

Action Item: Continue emphasis on disease management and wellness for City of Asheville employees.

Goal 3: Continue to support Asheville as a culturally diverse city.

Action Item: Create strong public/private partnerships to bring festivals and public art to Asheville that will promote a sense of community.

Action Item: Continues support of entertainment, art, and cultural centers.

Goal 4: Continue to develop City Council communications and partnerships with citizens, community leaders, the media and elected officials.

Action Item: Evaluate and implement best practices to improve effective community engagement.

Action Item: Improve diversity and engagement of City Council's Boards and Commissions.

Action Item: Engage and develop working relationships with state and local legislators on issues regarding the City's legislative priorities.

Action Item: Create opportunities to communicate City efforts and achievements through traditional media, social media and community meetings.

Action Item: Explore opportunities to implement open data 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 adopted 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
- Stormwater Fund
- Street Cut Utility Fund

Capital & Special Revenue Funds

Capital Funds are used to account for capital replacements and improvements, and Special Revenue Funds are used to account for specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. 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 & Special Revenue 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 2015-16 budget includes a

ORGANIZATIONAL STRUCTURE

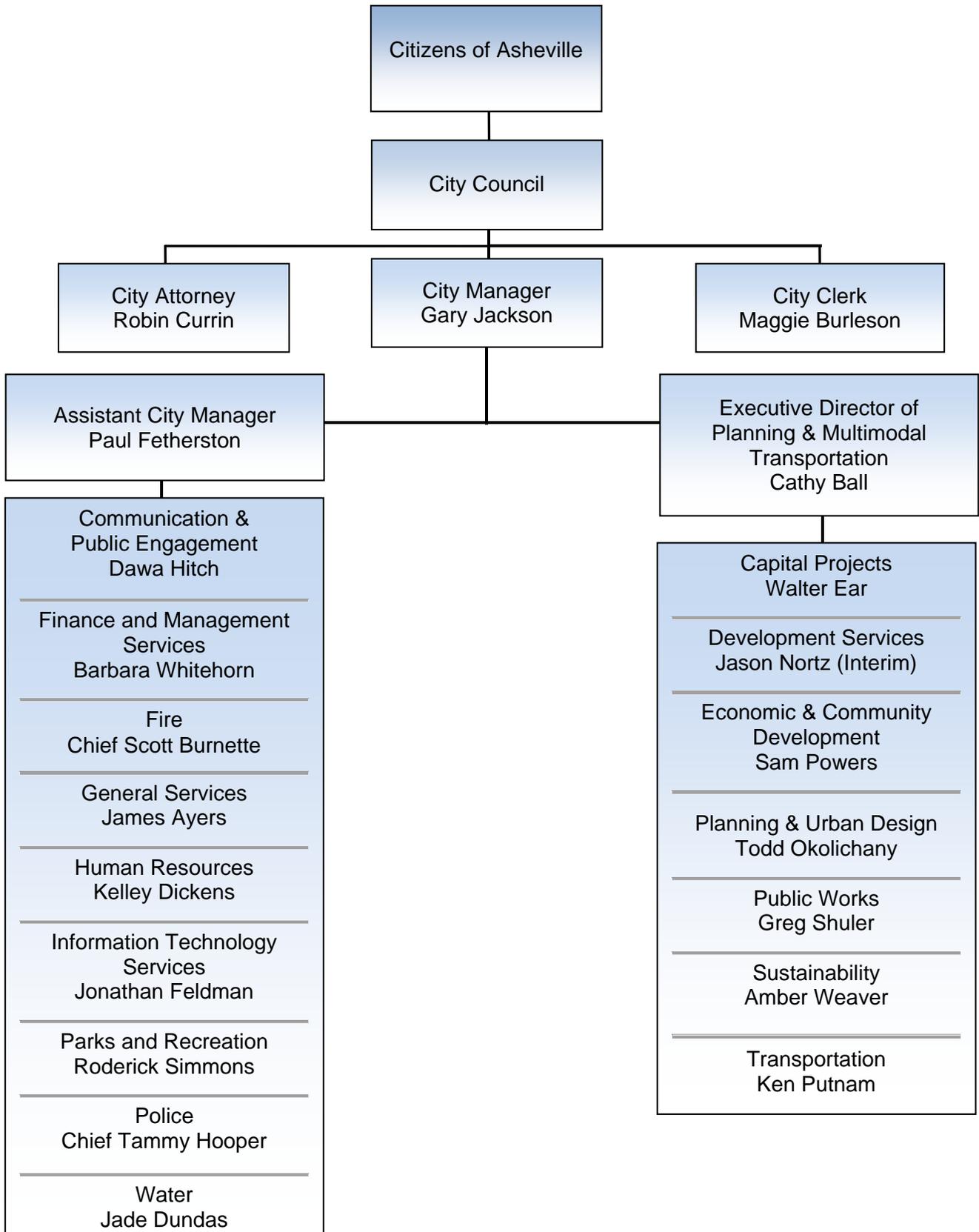
transfer from the General Fund to the US Cellular Center Fund to support operations. Transfers between funds result in the budgeting of dollars in both participating funds.

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 police department consists of three divisions: administration, criminal investigations, and patrol. Often within each division there are smaller units responsible for performing specific activities. For example, within the police patrol division is the K-9 patrol team and the anti-crime team.

A City organizational chart is presented on the next page.

ORGANIZATIONAL STRUCTURE



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 budget may be heard by City Council in May and adopted in June, its preparation begins at least six months prior with projections of City reserves, revenues, and financial capacity. It is against this backdrop that departmental expenditure requests are formulated and reviewed. The FY 2015-16 Budget Calendar is displayed on page 22.

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 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 in late January, at which time Council identifies its goals and priorities for the upcoming fiscal year. 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 Adopted 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 request forms, departments are required to submit the following information to the Budget & Research Office:

- **Low Priority Services.** Each department is required to submit a list of existing programs and services that could be eliminated or reduced. 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 budget target allowances.
- **New or Increased Fees.** Proposals for new or increased user fees are also submitted with the departmental budget request packages. Some or all additional revenue generated from new or enhanced fees may also be used as a way to maximize departmental target allowances.
- **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 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 fund which do not change the total fund appropriation. 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 adopted 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 among others: 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 2015-16 BUDGET CALENDAR

Item	Date/Deadline
User fee forms distributed to departments	November 24, 2014
User fee proposals due to Budget Office	December 17, 2014
Budget Office analyzes user fee requests	December, 2014
2015-16 MUNIS Departmental Budget Entry begins	January 2, 2015
Departments complete MUNIS budget entry	January 30, 2015
Budget Request FY 2016 Check- In Reviews with departments	February 2-27, 2015
Finance Committee - User Fee Review	February 24, 2015
City Council - Adoption of FY 2015-16 Fees & Charges	April 14, 2015
City Council Operating Budget Worksession	April 28, 2015
City Council Capital Budget Worksession	May 12, 2015
City Council Formal Meeting - Proposed Budget Presentation - Set Public Hearing	May 26, 2015
City Council Formal Meeting: - Budget Public Hearing	June 09, 2015
City Council Formal Meeting Budget Adoption	June 23, 2015

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

FINANCIAL POLICIES

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.
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 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.

FINANCIAL POLICIES

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, Generally Accepted Accounting Principal (GAAP) and standards established by the Governmental Accounting Standards Board (GASB).
2. Full disclosure will be provided in the financial statements and bond representations.
3. Financial system will be maintained to monitor expenditures and revenues on a monthly basis.
4. All revenue collections will be consolidated under the Director of Finance and be audited at least annually.
5. 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. Audit Policy

1. 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.
2. When obtaining the services of independent auditors, the City of Asheville shall enter into multiyear agreements of not more than five years in duration through a series of single-year contracts as consistent with applicable legal requirements. It is the City of Asheville's policy that the independent auditor be replaced at the end of the five-year engagement to enhance auditor independence unless lack of competition among audit firms fully qualified to perform public-sector audit make mandatory rotation counterproductive. The principal factor in the selection of an independent auditor is the auditor's ability to perform a quality audit. In no case should price be allowed to serve as the sole criterion for the selection of an independent auditor.

H. Water Utility Policy

1. **Setting Water Rates & Charges:** Charges for the water users shall be set at the level to provide sufficient revenues to cover all annual operating and debt services expenditures, to accumulate funds for the acquisition and replacement of capital equipment and

FINANCIAL POLICIES

- facilities, and to finance the long-term Capital Improvement Plan. As the Water Fund relies solely on user fees, the City of Asheville will continue to be guided by cost-of-service principles with regard to rates, fees and charge, and will operate the water system at the lowest rates consistent with the obligation to provide proper and efficient services, now and in the future. Rate increases will be evaluated annually and implemented with a maximum level of predictability, consistency and affordability.
2. Debt Service Coverage: Utility debt service coverage ratios shall maintained at a level of 1.25 to 1.5 times coverage or greater (as measured by net revenues, excluding capital contributions, available for debt service divided by total debt service requirements).
 3. Debt to Net Plant: Utility system debt shall not exceed 70%- 75% (as measured by total long-term debt divided by total net assets).
 4. Cash Financing of Capital: Annual revenues and cash reserves shall provide not less than 30% of CIP funding.
 5. Service Affordability: The most commonly used and most cited measure of water service affordability of "percent MHI" – that is, calculating what a year's worth of water bills for an average level of consumption (e.g. 5000 gallons/month) is compared to the median household income (MHI) in the community served by the utility. This indicator is easy to calculate by simply using the calculated bill amount and the U.S. Census Bureau's median household income date from their latest 5-year American Community Survey estimated. The City of Asheville's percent MHI. The average annual residential bill divided by real median household income, shall be < 1.5%.

I. Internal Services Fund Policy

1. Health Fund
 - a. Health Claims Budget And Rate Setting

Health claims shall be budgeted to adequately fund expenses including trend, administrative costs, stop-loss premiums and risk corridor. Expected claims expenses shall be projected based on annual actual mature claims experience adjusted for trend, enrollment and plan design and network changes.

Trend is defined as year to year medical inflations influenced by utilization, advances in medical technology and increasing cost of medical services.

Risk corridor, calculated at 5% of expected claims expenses is defined as the difference between expected claims and the aggregate potential liability on group claims to be funded from current rate resources as opposed of reserves. The amount over the risk corridor represents the risk the employer is accepting in the self-funded plan which, if claims exceeded the aggregate potential liability funded from current rate resources, would be paid from reserves.

- b. Health Fund Reserve Requirement

The health fund shall maintain reserves designed to offset normal variances in claims cost from year to year, unforeseen catastrophic claims beyond and reinsurance, large than

FINANCIAL POLICIES

expected medical inflation trends, incurred but not reported claims liability and the impact of future health care legislative mandates.

1. 100% of the incurred but not reported claims liability with the lag factor based on the prior 12-month average, and
2. 100% of reported and not yet paid claims computed as two weeks of annual claims benefits costs, and
3. 30% of the aggregate of 1 and 2 above.

Should the health fund fall to meet the required reserve level, the amount needed to restore the fund to the required reserve level shall be funded in subsequent year's rate structure and recovered over a period of not more than three years.

Should the health fund exceed the required reserve level, the amount in excess of the required reserve level shall be credited to the subsequent year's employer health care contribution.

J. 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.

It is the policy of the City of Asheville to comply with all applicable federal tax rules related to its tax-exempt debt issuances. The City's Chief Financial Officer, and his or her designee, has primary responsibility for ensuring that the City's outstanding tax-exempt debt issuance are, and remain, in compliance with federal tax law. The Chief's Financial Officer will maintain policies and procedures to ensure compliance with such rules. The City's Finance Department will consult with other departments within the City, as well as, third-party professionals (e.g. Bond, Counsel and financial advisor), as necessary, to ensure compliance with all applicable federal tax documentation requirements, yield restriction limitation, arbitrage rebate requirements, third-party use limitations and recordkeeping requirements.

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.

FINANCIAL POLICIES

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.

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

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Revenues:				
General Fund	90,537,354	97,326,350	99,547,954	103,148,627
Water Resources Fund	33,814,544	34,357,131	34,656,358	37,426,205
Transit Services Fund	5,600,322	5,673,921	6,368,151	6,639,992
US Cellular Center Fund	2,984,129	3,305,111	3,468,498	3,020,216
Parking Services Fund	3,870,255	4,388,911	4,027,807	4,625,144
Golf Fund*	874,849	0	0	0
Stormwater Fund	3,120,294	3,366,325	5,261,372	5,335,491
Street Cut Utility Fund	<u>1,399,576</u>	<u>1,318,637</u>	<u>1,650,800</u>	<u>1,865,076</u>
Total	142,201,323	149,736,386	154,980,940	162,060,751
Less Interfund Transactions	(6,164,308)	(6,461,503)	(7,415,198)	(7,694,976)
Net Revenue	<u>136,037,015</u>	<u>143,274,883</u>	<u>147,565,742</u>	<u>154,365,775</u>
Expenditures:				
General Fund	87,983,512	92,095,160	99,547,954	103,148,627
Water Resources Fund	30,917,569	40,683,987	34,656,358	37,426,205
Transit Services Fund	5,899,532	5,851,598	6,368,151	6,639,992
US Cellular Center Fund	2,523,728	3,130,191	3,468,498	3,020,216
Parking Services Fund	4,222,899	3,697,417	4,027,807	4,625,144
Golf Fund*	339,019	0	0	0
Stormwater Fund	2,836,710	3,237,180	5,261,372	5,335,491
Street Cut Utility Fund	<u>1,339,293</u>	<u>1,360,162</u>	<u>1,650,800</u>	<u>1,865,076</u>
Total	136,062,262	150,055,695	154,980,940	162,060,751
Less Interfund Transactions	(6,164,308)	(6,461,503)	(7,415,198)	(7,694,976)
Net Expenditure	<u>129,897,954</u>	<u>143,594,192</u>	<u>147,565,742</u>	<u>154,365,775</u>

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

OPERATING BUDGET SUMMARY: ALL FUNDS

BUDGET SUMMARY BY FUND

	General Fund	Water Resources	Transit Services	US Cellular Center	Stormwater Utility	Parking Services	Street Cut Utility
Sources of Funds:							
Property Taxes	54,833,390	0	0	0	0	0	0
Sales & Other Taxes	20,129,180	0	0	0	0	0	0
Intergovernmental	12,098,379	0	3,063,000	0	0	0	0
Licenses & Permits	4,550,994	0	360,000	0	187,000	0	0
Charges For Service	9,985,234	35,300,222	810,000	1,855,005	4,921,491	500	1,625,076
Investment Earnings	150,000	125,000	0	2,000	11,000	2,544	0
Miscellaneous	1,401,450	110,000	0	113,500	11,000	4,322,100	0
Other Financing Sources	0	1,890,983	2,406,992	1,049,711	205,000	300,000	240,000
Total Revenue	103,148,627	37,426,205	6,639,992	3,020,216	5,335,491	4,625,144	1,865,076

	General Fund	Water Resources	Transit Services	US Cellular Center	Stormwater Utility	Parking Services	Street Cut Utility
Uses of Funds:							
Salaries & Wages	47,965,132	6,313,474	198,719	1,033,906	1,652,666	732,460	408,953
Fringe Benefits	19,116,835	2,878,632	68,074	361,652	757,790	391,218	199,534
Operating Costs	24,113,954	9,811,266	6,373,199	1,338,708	2,604,747	1,724,591	1,016,589
Interfund Transfers	2,839,828	0	0	0	0	616,875	0
Debt Service	5,387,021	6,101,413	0	285,950	110,742	860,000	0
Capital Outlay	3,725,857	12,321,420	0	0	209,546	300,000	240,000
Total Expenditure	103,148,627	37,426,205	6,639,992	3,020,216	5,335,491	4,625,144	1,865,076

BUDGET SUMMARY: EXPENDITURES

Service Area	2012-13	2013-14	2014-15	2015-16
Departments	Actual	Actual	Budget	Adopted
General Government				
Finance & Management Services	2,636,836	2,654,612	2,957,459	2,866,317
Administrative Services	1,298,955	3,993,863	1,428,216	1,663,548
General Services	0	0	2,493,711	2,733,823
Economic Development	615,845	702,591	1,359,915	2,188,957
City Attorney	671,846	717,952	806,748	826,848
Information Technology Services	2,751,099	2,192,505	2,539,664	2,524,613
Human Resources	1,232,396	1,244,907	1,419,701	1,647,735
Nondepartmental	1,132,134	1,340,894	1,048,500	1,333,459
Total General Government	10,339,111	12,847,324	14,053,914	15,785,300
Public Safety				
Police	20,556,220	21,707,066	24,215,683	24,719,331
Fire & Rescue	20,005,479	20,515,178	20,777,981	21,343,177
Nondepartmental	417,258	446,507	505,645	507,098
Total Public Safety	40,978,957	42,668,751	45,499,309	46,569,606
Environment & Transportation				
Water Resources Fund	30,917,569	40,683,987	34,656,358	37,426,205
Public Works	10,955,219	11,653,073	9,958,974	9,577,250
Multi-Modal Trans. & Cap Proj's.	0	0	673,231	1,167,377
Stormwater Fund	2,836,710	3,237,180	5,261,372	5,335,491
Street Cut Utility Fund	1,339,293	1,360,162	1,650,800	1,865,076
Transportation	978,670	1,047,967	2,586,927	2,739,927
Transit Services Fund	5,899,532	5,851,598	6,368,151	6,639,992
Parking Services Fund	4,222,899	3,697,417	4,027,807	4,625,144
Nondepartmental	985,295	1,293,502	1,700,546	1,790,117
Total Environ. & Transportation	58,135,187	68,824,886	66,884,166	71,166,579
Culture & Recreation				
Parks & Recreation	9,138,655	8,710,763	9,653,537	9,905,874
US Cellular Center Fund	2,523,728	3,130,191	3,468,498	3,020,216
Golf Fund	339,019	0	0	0
Nondepartmental	1,281,646	885,927	1,120,576	1,049,711
Total Culture & Recreation	13,283,048	12,726,881	14,242,611	13,975,801
Community Development				
Building Safety	3,974,976	0	0	0
Planning & Urban Design	1,272,140	1,002,907	1,085,823	973,342
Housing Trust Fund	500,000	500,000	500,000	500,000
Development Services	0	2,865,122	3,596,839	3,830,845
Nondepartmental	1,540,365	562,110	122,400	172,400
Total Community Development	7,287,481	4,930,139	5,305,062	5,476,587
Capital Pay-Go/Debt	6,038,478	8,057,714	8,995,878	9,086,878
TOTAL EXPENDITURES	136,062,262	150,055,695	154,980,940	162,060,751
Less: Interfund Transactions	(6,164,308)	(6,461,503)	(7,415,198)	(7,694,976)
NET EXPENDITURES	<u>129,897,954</u>	<u>143,594,192</u>	<u>147,565,742</u>	<u>154,365,775</u>

BUDGET SUMMARY: EXPENDITURES

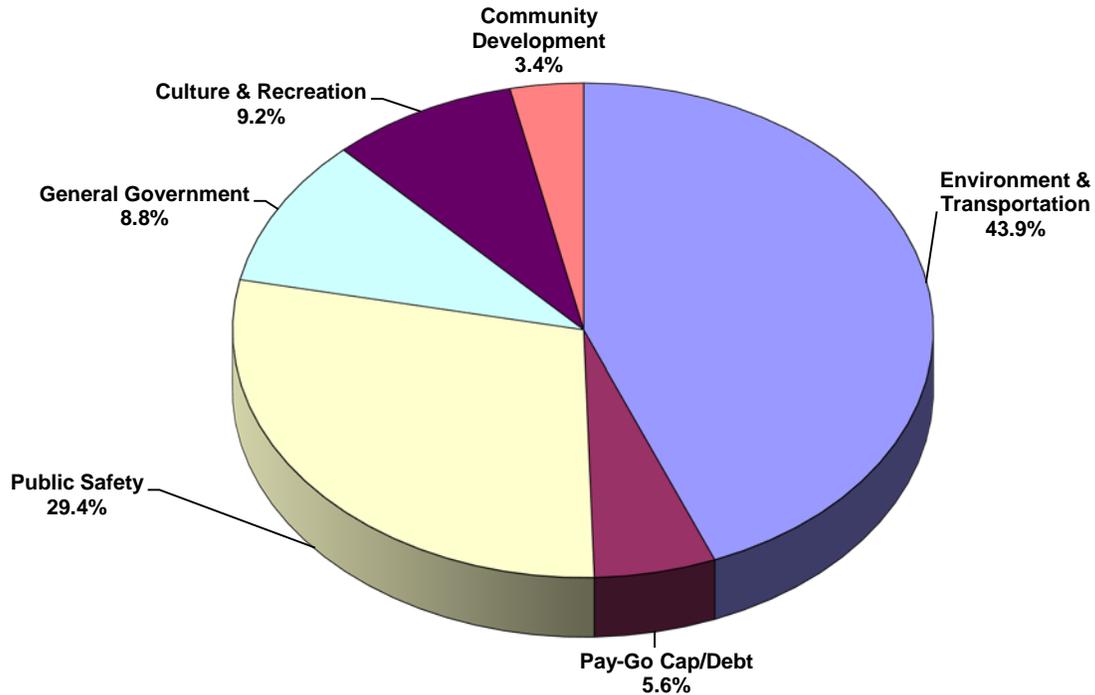
Expenditures by Category	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Salaries & Wages	50,664,726	51,735,685	55,108,138	58,305,310
Fringe Benefits	19,476,861	19,048,729	22,729,432	23,773,735
Operating Costs	35,819,661	44,839,404	42,105,389	42,744,781
Debt Service	12,336,685	12,056,129	12,750,379	12,745,126
Capital Outlay	<u>11,600,021</u>	<u>22,375,748</u>	<u>14,872,404</u>	<u>16,796,823</u>
NET BUDGET	<u>129,897,954</u>	<u>150,055,695</u>	<u>147,565,742</u>	<u>154,365,775</u>

BUDGET HIGHLIGHTS

- Overall, the City's FY 2015-16 adopted budget shows a 4.6% increase compared to the FY 2014-15 budget.
- The FY 2015-16 adopted budget for personnel costs (salaries & wages and fringe benefits) includes funding to implement the recommendations from the Segal Waters compensation study and provide all employees with a 1% salary increase on July 1. Citywide, the budget impact of these pay adjustments is approximately \$2.0 million. The personnel budget is also impacted by positions that were added during the current fiscal year, and by positions that are being adopted as part of the FY 2015-16 budget. Also, the adopted budget includes funding to begin paying all temporary/seasonal staff a salary that meets the living wage guidelines for Buncombe County. Finally, the FY 2015-16 fringe benefit budget 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 show only a slight increase of 1.4% for FY 2015-16, which reflects departmental efforts during the budget process to hold the line or reduce operating costs where possible through managed savings. It also reflects the fact that the FY 2015-16 adopted budget is primarily a continuation budget with essentially no new services or program expansions.
- The City's FY 2015-16 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 2015-16, the capital outlay budget totals \$16.8 million, which represents a \$1.9 million increase over the current fiscal year. Much of this increase is in the Water Resources Fund where pay-as-you-go capital funding is increased from \$10.1 million to \$11.9 million. In addition, the Parking Services Fund includes a \$300,000 increase for elevator rehabilitation in the three older garages and structural maintenance in the Civic Center Garage. The General Fund capital outlay budget is remaining essentially flat at \$3.7 million.

BUDGET SUMMARY: EXPENDITURES

CITY OF ASHEVILLE FY 2015-16 EXPENDITURES BY SERVICE AREA NET TOTAL \$154,365,775



Budget-to-Budget Expenditure Comparison

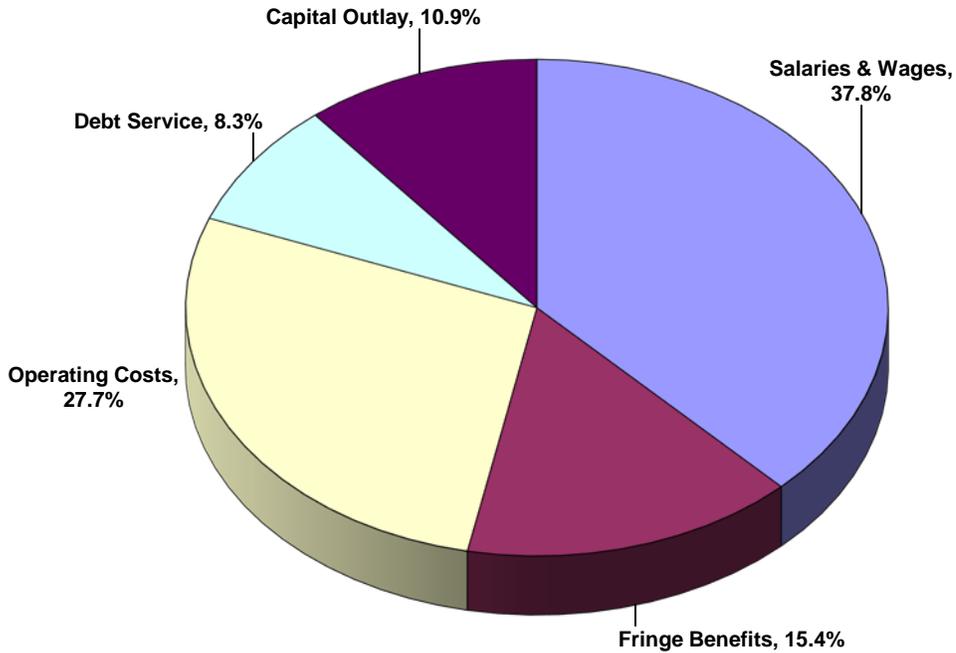
Service Areas:	2014-15	2015-16	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Environment & Transportation	66,884,166	71,166,579	4,282,413	6.4%
Public Safety	45,499,309	46,569,606	1,070,297	2.4%
Culture & Recreation	14,242,611	13,975,801	(266,810)	-1.9%
General Government	14,053,914	15,785,300	1,731,386	12.3%
General Capital/Pay-Go Debt	8,995,878	9,086,878	91,000	1.0%
Community Development	<u>5,305,062</u>	<u>5,476,587</u>	<u>171,525</u>	<u>3.2%</u>
Total Expenditures	154,980,940	162,060,751	7,079,811	4.6%
Less: Interfund Transfers	(7,415,198)	(7,694,976)	(279,778)	3.8%
Net Expenditures	<u>147,565,742</u>	<u>154,365,775</u>	<u>6,800,033</u>	<u>4.6%</u>

Notes:

- 1) Debt service payments in the enterprise funds are included in the respective service areas. All other debt service is included under General Debt Service.

BUDGET SUMMARY: EXPENDITURES

CITY OF ASHEVILLE FY 2015-16 EXPENDITURES BY CATEGORY NET TOTAL \$154,365,775



Budget-to-Budget Expenditure Comparison

Expense Category:	2014-15	2015-16	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Salaries & Wages	55,108,138	58,305,310	3,197,172	5.8%
Fringe Benefits	22,729,432	23,773,735	1,044,303	4.6%
Operating Costs	42,105,389	42,744,781	639,392	1.5%
Debt Service	12,750,379	12,745,126	(5,253)	0.0%
Capital Outlay	<u>14,872,404</u>	<u>16,796,823</u>	<u>1,924,419</u>	<u>12.9%</u>
Net Expenditures	<u>147,565,742</u>	<u>154,365,775</u>	<u>6,800,033</u>	<u>4.6%</u>

BUDGET SUMMARY: REVENUES

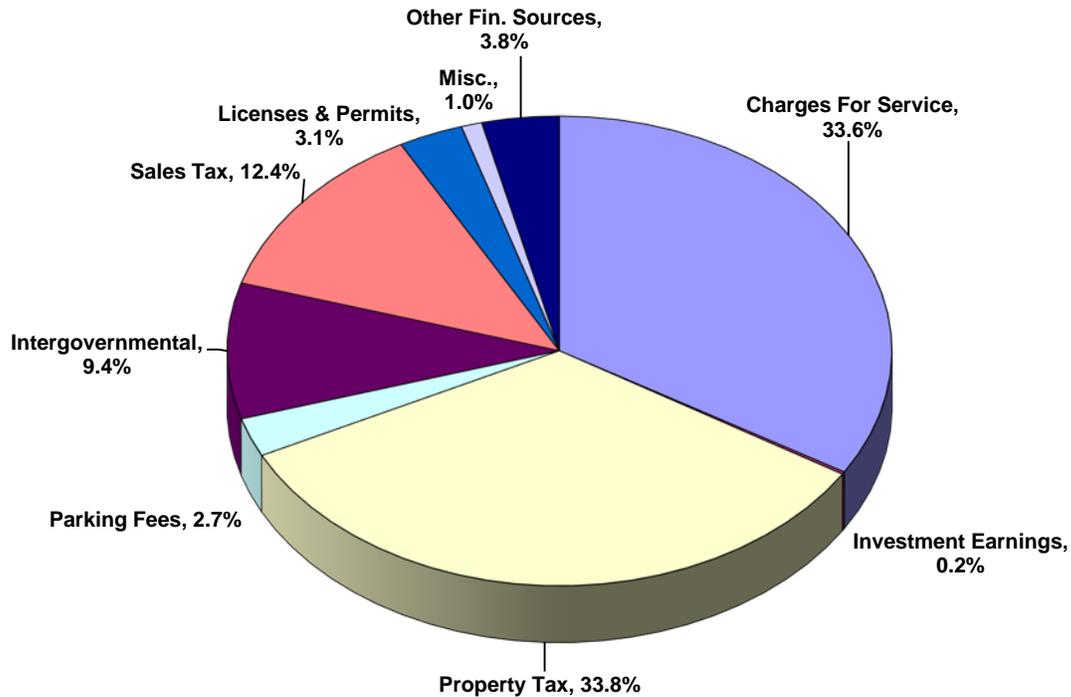
Revenue Sources:	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Property Tax	46,891,865	52,052,585	52,103,473	54,833,390
Charges For Service	45,272,645	50,023,876	52,397,525	54,497,528
Intergovernmental	13,994,461	13,305,397	14,307,480	15,161,379
Sales & Other Taxes	17,067,516	17,793,854	18,704,766	20,129,180
Licenses & Permits	5,955,454	6,493,311	5,682,010	5,097,994
Investment Earnings	152,398	352,276	245,324	290,544
Parking Fees	3,865,516	4,384,603	4,024,663	4,322,100
Miscellaneous	2,359,072	2,292,822	1,535,795	1,635,950
Other Financing Sources	<u>6,642,395</u>	<u>3,037,662</u>	<u>5,979,904</u>	<u>6,092,686</u>
Total Revenue	142,201,323	149,736,386	154,980,940	162,060,751
Less: Interfund Transactions	(6,164,308)	(6,461,503)	(7,415,198)	(7,694,976)
NET REVENUE	<u>136,037,015</u>	<u>143,274,883</u>	<u>147,565,742</u>	<u>154,365,775</u>

BUDGET HIGHLIGHTS

- The property tax is the single largest source of revenue for the City. Based on projections received from the Buncombe County Tax Office, staff is assuming a 1.8% increase in the City's property tax base in FY 2015-16. The adopted FY 2015-16 budget also includes a 1.5 cent increase in the City's property tax rate to offset the loss of revenue from the business privilege license fees which were eliminated by state legislation. The City's tax rate for FY 2015-16 will be 47.5 cents per \$100 of assessed valuation.
- Most of the revenue in the charges for services category, approximately \$35.3 million, comes from water utility charges. In April, City Council approved minor rate adjustments for the 2015-16 fiscal year based on the Raftelis financial model. These rate adjustments are expected to generate approximately \$465,000 in additional revenue in the Water Fund. The FY 2015-16 charges for services budget also includes \$1.1 million in additional revenue from the \$3.50 increase in the City's monthly solid waste fee.
- Based on statewide projections from the North Carolina League of Municipalities and local trend data, staff is projecting a 7.5% increase in sales tax revenue in FY 2014-15 and a 4.0% increase in FY 2015-16.
- Intergovernmental revenue, which includes state-shared utility taxes as well as Powell Bill funding, is budgeted to increase 6.0% in FY 2015-16 mostly as a result of an increase in utility tax revenue due to changes in the distribution method for the electricity sales tax. It should be noted that intergovernmental revenue is negatively impacted by the expiration of the COPs grant in the General Fund.
- Revenue from licenses and permits shows a 10.3% decrease in FY 2015-16 due to the loss in revenue from business privilege licenses. Part of the loss in this category is offset by continued strong performance from development services (DSD) permit revenue. Based on current year trends, DSD revenue shows a budget-to-budget increase of 35% or approximately \$900,000.
- Revenue from parking fees is budgeted to increase by approximately \$300,000 or 7.4%, which reflects collection trends in the current fiscal year.
- The other financing sources budget includes items such as interfund transfers and fund balance appropriations. The FY 2015-16 adopted General Fund budget includes no appropriation from fund balance. The Water Resources and Parking Services adopted budgets include fund balance appropriations for capital expenditures, which are consistent with the City's fund balance policies and multi-year forecasts for both funds.

BUDGET SUMMARY: REVENUES

CITY OF ASHEVILLE FY 2015-16 REVENUES BY SOURCE NET TOTAL \$154,365,775



Budget-to-Budget Revenue Comparison

Revenue Sources:	2014-15	2015-16	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Property Tax	52,103,473	54,833,390	2,729,917	5.2%
Charges For Service	52,397,525	54,497,528	2,100,003	4.0%
Intergovernmental	14,307,480	15,161,379	853,899	6.0%
Sales & Other Taxes	18,704,766	20,129,180	1,424,414	7.6%
Licenses & Permits	5,682,010	5,097,994	(584,016)	-10.3%
Investment Earnings	245,324	290,544	45,220	18.4%
Parking Fees	4,024,663	4,322,100	297,437	7.4%
Miscellaneous	1,535,795	1,635,950	100,155	6.5%
Other Financing Sources	<u>5,979,904</u>	<u>6,092,686</u>	<u>112,782</u>	<u>1.9%</u>
Total Revenue	154,980,940	162,060,751	7,079,811	4.6%
Less: Interfund Transactions	(7,415,198)	(7,694,976)	(279,778)	3.8%
Net Revenue	<u>147,565,742</u>	<u>154,365,775</u>	<u>6,800,033</u>	<u>4.6%</u>

BUDGET SUMMARY: STAFFING

FULL-TIME EQUIVALENT POSITIONS BY FUND

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Environment & Transportation	314.13	306.25	317.75	332.12
Public Safety	517.00	533.75	533.75	543.75
Culture & Recreation	115.88	110.13	110.13	107.13
General Government	126.93	127.05	127.05	138.30
Community Development	58.30	62.75	62.75	66.25
Total FTE Positions	1,132.24	1,139.93	1,151.43	1,187.55

BUDGET HIGHLIGHTS

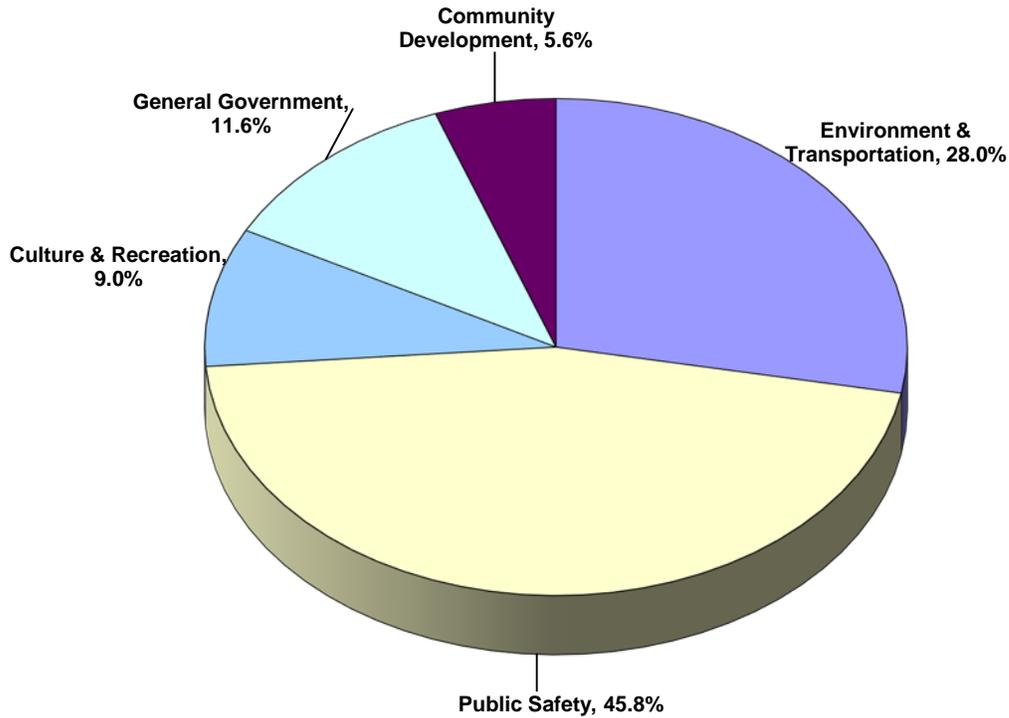
- The FTE position count shows an increase of 36.12 between the adopted FY 2014-15 budget and the adopted FY 2015-16 budget. This increase includes all positions that have been added during FY 2014-15 as well as new positions adopted for FY 2015-16.
- The adopted Stormwater Fund budget includes funding for an additional crew of 6 FTE to enhance the stormwater maintenance program. The crew will be utilized to perform additional preventative maintenance services including performing ditching activities and replacing failed drainage systems. In addition to the new crew, there were several other position changes in the Stormwater Fund during FY 2014-15 including the addition of a utility locator position, a project manager, and a customer service representative. Half of the salary of an engineering technician position formerly charged to the General Fund is now also being charged to Stormwater
- The Police Department adopted budget includes funding to begin implementation of the Strategic Operating Plan & Organizational Assessment including the addition of a Deputy Chief, an Administrative Services Manager, a Financial Analyst, and Property & Evidence Technicians. A portion of the cost of these enhancements will be offset through the reallocation and freezing of existing vacant positions along with some reductions in the overtime budget. The net impact is the addition of 3 FTE.
- The Fire Department budget includes funding to add 3 FTE to enhance the fire inspection program. The cost of the three positions will be fully offset by additional revenue from the inspections that they perform.
- It should be noted that 5 of the additional FTE positions represent the conversion of contract or temporary positions to permanent City employees. These conversions will little to no net financial impact on the budget.
- 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

SERVICE AREAS	2012-13	2013-14	2014-15	2015-16
Departments & Divisions	Actual	Actual	Budget	Adopted
Public Safety				
Police	264.00	267.00	267.00	279.00
Police Grant Funded (General Fund)	5.00	5.00	5.00	0.00
Police Grant Funded (Grant Fund)	-	4.00	4.00	4.00
Fire & Rescue	248.00	257.75	257.75	260.75
Total Public Safety	<u>517.00</u>	<u>533.75</u>	<u>533.75</u>	<u>543.75</u>
Culture & Recreation				
Parks & Recreation	97.38	93.63	93.63	90.63
US Cellular Center Fund	18.50	16.50	16.50	16.50
Total Culture & Recreation	<u>115.88</u>	<u>110.13</u>	<u>110.13</u>	<u>107.13</u>
General Government				
Administrative Services	46.75	48.00	10.00	13.00
General Services	-	-	36.00	37.00
Finance & Management Services	33.75	32.75	32.75	33.00
Information Technology Services	19.00	19.00	19.00	21.00
Human Resources	15.68	16.05	16.05	19.80
City Attorney	6.00	6.00	7.00	7.00
Economic Development	5.75	5.25	6.25	7.50
Total General Government	<u>126.93</u>	<u>127.05</u>	<u>127.05</u>	<u>138.30</u>
Environment & Transportation				
Water Resources Fund	148.00	147.63	148.63	149.00
Public Works	83.51	84.51	72.51	75.57
Multi-Modal Trans. & Cap Proj's.	-	-	18.50	18.00
Transportation	12.30	12.29	12.29	13.29
Stormwater Fund	28.99	28.99	30.99	40.93
Transit Services Fund	3.00	3.00	3.00	3.00
Parking Services Fund	21.33	21.33	21.33	21.83
Street Cut Utility Fund	17.00	8.50	10.50	10.50
Total Environment & Transportation	<u>314.13</u>	<u>306.25</u>	<u>317.75</u>	<u>332.12</u>
Community Development				
Planning & Urban Design	13.50	10.25	10.25	10.00
Development Services	39.80	48.00	48.00	50.00
Community Development Fund	5.00	4.50	4.50	6.25
Total Community Development	<u>58.30</u>	<u>62.75</u>	<u>62.75</u>	<u>66.25</u>
TOTAL CITYWIDE FTE POSITIONS	<u>1,132.24</u>	<u>1,139.93</u>	<u>1,151.43</u>	<u>1,187.55</u>

BUDGET SUMMARY: STAFFING

CITY OF ASHEVILLE FY 2015-16 FTE POSITIONS BY SERVICE AREA TOTAL: 1,187.55



Budget-to-Budget Staffing Comparison

Service Areas:	2014-15	2015-16	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in #</u>	<u>in %</u>
Environment & Transportation	317.75	332.12	14.37	4.5%
Public Safety	533.75	543.75	10.00	1.9%
Culture & Recreation	110.13	107.13	(3.00)	-2.7%
General Government	127.05	138.30	11.25	8.9%
Community Development	62.75	66.25	3.50	5.6%
Total Citywide FTE Positions	<u>1,151.43</u>	<u>1,187.55</u>	<u>36.12</u>	<u>3.1%</u>

ANALYSIS OF FUND BALANCE

General Fund	2014-15 Budget*	2014-15 Estimate	2015-16 Adopted
Total Revenues	98,231,875	99,351,875	103,148,627
Total Expenditures	100,450,393	98,670,022	103,148,627
Revenues Over (Under) Expenditures	(2,218,518)	681,853	0
Unassigned Fund Balance:			
Beginning	17,040,902	17,040,902	17,722,755
Ending	14,822,384	17,722,755	17,722,755
Ending Unassigned Fund Balance as a % of Total Expenditures	14.8%	18.0%	17.2%

*Amended budget as of the 3rd quarter FY 2014-15 financial report.

One measure of a city's financial strength is the level of its unassigned fund balances. In general, fund balance is excess or surplus money. At the end of a fiscal year, unassigned fund balance is the amount of fund balance that is remaining after reserves of fund balance for inventories, prepaid expenses, employee paid health benefits, and state statute reserve have been made. Reserves of fund balance are amounts required by state statute, or governmental accounting standards that are legally not available for spending. Fund balance that is unappropriated after budget adoption serves as a general operating reserve for the city. This operating reserve is identified as unassigned fund balance in the chart above.

According to the Local Government Commission, cities in North Carolina should have a minimum fund balance of at least 8%. The "industry average" of fund balance, however, is between 10-20% and is preferable. What are the implications when the fund balance falls below the industry average and the state's recommendation? The most costly implication is a decrease in the bond rating which characterizes the risk of the City's bonds. As the bond rating goes down, interest rates on those bonds increase and the faith and trust of the financial position of the City decreases.

If the fund balance drops to 8% or below, the State will issue a letter of warning giving the government a time frame to bring the fund balance back up. Should the government not comply; the State can step in and assume financial management.

When determining the appropriate level of fund balance for an organization, the following factors, in addition to state minimums or industry averages should be considered:

- The predictability of revenues and volatility of expenditures - a higher level of unreserved funds may be needed if significant revenue sources are subject to unpredictable fluctuations.

ANALYSIS OF FUND BALANCE

- The availability of resources in other funds as well as the potential drain upon general fund resources from other funds may require a higher level of unreserved fund balance.
- Designations by management to compensate for any portion of the fund balance already designated for a specific purpose.
- Liquidity - a disparity between when financial resources actually become available to make payments and the average maturity of the related liabilities may require a higher level of resources be maintained.

The City of Asheville Financial Management Policy recommends that the City maintain a fund balance in the General Fund equal to 15% of expenditures. The City ended FY 2013-14 with \$17.0 million in unassigned fund balance. The adopted FY 2014-15 budget included a \$2.0 million fund balance appropriation, which brought that total down to \$15.0 million. The amended FY 2014-15 budget included an additional \$218,518 fund balance appropriation. Based on the positive revenue and expenditure trends observed through the first three quarters, staff is projecting that instead of decreasing, fund balance will actually increase slightly at the end of FY 2014-15. Current revenue and expenditure projections for FY 2014-15 indicate that unassigned fund balance at June 30, 2015 will be \$17.7 million or 18.0% of estimated expenditures. As noted earlier, the FY 2015-16 General Fund budget does not include any appropriation from fund balance. Therefore, based on the adopted budget total of \$103 million, unassigned fund balance at the end of the FY 2015-16 is estimated to be 17.2%.

Enterprise Funds

The other funds in the City's adopted budget are all enterprise funds. For these funds, the City calculates fund balance by taking cash and investments and subtracting out all certain current liabilities and encumbrances. The projected June 30, 2015 fund balance equivalent for the Water Resources Fund and the other Non-Major Enterprise Funds is shown below.

	Fund Balance 6/30/15 Est.	Fund Balance Usage by 6/30/16	Fund Balance 6/30/16 Est.
Water Resources Fund	14,047,849	1,189,983	12,857,866
Non-Major Enterprise Funds	4,414,172	300,000	4,114,172



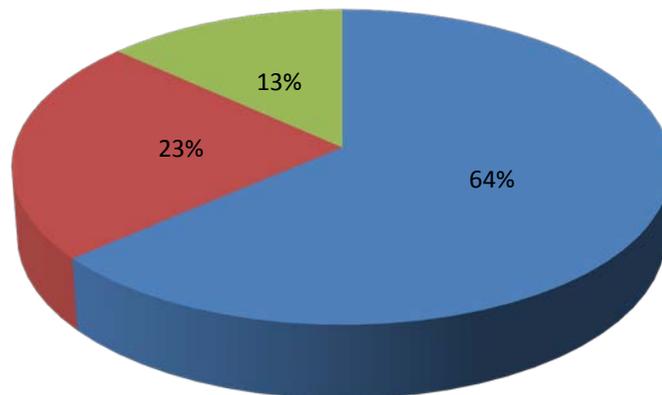
FUND SUMMARY

Expenditure Summary
General Fund
Enterprise Funds

FUND SUMMARY

FUNDS Service Areas	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
GENERAL FUND				
Public Safety	40,978,957	42,668,751	45,499,309	46,569,606
Environment & Transportation	12,919,184	13,994,542	14,749,023	15,574,671
General Government	10,339,111	12,847,324	13,629,169	15,785,300
Culture & Recreation	10,420,301	9,596,690	10,774,113	10,955,585
Capital Pay-Go/Debt	6,038,478	8,057,714	8,995,878	9,086,878
Community Development	<u>7,287,481</u>	<u>4,930,139</u>	<u>5,900,462</u>	<u>5,476,587</u>
Total General Fund	<u>87,983,512</u>	<u>92,095,160</u>	<u>99,547,954</u>	<u>103,448,627</u>
ENTERPRISE FUNDS				
Environment & Transportation	45,216,003	54,830,344	51,964,488	55,891,908
Culture & Recreation	<u>2,862,747</u>	<u>3,130,191</u>	<u>3,468,498</u>	<u>3,020,216</u>
Total Enterprise Funds	48,078,750	57,960,535	55,432,986	58,912,124
TOTAL EXPENDITURES	136,062,262	150,055,695	154,980,940	162,060,751
Less: Interfund Transactions	(6,164,308)	(6,461,503)	(7,415,198)	(7,694,976)
NET EXPENDITURES	<u>129,897,954</u>	<u>143,594,192</u>	<u>147,565,742</u>	<u>154,365,755</u>

FY 2015-16 EXPENDITURES BY FUND
TOTAL: \$154,365,755



■ General Fund
 ■ Water Resources Fund
 ■ Non-Major Enterprise Funds

GENERAL FUND SUMMARY

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Revenues:				
Property Taxes	46,891,865	52,052,585	52,103,473	54,833,390
Intergovernmental	11,171,151	10,801,589	11,476,750	12,098,379
Sales & Other Taxes	17,067,516	17,793,854	18,704,766	20,129,180
Charges For Service	4,594,340	8,673,961	8,595,455	9,985,234
Licenses & Permits	5,382,921	5,844,444	5,175,010	4,550,994
Investment Earnings	69,341	158,368	150,000	150,000
Miscellaneous	1,755,350	1,917,784	1,342,500	1,401,450
Other Financing Sources	3,604,870	83,765	2,000,000	0
Total Revenues	90,537,354	97,326,350	99,547,954	103,148,627

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Appropriations:				
Police	20,556,220	21,707,066	24,215,683	24,719,331
Fire & Rescue	20,005,479	20,515,178	20,777,981	21,343,177
Public Works	10,955,219	11,653,073	9,958,974	9,577,250
Multi-Modal Trans. & Cap Proj's.	0	0	673,231	1,167,377
Capital Pay-Go/Debt	6,038,478	8,057,714	8,995,878	9,086,878
Parks & Recreation	9,138,655	8,710,763	9,653,537	9,905,874
Finance & Management Srv.	2,636,836	2,654,612	2,957,459	2,866,317
Information Technology Services	2,751,099	2,192,505	2,539,664	2,524,613
Nondepartmental	3,089,757	2,485,511	1,676,542	2,012,957
Building Safety	3,974,976	0	0	0
City Attorney	671,846	717,952	806,748	826,848
Development Services	0	2,865,122	3,596,839	3,830,845
Administrative Services	1,298,955	3,993,863	1,428,216	1,663,548
General Services	0	0	2,493,711	2,733,823
Economic Development	615,845	702,591	1,359,915	2,188,957
Transportation	978,670	1,047,967	2,586,927	2,739,927
Planning & Urban Design	1,272,140	1,002,907	1,085,823	973,342
Transit Services Fund Transfer	985,295	1,157,502	1,700,546	1,790,117
US Cellular Center Transfer	662,594	885,927	1,120,576	1,049,711
Golf Fund Transfer	619,052	0	0	0
Human Resources	1,232,396	1,244,907	1,419,701	1,647,735
Housing Trust Fund Transfer	500,000	500,000	500,000	500,000
Total Appropriations	87,983,512	92,095,160	99,547,954	103,148,627

GENERAL FUND EXPENDITURES

<u>Service Areas:</u>	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Public Safety	40,978,957	42,668,751	45,499,309	46,569,606
Environment & Transportation	12,919,184	13,994,542	14,919,678	15,274,671
General Government	10,339,111	12,847,324	14,053,914	15,785,300
Culture & Recreation	10,420,301	9,596,690	10,774,113	10,955,585
Capital Pay-Go/Debt	6,038,478	8,057,714	8,995,878	9,086,878
Community Development	<u>7,287,481</u>	<u>4,930,139</u>	<u>5,305,062</u>	<u>5,476,587</u>
Total General Fund	<u>87,983,512</u>	<u>92,095,160</u>	<u>99,547,954</u>	<u>103,148,627</u>

BUDGET HIGHLIGHTS

- The FY 2015-16 adopted budget includes General Fund expenditures that are 3.6% more than the FY 2014-15 adopted budget.
- Public Safety is the largest General Fund service area, accounting for 45% of all General Fund expenditures. Public Safety expenditures show a \$1.0 million increase in FY 2015-16. A portion of this increase is the result of the salary adjustments discussed early in the budget document. In addition, the Police Department adopted budget includes funding to begin implementation of the Strategic Operating Plan & Organizational Assessment. Specific items funded in the budget include the addition of a Deputy Chief, an Administrative Services Manager, a Financial Analyst, and Property & Evidence Technicians, along with additional funding for management training and development. A portion of the cost of these enhancements will be offset through the reallocation and freezing of existing vacant positions along with some reductions in the overtime budget. The new impact of the changes is approximately \$157,000. The Fire Department budget includes funding to add three positions to enhance the fire inspection program. The cost of the three positions will be fully offset by additional revenue from the inspections that they perform.
- Environment & Transportation represents 15% of the FY 2015-16 General Fund budget. This service area shows an increase of approximately \$354,000, which is primarily the result of the salary adjustments discussed early in the budget document, as well as the addition of one greenway position in the Transportation Department and the shifting of the mowing program from the Parks and Recreation Department to the Public Works Department.
- The increase in General Government expenses is due to several factors including: 1) a \$538,000 increase in economic incentive payments; 2) the inclusion in the budget of every-other-year City Council election costs and; 3) mid-year FY 2014-15 staffing additions in the Human Resources Department and the Communication & Public Engagement Division.
- The budgetary change most directly impacting the Culture & Recreation service area is the proposal to begin paying all temporary/seasonal staff a salary that meets the living wage guidelines for Buncombe County. This change has the biggest effect in Parks & Recreation and at the US Cellular Center, which are both large users of non-benefitted labor. In Parks & Recreation, the estimated impact is \$150,000 and at the US Cellular Center it is \$90,000.
- The slight increase in the Community Development service area is primarily the result of the addition of 2 FTE positions to help meet increased workload in the Development Services Department.

GENERAL FUND EXPENDITURES

GENERAL FUND EXPENDITURES BY EXPENSE CATEGORY

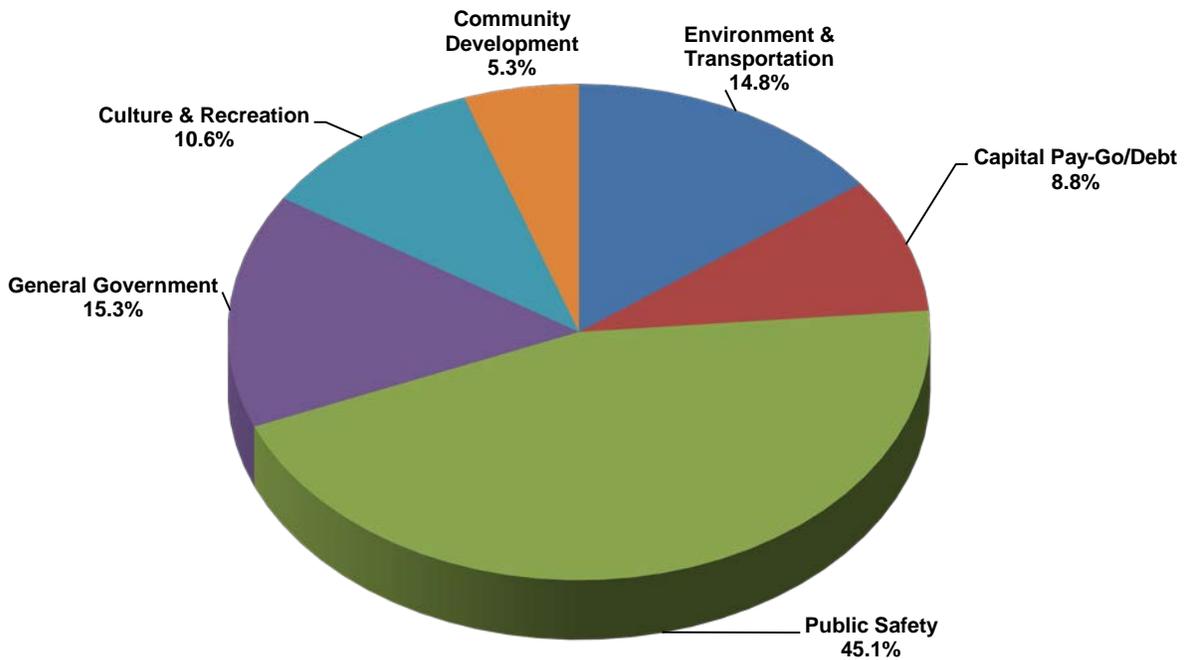
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Salaries & Wages	41,450,688	42,813,537	45,481,705	47,965,132
Fringe Benefits	15,621,129	15,483,307	18,369,295	19,116,835
Operating Costs	22,700,361	23,231,060	23,913,816	24,113,954
Interfund Transfers	1,490,767	2,043,429	2,738,441	2,839,828
Debt Service	5,055,446	4,647,611	5,387,021	5,387,021
Capital Outlay	<u>1,665,121</u>	<u>3,876,216</u>	<u>3,657,676</u>	<u>3,725,857</u>
TOTAL	<u>87,983,512</u>	<u>92,095,160</u>	<u>99,547,954</u>	<u>103,148,627</u>

BUDGET HIGHLIGHTS

- Personnel costs, including both salaries and wages and fringe benefits, make up 65% of the adopted FY 2015-16 General Fund budget. As noted earlier in the budget document, the personnel budget includes funding to implement the recommendations from the Segal Waters compensation study and provide all employees with a 1% salary increase on July 1, which has a budget impact of approximately \$1.6 million in the General Fund. The personnel budget in the General Fund is also impacted by staffing additions and the inclusion of funding to pay all temporary/seasonal staff a living wage. The living wage adjustment has the biggest budgetary impact in the Parks & Recreation Department, where it is estimated to increase personnel costs by approximately \$150,000.
- Operating costs in the General Fund are budgeted to remain essentially flat in FY 2015-16.
- Interfund transfers to the Transit Services Fund and the US Cellular Center Fund are budgeted to increase by approximately \$100,000, primarily due to an increase in the Transit transfer to fund a full year of Sunday bus service.
- 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 2014-15 budget level.
- The FY 2015-16 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 program, along with additional pay-go capital maintenance funding and departmental capital outlay.

GENERAL FUND EXPENDITURES

CITY OF ASHEVILLE FY 2015-16 GENERAL FUND EXPENDITURES BY SERVICE AREA TOTAL \$103,148,627

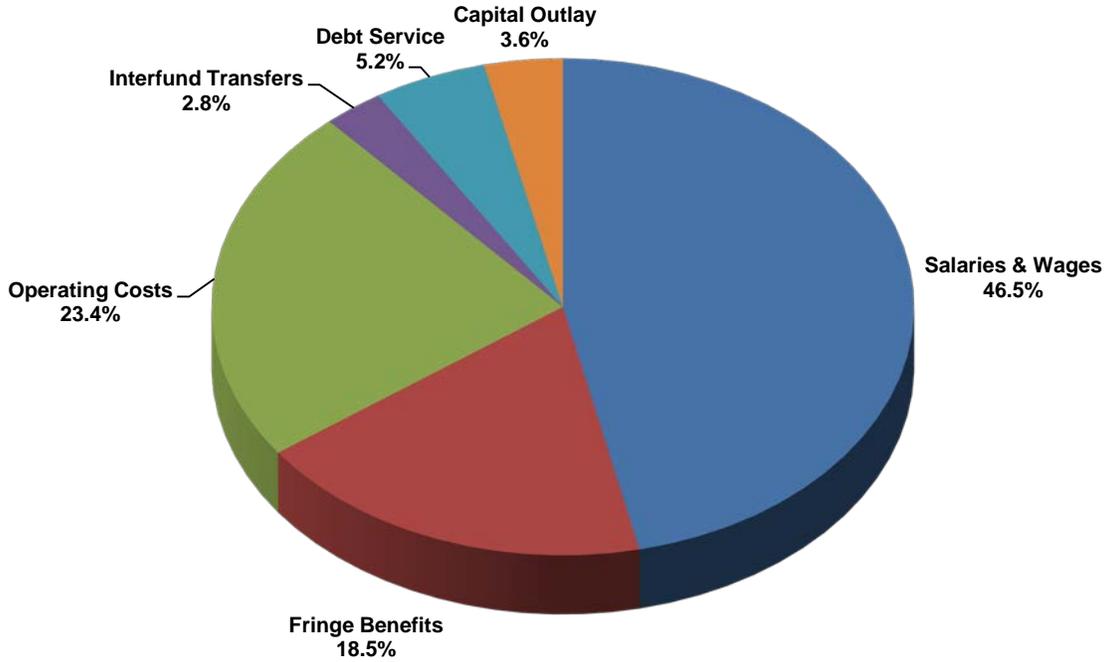


Budget-to-Budget Expenditure Comparison

<u>Service Areas:</u>	2014-15	2015-16	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Public Safety	45,499,309	46,569,606	1,070,297	2.4%
Environment & Transportation	14,919,678	15,274,671	354,993	2.4%
General Government	14,053,914	15,785,300	1,731,386	12.3%
Culture & Recreation	10,774,113	10,955,585	181,472	1.7%
Capital Pay-Go/Debt Service	8,995,878	9,086,878	91,000	1.0%
Community Development	<u>5,305,062</u>	<u>5,476,587</u>	<u>171,525</u>	<u>3.2%</u>
Total General Fund Expenditures	<u>99,547,954</u>	<u>103,148,627</u>	<u>3,600,673</u>	<u>3.6%</u>

GENERAL FUND EXPENDITURES

CITY OF ASHEVILLE FY 2015-16 GENERAL FUND EXPENDITURES BY CATEGORY TOTAL \$103,148,627



Budget-to-Budget Expenditure Comparison

<i>Expense Category:</i>	2014-15	2015-16	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>Budget</u>
Salaries & Wages	45,481,705	47,965,132	2,483,427	5.5%
Fringe Benefits	18,369,295	19,116,835	747,540	4.1%
Operating Costs	23,913,816	24,113,954	200,138	0.8%
Interfund Transfers	2,738,441	2,839,828	101,387	3.7%
Debt Service	5,387,021	5,387,021	0	0.0%
Capital Outlay	<u>3,657,676</u>	<u>3,725,857</u>	<u>68,181</u>	<u>1.9%</u>
Total General Fund Expenditures	<u>99,547,954</u>	<u>103,148,627</u>	<u>3,600,673</u>	<u>3.6%</u>

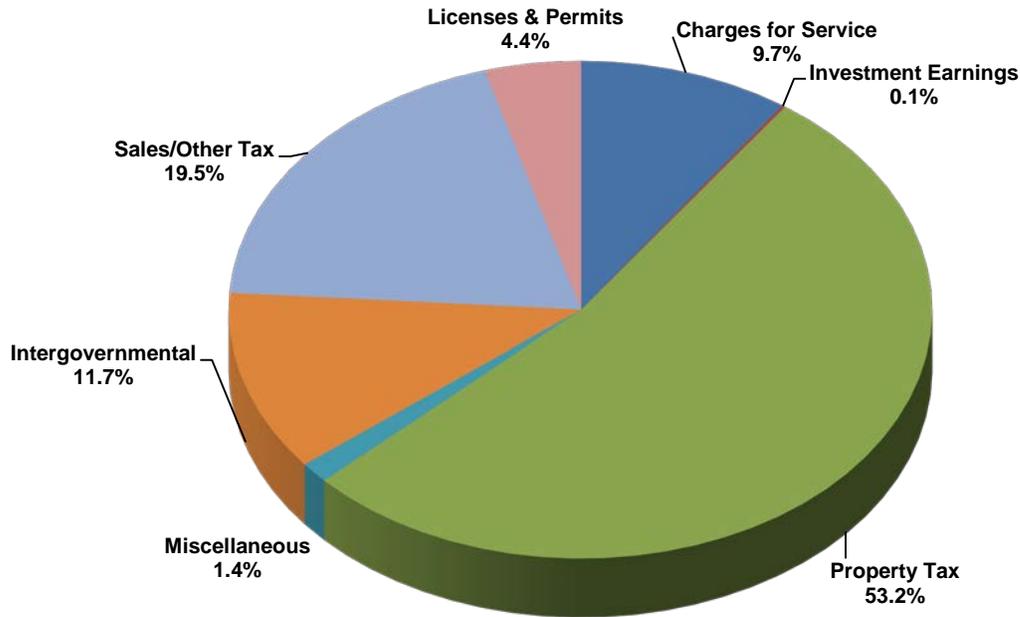
GENERAL FUND REVENUES

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Taxes				
Property Tax - Current Year	44,381,358	48,308,564	48,962,423	51,337,719
Local Option Sales Tax	16,569,051	17,249,800	18,348,766	19,683,180
Motor Vehicle Taxes	2,151,135	3,153,009	2,639,128	2,795,671
Property Tax - Prior Years	359,372	591,013	501,922	700,000
Other Taxes	498,465	544,053	356,000	446,000
Total Taxes	63,959,381	69,846,439	70,808,239	74,962,570
Licenses & Permits				
Development Srv Fees	2,484,939	3,024,659	2,501,058	3,401,000
Business Privilege Licenses	1,434,570	1,579,972	1,586,202	-
Motor Vehicle Licenses	318,606	425,509	320,000	320,000
Other	1,144,805	814,304	767,750	829,994
Total Licenses/Permits	5,382,921	5,844,444	5,175,010	4,550,994
Intergovernmental				
State Utility Taxes	6,827,401	7,032,103	7,068,000	7,911,350
Local Utility Franchise	451,166	44,519	460,000	440,000
Powell Bill	2,276,484	2,133,046	2,447,593	2,447,593
State Beer & Wine Taxes	339,850	377,095	365,000	407,829
Other	1,276,249	1,214,826	1,136,157	891,607
Total Intergovernmental	11,171,151	10,801,589	11,476,750	12,098,379
Charges For Service				
Parks & Recreation Fees	1,386,108	1,608,227	1,152,201	1,447,501
Recycling Charges	1,250,156	-	-	-
Solid Waste Charges	-	2,396,194	2,400,000	3,596,000
Fire Protection & Inspections	1,034,829	391,413	265,289	265,289
Cost Allocation Charges*	-	2,822,768	3,486,944	3,278,273
Other	923,247	1,455,359	1,291,021	1,398,171
Total Charges For Service	4,594,340	8,673,961	8,595,455	9,985,234
Other				
Investment Earnings	69,341	158,368	150,000	150,000
Miscellaneous	1,755,350	1,917,784	1,342,500	1,401,450
Other Financing Sources	3,604,870	83,765	2,000,000	0
Total Revenues	<u>90,537,354</u>	<u>97,326,350</u>	<u>99,547,954</u>	<u>103,148,627</u>

*Revenue was reclassified for reporting purposes

GENERAL FUND REVENUES

CITY OF ASHEVILLE FY 2015-16 GENERAL FUND REVENUES BY SOURCE TOTAL \$103,148,627

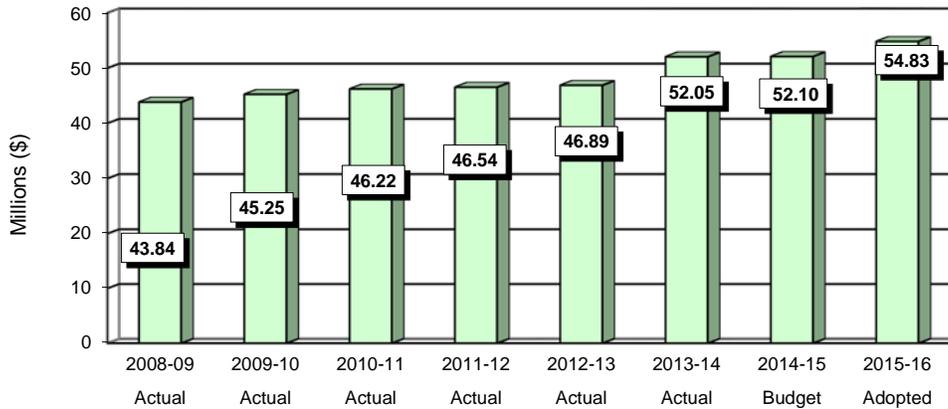


Budget-to-Budget Revenue Comparison

<u>Revenue Sources:</u>	2014-15	2015-16	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>Budget</u>
Property Tax	52,103,473	54,833,390	2,729,917	5.2%
Intergovernmental	11,476,750	12,098,379	621,629	5.4%
Sales & Other Taxes	18,704,766	20,129,180	1,424,414	7.6%
Charges For Service	8,595,455	9,985,234	1,389,779	16.2%
Licenses & Permits	5,175,010	4,550,994	(624,016)	-12.1%
Investment Earnings	150,000	150,000	0	0.0%
Miscellaneous	1,342,500	1,401,450	58,950	4.4%
Other Financing Sources	<u>2,000,000</u>	<u>0</u>	<u>(2,000,000)</u>	<u>-100.0%</u>
Total General Fund Revenue	<u>99,547,954</u>	<u>103,148,627</u>	<u>3,600,673</u>	<u>3.6%</u>

GENERAL FUND REVENUES

PROPERTY TAXES



<u>Property Taxes:</u>	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Current Year	44,381,358	48,308,564	48,962,423	51,337,719
Registered Motor Vehicles	2,151,135	3,153,009	2,639,128	2,795,671
Prior Years	<u>359,372</u>	<u>591,012</u>	<u>501,922</u>	<u>700,000</u>
Total Property Taxes	46,891,865	52,052,585	52,103,473	54,833,390

Trends & Assumptions

The Property or Ad Valorem Tax is the largest funding source for general government services, providing 53% of the City's total FY 2015-16 general fund revenue. The property tax is levied each year on the value of real, certain personal, and public service property that is listed as of January 1 of that year. Real property, which consists of residential, commercial, and industrial properties, is typically revalued every four years, while personal and utility values are adjusted annually. The most recent revaluation was completed in 2012, and the new values became effective in FY 2013-14. This was the first revaluation since 2005. Real property makes up approximately 86% of the City's total tax base.

The property tax rate for FY 2015-16 will be 47.5 cents per \$100 of assessed valuation, which represents a 1.5 cent increase over the FY 2014-15 rate.

Between FY 2000 and FY 2010, property values in the City grew annually an average rate of 3.1%. Growth in real estate property values in Asheville slowed substantially as a result of the economic recession. Over the last five fiscal years, property values have grown at an annual average rate of less than 1%. Based on projections provided by the County Tax Office, staff is assuming a 1.8% increase in the City's property tax base in FY 2015-16. In a positive sign for future growth, permit values for new construction have increased significantly over the last three years. With the typical lag time between the issuance of a building permit and the addition of that property value to the City's tax base being two years or longer, the current data indicate that the City will begin see a rebound in its property tax base growth in the near future.

GENERAL FUND REVENUES

ASSESSED VALUATION HISTORY

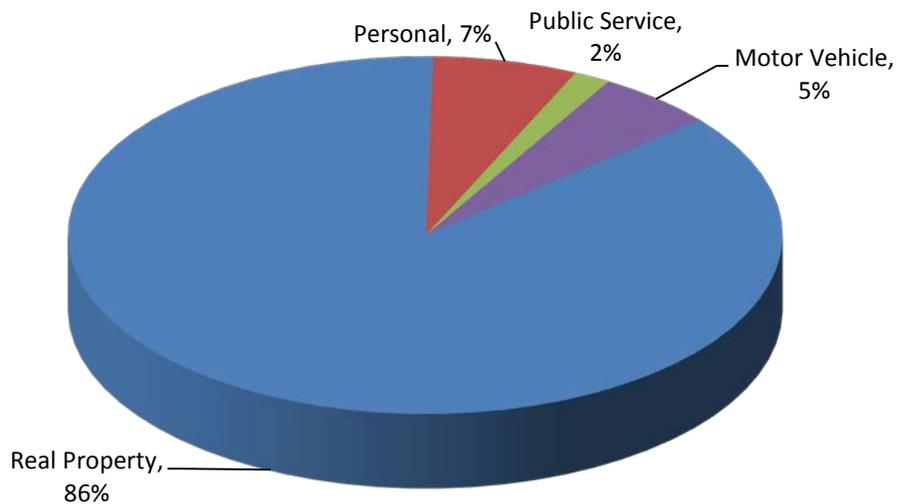
Major Property Categories

(\$ in thousands)

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14*	FY 2014-15
Real Property	\$5,530,052	\$9,634,718	\$9,696,841	\$9,653,303	\$9,640,391
Percent Change	0.2%	1.26%	0.64%	-0.44%	-0.13%
Personal	\$699,285	\$673,731	\$688,439	\$731,028	\$742,083
Percent Change	-1.2%	-3.65%	2.18%	6.19%	1.51%
Public Service Companies	\$186,956	\$191,230	\$190,235	\$185,757	\$181,201
Percent Change	-3.3%	2.29%	-0.52%	-2.35%	-2.45%
Motor Vehicles	\$480,112	\$513,711	\$551,327	\$597,911	\$591,817
Percent Change	-7.8%	7.00%	7.32%	8.45%	-1.02%
TOTAL TAX BASE	\$10,880,726	\$11,013,390	\$11,126,842	\$11,167,999	\$11,155,492
Percent Change	0.70%	1.22%	1.03%	0.37%	-0.11%

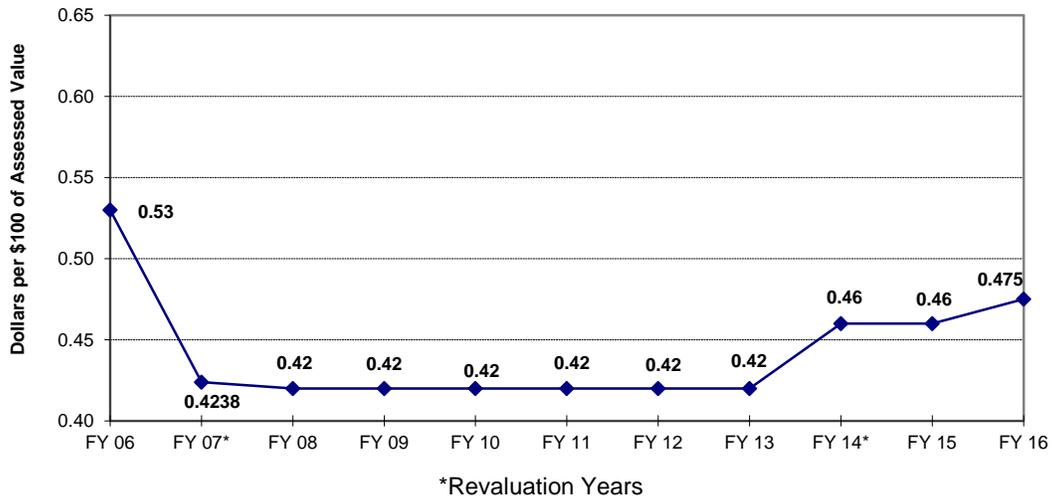
*Revaluation Year

CITY OF ASHEVILLE FY 2014-15 TAX BASE

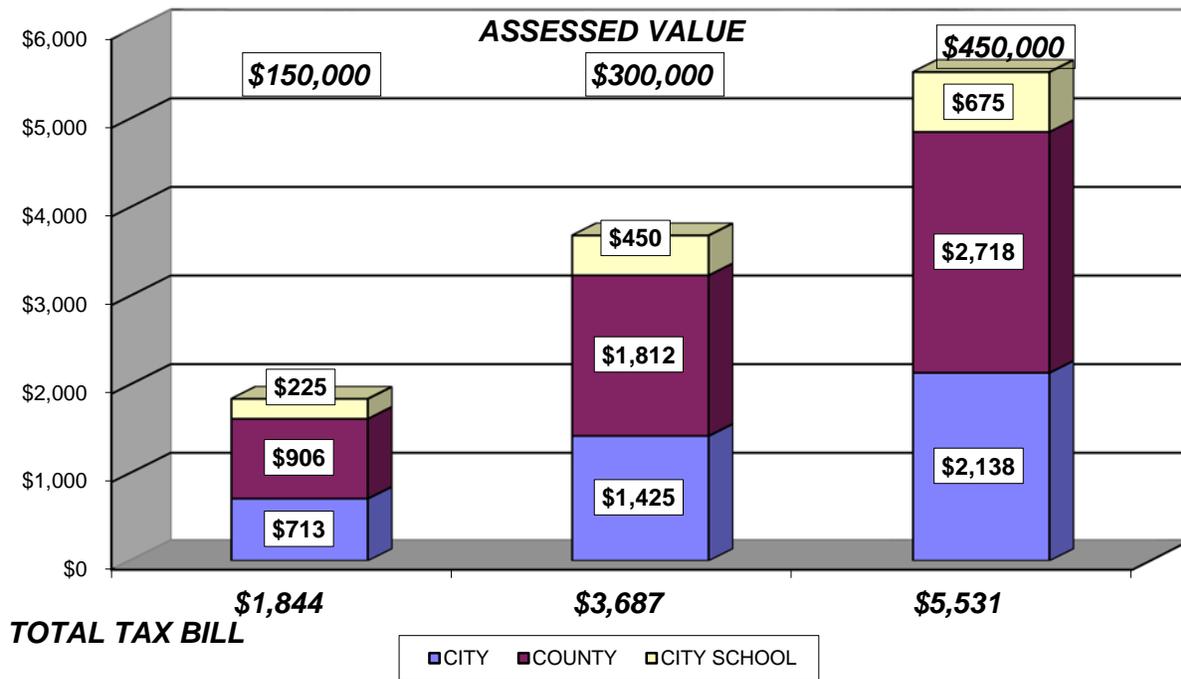


GENERAL FUND REVENUES

CITY OF ASHEVILLE PROPERTY TAX RATE HISTORY



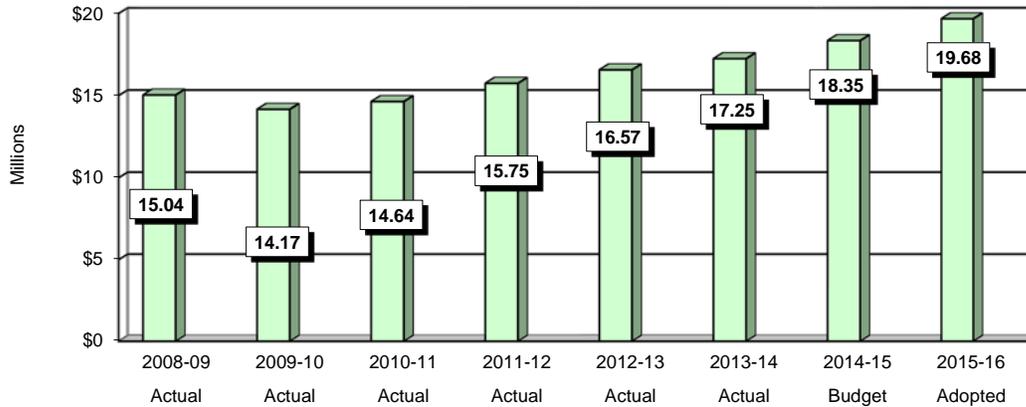
FY 2015-16 SAMPLE TAX BILL



Notes: City tax rate: 47.5 cents per \$100 of assessed valuation
 County tax rate: 60.4 cents per \$100 of assessed valuation
 City School tax rate: 15 cents per \$100 of assessed valuation. Not all City of Asheville residents pay the City School tax.

GENERAL FUND REVENUES

LOCAL OPTION SALES TAX



<u>Sales Tax Components:</u>	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
All Articles	16,569,051	17,245,196	18,348,766	19,683,180

Trends & Assumptions

Local option sales tax revenue is collected by the State of North Carolina and distributed back to counties and municipalities on a monthly basis.

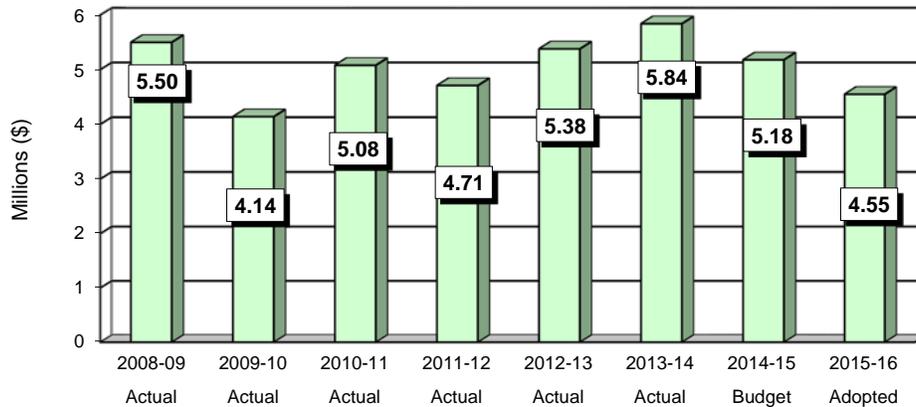
Net proceeds from Article 39 and Article 42 are returned to the county in which the tax was collected. Under this point of delivery distribution method, the City's revenue from this one and one-half-cent (1 ½) sales tax is dependent only on retail sales activity in Buncombe County. Proceeds from the Article 40 half-cent sales tax is placed in a statewide pool and allocated among all one hundred counties on a per capita basis. Article 40 sales tax revenue is thus dependent on retail sales activity statewide and on Buncombe County's population relative to other counties in the State. During its 2001 session, the State Legislature gave local governments the authority to levy an additional half-cent sales tax – Article 44. Revenue from Article 44 replaced local government reimbursement payments that were discontinued by the state. In 2007, the state eliminated Article 44 and replaced it with a hold harmless payment.

Buncombe County's sales tax revenue is divided between the county and the local municipalities based on each entity's share of the total county ad valorem tax levy. Based on this distribution formula, the City currently receives 19.82% of the sales tax revenue distributed to Buncombe County. The state recalculates this percentage each year to account for tax rate changes, annexations, revaluation, and natural growth in the tax base.

No revenue was more impacted by the recession than sales taxes. Between FY 2006-07 and FY 2009-10, the City saw its sales tax revenue decline by \$3.1 million or 18%. Sales tax revenue finally began growing again in FY 2010-11. Based on statewide projections from the North Carolina League of Municipalities and local trend data, staff is projecting a 7.5% increase in sales tax revenue in FY 2014-15 and a 4.0% increase in FY 2015-16.

GENERAL FUND REVENUES

LICENSES & PERMITS



<u>Licenses & Permits:</u>	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
DSD Fees	2,484,939	3,024,659	2,501,058	3,401,000
Business Privilege Licenses	1,434,570	1,579,972	1,586,202	0
Motor Vehicle Licenses	318,606	425,509	320,000	320,000
Other	<u>1,144,805</u>	<u>814,304</u>	<u>767,750</u>	<u>829,994</u>
Total Licenses & Permits	5,382,921	5,844,444	5,175,010	4,550,994

Trends & Assumptions

License & permit fees are generally used to offset the cost of regulating certain activities within the City. Some license and permit rates are set by the state, while others are set by City Council. Revenue from licenses & permits is influenced by local population growth, economic conditions, trends in development and re-development activity, and Council-approved fee changes.

Development Services (DSD) Fees: After declining during the recession and remaining flat in FY 2010-11, revenue from development services fees began growing again in FY 2011-12.

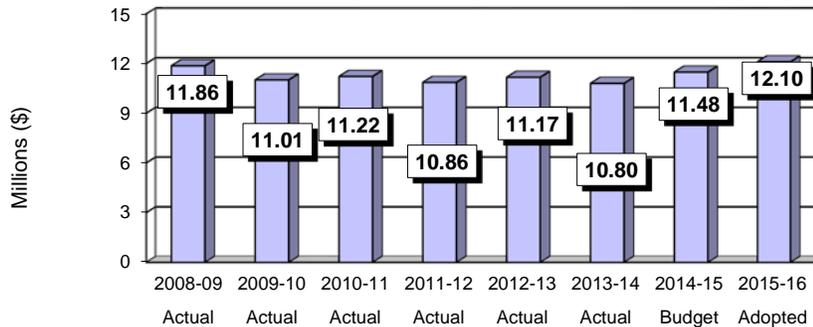
Development activity increased dramatically in FY 2013-14, and revenue from permits and inspections increased 21% compared to FY 2012-13. This trend toward increased development activity continued in FY 2014-15 with preliminary year-end revenue estimates of \$3.2 million. Staff is expecting this trend of increased development activity to continue in FY 2015-16.

Business Privilege Licenses: The N.C. General Assembly passed legislation that eliminated the City's ability to assess the privilege license fee after FY 2014-15.

Motor Vehicle Licenses: The City levies an annual registration fee of \$10 on all motor vehicles owned by City residents. Half of this revenue is recorded in the general fund, and the other is recorded in the transit services fund where it is used to support the operational and capital needs of the City's transit system. FY 2013-14 actuals were higher than normal due to a shift in collections from the local to the state level which accelerated the collection calendar. FY 2014-15 revenue is expected to come in on budget, and revenue is expected to remain flat in FY 2015-16.

GENERAL FUND REVENUES

INTERGOVERNMENTAL REVENUE



	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
<u>Intergovernmental:</u>				
State Utility Taxes	6,827,401	7,032,103	7,068,000	7,911,350
Local Utility Franchise	451,166	44,519	460,000	440,000
Powell Bill	2,276,484	2,133,046	2,447,593	2,447,593
State Beer & Wine Tax	339,850	377,095	365,000	407,829
Other	<u>1,276,249</u>	<u>1,214,826</u>	<u>1,136,157</u>	<u>891,607</u>
Total Intergovernmental	11,171,151	10,801,589	11,476,750	12,098,379

Trends & Assumptions

Intergovernmental revenue includes grants, shared revenues, and reimbursements received by the City of Asheville from other governmental units.

State Utility Taxes: The state levies the following utility taxes: a franchise tax on electricity, a sales tax on telecommunications and video services, and an excise tax on piped natural gas. The state then shares a portion of these revenues with municipalities based on sales and consumption within each city. Growth in the electric and natural gas revenues is highly sensitive to weather conditions; cool summers and mild winters can lead to a year with little or no growth. Significant changes in the total amount of electricity used within a municipality, such as the loss of a factory, also will lower the revenue from the tax on electricity. The state changed the distribution formula for utility taxes in FY 2014-15, which resulted in a 13% increase in revenue from this source. Based on these trends and projections from the N.C. League of Municipalities, staff has budgeted a 12% increase for FY 2015-16.

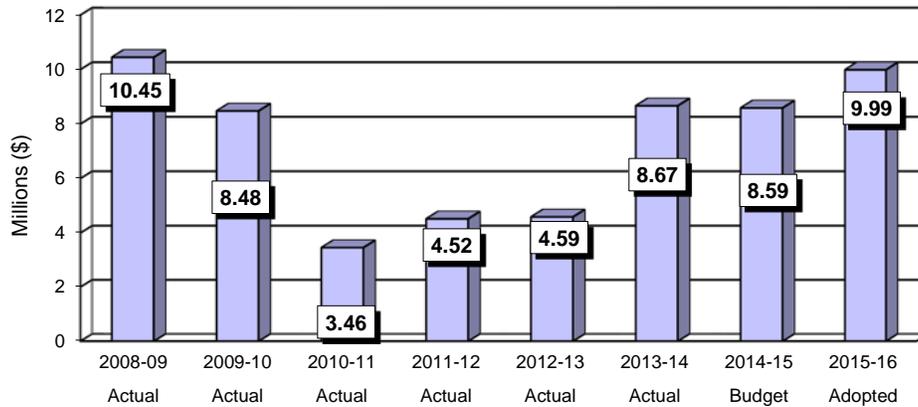
Local Utility Franchise Tax: This category includes revenue from Asheville's local agreements with Duke Power and PSNC. It should be noted that the drop in revenue in FY 2013-14 was due to the timing of when the revenue was received. Based on the terms of the agreements, this revenue source is expected to decrease slightly in FY 2015-16.

State Beer & Wine Tax: The state shares a portion of the proceeds from beer and wine tax receipts with all local governments in which beer and wine is legally sold. The distribution is based on population. Based on collection trends in FY 2014-15 and projections from the N.C. League of Municipalities, staff has budgeted an 11% increase for FY 2015-16.

Powell Bill: North Carolina municipalities receive a portion of the proceeds from the state gasoline tax and the Highway Trust Fund. The money is distributed to municipalities based 75% on population and 25% on local street mileage. Powell Bill funds can only be expended to maintain, repair, or construct local streets. Based on actual revenue received in FY 2014-15 and growth projections from the N.C. League of Municipalities, this revenue is expected to remain flat in FY 2015-16.

GENERAL FUND REVENUES

CHARGES FOR SERVICE



<u>Charges For Service:</u>	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Parks & Recreation Fees	1,386,108	1,608,227	1,152,201	1,447,501
Recycling Charges	1,250,156	-	-	-
Solid Waste Charges	-	2,396,552	2,400,000	3,596,000
Fire Protection	1,034,829	391,413	265,289	265,289
Cost Allocation Charges	-	2,822,768	3,486,944	3,278,273
Other	<u>923,247</u>	<u>1,455,001</u>	<u>1,291,021</u>	<u>1,398,171</u>
Total Charges For Service	4,594,340	8,673,961	8,595,455	9,985,234

Trends & Assumptions

Charges for services are revenues derived from charges for the use of specific general fund services, such as Parks & Recreation programs and curbside recycling. By Council policy, many of these services are partially or fully funded through user charges.

Parks & Recreation Fees: The FY 2015-16 budget for Parks and Recreation fee revenue shows an increase due to Council-approved fee changes at the WNC Nature Center.

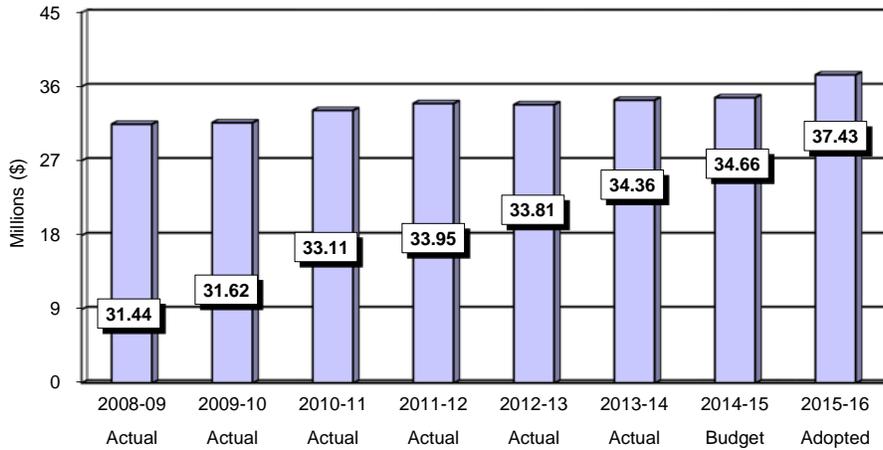
Recycling/Solid Waste Charges: In March 2013, City Council replaced the \$3.50 per month household recycling fee with a \$7.00 per month solid waste fee. In FY 2015-16, the solid waste fee is being increased to \$10.50 per month. This fee increase is expected to generate approximately \$1.1 million in additional revenue.

Fire Protection: The Town of Biltmore Forest cancelled its fire protection contract with the City of Asheville at the end of the first quarter in FY 2013-14, which resulted in an annual revenue loss to the City of approximately \$750,000. For FY 2015-16, this revenue source is expected to remain flat.

Cost Allocation Charges: The general fund charges enterprise funds for the cost of internal services such as human resources, information technology services, finance, etc. The City contracts with a private firm to update its cost allocation plan on an annual basis. Based on the latest plan update, this revenue source shows a decrease in FY 2015-16. It should also be noted that prior to FY 2013-14, cost allocation charges were accounted for as other financing sources, not charges for services.

ENTERPRISE FUND REVENUES

WATER RESOURCES FUND REVENUE



<u>Water Resources Revenue:</u>	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Utility Charges	22,886,573	23,149,897	23,572,342	23,939,695
Other Operating Revenue	4,498,295	4,575,159	4,286,079	4,820,500
Capital Maintenance Fee	6,356,965	6,455,157	6,552,250	6,650,027
App. Fund Balance	-	-	175,907	1,890,983
Investment Earnings	<u>72,711</u>	<u>176,918</u>	<u>69,780</u>	<u>125,000</u>
<i>Total Water Resources Revenue</i>	33,814,544	34,357,131	34,656,358	37,426,205

Trends & Assumptions

Water revenue is derived from fees and service charges assessed to residential and commercial customers of the regional water system. Water revenue is influenced by fee changes, population growth, water consumption patterns, local economic conditions, and weather.

Utility Charges: The FY 2015-16 Water Resources budget includes the following rate changes:

- Single Family, Multi-Family, Small Commercial/Manufacturer: 1.5% increase
- Large Commercial/Manufacturer (>1,000 CCF/month): 3.5% increase
- Wholesale & Irrigation: 5.0% increase
- Capital Improvement Fee: 1.5% increase for each meter size.

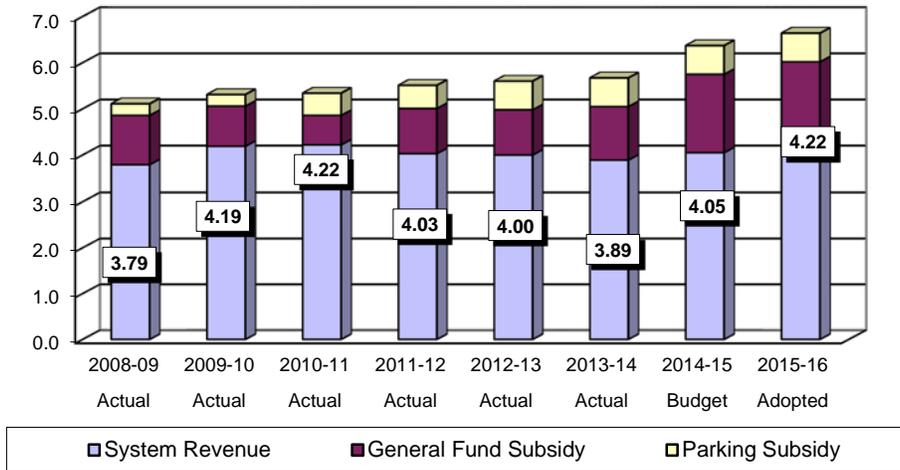
These rate adjustments are expected to generate approximately \$465,000 in additional revenue.

Capital Maintenance Fee: The purpose of this fee is to provide funding for major capital improvements such as water line replacements and water treatment source improvements. It is a charge based on the size of the meter. As noted, this fee was increased by 1.5% in FY 2015-16.

Other Revenue: The other operating revenue category includes development fees, tap and connection fees, fire line charges, reconnection and delinquency fees and other miscellaneous revenue. This revenue category is adjusted upward based on recent collection trends. Investment earnings reflect earnings on cash fund balances.

ENTERPRISE FUND REVENUES

TRANSIT SERVICES FUND REVENUE



	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
<u>Transit Services Revenue:</u>				
Federal/State Grants	2,599,634	2,220,239	2,252,230	2,509,500
Grant Pass Through	223,676	268,458	553,500	553,500
General Fund Subsidy	985,295	1,157,502	1,700,546	1,790,117
Parking Fund Subsidy	616,875	616,875	616,875	616,875
Operating Revenue	802,845	855,511	925,000	810,000
Motor Vehicle License Fee	318,605	425,508	320,000	360,000
Miscellaneous/Other	<u>53,392</u>	<u>129,828</u>	<u>0</u>	<u>0</u>
Total Transit Revenue	5,600,322	5,673,921	6,368,151	6,639,992

Trends & Assumptions

Transit Fund revenue is derived from three primary sources: federal & state grant funding, local tax support, and passenger charges.

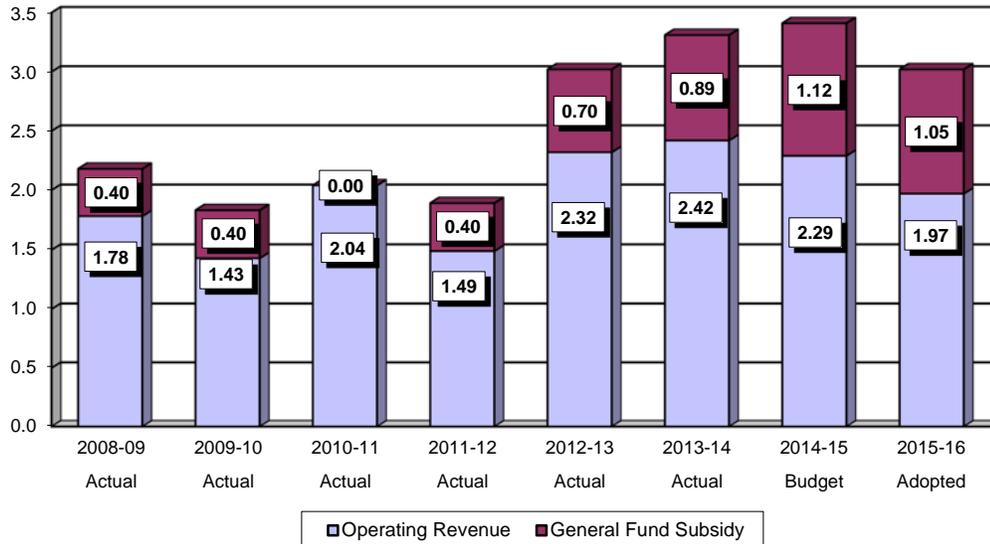
Federal & State Grants: The Transit Fund receives grant funding from the Federal Transit Administration and the North Carolina Department of Transportation. Revenue from federal and state grants (including grant pass through funds) represents 46% of the fund's total revenue. For FY 2015-16, the City expects grant funding to increase primarily due to the fact that the City will receive a full year of funding for Sunday service which started mid-way through FY 2014-15.

City Support: This category includes both the general fund and parking fund subsidies and the motor vehicle license fee. The parking fund subsidy is being held flat in FY 2015-16. The general fund subsidy shows a \$90,000 increase to support a full year of Sunday service.

Operating Revenue: This category consists of passenger fares, bulk fare income, and advertising revenue. Based on current trends, staff has budgeted a decrease in this revenue category in FY 2015-16.

ENTERPRISE FUND REVENUES

US CELLULAR CENTER FUND REVENUE



	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
<u>US Cellular Center Revenue:</u>				
Food & Beverage Sales	728,359	1,265,791	1,153,922	845,992
Rent	669,707	728,174	451,500	440,000
Admissions & Other Sales	792,221	289,691	558,500	569,013
Other	<u>131,248</u>	<u>135,528</u>	<u>124,000</u>	<u>115,500</u>
Total Operating Revenue	2,321,535	2,419,184	2,287,922	1,970,711
App. Fund Balance	-	-	60,000	-
General Fund Subsidy	<u>662,594</u>	<u>885,927</u>	<u>1,120,576</u>	<u>1,049,711</u>
Total US Cellular Center Rev.	2,984,129	3,305,111	3,468,498	3,020,216

Trends & Assumptions

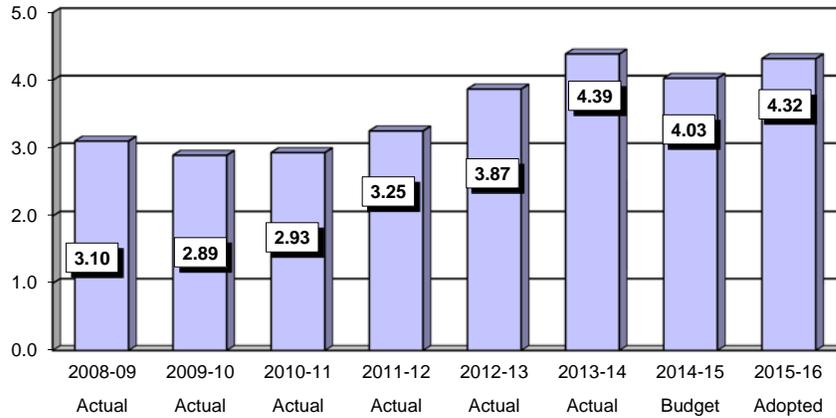
The US Cellular Center receives operating revenue from the sale of food and beverages, rental fees charged to the users of the facility, and from various other charges including facility fees and staffing reimbursements. Operating revenue is supplemented with support from the City's general fund.

Operating Revenue: Event bookings and operating revenue have been lower than originally anticipated in the adopted FY 2014-15 budget, and this trend is expected to continue in FY 2015-16.

General Fund Subsidy: As discussed elsewhere in the Budget Document, all enterprise fund budgets now include the full cost of indirect services provided by the General Fund. This accounting change is reflected on the revenue side of the budget as an increase in the General Fund subsidy. It should also be noted that the increase in the General Fund subsidy that began in FY 2012-13 reflects a reallocation of capital resources to pay the annual debt service on funds borrowed for the Southern Conference renovation project.

ENTERPRISE FUND REVENUES

PARKING SERVICES FUND REVENUES



<u>Parking Services Revenue:</u>	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Garage Revenue	1,927,120	2,529,223	2,073,000	2,275,000
Parking Meters	1,091,540	1,249,277	1,239,413	1,250,000
Parking Violations	632,471	274,095	448,250	524,100
Parking Lots & Peripheral Parking	189,745	306,673	264,000	250,000
Other	<u>29,379</u>	<u>29,643</u>	<u>3,144</u>	<u>26,044</u>
Total Operating Revenue	3,870,255	4,388,911	4,027,807	4,325,144
App. Fund Balance	-	-	-	300,000
Total Parking Services Revenue	3,870,255	4,388,911	4,027,807	4,625,144

Trends & Assumptions

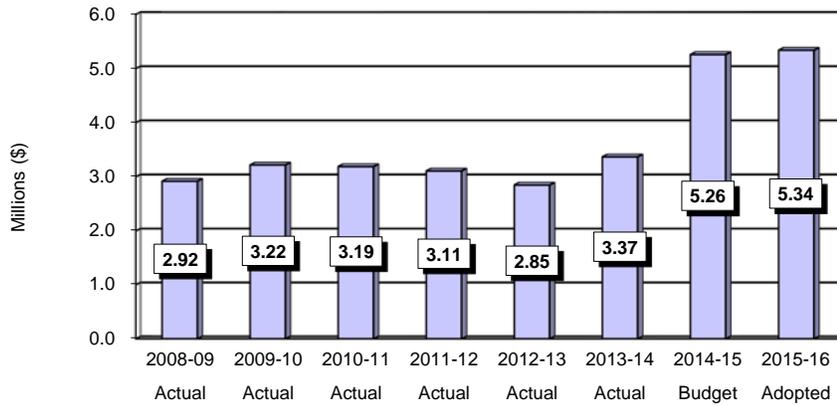
The Parking Services Fund operates four parking garages, over 700 on-street metered spaces, and more than 200 lot spaces.

Garage Revenue: Garage revenue has increased over the last few years due to the opening of the Biltmore Avenue garage in FY 2012-13 and the recovery in the economy, which has bolstered demand. Also, City Council approved a 25 cent increase in the hourly rate for parking garages in FY 2013-14. Revenues in FY 2014-15 performed better than budget, and this trend is expected to continue in FY 2015-16. There is no rate increase in the FY 2015-16 budget.

Parking Meters: The hourly rate for meters was also increased by 25 cents in FY 2013-14. The City has seen an increase in meter revenue from the Passport parking program that was implemented in FY 2013-14. There is no rate change for parking meters in FY 2015-16.

ENTERPRISE FUND REVENUES

STORMWATER FUND REVENUES



<u>Stormwater Revenue:</u>	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Utility Charges	2,585,060	2,889,985	4,832,372	4,921,491
Licenses & Permits	253,928	223,359	187,000	187,000
Other Financing Sources	0	218,593	206,000	205,000
Miscellaneous	3,944	22,049	25,000	11,000
Investment Earnings	<u>4,362</u>	<u>12,339</u>	<u>11,000</u>	<u>11,000</u>
Total Stormwater Revenue	2,847,294	3,366,325	5,261,372	5,335,491

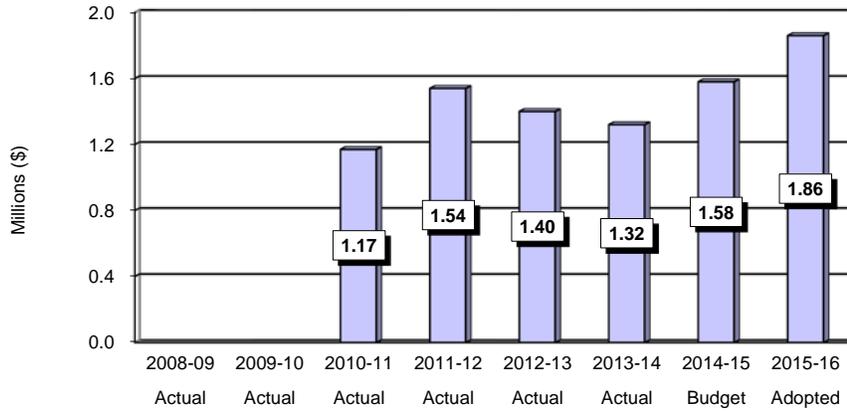
Trends & Assumptions

The Stormwater Fund was created in FY 2005-06 to account for revenues and expenditures associated with the City's federally mandated stormwater program.

Utility Charges: In FY 2014-15, the City adopted a tiered rate structure for single family properties based on square footage, and increased rates for all single family and non-single family properties. Based on the financial model developed in FY 2014-15, staff submitted and City Council approved a 5% increase in all stormwater rates for FY 2015-16.

ENTERPRISE FUND REVENUES

STREET CUT UTILITY FUND REVENUES



<u>Street Cut Revenue:</u>	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Charges for Services	1,399,498	1,303,526	1,483,814	1,625,076
Miscellaneous	78	15,111	0	0
Other Financing Sources	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>240,000</u>
Total Street Cut Revenue	1,399,576	1,318,637	1,583,814	1,865,076

Trends & Assumptions

The Street Cut Utility fund was created in FY 2010-11 to track revenues and expenses associated with the City's street cut repair program. In addition to handling street cut repairs for the City's Water Resources and Stormwater Funds, street cut utility crews also repair cuts for the Metropolitan Sewerage District (MSD) and Public Service Natural Gas (PSNC). Each entity is then billed for 100% cost recovery.

The FY 2015-16 budget includes \$240,000 in revenue from debt proceeds for equipment replacement.



GENERAL GOVERNMENT

Finance and Management Services

General Administration

Economic Development

City Attorney's Office

Information Technology Services

Human Resources

General Services Department

Nondepartmental

FINANCE AND MANAGEMENT SERVICES

Barbara Whitehorn, Director/CFO

MISSION

The City of Asheville's Department of Finance and Management Services provides a foundation of support that enables sound decision-making and execution of City initiatives through responsible stewardship of public assets.

DEPARTMENT SUMMARY

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	1,795,325	1,519,394	1,830,138	1,764,904
Fringe Benefits	680,310	541,422	716,809	700,107
Operating Costs	215,375	593,796	460,443	470,306
Capital Outlay	0	0	19,069	0
Cost Transfers	<u>-54,174</u>	<u>0</u>	<u>-69,000</u>	<u>-69,000</u>
				0
Total	2,636,836	2,654,612	2,957,459	2,866,317
FTE Positions	33.75	32.75	32.75	33.00

BUDGET HIGHLIGHTS

- The FTE count in the Finance & Management Services Department shows a slight increase due to the conversion of a part-time position to full-time during FY 2014-15, and the addition of an accounting specialist position for the purchase card program. A vacant payroll position is being transferred to the Public Works Department to fill a need in that department.
- Even though the FTE count is increasing slightly, salary and fringe benefit costs are down due to several factors including: 1) a reduction in temporary/seasonal staff funding and 2) the fact that two FTE positions in the department are only budgeted for half the year in FY 2015-16, with the expectation that full-time employees will be in place by the third quarter of the fiscal year.
- The summaries on the next two pages reflect changes in the divisional structure for FY 2015-16. Strategic planning and internal audit, which previously were accounted for in the finance administration division, are now stand alone divisions. In addition, the accounting division is now split with part of that function in the budget and financial reporting division and part in fiscal services.
- One-time capital funding of \$19,069 in FY 2014-15 is not included in the central stores budget in FY 2015-16.

FINANCE AND MANAGEMENT SERVICES

DIVISION SUMMARY	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Finance Administration	141,688	765,503	616,171	563,848
FTE Positions	3.00	4.00	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.

Purchasing	282,588	248,606	334,570	318,565
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.

Central Stores	140,674	140,073	164,840	154,625
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).

Risk Management Admin	144,237	180,795	323,525	319,520
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.

Budget & Research	175,023	200,918	191,978	**
FTE Positions	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.

FINANCE AND MANAGEMENT SERVICES

DIVISION SUMMARY	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Accounting	1,114,202	1,118,717	1,326,372	**
FTE Positions	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.

New Divisions:

Strategic Plan. & Perf.				62,345
FTE Positions				1.00
Internal Audit				87,405
FTE Positions				1.00
Fiscal Services				737,514
FTE Positions				10.00
Budget & Fin. Reporting				622,495
FTE Positions				7.00

Divisions that are no longer part of the Department:

City Hall Operations	468,390	*	*	*
FTE Positions	*	*	*	*

* 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).

Sustainability	170.034	*	*	*
FTE Positions	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 another department during FY 2013-14.

FINANCE AND MANAGEMENT SERVICES

DEPARTMENTAL GOALS

- Improve communication and cross-functional collaboration through partnerships and education.
- Clearly define performance expectations and motivators to attract, develop, and retain high quality staff.
- Instill confidence, inspire trust, and ensure transparency through accurate, purposeful financial and managerial processes and reporting.

Sub-Goals:

- Provide complete, accurate and timely services and data to help the City to facilitate effective decision making and fiscal accountability and in support of City strategic goals.
- Continually assess and evaluate the way we conduct business in order to optimize efficiency, productivity, and cost effectiveness. Encourage reasonable risk taking and new approaches to improve processes.
- Provide finance staff with the level of tools, collaborative opportunities, resources and professional development critical to their success in achieving established work plans.
- Obtain the best value for the commodities and services that the City needs using the most efficient and customer service oriented processes while following NC GS.
- Manage inventories to assure the timely, cost effective and efficient receipt and distribution of materials.
- Provide payment processing services for City departments and management in order to ensure timely vendor payments for goods and services.
- Reduce the number and severity of accidents and injuries for City personnel to enhance the quality of the work environment while minimizing costs and lost time.

KEY PERFORMANCE OBJECTIVES & MEASURES

- *Performance objectives for Finance & Management Services are currently being revised and updated.*

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

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Expenditures:				
Salaries & Wages	845,716	2,570,545	893,541	1,070,067
Fringe Benefits	267,995	873,736	335,675	399,042
Operating Costs	185,244	2,487,270	199,000	194,439
Capital Outlay	0	142,275	0	0
Cost Transfers	<u>0</u>	<u>-2,079,963</u>	<u>0</u>	<u>0</u>
Total	1,298,955	3,993,863	1,428,216	1,663,548
FTE Positions	9.75	48.00	10.00	13.00

BUDGET HIGHLIGHTS

- The FY 2015-16 Administrative Services salary and fringe benefit budgets reflect the addition of 3 FTE positions that were approved after the start of FY 2014-15 in the Communication & Public Engagement Division.
- Otherwise, the adopted Administrative Services Department budget represents a continuation of existing programs and services.

ADMINISTRATIVE SERVICES

DIVISION SUMMARY	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Governing Body	197,872	233,763	226,716	225,780
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.

City Clerk	115,749	116,952	119,464	120,417
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.

City Manager	615,291	868,562	715,252	735,880
FTE Positions	4.75	5.00	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.

Communications/Pub. Eng.	370,043	322,598	366,784	581,471
FTE Positions	4.00	4.00	4.00	7.00

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.

Sustainability	*	156,482	*	*
FTE Positions	*	2.00	*	*

The Sustainability Division is now reported under the Multi-Modal Transportation and Capital Projects section of the Budget Document.

General Services	*	2,295,506	*	*
FTE Positions	*	36.00	*	*

The General Services function is now shown as a separate department.

ADMINISTRATIVE SERVICES

DEPARTMENTAL GOALS

- Provide leadership strategies and implement policies and initiatives that support Asheville City Council's Strategic Plan and associated goals, objectives and action items.
- Record all official action of the City Council, safeguard all official records, and provide accurate information to citizens in an efficient and professional manner.
- Reduce the number of circumstances that lead to citizen complaints, respond effectively to complaints that do occur, and facilitate citizen requests for service.
- Foster an informed and engaged community by effectively communicating the City's goals, services, programs and initiatives.
- Continue commitment to a diverse communication portfolio seeking to reach and engage residents and stakeholders through tools such as, the government channel, relationships with neighborhoods and stakeholder groups, the city website, social media and other emerging communication and civic engagement tools.
- Foster collaboration and strategic communication between departments for all internal and external communications.
- Provide high quality customer service to internal and external staff through quality of service and communications.
- Benchmark and track performance measures across all divisions for opportunities to reduce costs, improve efficiency, and provide higher quality of service.

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2013/14</u> <u>Actual</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Target</u>
• <i>Median response time for records requests; (FY'13- 244 Fulfilled and FY'14 178 fulfilled)</i>	3	2	2
• <i>Average number of people visiting the blog per quarter</i>	4983	7321	7500
• <i>Average number of Twitter re-tweets per quarter</i>	419	550	600
• <i>Average engagement number for Facebook (28 day)</i>	1116	1048	1500
• <i>Average number of YouTube views per quarter</i>	3614	4921	5000
• <i>Average number of community meetings attended to present information</i>	29	31	30

GENERAL SERVICES

James Ayers, Director

MISSION

The mission of the General Services Department is to provide safe, effective, and efficient service delivery for operations and maintenance of existing facilities, project management for the design and construction of new public buildings, acquisition and maintenance of fleet vehicles and equipment, and specialty support activities such as custodial and mail management services.

DEPARTMENT SUMMARY

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages			1,467,249	1,540,842
Fringe Benefits			616,756	704,342
Operating Costs			2,874,706	2,948,639
Capital Outlay			0	0
Cost Transfers			<u>-2,465,000</u>	<u>-2,460,000</u>
Total			2,493,711	2,733,823
FTE Positions			36.00	37.00

BUDGET HIGHLIGHTS

- The General Services Department is comprised of three divisions operating in multiple locations within the City of Asheville: Facility Maintenance, Fleet Management, and City Hall Operations.
- The General Services Department utilizes General Fund budget dollars for operational activities, with additional responsibility for a portion of the Capital Improvements Program (CIP) budget related to construction of new buildings, renovations to existing facilities, and acquisition of fleet vehicles and equipment.
- The budget for the General Services Department includes the conversion of one temporary position to a full-time FTE. This change has no net financial impact on the budget.

GENERAL SERVICES

KEY PERFORMANCE OBJECTIVES & MEASURES

New measures

- *Fleet Average Monthly Out-of-Service Percentage*
 - **Target 2.5% or less**
- *Facility Work Orders Monthly Call-Back Percentage*
 - **Target 2.5% or less**
- *Operations Customer Service Rating*
 - **Target "A" Rating - 90% average score or higher**

ECONOMIC DEVELOPMENT

Sam Powers, Director

MISSION

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

DEPARTMENT SUMMARY

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	206,600	303,547	302,958	474,248
Fringe Benefits	73,882	104,010	114,125	168,079
Operating Costs	335,363	282,043	942,832	1,546,630
Capital Outlay	<u>0</u>	<u>12,991</u>	<u>0</u>	<u>0</u>
Total	615,845	702,591	1,359,915	2,188,957
FTE Positions	5.75	5.25	6.25	7.50

BUDGET HIGHLIGHTS

- Beginning in FY 2014-15, the budget for economic incentive payments was moved from a non-departmental account to the Economic Development (ED) Department budget. For FY 2015-16, the budget for incentive payments is increasing by approximately \$538,000 as new payments are expected to be due to New Belgium and Linamar (Phase 3).
- A position formerly funded in the Community Development Fund is now being funded at 75% through the General Fund ED Department budget. In addition a position formerly split with the US Cellular Center Fund is now fully funded in the General Fund ED Department budget. The FY 2015-16 salary and fringe benefit budget also includes funding for the Real Estate Coordinator position that was added after the FY 2014-15 budget was adopted.
- The FY 2015-16 budget for the Homeless Program is shown under the Planning & Urban Design Department but management of that program has been shifted to the Economic Development Department.

ECONOMIC DEVELOPMENT

DEPARTMENTAL GOALS

- Promote Asheville's economic development policies through collaborative initiatives that create a diverse, vibrant and robust economy.

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2013/14</u> <u>Actual</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Target</u>
• <i>Reduce the unemployment rate</i>	6.3%	4.8%	4.8%
• <i>Increase total employment</i>	174,000	177,400	178,000

Recent Economic Development Announcements in 14-15

- Highland Brewing, \$5 Million expansion, 15 jobs
- White Labs, \$8.1 Million in new Asheville Facility, 65 jobs
- Linamar Corporation, \$115 Million expansion, 150 jobs
- Hi Wire Brewing, \$1.6 Million expansion, 15 jobs
- Southern Conference Basketball Tournament, extension through 2021

CITY ATTORNEY

Robin Currin, 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

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	449,429	430,379	541,792	555,852
Fringe Benefits	139,474	122,128	164,068	186,326
Operating Costs	82,943	165,445	100,888	84,670
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	671,846	717,952	806,748	826,848
FTE Positions	6.00	6.00	7.00	7.00

BUDGET HIGHLIGHTS

- The outside legal services budget is reduced by \$20,000 in FY 2015-16.
- Otherwise, the adopted City Attorney's budget represents a continuation of existing programs and services.

CITY ATTORNEY

DEPARTMENTAL GOALS

- Handle all lawsuits (motions, etc.) in a timely fashion, including referral to outside counsel when appropriate.
- Process ordinances, resolutions, and routine contracts (within Manager’s signing authority) in a timely manner.
- Risk/loss minimization.
- Compliance as to regulatory and intergovernmental matters.
- Assist in development and pursuit of legislative program, including management of governmental relations.
- Endeavor to bring more litigation matters in house to reduce outside counsel costs.
- Create and utilize a document management system to organize office files.

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2013/14</u> <u>Actual</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Target</u>
• <i>Respond to pleadings and motions by court or legally mandated deadlines</i>	100%	100%	100%
• <i>Complete reviews and edits of ordinances & resolutions within 10 days (30 days for conditional zoning permits.)</i>	90%	95%	95%
• <i>Complete review and response on routine contracts & agreements within 2 weeks of receipt</i>	90%	90%	95%
• <i>Advise boards and commissions (meeting attendance)</i>	90%	90%	95%
• <i>Reorganize office documents and put document management system in place</i>	75%	85%	100%

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

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	1,209,630	1,133,523	1,229,200	1,302,804
Fringe Benefits	382,131	387,620	442,937	484,348
Operating Costs	1,482,287	1,070,125	1,192,527	1,112,461
Capital Outlay	47,590	0	25,000	25,000
Cost Transfers	<u>-370,539</u>	<u>-398,763</u>	<u>-350,000</u>	<u>-400,000</u>
	0			
Total	2,751,099	2,192,505	2,539,664	2,524,613
FTE Positions	19.00	19.00	19.00	21.00

BUDGET HIGHLIGHTS

- The Information Technology Services (ITS) Department's salary and fringe benefit budgets include the conversion of two contract positions to full time FTE's. This change has no net financial impact on the budget.
- The budget for radio replacements is reduced from \$200,000 to \$75,000 in FY 2015-16 to help balance the overall General Fund budget.
- Otherwise, the ITS budget reflects a continuation of existing programs and services.

INFORMATION TECHNOLOGY SERVICES

DIVISION SUMMARY	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Administration	228,764	244,905	249,882	262,927
FTE Positions	3.00	2.00	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.

IT Support Services	908,360	578,342	690,704	600,188
FTE Positions	5.00	5.00	5.00	7.00

The IT Support Services Division is the first point of contact for customers, ensures timely, efficient and courteous transactions. The division provides centralized help desk service, documentation, knowledge management, other task and project management tools.

Technical Services	888,194	729,323	839,649	770,989
FTE Positions	5.00	6.00	6.00	5.00

The Technical Services Division continuously in order to enhance security, sustainability, reliability, expandability and quality of data and communication systems. Assist with complex technical support issues and work with vendors to smoothly integrate outsourced services and products into the City infrastructure.

Business & Public Tech.	725,781	639,935	759,429	890,509
FTE Positions	6.00	6.00	6.00	7.00

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.

INFORMATION TECHNOLOGY SERVICES

DEPARTMENTAL GOALS

- Ensure that technology services are focused on business requirements of the City staff and citizens; display innovative leadership in automating City processes to save labor, improve efficiency, and reduce expenses.
- Pursue organizational development strategy, including staff industry certifications and industry accreditation.
- Through best practices and investments, continuously improve security and reliability.
- Utilize test environment and automated deployment systems to ensure quality & timely IT products are received by users and citizens.
- Monitor and act on metrics regarding work load, capacity, and network health to enable proactive management of resources.

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2013/14</u> <u>Actual</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Target</u>
• <i>Percentage of good and excellent Customer Service Survey results</i>	92.44%	95.20%	80%
• <i>IT Services budget, as a percentage of all City operating funds (NC comps average 2.75% for FY14/15)</i>	1.96%	1.71%	1.64%
• <i>IT spending per City employee (NC comps average \$4,700 for FY14/15)</i>	\$2,547	\$2,576	\$2,126
• <i>Network & system uptime</i>	98.14%	99.135%	99%
• <i>Percentage of normal priority calls resolved within 24 hours</i>	62%	59.5%	50%

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

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	725,087	709,328	829,015	982,988
Fringe Benefits	268,308	258,734	332,128	402,494
Operating Costs	239,001	276,845	258,558	262,253
Capital Outlay	0	0	0	0
Cost Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,232,396	1,244,907	1,419,701	1,647,735
FTE Positions	15.68	16.05	16.05	19.80

BUDGET HIGHLIGHTS

- The FY 2015-16 Human Resources salary and fringe benefit budgets reflect the addition of 3 FTE positions that were approved after the start of FY 2014-15,
- The increase in the FTE count also reflects some minor changes to the staffing composition (benefitted vs. temporary) at the Health Services Clinic. These costs are accounted for the City's Health Insurance internal service fund.
- Otherwise, the Human Resources budget reflects a continuation of existing programs and services.

HUMAN RESOURCES

DIVISION SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Administration	1,083,482	1,090,452	1,235,844	1,461,409
FTE Positions	11.60	12.00	12.00	15.00

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

CAYLA	148,914	154,455	183,857	186,326
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.

Health Services	*	*	*	*
FTE Positions	3.08	3.05	3.05	3.80

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.

DEPARTMENTAL GOALS

- To provide diversity strategies that will enable the organization to mirror our community.
- To provide enhanced compensation and benefit packages that will attract and retain highly qualified candidates and employees.
- To provide a workplace environment that seeks to recognize, promote, and advocate for the health, safety, and wellness of each and every employee.
- To invest in the City's workforce through proactive employee relations practices and ongoing development opportunities based on The Asheville Way and provided at all levels of the organization.

HUMAN RESOURCES

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2013/14</u> <u>Actual</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Target</u>
• <i>Employment Applications Received</i>	12,561	12,400	12,500
• <i>New Hires/Rehires Processed</i>	299	285	265
• <i>Review and forward qualified employment applications to hiring managers within 5 business days of job posting closing date</i>	97%	95%	100%
• <i>Employee orientation completed for all new hires within 30 days</i>	100%	100%	100%
• <i>Positions studied for classification</i>	55	1100	50
• <i>Respond to Department Director request for classification study review within 10 work days</i>	30%	40%	80%
• <i>Enhance Wellness program: Increase employee engagement by utilization of BCBS wellness program</i>	Enrolled in Wellness 82.8% Completed Wellness Requirements 91.70%	Enrolled in Wellness 84.5% Completed Wellness Requirements 93%	Enrolled in Wellness 85% Completed Wellness Requirements 95%
• <i>City-Sponsored Wellness Events</i>	14	60	60
• <i>Number of employee grievances</i>	11	9	<2
• <i>Complete exit interviews</i>	N/A	50%	80%

NON-DEPARTMENTAL GENERAL GOVERNMENT

BUDGET SUMMARY

Expenditures:	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Buncombe County Tax Collections	719,357	846,605	820,000	850,000
Board of Elections	0	226,464	0	230,000
Unemployment	137,798	0	0	0
Employee Transit Passes	3,559	4,037	4,000	4,000
City Stormwater Costs	82,252	96,129	110,000	110,000
Other	<u>189,168</u>	<u>167,659</u>	<u>114,500</u>	<u>139,459</u>
Total	1,132,134	1,340,894	1,048,500	1,333,459

BUDGET HIGHLIGHTS

- The FY 2015-16 budget includes \$230,000 for the payment to the Buncombe County Board of Elections for this fall's City Council elections. Election costs are included in the budget every other year.
- The City pays Buncombe County for tax collection services. This budget is adjusted upward based on payment trends in FY 2013-14 and FY 2014-15.

PUBLIC SAFETY

Police

Fire

Nondepartmental

POLICE

Tammy Hooper, 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

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	12,376,905	12,771,150	13,484,516	14,025,009
Fringe Benefits	4,664,486	4,624,183	5,599,304	5,769,331
Operating Costs	3,496,254	4,240,058	5,131,863	4,924,991
Capital Outlay	<u>18,575</u>	<u>71,675</u>	<u>0</u>	<u>0</u>
Total	20,556,220	21,707,066	24,215,683	24,719,331
FTE Positions	269.00	276.00	276.00	283.00

BUDGET HIGHLIGHTS

- The Police Department adopted budget includes funding to begin implementation of the Strategic Operating Plan & Organizational Assessment including the addition of a Deputy Chief, an Administrative Services Manager, a Financial Analyst, and Property & Evidence Technicians, along with additional funding for management training and development. A portion of the cost of these enhancements will be offset through the reallocation and freezing of existing vacant positions along with some reductions in the overtime budget. The net impact of the changes is approximately \$157,000.
- In addition to the position changes mentioned above, it should be noted that 3 FTE positions were moved into the Police Department from other departments after the start of FY 2014-15.
- Four Police positions that are part of the DWI Task Force are budgeted in the City's Grant Fund. The City's contribution toward their salaries increases each year of the grant. For FY 2015-16, this amount will be \$80,197. The 4 FTE are included in the position total above.
- Five Police officer positions that were formerly funded through a federal COPs grant are 100% funded in the General Fund beginning in FY 2015-16.
- Operating costs show a decrease primarily due to a reduction in the amount that the City contributes to the joint City-County Criminal Justice Information System (CJIS).

POLICE

DIVISION SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Administration	2,780,557	6,956,242	8,475,815	8,744,101
FTE Positions	15.00	57.00	57.00	60.00

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.

Criminal Investigations	2,919,492	2,903,064	3,485,644	2,882,335
FTE Positions	42.00	47.00	47.00	38.00

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.

Patrol Bureau	11,087,394	11,847,760	12,254,224	13,092,895
FTE Positions	167.00	172.00	172.00	185.00

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.

Support Bureau	3,768,777	*	*	*
FTE Positions	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 was merged with the Administration Division in FY 2013-14.

DEPARTMENTAL GOALS

- Maintain the highest level of quality service by adhering to our Guiding Principles of: Integrity, Fairness, Respect, and Professionalism.
- Enhance external and internal customer service through communication and community outreach.
- Utilize resources efficiently and effectively in preventing and suppressing criminal and drug activity.
- Partner with the community to enhance the quality of life and resolve neighborhood concerns.
- Establish a working environment that encourages teamwork, empowerment, communication and professional development.
- Maintain a dynamic organization that utilizes leading-edge technology and methods of enhancing community policing and drug enforcement activities.

POLICE

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2013/14</u> <u>Actual</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Target</u>
• Clear, as defined by UCR* Standards, 35% of assigned Part I Cases.	34%	39%	35%
• Enhance APD operations by securing grant funds, thus reducing dependence on the City's general fund.	\$188,480	\$330,955	\$225,000
• Improve public acceptance within the community by increasing minority representation within the department's workforce through the hiring of protected class employees.	23	25	15
• Increase neighborhood watch/business watch programs. Establish list of active groups and encourage neighborhood activities to increase membership.	NW-22 BW-08	NW-26 BW-08	NW-32 BW-12
• Increase the applicant pool by actively pursuing and participating in 15 job fairs, targeting protected class candidates to include media.	17	11	15
• Improve quality of life for residents in targeted neighborhoods by conducting monthly drug enforcement activities, to include undercover operations and community awareness events.	138	110	N/A
• Improve quality of life for residents and businesses by conducting monthly operations focused on graffiti, panhandling and other nuisance crimes.	N/A	N/A	110
• Increase youth participation awareness and interaction with the Police by recruiting and maintaining involvement in the Explorer Post. Conduct community awareness events to raise awareness levels.	6	10	20
• Increase the number of active members in our volunteer programs and increase hours worked to provide quality services with fiscal responsibility.	32 volunteers 2,862 hrs worked	23 volunteers 2,076 hrs worked	35 volunteers 3,500 hrs worked

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

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	13,090,499	13,216,848	13,370,442	13,838,837
Fringe Benefits	4,298,167	4,603,277	4,938,270	5,021,434
Operating Costs	2,616,813	2,695,053	2,469,269	2,482,906
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	20,005,479	20,515,178	20,777,981	21,343,177
FTE Positions	248.00	257.75	257.75	260.75

BUDGET HIGHLIGHTS

- The Fire Department budget includes funding to add 3 FTE to enhance the fire inspection program. The cost of the three positions will be fully offset by additional revenue from the inspections that they perform.
- Other than the fire inspection program additions, the Fire Department budget reflects a continuation of existing programs and services.

FIRE & RESCUE

DIVISION SUMMARY	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Accountability/Administration	2,807,927	2,636,824	2,789,662	3,064,592
FTE Positions	9.00	9.00	9.00	10.00

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 expect. 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.

Emergency Response	15,846,112	16,502,867	16,780,195	16,669,779
FTE Positions	225.00	233.75	233.75	229.75

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.

Fire Marshal's Office	1,351,440	1,375,487	1,208,124	1,608,806
FTE Positions	14.00	15.00	15.00	21.00

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.

FIRE & RESCUE

DEPARTMENTAL GOALS

- Meet or exceed the standard of response coverage as Adopted by the Asheville City Council.
- Meet or exceed the standard of coverage minimum requirements for accredited, urban fire departments.
- Benchmark with industry standards for emergency response and staffing.

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2013/14</u> <u>Actual</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Target</u>
• <i>Percentage of emergency responses in zones meeting CFAI 1st unit travel time requirements</i>	93%	94%	95%
• <i>Percentage of emergency responses in fire management zones meeting CFAI total effective response force travel time requirements</i>	99%	95%	95%
• <i>Reliability percentage of first in units to first due fire management zones</i>	85%	84%	90%
• <i>Percentage of emergency response companies that are staffed in accordance with industry standards</i>	63%	63%	63%
• <i>Percentage of compliance with State fire code inspection schedule</i>	93%	81%	95%
• <i>Percentage of completed initial plans review and issuance of small commercial permits (up-fits, small remodels, etc.) within 5 city business days, when no significant issues are present.</i>	90%	90%	95%
• <i>Percentage of completed initial plans review and issuance of large commercial permits (new construction, extensive remodel or renovations) within 20 city business days, when no significant issues are present.</i>	92%	85%	90%

NONDEPARTMENTAL PUBLIC SAFETY

Nondepartmental public safety appropriations for FY 2015-16 include the following:

BUDGET SUMMARY

Expenditures:	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
CrimeStoppers	40,695	37,748	41,359	37,584
Police ID Bureau	376,563	393,381	424,188	389,317
Transfer to Grant Fund	<u>0</u>	<u>15,378</u>	<u>40,098</u>	<u>80,197</u>
Total	417,258	446,507	505,645	507,098

BUDGET HIGHLIGHTS

- The Police ID Bureau and CrimeStoppers are both part of Buncombe County government; the City pays 50% of the costs of the programs. The FY 2015-16 budget amounts are based on estimates supplied by Buncombe County.



ENVIRONMENTAL & TRANSPORTATION

Water Resources Fund

Public Works

Capital Projects Management

Stormwater Fund

Street Cut Utility Fund

Transportation

Transit Services Fund

Parking Services Fund

Nondepartmental

WATER RESOURCES FUND

Jade Dundas, 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

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	5,787,616	5,693,541	6,087,858	6,313,474
Fringe Benefits	2,430,963	2,308,513	2,837,398	2,878,632
Operating Costs	8,375,951	8,798,622	9,229,166	9,811,266
Debt Service	6,124,616	6,119,390	6,108,208	6,101,413
Capital Outlay	<u>8,198,423</u>	<u>17,763,921</u>	<u>10,393,728</u>	<u>12,321,420</u>
Total	30,917,569	40,683,987	34,656,358	37,426,205
FTE Positions	148.00	147.63	148.63	149.00
Revenues:				
Charges For Service	33,171,207	34,016,523	34,364,376	35,300,222
Investment Earnings	72,711	176,918	69,780	125,000
Miscellaneous	458,426	163,690	46,295	110,000
Intergovernmental	0	0	0	0
Other Financing Sources	<u>112,200</u>	<u>0</u>	<u>175,907</u>	<u>1,890,983</u>
Total	33,814,544	34,357,131	34,656,358	37,426,205

BUDGET HIGHLIGHTS

- In April, City Council approved minor rate adjustments for the 2015-16 fiscal year based on the Raftelis financial model developed in 2012 to ensure the long-term financial sustainability of the Water Resources Fund. These rate adjustments are expected to generate approximately \$465,000 in additional revenue.
- The FY 2015-16 adopted budget includes \$11.98 million in pay-as-you-go funding for water capital improvement projects and \$335,000 to fund the routine replacement of vehicles and equipment. The capital funding is partially funded with a \$1.89 million appropriation from Water fund balance.
- Operating costs show an increase due to \$750,000 budgeted in professional services for on-call professional engineering contracts. On-call contracts will allow the department to expedite project design, bidding, and construction.
- During FY 2014-15, city staff completed a refunding of Water debt that was issued in 2005 and 2007. This refunding will result in substantial debt service savings over the life of the repayment. The refunding debt was issued as Green Bonds, the first of their kind in the State of North Carolina.

WATER RESOURCES FUND

DIVISION SUMMARY	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Administration	1,001,741	1,041,592	1,069,666	1,149,963
FTE Positions	8.00	7.00	8.00	9.00

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

Meter Services	1,166,432	1,270,215	1,817,143	1,906,926
FTE Positions	19.00	25.00	25.00	22.00

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

Construction Crew	300,718	0	0	0
FTE Positions	7.00	0.00	0.00	0.00

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

Water Maintenance	3,437,600	3,408,004	3,760,188	3,923,369
FTE Positions	42.00	42.00	42.00	43.00

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.

Water Production	4,537,995	4,906,982	5,327,177	5,705,795
FTE Positions	41.00	41.63	41.63	43.00

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.

Department-Wide Expenses	17,855,959	27,972,198	20,359,724	22,124,885
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Costs of this activity are not allocable to individual divisions or activities. Examples include debt service, transfer to capital, insurance, and cost allocation (administrative costs to the City) expenses.

WATER RESOURCES FUND

DIVISION SUMMARY	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Water Operating Equipment	684,822	199,433	254,728	335,920

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.

Customer Service	1,337,657	1,270,150	1,385,022	1,418,471
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.

Engineering Services	594,645	615,413	682,710	860,876
FTE Positions	8.00	9.00	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.

DEPARTMENTAL GOALS

- Ensure the highest quality drinking water to our customers at the lowest possible cost.
- Enhance the image of the City of Asheville through customer education programs and improved customer relations.
- Continuously improve our product, systems, and processes to maximize customer satisfaction.
- Provide efficient and timely maintenance and repair of water mains, service lines, valves, meters, and fire hydrants throughout the water system.
- Provide timely and professional engineering, management, financial, safety, and administrative services to the operating divisions of the Water Resources Department.
- Deliver excellent customer service, meter reading, meter reliability, and backflow assessment to our customers.
- Provide and implement a capital improvement program which satisfies all legal mandates and continues to improve water distribution system master planning and rehabilitation of critical needs.
- Maintain ISO 14001 Environmental Management System Registration.

WATER RESOURCES FUND

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2013/14 Actual</u>	<u>2014/15 Estimated</u>	<u>2015/16 Target</u>
• <i>Water Supply Management and Water Production will meet community demands for safe water 100% of the time</i>	100%	100%	100%
• <i>Compliance with State and Federal Water Quality Regulations will be met 100% of the time</i>	100%	100%	100%
• <i>Water quality and system status will be reported to customers annually in the Annual Water Quality Report</i>	100%	100%	100%
• <i>Use application and payment records to assess utilization of affordable housing rebate and incentive programs (number)</i>	23	19	20
• <i>Average miles of water distribution piping proactively searched with advanced leak detection methods</i>	4 per day	6 per day	6 per day
• <i>Maintain the percentage of engineering plan reviews and maintenance work orders responded to within 10 days</i>	62%	35%	75%
• <i>Continue to fund capital improvement to refurbish and replace aging infrastructure and to meet future regulations</i>	\$17,564,488	\$15,655,044	\$11,985,500
• <i>Answer incoming Customer Service calls as soon as possible. Meet or exceed Call Center Best Practices for abandoned calls</i>	2:23 minutes	2.17 minutes	2.00 minutes
• <i>Water loss volume in Million Gallons per Day (MGD)</i>	5.9 MGD	5.8 MGD	5.4 MGD

MULTI-MODAL TRANSPORTATION & CAPITAL PROJECTS

Cathy Ball, Executive Director of Planning & Multi-modal Transportation

DIVISION SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Administration				300,395
FTE Positions			2.00	2.00
Capital Projects Mgmt.			502,576	701,968
FTE Positions			14.50	14.00

The Capital Projects Management Division exists to provide efficient and effective project management, program development, and engineering services for City projects related to infrastructure, and as assigned by the Capital Improvement Program. Services provided by the division include professional engineering, surveying, and design; cost estimation and scheduling; contract administration and management; utility relocation, and right-of-way research and acquisition. The Capital Projects Management Division is a new organization within the City, established in 2014. The group began as the Engineering Services Division, which operated within the Public Works Department. The group now reports directly to the Executive Director of Planning, and Multi-Modal Transportation

Sustainability			170,655	165,014
FTE Positions			2.00	2.00

The Sustainability Division coordinates the City's efforts to achieve the goal of reducing its carbon footprint by 80% by 2050, with a 2% reduction each year. The Sustainability Division also oversees the city's long term waste reduction goal of 50% municipal solid waste reduction by ton by the year 2035, with a 1.5% reduction each year.

BUDGET HIGHLIGHTS

- Prior to FY 2014-15, these functions were accounted for in other City departments.
- In addition to market and COLA adjustments, the FY 2015-16 budget in the capital projects management division is also impacted by several factors including budgeting for a full year of salaries for positions that were budgeted for less than a full year in FY 2014-15.

MULTI-MODAL TRANSPORTATION & CAPITAL PROJECTS

DEPARTMENTAL GOALS

Capital Projects Management Division aims to improve the following areas of project management and program development:

- Develop and Integrate Preliminary Engineering Methods
- Establish a Preliminary/Preparatory Engineering Budget
- Improve Contract and Bid Process

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2013/14</u> <u>Actual</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Target</u>
• <i>Number of “Engineer’s Scoping and Estimates” applied to projects during project development.</i>	<i>new</i>	<i>new</i>	<i>new</i>
• <i>Increase the number of projects prepared</i>	<i>new</i>	<i>new</i>	<i>new</i>
• <i>Increase the number of average bidders per project</i>	<i>new</i>	<i>new</i>	<i>new</i>
• <i>City’s Annual Carbon Footprint Goal [2% Reduction per year]</i>	<i>21,203 MT CO2e</i>	<i>21,000 MT CO2e</i>	<i>20,418 MT CO2e</i>
• <i>City’s Annual Waste Reduction Goal [MSU Tons collected per year]</i>	<i>21,836 Tons</i>	<i>21,850 Tons</i>	<i>21,496 Tons</i>

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, while delivering excellent customer service to the community.

DEPARTMENT SUMMARY

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	2,920,762	3,011,699	2,893,763	2,969,790
Fringe Benefits	1,761,860	1,338,725	1,551,291	1,444,052
Operating Costs	7,679,667	7,237,338	5,575,287	5,162,408
Capital Outlay	561,124	65,311	4,750	1,000
Cost Transfer	<u>-1,968,194</u>	<u>0</u>	<u>-66,117</u>	<u>0</u>
Total	10,955,219	11,653,073	9,958,974	9,577,250
FTE Positions	83.51	84.51	72.51	75.57

BUDGET HIGHLIGHTS

- The budget for the street lighting program was moved from Public Works to the Transportation Department at the start of FY 2014-15. This change is reflected as a decrease in operating costs after FY 2013-14.
- The FY 2014-15 budget included \$300,000 in operating costs to fund the City's potential costs for an intensive 90 day graffiti removal initiative. Moving forward into FY 2015-16, staff has included \$90,000 in the budget to fund the ongoing graffiti removal program.
- The FY 2015-16 Public Works Department budget includes \$300,000 in contracted services funding to continue the sidewalk cleaning program in the central business district. Staff is evaluating service delivery for the sidewalk cleaning program and exploring ways to consolidate funding to enhance sidewalk repair.
- The adopted budget includes \$100,000 in funding for median maintenance and \$100,000 for the guardrail maintenance program.
- With the recent purchase of CNG sanitation trucks, the City has achieved significant savings in fuel and fleet maintenance, which allowed staff to reduce that budget by \$115,000. In addition, staff reduced the budget for storm control materials by \$30,000 since the inventory remains high following a mild winter in 2014-15.
- FTE in the Public Works Department show a slight increase due to the addition of a construction inspector after the adoption of the FY 2014-15 budget and the transfer of two FTE from other departments to staff the mowing program.
- The fringe benefit budget shows a decrease primarily due to a reduction in workers' compensation costs charged to the Public Works Department. Staff updated departmental workers' compensation charges for FY 2015-16 based on program costs and FTE numbers.

PUBLIC WORKS

DIVISION SUMMARY	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Administration	2,882,316	800,467	1,237,463	950,708
FTE Positions	6.50	6.50	4.50	6.00

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.

Street Lighting	1,383,562	1,224,020	**	**
FTE Positions	0.00	0.00	0.00	0.00

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. Beginning in FY 2014-15, the Transportation Department will be responsible for overseeing the City's street lighting program.

Streets & Sidewalks	1,275,164	4,266,904	3,733,090	3,618,061
FTE Positions	33.01	34.01	36.01	37.57

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.

Sanitation	4,654,707	4,524,506	4,988,421	5,008,481
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.

Engineering Services	442,813	837,176	**	**
FTE Positions	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 storm drainage design, street paving, right-of-way research, and flood plain management. This division is now reported under the Multi-Modal Transportation and Capital Projects section of the Budget Document.

PUBLIC WORKS

DIVISION SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Fleet Management	316,657	*	*	*
FTE Positions	*	*	*	*

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.

DEPARTMENTAL GOALS

- Provide safe, efficient, and sustainable multi-modal transportation systems within the City of Asheville
 - Continually look for improvements to the roadway system.
 - Manage a proactive road maintenance and preservation program.
 - Promote public safety through proactive maintenance practices.
 - Seek partnerships for investments in sustainable multi-modal improvements, including cost sharing options.
- Provide efficient collection of municipal solid waste, yard waste, large and bulky items, and household recycling
 - Review route optimization study for implementation.
 - Reduce CO₂ emissions and fuel consumption by continuing to diversify fuels used and utilizing CNG whenever possible.
- Improve the effectiveness of Public Works services
 - Develop written policy and procedure manuals for each division, including proper safety procedures
 - Offer employee training opportunities and utilize outside resources such as American Public Works Association webinars and workshops.
 - Improve communication to the public concerning anticipated street/lane closures to provide more efficient transportation alternatives to citizens.
 - Maintain consistent communication with City Council and Boards and Commissions.
 - Search for new opportunities to work with community stakeholders as well as enhance existing cooperation.
 - Capture and collect meaningful data in order to aid in decision making.
- Improve environmental stewardship and protection of natural resources
 - Work to reduce fuel consumption through efficient routing and reduction in vehicle idling.
 - Increase the collection of silts and other debris to prevent sediment from entering streams and rivers.
 - Meet or exceed environmental regulations to protect natural resources.
 - Minimize the amount of waste generated; reuse and recycle whenever possible.
 - Continue to promote public education through public mailings, youth workshops, social media, and other media outlets.
 -

PUBLIC WORKS

DEPARTMENTAL GOALS (Cont.)

- Seek public/private partnerships to implement and improve stormwater control measures for stormwater quality improvements and quantity control measures.
- Conduct all operations to assure that construction and maintenance activities promote long term sustainability in the community.

- Perform all work in the safest possible manner
 - Promote safety by incorporating best management practices.
 - Ensure personal protective equipment and training is provided to employees.
 - Assure that all active work zones are coordinated and administered per modern specifications.

- Institute and promote preventative maintenance practices,
 - Preventative maintenance measures increase the life cycle of public infrastructure.

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2013/14</u> <u>Actual</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Target</u>
• <i>Divert 30% of solid waste from landfill through recycling initiatives</i>	26.8%	27.5%	30.0%
• <i>Complete 4,000 linear feet of sidewalk repairs</i>	5,124	3,736	4,000
• <i>Sidewalk cleaning with Nuisance Court and contracted labor</i>	37.92 miles	47.25 miles	50 miles

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. The Stormwater Fund works to promote improved water quality for the citizens of Asheville.

FUND SUMMARY

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	1,083,070	1,082,291	1,314,940	1,652,666
Fringe Benefits	487,885	492,691	553,968	757,790
Operating Costs	597,842	971,739	2,660,264	2,604,747
Debt Service	87,673	95,473	91,200	110,742
Capital Outlay	<u>580,240</u>	<u>594,986</u>	<u>641,000</u>	<u>209,546</u>
Total	2,836,710	3,237,180	5,261,372	5,335,491
FTE Positions	28.99	28.99	30.99	40.93
Revenues:				
Charges For Service	2,585,060	2,889,985	4,832,372	4,921,491
Licenses & Permits	253,928	223,359	187,000	187,000
Other Financing Sources	0	218,593	206,000	205,000
Miscellaneous	3,944	22,049	25,000	11,000
Investment Earnings	<u>4,362</u>	<u>12,339</u>	<u>11,000</u>	<u>11,000</u>
Total	2,847,294	3,366,325	5,261,372	5,335,491

BUDGET HIGHLIGHTS

- Based on the financial model developed in the previous fiscal year, staff submitted and City Council approved in April a 5% increase in Stormwater fees for FY 2015-16. This rate adjustment is expected to generate approximately \$240,000 in additional revenue for the fund.
- The adopted salary and fringe benefit budgets include funding for an additional crew of 6 FTE to enhance the stormwater maintenance program. The crew will be utilized to perform additional preventative maintenance services including performing ditching activities and replacing failed drainage systems.
- In addition to the crew noted above, there were several other position changes during FY 2014-15 that impacted the salary and fringe benefit budgets including the addition of a utility locater, a project manager, and a customer service representative. Half of the salary of an engineering technician position formerly charged to the General Fund is now funded out of the Stormwater Fund.

STORMWATER FUND

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2013/14 Actual</u>	<u>2014/15 Estimated</u>	<u>2015/16 Target</u>
• <i>Install 8,500 linear feet of new or replacement storm drains</i>	2,010	8,378	8,500
• <i>Sweep 3,500 shoulder miles of City streets</i>	3,797	3,168	3,500
• <i>Collect 1,200 tons of solids from City streets and drainage structures</i>	1,245	1,258	1,200
• <i>Clean 10,000 catch basins/storm drains</i>	9,992	8,961	10,000
• <i>Ditching of roadway- 30,000 linear feet</i>	6,618	46,810	30,000

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

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	505,521	366,671	398,330	408,953
Fringe Benefits	236,590	150,374	188,029	199,534
Operating Costs	517,240	842,737	968,441	1,016,589
Debt Service	844	380	0	0
Capital Outlay	<u>79,098</u>	<u>0</u>	<u>100,000</u>	<u>240,000</u>
Total	1,339,293	1,360,162	1,650,800	1,865,076
FTE Positions	17.00	8.50	10.50	10.50
Revenues:				
Charges For Service	1,399,498	1,303,526	1,550,800	1,625,076
Other Financing Sources	0	0	100,000	240,000
Internal Charges	0	15,111	0	0
Miscellaneous	<u>78</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,399,576	1,318,637	1,650,800	1,865,076

BUDGET HIGHLIGHTS

- The FY 2015-16 adopted budget includes \$240,000 for equipment/vehicle replacement in the Street Cut Fund. Debt proceeds will fund these purchases.
- Otherwise, the FY 2015-16 adopted budget for the Street Cut Fund reflects a continuation of existing programs and services.

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>
	<u>Actual</u>	<u>Estimated</u>	<u>Target</u>
• <i>Reduce street cut repair cost per square foot</i>	\$19.25	\$21.34	\$19.00

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

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	564,597	583,114	587,826	654,478
Fringe Benefits	219,620	228,899	251,958	283,200
Operating Costs	194,453	235,954	1,747,143	1,802,249
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	978,670	1,047,967	2,586,927	2,739,927
FTE Positions	12.30	12.29	12.29	13.29

BUDGET HIGHLIGHTS

- The FY 2015-16 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.
- The budget for the street lighting program was moved from Public Works to the Transportation Department at the start of FY 2014-15. This change is reflected as an increase in operating costs after FY 2013-14
- The FY 2015-16 salary and fringe benefit budgets include the addition of one FTE position to support greenway development activities.

TRANSPORTATION

DIVISION SUMMARY	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Administration	186,806	213,561	222,857	232,758
FTE Positions	2.67	2.67	2.67	2.67

The Transportation Department Administration Division provides administrative support to the Traffic Engineering Division, the Transportation Planning Division, Transit Services Division and the Parking Services Division including oversight of the operating and capital budget.

Traffic Engineering	206,931	212,824	203,817	204,790
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.

Traffic Signal Maintenance	188,298	181,271	213,406	222,915
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.

Transportation Planning	189,595	193,945	184,002	275,239
FTE Positions	1.63	1.63	1.63	2.63

The Transportation Planning Division provides citywide planning services, including the Metropolitan Planning Organization (MPO) and transit projects.

Signs and Markings	207,040	242,348	271,845	294,522
FTE Positions	4.00	4.00	4.00	4.00

The Signs and Markings Division installs and maintains regulatory, warning, and guide signs and pavement markings along city-maintained streets.

Traffic Safety/Traffic Calming	0	4,018	135,000	135,000
Street Lighting	**	**	1,356,000	1,374,703

TRANSPORTATION

DEPARTMENTAL GOALS

- Providing traffic-engineering related services on a "customer first" basis by consistently applying sound and reasonable traffic engineering principles.
- Providing transportation-planning related services including pedestrian and bicycle needs on a "customer first" basis by consistently applying sound and reasonable transportation planning principles.
- Providing transit related services on a "customer first" basis.
- Providing parking related services on a "customer first" basis.
- Filter all planning, engineering and operations activities through a Complete Streets framework that considers all users, including pedestrians, bicyclists, transit vehicles and riders, children, the elderly, and people with disabilities.

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2013/14</u> <u>Actual</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Target</u>
• <i>Respond to customer complaints & concerns in a timely, professional, & courteous manner</i>	100%	100%	100%
• <i>Perform preventative maintenance on all City maintained traffic signals</i>	100%	100%	100%
• <i>Provide appropriate response times for emergency and standard service calls for traffic signal malfunctions and missing/damaged signage</i>	100%	100%	100%
• <i>Review development plans, traffic impact studies, and driveway access points for compliance with City policies</i>	100%	100%	100%
• <i>Miles of on-road bicycle facilities added to the transportation network</i>	1.0	0.5	1.0

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

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	157,781	160,546	192,383	198,719
Fringe Benefits	55,665	56,088	63,287	68,074
Operating Costs	5,356,548	5,351,583	5,558,981	5,819,699
Operating Pass Through	253,556	268,458	553,500	553,500
Capital Outlay	<u>75,982</u>	<u>14,923</u>	<u>0</u>	<u>0</u>
Total	5,899,532	5,851,598	6,368,151	6,639,992
FTE Positions	3.00	3.00	3.00	3.00
Revenues:				
Operating Revenue	802,845	855,511	925,000	810,000
Miscellaneous	1,462	54,828	0	0
Federal/State Grants	2,832,316	2,220,239	2,266,411	2,509,500
Operating Pass Through	223,676	268,458	553,500	553,500
General Fund Subsidy	985,295	1,157,502	1,700,546	1,790,117
Parking Fund Subsidy	616,875	616,875	616,875	616,875
Other	41,509	75,000	0	0
Motor Vehicle License Fee	<u>318,605</u>	<u>425,508</u>	<u>320,000</u>	<u>360,000</u>
Total	5,600,322	5,673,921	6,368,151	6,639,992

BUDGET HIGHLIGHTS

- The adopted FY 2014-15 budget included a half-year of funding to implement limited Sunday service and make other minor route changes on January 1, 2015. The FY 2015-16 adopted budget includes a full year of grant and City funding for these service enhancements.
- Overall operating costs for the transit system, including the item noted above, are up about \$260,000 in FY 2015-16.
- For FY 2015-16, the City expects grant funding to increase primarily due to the fact that the City will receive a full year of funding for Sunday service which started mid-way through FY 2014-15.
- The general fund subsidy shows a \$90,000 increase to support the full year funding of Sunday service.

TRANSIT SERVICES FUND

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2013/14</u> <u>Actual</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Target</u>
• <i>Annual ridership per million</i>	1.4	1.4	1.5
• <i>Operating cost per revenue hour</i>	\$87	\$85	\$85
• <i>On-time performance</i>	74%	68%	70%

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 four parking garages and several permit lots downtown.

FUND SUMMARY

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	569,561	594,377	667,497	732,460
Fringe Benefits	268,613	253,238	351,618	391,218
Operating Costs	845,714	1,227,000	1,436,817	1,724,591
Debt Service	801,284	892,725	875,000	860,000
Transfer to Transit Fund	616,875	616,875	616,875	616,875
Transfer to General Fund	120,000	0	0	0
Capital Outlay	<u>1,000,852</u>	<u>113,202</u>	<u>80,000</u>	<u>300,000</u>
Total	4,222,899	3,697,417	4,027,807	4,625,144
FTE Positions	21.33	21.33	21.33	21.83
Revenues:				
Garage Revenues	1,927,120	2,529,223	2,073,000	2,275,000
Parking Meters	1,091,540	1,249,277	1,239,413	1,250,000
Parking Violations	632,471	274,095	448,250	524,100
Parking Lots & Peripheral	189,745	306,673	264,000	250,000
Other	<u>29,379</u>	<u>29,643</u>	<u>3,144</u>	<u>326,044</u>
Total	3,870,255	4,388,911	4,027,807	4,625,144

BUDGET HIGHLIGHTS

- 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 2015-16 adopted budget.
- The adopted budget includes a \$300,000 appropriation from Parking fund balance for capital projects including: 1) elevator rehabilitation in the three older garages, and 2) structural maintenance in the Civic Center Garage.
- Under operating costs, the adopted budget includes funding to hire a consultant to prepare a comprehensive parking study from a "big picture" vantage point in order to develop the appropriate strategic framework and philosophy to help formulate policy decisions to ensure that resources are used efficiently during the next 10 to 15 years.
- A half-time account clerk position was added after adoption of the FY 2014-15 budget. Part of the increase in salary and fringe benefits in FY 2015-16 is due to this position addition.

PARKING SERVICES FUND

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2013/14</u> <u>Actual</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Target</u>
<ul style="list-style-type: none"> <i>Increase the number of on-street, metered parking spaces in the CBD (Baseline = 744 metered parking spaces)</i> 	0.0%	2.8%	3.0%
<ul style="list-style-type: none"> <i>Increase parking meter revenue by increased meter maintenance to minimize parking meter downtime.</i> 	1.0%	2.0%	2.0%
<ul style="list-style-type: none"> <i>Increase Passport Parking transactions at on-street parking meters in the CBD (Baseline: 56,574 transactions in FY 2013-14)</i> 	0.0%	49.9%	25.0%

NONDEPARTMENTAL ENVIRONMENT & TRANSPORTATION

BUDGET SUMMARY

Expenditures:	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
GF Transfer to Grant Fund	0	136,000	0	0
GF Transfer to Transit Fund	<u>985,295</u>	<u>1,157,502</u>	<u>1,700,546</u>	<u>1,790,117</u>
Total	985,295	1,293,502	1,700,546	1,790,117

BUDGET HIGHLIGHTS

- The FY 2015-16 budget includes a slight increase in the General Fund support to the Transit Fund to support the full year of Sunday service.



CULTURE & RECREATION

*Parks, Recreation & Cultural Arts
US Cellular Center Fund
Nondepartmental*

PARKS & RECREATION

Roderick Simmons, Director

MISSION

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

DEPARTMENT SUMMARY

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	4,181,094	4,061,474	4,328,001	4,595,290
Fringe Benefits	1,594,953	1,473,036	1,838,670	1,864,386
Operating Costs	3,307,808	3,153,772	3,486,866	3,446,198
Capital Outlay	<u>54,800</u>	<u>22,482</u>	<u>0</u>	<u>0</u>
Total	9,138,655	8,710,763	9,653,537	9,905,874
FTE Positions	97.38	93.63	93.63	90.63

BUDGET HIGHLIGHTS

- The Parks & Recreation Department FTE count shows a reduction of three positions. The positions and related functions were moved to other departments during FY 2014-15. Despite the reduction in FTE, the Parks salary and fringe benefit budgets show an increase due to market and COLA adjustments, and the inclusion of approximately \$150,000 in funding to begin paying all temporary/seasonal employees a living wage in FY 2015-16.
- Operating costs show a decrease primarily due to a reduction in utility budgets based on trend data from recent years.
- Otherwise, the Parks & Recreation Department budget reflects a continuation of existing programs and services.

PARKS & RECREATION

DIVISION SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Administration	1,312,747	1,296,686	1,455,954	1,413,466
FTE Positions	9.00	6.00	6.00	6.00

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

Park Operation	3,010,176	3,143,075	3,905,475	3,815,645
FTE Positions	36.75	38.38	38.38	35.38

This unit manifests the vision and maintenance for all park projects and recreational facilities; provides site planning and detailed project plans; manages the contracting process for construction projects. Also oversees maintenance of all park and recreational facilities and natural areas in the city's inventory.

Recreation Operations	3,703,821	3,154,538	3,165,824	3,481,096
FTE Positions	38.13	35.50	35.50	35.50

This unit manifest programs and access to services delivered by community centers, community outreach activities; youth and adult athletics programming; and recreational programming in the community; and also ensures that programs serves special populations including seniors, low income participants, and underserved neighborhood. This unit also builds community partnerships, marketing plans, specialized facilities, pools, special projects and public art maintenance project.

Nature Center	906,228	908,278	905,265	974,264
FTE Positions	11.75	11.75	11.75	11.75

Aston Park	205,683	208,187	221,019	221,403
FTE Positions	2.00	2.00	2.00	2.00

PARKS & RECREATION

DEPARTMENTAL GOALS

- Maximize the planning effort.
- Maximize the level of service available to the community by using partnerships to take advantage of existing facilities, share new facilities, and provide additional programming and services to the community.
- Create management resources to increase efficiency, continuity, and sustainability in critical focus areas needed in the department.
- Marketing, communications, and credibility.
- Strategically increase programming level of service.
- Ensure a continued high level of service in parks.
- Increase level of service for indoor facilities.

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2013/14</u> <u>Actual</u>	<u>2014-15</u> <u>Estimated</u>	<u>2015/16</u> <u>Target</u>
• <i>Maximize use of volunteers</i>	24,482 <i>volunteer hours</i>	15,000 <i>volunteer hours</i>	15,000 Volunteer Hours
• <i>Maximize partnership opportunities to extend programs and services</i>	---	5 new partners	5 New Partners
• <i>Enhance department web pages on City website</i>	---	80% Complete	Complete
• <i>Enhance and develop new community programs</i>	---	16 Programs	6 Programs
• <i>Design and construction documents for the WNC Nature Center main entrance</i>	95% Complete	Complete	---

PARKS & RECREATION

KEY PERFORMANCE OBJECTIVES & MEASURES (cont.)

	<u>2013/14</u> <u>Actual</u>	<u>2014-15</u> <u>Estimated</u>	<u>2015/16</u> <u>Target</u>
<ul style="list-style-type: none"> • <i>Complete deferred park maintenance projects</i> 	---	<i>31 Deferred Projects Complete</i>	<i>30 Deferred Projects Complete</i>
<ul style="list-style-type: none"> • <i>Renovate 3 recreation center gymnasiums</i> 	<i>33% Complete</i>	<i>Complete</i>	---
<ul style="list-style-type: none"> • <i>Complete construction at Dr. Wesley Grant Sr., Southside Center</i> 	<i>Seek Design & Construction Funding</i>	<i>Seek Design & Construction Funding</i>	<i>Seek Design & Construction Funding</i>

GOLF FUND

FUND SUMMARY

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	177,901	*	*	*
Fringe Benefits	52,745	*	*	*
Operating Costs	108,068	*	*	*
Capital Outlay	<u>305</u>	-	-	-
Total	339,019	*	*	*
FTE Positions	0.00	*	*	*
Revenues:				
Pro Shop Sales	7,024	*	*	*
Snack Bar	14,464	*	*	*
Equipment Rental	85,967	*	*	*
Green Fees	130,475	*	*	*
Other	<u>17,867</u>	-	-	-
Subtotal Operations	255,797	*	*	*
General Fund Subsidy	<u>619,052</u>	-	-	-
Total	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 revenue in the FY 2015-16 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

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	932,588	1,024,722	965,425	1,033,906
Fringe Benefits	323,271	304,518	365,837	361,652
Operating Costs	1,001,047	1,487,901	1,848,286	1,338,708
Debt Service	266,822	300,550	288,950	285,950
Capital Outlay	<u>0</u>	<u>12,500</u>	<u>0</u>	<u>0</u>
Total	2,523,728	3,130,191	3,468,498	3,020,216
FTE Positions	18.50	16.50	16.50	16.50
Revenues:				
Food & Beverage Sales	728,359	1,265,791	1,153,922	845,992
Rent	669,707	728,174	451,500	440,000
Admissions & Other Sales	792,221	289,691	558,500	569,013
Capital Maintenance Fee	74,910	104,512	90,000	81,000
Investment Earnings	1,857	1,057	2,000	2,000
Other	<u>54,481</u>	<u>29,959</u>	<u>32,000</u>	<u>32,500</u>
Subtotal Operations	2,321,535	2,419,184	2,287,922	1,970,505
General Fund Transfer	662,594	885,927	1,120,576	1,049,711
Appr. Fund Balance	<u>0</u>	<u>0</u>	<u>60,000</u>	<u>0</u>
Total	2,984,129	3,305,111	3,468,498	3,020,216

US CELLULAR CENTER FUND

BUDGET HIGHLIGHTS

- Event bookings have been lower than originally anticipated in the adopted FY 2014-15 budget, and this trend is expected to continue in FY 2015-16. Both expenses and operating revenue are adjusted downward in the FY 2015-16 budget to reflect this trend.
- The adopted US Cellular Center budget includes approximately \$90,000 in funding in the salary and fringe benefit budgets to begin paying all temporary/seasonal employees a living wage in FY 2015-16.
- The General Fund transfer shows a slight decrease due to a reduction in the Center's charge for indirect costs. This decrease in charges for indirect costs is also part of the reason that operating costs are budgeted lower in FY 2015-16.

DEPARTMENTAL GOALS

“Exceptional Experiences Through Superior Service”

- Continue to operate the US Cellular Center with minimal subsidy from the general fund for annual operating expenses and small capital equipment.
- Continue to improve the customer experience through superior service.
- Continue to invest in capital projects that will improve customers' experiences and improve operational efficiency.

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2013/14</u> <u>Actual</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Target</u>
• <i>General Fund subsidy as a % of total US Cellular Center Fund expenses</i>	29%	37%	34%

NONDEPARTMENTAL CULTURE & RECREATION

Outside agency and nondepartmental culture & recreation funding for FY 2015-16 includes the following:

BUDGET SUMMARY

Expenditures:	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Transfer to US Cell Center Fund	662,594	885,927	1,120,576	1,049,711
Transfer to Golf Fund	<u>619,052</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,281,646	885,927	1,120,576	1,049,711

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 & Urban Design

Community Development & HOME Funds

Housing Trust Revolving Fund

Development Services Department

Nondepartmental

PLANNING & URBAN DESIGN

Todd Okolichany, Director

MISSION

The mission of the Asheville Planning & Urban 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

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	878,763	603,766	639,406	610,169
Fringe Benefits	291,773	213,867	243,751	268,466
Operating Costs	101,604	185,275	202,666	94,707
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,272,140	1,002,907	1,085,823	973,342
FTE Positions	13.50	10.25	10.25	10.00

BUDGET HIGHLIGHTS

- The FY 2015-16 budget for operating costs shows a decrease; one-time funding of \$100,000 for the River District form based code project was included in the FY 2014-15 budget.
- The Planning & Urban Design FTE count shows a slight decrease due to the fact that a position partially charged to the department is now being charged to the Economic Development Department.
- The FY 2015-16 budget for the Homeless Program is shown under the Planning & Urban Design Department but management of that program has been shifted to the Economic Development Department.
- Otherwise, the Planning & Urban Design budget reflects a continuation of existing programs and services.

PLANNING & URBAN DESIGN

DIVISION SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Planning Services	1,066,030	799,266	867,970	735,950
FTE Positions	11.00	7.50	7.50	7.00

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.

Historic Resources	125,070	132,268	146,543	166,156
FTE Positions	1.50	1.75	1.75	2.00

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

Homeless Program	81,041	71,374	71,310	71,236
FTE Positions	1.00	1.00	1.00	1.00

DEPARTMENTAL GOALS

- Improve the quality of life in Asheville by working with citizens, community organizations and developers to identify guidelines for growth and to establish sound standards for development.
- Preserve the natural and built environment of the City of Asheville while considering community goals and adopted plans to accommodate new growth and development.
- Provide thorough and timely review of development proposals which include level II and level III project review, rezoning's, conditional zonings, conditional use permits and certificates of appropriateness.
- Promote a variety of housing types within a wide range of prices for residents of Asheville through amendments to codes and regulations while promoting vibrant neighborhoods.
- Encourage sustainable development, compatible infill and exploration of emerging trends consistent with the Comprehensive Plan and other adopted plans to promote a resilient community.
- Preserve and protect the historic, cultural and architectural resources of the City through management of local historic districts, protection of landmarks, education and outreach, and implementation of the goals found in the Asheville Historic Preservation Plan.
- Provide leadership in the development of small area plans focusing on commercial corridors, innovation districts, neighborhoods and other special districts within the city.
- Lead the community effort to update the comprehensive plan to ensure the continued growth and vitality of Asheville for current and future residents.

PLANNING & URBAN DESIGN

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2013/14</u> <u>Actual</u>	<u>2014/15</u> <u>Estimate</u>	<u>2015/16</u> <u>Target</u>
<ul style="list-style-type: none"> Attend, convene and /or present at community meetings providing outreach, reviews of developer plans, city initiatives, planning updates 	*	*	25 per year
<ul style="list-style-type: none"> Provide responses to citizen inquiries concerning: comprehensive plan and other adopted plans, questions concerning the UDO, general zoning questions, historic guidelines, design guidelines, project review processes, roles of various commissions 	*	*	1,000 per year
<ul style="list-style-type: none"> Create expanded community outreach documents and tools for planning efforts meeting key City Council initiatives or for programs outlined in the Strategic Operating Plan, the Comprehensive Plan or other adopted plans 	*	*	4 expanded outreach efforts per year
<ul style="list-style-type: none"> Correctly review applications that are submitted for processes within in our area of responsibility on a timely basis 	*	*	100%
<ul style="list-style-type: none"> The department will operate within our budget constraints and recognizing the relationship between our budget and other department's budget within the city 	*	*	95%

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 Community Development Division.

BUDGET SUMMARY	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
General Fund Contribution	500,000	500,000	500,000	500,000

BUDGET HIGHLIGHTS

- The FY 2015-16 budget continues the \$500,000 General Fund operating budget contribution to the Housing Trust Fund.

BUILDING SAFETY

DEPARTMENT SUMMARY

	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	2,206,281	*	*	*
Fringe Benefits	836,812	*	*	*
Operating Costs	931,883	*	*	*
Capital Outlay	<u>0</u>	-	-	-
Total	3,974,976	*	*	*
FTE Positions	*	*	*	*

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 Department.

DEVELOPMENT SERVICES

Jason Nortz, Interim Director

MISSION

Protect the lives, health, and property in Asheville while supporting economic development by providing building and development permitting services and enforcing the North Carolina State Building Codes, Asheville Housing Code, and related environmental codes. Development Services is dedicated to providing excellent customer service as it relates to the application and permitting process, plan review, and building inspection services to all areas within the Asheville City limits.

DEPARTMENT SUMMARY

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Expenditures:				
Salaries & Wages		1,898,774	2,365,306	2,498,126
Fringe Benefits		709,399	947,712	1,039,450
Operating Costs		256,949	283,821	293,269
Capital Outlay		0	0	0
Total		2,865,122	3,596,839	3,830,845
FTE Positions		48.00	48.00	50.00

BUDGET HIGHLIGHTS

- The FY 2015-16 salary and fringe benefit budgets include the addition of positions to help meet increased workload in Development Services. One position was transferred to the Police Department in FY 2014-15; additions in the FY 2015-16 budget include a short-term rental inspector.
- The fringe benefit budget shows an increase partly due to an increase in workers' compensation costs charged to the Development Services Department. Staff updated departmental workers' compensation charges for FY 2015-16 based on program costs and FTE numbers.

DEVELOPMENT SERVICES

DEPARTMENTAL GOALS

- The customer experience is one in which customers feel their needs were met with acceptable wait times in the lobby, for permits, and inspections; found the information they needed online easily and quickly; able to communicate with staff directly when needed; and felt staff was useful resource.
- Customers feel the service provided is a good value by meeting quality, time, and cost expectations; understand the true cost of the services; and having incentives offered by the Department.
- Everyone is treated fairly with customers having equal access to information; staff effectively triaging projects and customer needs; and the Department implementing transparent business practices and reducing barriers to development.
- Customers feel confident that the built environment is safe and the natural environment is protected with buildings being efficient and structurally sound; erosion and runoff are controlled; development is controlled on steep slopes; the community is protected from flooding; and permitting supports sustainable practices.
- The Permit Application Center will accommodate the needs of customers, make them feel welcomed and appreciated by providing adequate seating and work stations; access to information and resources; and a friendly and pleasing environment.
- Staff are happy and engaged; feel valued, respected, and supported; participate in engagement opportunities; and productivity improves.

KEY PERFORMANCE OBJECTIVES & MEASURES

	2013/14 <u>Actual</u>	2014/15 <u>Estimate</u>	2015/16 <u>Target</u>
• <i>Reduce average wait time in lobby</i>	*	37 minutes	20 minutes
• <i>Reduce average turn-around times</i>			
○ <i>Zoning Permits—Expedite</i>	*	8	6
○ <i>Zoning Permits—Level I</i>	*	10	8
○ <i>Building Permits—Expedite</i>	*	14	10
○ <i>Building Permits—Levels I & II</i>	*	14	10
○ <i>Building Permits—Level III</i>	*	90	90
○ <i>Engineering Permits—Minor</i>	*	5	4
○ <i>Engineering Permits—Major</i>	*	10	10
• <i>Increase the number of customers served in the office</i>	17,879	21,000	24,000
• <i>Increase the number of permit customers served on-line</i>	*	*	65%
• <i>Reduce employee turnover</i>	16%	33%	20%
• <i>Increase the percentage of staff participating in professional development and/or leadership opportunities</i>	*	*	100%

DEVELOPMENT SERVICES

KEY PERFORMANCE OBJECTIVES & MEASURES (Cont.)

	2013/14 <u>Actual</u>	2014/15 <u>Estimate</u>	2015/16 <u>Target</u>
• <i>Increase the average number of participants in continuing education sessions offered</i>	442	315	400
• <i>Maintain or reduce the number of negative findings in audits performed</i>	*	*	20%
• <i>Increase total construction value of all projects permitted</i>	\$306,219,870	\$445,000,000	\$500,000,000
• <i>Recover departmental costs through revenues</i>	-2.3%	22%	30%
• <i>Percent of positions fully staffed for the year</i>	20%	52%	65%
• <i>Increase number of projects participating in incentive programs</i>	62	65	75
• <i>Increase percentage of customers who rate DSD services as average or better</i>	*	*	75%
• <i>Increase number of code enforcement cases resolved</i>	*	*	70%

*New measure. No metrics recorded in the past.

NONDEPARTMENTAL COMMUNITY DEVELOPMENT

The City provides funding to outside agencies (strategic partners) 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. Strategic partner and nondepartmental funding includes the following:

BUDGET SUMMARY

Expenditures:	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
One Youth at a Time	5,480	1,360	4,400	5,000
YWCA	12,000	6,000	0	12,000
AHOPE	25,000	15,000	25,000	28,400
United Way 211	2,500	1,875	2,500	0
Children First	15,740	15,000	20,000	20,000
Asheville Greenworks	8,000	4,000	10,000	15,350
Youthful Hand	4,000	0	0	0
Child Abuse Prevention Services	5,832	3,335	5,000	0
Asheville Design Center	0	7,000	4,000	4,000
Green Opportunities	25,000	18,000	10,000	17,150
Kids Voting	0	0	0	0
Governor's Western Residence	0	0	0	0
App. Sustainable Agr. Project	0	0	5,000	0
Asheville Area Arts Council	0	0	10,000	5,000
Partners Unlimited	0	0	2,500	5,000
Project Lighten Up	0	0	0	3,500
Read to Succeed	0	0	0	4,000
Blue Ridge Food Ventures	0	0	0	25,000
Pisgah Legal Services	0	0	0	9,000
Economic Incentives	1,264,518	440,000	0	0
Economic Development Coalition	60,000	0	0	0
A/B Sports Commission	45,000	0	0	0
Community Relations Council	43,295	26,540	0	0
YMI Utilities	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>
Total	<u>1,540,365</u>	<u>562,110</u>	<u>122,400</u>	<u>172,400</u>

BUDGET HIGHLIGHTS

- The budget for the Strategic Partnership program was increased by \$50,000 in FY 2015-16.



CAPITAL IMPROVEMENTS & DEBT MANAGEMENT

Narrative & Overview
General Capital Fund
Enterprise Capital Funds
Debt Management

CAPITAL IMPROVEMENT PROGRAM 2015/16 TO 2019/20

GENERAL CAPITAL PROJECT SUMMARY

As discussed with City Council at its May 12, 2015 budget work session, staff has worked with its 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 \$142,197,272.

Projects will be funded with a mix of internal City resources and external resources such as grants and partnerships. Approximately \$107,589,378 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 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 charts beginning on page 137 show a summary of the projects and their anticipated cash flows between the current fiscal year and FY 2019-20. At the end of the summary is a list of project budgets that will be included in the FY 2015-16 budget ordinance, which includes projects that will either 1) incur actual cash expenses during FY 2015-16, or 2) require budget authorization for contract approval in FY 2015-16 with actual cash expenses occurring after June 30, 2016.

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

CAPITAL IMPROVEMENT PROGRAM 2015/16 TO 2019/20

RELATIONSHIP TO THE ANNUAL OPERATING BUDGET

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

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

The estimated impact of the capital improvement budget on the annual operating budget in FY 2015-16 is \$28.76 million, including debt service costs incurred from the long-term financing of capital projects approved this year and in prior years, pay-as-you-go financing of current year projects, and operating costs associated with new capital projects that were completed in FY 2014-15 or are expected to be completed in FY 2015-16. There are several projects planned in the five-year CIP that will have significant impacts on the City's operating budget, and staff is in the process of refining its estimates of future impacts. The project that will have the largest annual impact is the Fire Station #14 project. Once the station is complete, an additional fifteen firefighters will need to be hired at an estimated cost of \$675,000. This budget impact will likely occur in FY 2018.

Total Impact of Capital Budget on FY 2015-16 Operating Budget	
General Fund Pay-Go/Debt	9,086,878
Water Resources Fund CIP Transfer	11,985,500
Water Resources Fund Debt Service	6,101,413
Non-Major Enterprise Funds Pay-Go/Debt	1,556,692
New Greenway Maintenance	<u>35,000</u>
Total	28,765,483

CAPITAL IMPROVEMENT PROGRAM 2015/16 TO 2019/20

FIVE-YEAR GENERAL CAPITAL PROJECT SUMMARY (Cash Flow)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
AFFORDABLE HOUSING								
Affordable Housing	-	250,000	750,000	-	2,000,000	-	2,000,000	5,000,000
Parks Maintenance Relocation	30,595	83,692	805,000	-	-	-	-	919,287
Eagle Market Place	530,372	471,380	2,947,748	-	-	-	-	3,949,500
Subtotal	560,967	805,072	4,502,748	-	2,000,000	-	2,000,000	9,868,787
PUBLIC SAFETY								
Radio Infrastructure	42,472	949,922	4,930,000	-	-	-	-	5,922,394
Finalee Landslide Mitigation	23,400	787,413	-	-	-	-	-	810,813
Fire Station # 14 - Land	529,976	-	-	-	-	-	-	529,976
Fire Station # 14 - Design/ Build	-	-	153,424	1,700,000	1,000,000	-	-	2,853,424
Fire Station # 14 - Engine	-	-	-	-	600,000	-	-	600,000
SCBA Replacement	-	-	1,000,000	-	-	-	-	1,000,000
Replacement Ladder Truck	-	-	-	1,000,000	-	-	-	1,000,000
Replacement Engine	-	-	-	-	-	600,000	-	600,000
Subtotal	595,848	1,737,335	6,083,424	2,700,000	1,600,000	600,000	-	13,316,607
MULTI-MODAL TRANSPORTATION								
Azalea Road	2,731,992	2,603,260	-	-	-	-	-	5,335,252
Azalea Road - Rev Offset	(3,776,064)	(742,112)	-	-	-	-	-	(4,518,176)
Greenway Connectors	-	-	120,000	-	-	-	-	120,000
Greenway Connector- Rev Offsets	-	-	(96,000)	-	-	-	-	(96,000)
Cedar Street Bridge Repair	-	-	200,000	-	-	-	-	200,000
Broadway Vaulted Sidewalks	-	-	250,000	-	-	-	-	250,000
Chunn's Cove Bridge Repair	-	-	-	-	-	-	500,000	500,000
Craven Street Bridge	-	-	200,000	200,000	-	-	-	400,000
Charlotte Street Improvements	-	-	-	-	-	200,000	1,050,000	1,250,000
Hendersonville Road Sidewalk	95,682	400,000	3,695,747	-	-	-	-	4,191,429
Hendersonville Road - Rev Offset	-	-	(2,904,613)	-	-	-	-	(2,904,613)
Neighborhood Sidewalks	-	10,000	215,000	355,000	360,000	360,000	360,000	1,660,000
New Leicester Highway Sidewalks	-	-	253,000	3,377,000	-	-	-	3,630,000
New Leicester Hwy - Rev Offset	-	-	(202,400)	(2,701,600)	-	-	-	(2,904,000)
Hazel Mill Road Sidewalk	-	-	-	85,000	332,000	-	-	417,000
Subtotal	(948,390)	2,271,148	1,730,734	1,315,400	692,000	560,000	1,910,000	7,530,892

CAPITAL IMPROVEMENT PROGRAM 2015/16 TO 2019/20

FIVE-YEAR GENERAL CAPITAL PROJECT SUMMARY (Cash Flow)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
ECONOMIC DEVELOPMENT								
Town Branch Greenway	-	31,500	-	423,750	1,344,366	-	-	1,799,616
Livingston Street	-	-	250,000	-	-	1,412,500	536,566	2,199,066
RADTIP	-	1,046,836	7,811,053	5,902,000	7,000,000	7,299,000	4,859,000	33,917,889
French Broad Riv. West Gwy	-	101,201	148,960	422,790	1,147,497	-	-	1,820,448
Clingman Forest Greenway	-	226,503	-	452,000	1,700,649	-	-	2,379,152
Five-Points Roundabout	-	100,000	100,000	407,758	791,530	-	-	1,399,288
Craven Street Kiosk	-	-	150,000	-	-	-	-	150,000
Rev Offset	-	-	(4,182,600)	(3,865,372)	(9,244,771)	(3,744,758)	-	(21,037,501)
Craven Street	651,927	6,147,467	951,156	-	-	-	-	7,750,550
Craven Street - Rev Offset	(710,203)	(800,000)	(987,401)	-	-	-	-	(2,497,604)
14 Riverside Drive	-	-	450,000	-	-	-	-	450,000
Jean Webb Boat Ramp	-	-	-	-	56,500	-	-	56,500
Rev Offset	-	-	(450,000)	-	(50,000)	-	-	(500,000)
I-26 Connector	-	-	-	-	-	-	1,000,000	1,000,000
S Lexington Utility Relocation	-	280,000	-	-	-	-	-	280,000
Thomas Wolfe Renovations	-	-	400,000	100,000	-	-	-	500,000
Haywood Street Demo	405,724	-	-	-	-	-	-	405,724
Subtotal	347,448	7,133,507	4,641,168	3,842,926	2,745,771	4,966,742	6,395,566	30,073,128
QUALITY OF LIFE								
Golf Course Irrigation System	-	320,000	-	-	-	-	-	320,000
Swimming Pools	-	-	750,000	1,000,000	500,000	-	-	2,250,000
Velodrome Safety	-	-	500,000	-	-	-	-	500,000
Carrier Park Improvements	-	-	250,000	-	-	-	-	250,000
Turf field replacement	-	-	600,000	600,000	600,000	600,000	600,000	3,000,000
McCormick Field Clubhouse	87,549	-	-	-	-	-	-	87,549
McCormick Field Seats	-	259,453	-	-	-	-	-	259,453
McCormick Field Var Upgrades	-	-	71,863	-	-	-	-	71,863
Pack Place Capital Imprvmnts	-	-	-	2,000,000	-	-	-	2,000,000
Subtotal	87,549	579,453	2,171,863	3,600,000	1,100,000	600,000	600,000	8,738,865

CAPITAL IMPROVEMENT PROGRAM 2015/16 TO 2019/20

FIVE-YEAR GENERAL CAPITAL PROJECT SUMMARY (Cash Flow)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
MAINTENANCE								
Computer Replacement	-	209,910	250,000	250,000	250,000	250,000	250,000	1,459,910
Roof Replacements	-	-	150,000	150,000	150,000	150,000	150,000	750,000
City Hall A/C Controls	-	-	74,740	-	-	-	-	74,740
Various facility upgrades	-	125,000	275,000	275,000	275,000	275,000	275,000	1,500,000
Park Fac/ Playground / Fields FY15	-	350,000	-	-	-	-	-	350,000
Park Facilities/ Playground / Fields	-	-	350,000	600,000	600,000	600,000	600,000	2,750,000
Underground Fuel Tank at Fuel Station	-	-	90,000	-	-	-	-	90,000
Streets and Sidewalk Program	-	350,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,350,000
Capital Project Mgmt Cost Reimb.	40,000	175,000	500,000	500,000	500,000	500,000	500,000	2,715,000
Fleet Replacement	-	2,599,538	3,421,911	3,000,000	3,000,000	3,000,000	3,000,000	18,021,449
Subtotal	40,000	3,809,448	7,111,651	6,775,000	6,775,000	6,775,000	6,775,000	38,061,099
PROJECT TOTALS	683,422	16,335,963	26,241,588	18,233,326	14,912,771	13,501,742	17,680,566	107,589,378

CAPITAL IMPROVEMENT PROGRAM

14 Riverside Drive



Description

The 14 Riverside Drive grant funded project will include renovation and civil work for an 1,800 square foot City owned building and site adjacent to future park and greenway space in the River Arts District. One-third of the building will be used for public restrooms and an unstaffed visitor info portal and two-thirds of the building will be used for income producing flex space (gallery, office, performance, meeting, retail, studio) to be rented to private sector partners. The site will include a 16 vehicle parking lot (2 ADA accessible); ramp, deck and required landscaping.

Project Schedule

Estimated Start Date	June-14
Estimated Completion Date	August-16
Current Phase	Design

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)		450,000				
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing						
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Affordable Housing



Description
The Affordable Housing project will support a broad range of activities including market studies, engineering and architectural studies and plans, traffic analysis, infrastructure improvement, subsidies, land banking and construction. The initial tangible product will be redevelopment of existing City owned land for affordable housing. Although the parks maintenance facility was the first targeted for this repurposing, other facilities may be substituted.

Project Schedule	
Estimated Start Date	June-15
Estimated Completion Date	On-Going
Current Phase	Implementation

Project Funding						
Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing	250,000	750,000		2,000,000		2,000,000
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Broadway Vaulted Sidewalk



Description
The Broadway Vaulted Sidewalk project will rebuild the vaulted sidewalk along Broadway from Walnut Street to Tingle Alley while taking additional measures to increase the safety of the vault underneath.

Project Schedule	
Estimated Start Date	July-15
Estimated Completion Date	May-16
Current Phase	Design

Project Funding						
Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing		250,000				
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Carrier Park Improvements



Description
The Carrier Park Improvements project will construct quality restroom facilities as well as a gathering plaza, kiosks, interpretive and map signage, gates and landscaping for this highly used park resource in West Asheville.

Project Schedule	
Estimated Start Date	April-13
Estimated Completion Date	June-16
Current Phase	Construction

Project Funding						
Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)		125,000				
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing		125,000				
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Cedar Street Bridge Repair



Description
The Cedar Street Bridge Repair project will repair the 122 foot long bridge that carries Cedar Street across the Norfolk Southern Railroad. The current bridge was originally constructed in 1966.

Project Schedule	
Estimated Start Date	July-15
Estimated Completion Date	June-16
Current Phase	Design

Project Funding						
Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing		200,000				
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Charlotte Street Improvements



Description
The Charlotte Street Improvements project will include design, procurement of right of ways, and construction of improvements in the Charlotte Street Innovation District. Additional funding will be required in years 2021 and later.

Project Schedule	
Estimated Start Date	January-19
Estimated Completion Date	May-21
Current Phase	Pre-Design

Project Funding						
Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing					200,000	1,050,000
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Chunn's Cove Bridge Rehabilitation



Description

The Chunn's Cove Bridge Rehabilitation project will provide structural rehabilitation to the 34 foot Chunn's Cove Road Bridge. The bridge was originally constructed in 1930 with a rehabilitation done in 1983.

Project Schedule

Estimated Start Date	July-20
Estimated Completion Date	June-20
Current Phase	Pre-Design

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing						500,000
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Clingman Forest Greenway



Description

The partially grant funded Clingman Forest Greenway project will construct a multimodal half mile trail connecting the riverfront area and downtown. The trail will start at the Hillard and Clingman intersection and travel in a southern direction to terminate at the Clingman and Haywood intersection. Design is completed and the project is pending completion of land acquisition.

Project Schedule

Estimated Start Date	March-13
Estimated Completion Date	June-18
Current Phase	Pre-Construction

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)			125,000	787,500	340,000	
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing	226,503		327,000	573,149		
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Craven Street Bridge



Description

The Craven Street Bridge project will construct a new multi-modal bridge across the French Broad River at Craven Street parallel to the existing bridge. The new bridge and the existing bridge will function in tandem as a one-way pair. The existing bridge will carry two lanes of eastbound traffic and the new bridge will carry one lane of westbound traffic along with bicycle and pedestrian facilities.

Project Schedule

Estimated Start Date	TBD
Estimated Completion Date	TBD
Current Phase	Pre-Design

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing		200,000	200,000			
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Craven Street Improvements



Description

The Craven Street Improvement project in West Asheville is long-term enhancement that will include multi-modal roadway improvements including pedestrian and bike facilities, Stormwater Best Management Practices and stream restoration, low impact parking, greenway construction and water line improvements. The Craven Street Improvement project is located in the area surrounding the New Belgium Brewery construction site and is the City's portion of a public-private partnership with The State of North Carolina, North Carolina Golden Leaf Foundation, NCDOT, Clean Water Management Trust Fund, Buncombe County, the Economic Development Administration, and the Asheville–Buncombe Economic Development Coalition and others in support of New Belgium Brewing's investment of \$175 million in our community.

Project Schedule

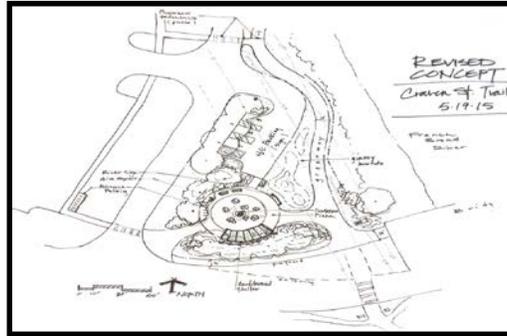
Estimated Start Date	September-12
Estimated Completion Date	December-15
Current Phase	Construction

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)	800,000	987,401				
Enterprise Fund(s)	649,034					
General Fund-Pay-Go	61,169					
Debt Financing	5,252,946					
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Craven Street Kiosk



Description

The grant funded Craven Street Kiosk project will construct a landmark pavillion over visitor information signage to accompany the amenities at the French Broad River Greenway trailhead located at the public parking area on Craven Street.

Project Schedule

Estimated Start Date	March-15
Estimated Completion Date	December-15
Current Phase	Design

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)		150,000				
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing						
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Eagle Market Place



Description

The Eagle Market Place project is a Mountain Housing Opportunities (MHO) project that is partially City funded. The goal of the renovations at Eagle and Market Streets is to stimulate growth in the area by adding commercial space and 62 affordable housing units.

Project Schedule

Estimated Start Date	November-13
Estimated Completion Date	TBD
Current Phase	Construction

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing	1,001,752	2,947,748				
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Field Turf Replacement



Description

The Field Turf Replacement project will replace the artificial turf at playing fields around the City including Memorial Stadium and Park Lawn Bowling to name a few.

Project Schedule

Estimated Start Date	July-15
Estimated Completion Date	On-Going
Current Phase	Implementation

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing		600,000	600,000	600,000	600,000	600,000
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Fire Station #14



Description

The Fire Station #14 project will include the design and build of a new fire station on Broadway Street to primarily serve the Northwest and Central sections of Asheville. This enhanced fire service coverage area would alleviate the Fire Department's Standard of Coverage voids in the identified areas. The land for the project was purchased in 2014.

Project Schedule

Estimated Start Date	June-14
Estimated Completion Date	September-17
Current Phase	Planning

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing	529,976	153,424	1,700,000	1,000,000		
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Fire Station #14 Engine



Description

This project will purchase a new engine for the new Fire #14 Station.

Project Schedule

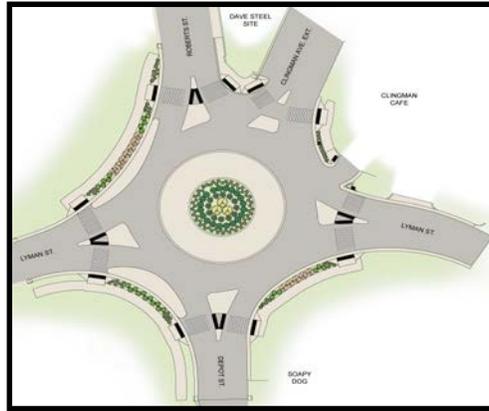
Estimated Start Date	August-17
Estimated Completion Date	July-18
Current Phase	Future Acquisition

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing				600,000		
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Five Points Roundabout



Description

The partially grant funded Five-Points Roundabout project will clear, grade, relocate utilities, and construct a roundabout to replace a five-way stop condition at the existing intersection of Roberts, Depot and Lyman Streets. Construction of roadway geometric improvements will include road realignment, ADA accessible ramps and crossings, adjacent sidewalks, roadway and pedestrian-level lighting, landscaping, signs, and markings.

Project Schedule

Estimated Start Date	March-13
Estimated Completion Date	September-19
Current Phase	Design

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)			137,971	212,029		
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing	100,000	100,000	269,787	579,501		
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Fleet Replacement



Description

This project includes an analytical breakdown of all city owned vehicles (from small single axle trailers up to and including fire trucks) to determine projected annual replacement costs and implementation of an approved vehicle replacement program. The development, approval, and subsequent utilization of a Vehicle Replacement Plan would have a positive financial impact on annual fleet line operating costs. A structured replacement plan will account for the optimal replacement cycle, thereby reducing operating costs and establishing a model for future fleet funding.

Project Schedule

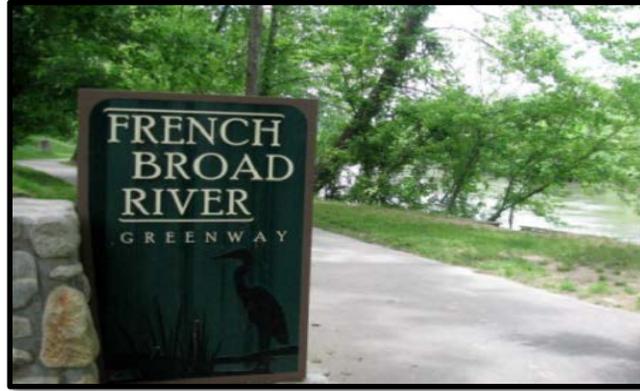
Estimated Start Date	July-14
Estimated Completion Date	On-Going
Current Phase	Acquisition

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing	2,599,538	3,421,911	3,000,000	3,000,000	3,000,000	3,000,000
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

French Broad River West Greenway



Description

The partially grant funded French Broad River West Greenway project will connect the French Broad River park system via a .9 stretch of trail traveling northward to the Clingman/Haywood Bridge where the New Belgium Greenway begins. This greenway will link the riverfront with the city-wide greenway network.

Project Schedule

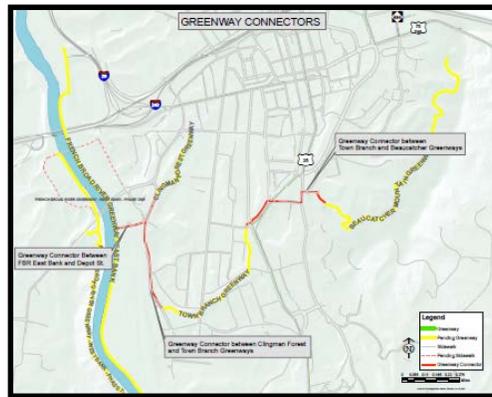
Estimated Start Date	October-14
Estimated Completion Date	March-18
Current Phase	Design

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)			110,000	582,742		
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing	101,201	148,960	312,790	564,755		
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Greenway Connectors



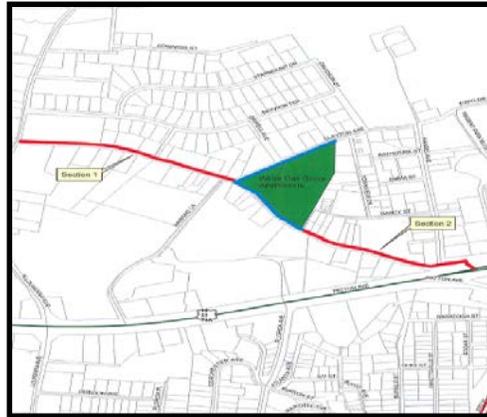
Description
<p>The partially grant funded Greenway Connectors project includes design and construction of a network of connectors for the Beaucatcher, Town Branch, and Clingman Forest greenways, each of which terminate in or near Asheville’s East of the Riverway and South Slope areas, to each other and surrounding work, educational, child care, shopping, recreational and other destinations. Connections will be on-street, with clear wayfinding and infrastructure details guiding users between greenways and destinations. Beaucatcher Greenway will connect Overlook Park and adjacent residential neighborhoods to Biltmore Avenue. Town Branch Greenway will begin near Choctaw and McDowell Streets and connects surrounding residential areas to each other and to Depot Street. Clingman Forest Greenway will begin near Clingman Avenue at Clingman Extension and connect the River Arts District to Aston Park near Hilliard Ave and South French Broad Avenue.</p>

Project Schedule	
Estimated Start Date	July-15
Estimated Completion Date	TBD
Current Phase	Planning

Project Funding						
Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)		96,000				
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing		24,000				
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Hazel Mill Road Sidewalk



Description

The Hazel Mill Road Sidewalk project will provide pedestrian links to mass transit from proposed apartment complex development that includes affordable housing units via a sidewalk on one side of Hazel Mill Road, from Louisiana Avenue to Patton Avenue.

Project Schedule

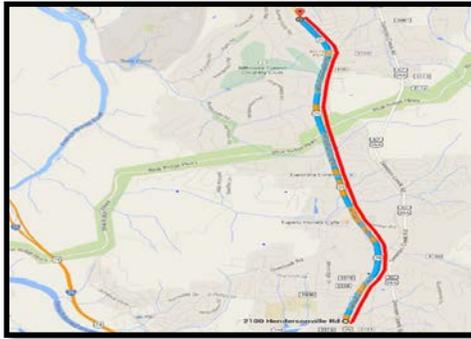
Estimated Start Date	July-16
Estimated Completion Date	November-17
Current Phase	Pre-Design

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing			85,000	332,000		
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Hendersonville Road Sidewalks



Description

The Hendersonville Road Sidewalks project is a partnership project with the Department of Transportation to add sidewalks along Hendersonville Road.

Project Schedule

Estimated Start Date	November-13
Estimated Completion Date	December-16
Current Phase	Construction

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)		2,904,613				
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing	495,682	791,134				
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

I-26 Connector



Description

This project includes the first installment of the \$2 million commitment made by the City for the I-26 Connector.

Project Schedule

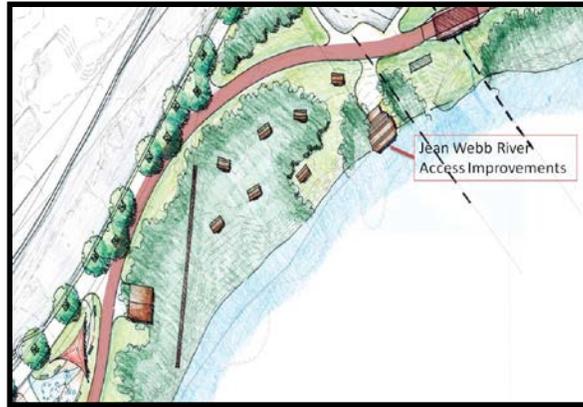
Estimated Start Date	TBD
Estimated Completion Date	TBD
Current Phase	Pre-Design

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing						1,000,000
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Jean Webb Boat Ramp



Description

The Jean Webb Boat Ramp grant funded project will include the addition of a boat ramp on the French Broad River on the edge of Jean Webb Park in partnership with the North Carolina Wildlife Resources Commission.

Project Schedule

Estimated Start Date	July-17
Estimated Completion Date	December-17
Current Phase	Pre-Construction

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)				50,000		
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing				6,500		
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Livingston Street



Description

The Livingston Street partially grant funded project will make multimodal connections between the River Arts District and the rest of the East of the Riverway neighborhoods and provide access from those neighborhoods to educational facilities and jobs including AB Tech, Asheville High and Mission Hospitals. The project will transform the existing Depot Street and Livingston Street from near the Glenrock Hotel to Victoria Road to a complete street that is useful for walking, bicycling, and transit as well as motor vehicles.

Project Schedule

Estimated Start Date	July-15
Estimated Completion Date	January-20
Current Phase	Design

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)					525,000	225,000
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing		250,000			887,500	311,566
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

McCormick Field



Description

The McCormick Field project will improve the field according to the agreement between the City and the Asheville Tourists.

Project Schedule

Estimated Start Date	March-12
Estimated Completion Date	June-16
Current Phase	Implementation

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing	347,002	71,863				
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Neighborhood Sidewalk Program



Description

The Neighborhood Sidewalk Program project will invest in critical sidewalk linkages throughout the City.

Project Schedule

Estimated Start Date	July-14
Estimated Completion Date	On-Going
Current Phase	Design and Construction

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing	10,000	215,000	355,000	360,000	360,000	360,000
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

New Leicester Highway Sidewalks



Description

The New Leicester Highway Sidewalks project is a partnership project with the Department of Transportation to add sidewalks and pedestrian crossings on New Leicester Highway (NC81) from Patton Avenue to the City limits.

Project Schedule

Estimated Start Date	July-15
Estimated Completion Date	June-17
Current Phase	Design

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)		202,400	2,701,600			
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing		50,600	675,400			
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Pack Place Capital Improvement



Description

The Pack Place Capital Improvements project will invest in building systems and related improvements.

Project Schedule

Estimated Start Date	TBD
Estimated Completion Date	TBD
Current Phase	Pre-Implementation

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing			2,000,000			
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Park Facilities



Description

The Park Facilities project will provide on-going maintenance of parks and recreation department facilities, restrooms and buildings.

Project Schedule

Estimated Start Date	July-15
Estimated Completion Date	On-Going
Current Phase	Construction

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing	350,000	350,000	600,000	600,000	600,000	600,000
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Parks Maintenance Relocation



Description

The Park Maintenance Relocation project will move this division from their current building to multiple buildings. The project will including pre-move renovations.

Project Schedule

Estimated Start Date	June-14
Estimated Completion Date	December-15
Current Phase	Implementation

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing	114,287	805,000				
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Radio Infrastructure



Description

The Radio Infrastructure project will be a system-wide replacement of equipment and infrastructure originally installed in 1988.

Project Schedule

Estimated Start Date	May-13
Estimated Completion Date	September-16
Current Phase	Construction

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing	992,394	4,930,000				
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Replacement Engine



Description

The Replacement Engine project will replace one of the City Fire Department's engines in need of retirement.

Project Schedule

Estimated Start Date	August-2017
Estimated Completion Date	July-18
Current Phase	Future Acquisition

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing					600,000	
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Replacement Ladder Truck



Description

The Ladder Truck Replacement project will replace one of the City Fire Department's ladder trucks in need of retirement.

Project Schedule

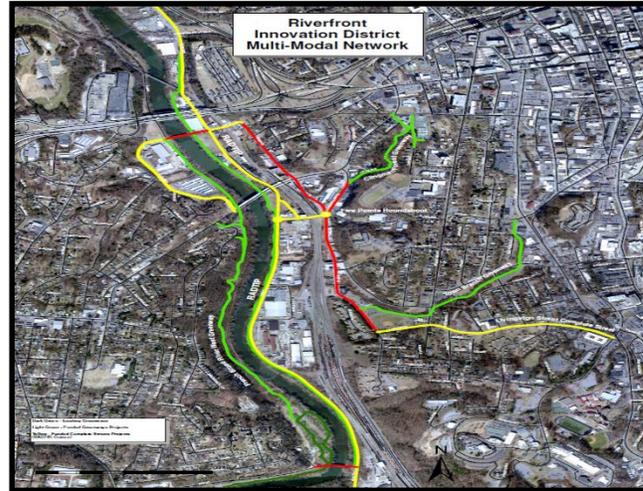
Estimated Start Date	August-15
Estimated Completion Date	July-16
Current Phase	Future Acquisition

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing			1,000,000			
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

River Arts District Transportation Improvement Plan (RADTIP)



Description

The RADTIP grant funded project will add 12,000 linear feet of multi-modal transportation including sidewalk with curb and gutter, street trees and furniture, public art, bike lanes and greenways as well as on-street parking, roadway improvements (including a roundabout and traffic signal upgrades) and off-road stormwater improvements.

Project Schedule

Estimated Start Date	April-14
Estimated Completion Date	June-19
Current Phase	Design

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)		4,032,600	2,854,901	6,800,000	3,104,758	
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing	1,046,836	3,778,453	3,047,099	200,000	4,194,242	4,859,000
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

SCBA Replacement



Description

The SCBA Replacement project will replace the Self Contained Breathing Apparatus (SCBA) or air tanks used by firefighters when responding to a fire. The project scope includes replacement of 110 Self Contained Breathing Apparatus, addition of 15 units and the purchase of a fill station to fill the breathing air bottles. Due to changes in technology and standards of SCBA's, replacement of all units at once is necessary. This eliminates the possibility of incompatible units being intermixed and standardizes the operations and training required for use. The new units also give City firefighters the ability to breathe for an additional 15 minutes compared to the existing fleet of SCBA.

Project Schedule

Estimated Start Date	July-15
Estimated Completion Date	June-16
Current Phase	Acquisition

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing		409,870				
Possible Grants and Other Funding Opportunities		590,130				

CAPITAL IMPROVEMENT PROGRAM

Streets and Sidewalks Program



Description

This project will provide maintenance of existing streets and sidewalks.

Project Schedule

Estimated Start Date	June-15
Estimated Completion Date	On-going
Current Phase	Construction

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing	350,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Swimming Pools



Description

The Swimming Pools project addresses safety and maintenance concerns at the Malvern Hills, Walton Street and Recreation Park City pools. Work would address the pools themselves as well as handicap access issues, the bathhouse, support features and ongoing maintenance issues.

Project Schedule

Estimated Start Date	July-15
Estimated Completion Date	On-going
Current Phase	Feasibility

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing		750,000	1,000,000	500,000		
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Thomas Wolfe Renovations



Description

The Thomas Wolfe Renovations project will provide for the initial design fees to update patron technology and client needs as well as address public safety.

Project Schedule

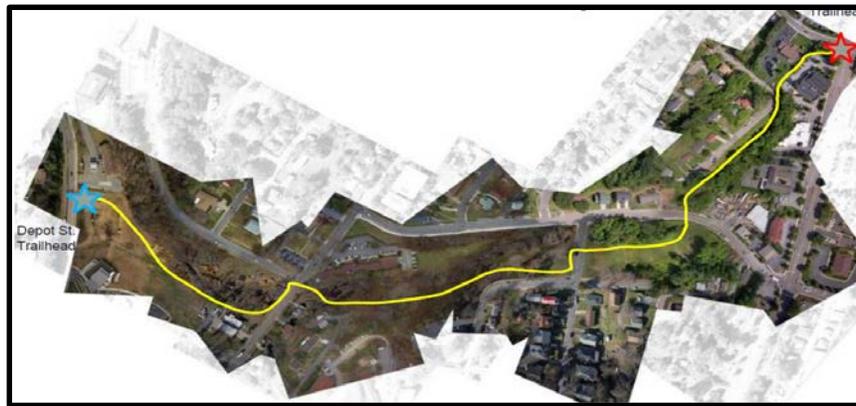
Estimated Start Date	June-16
Estimated Completion Date	TBD
Current Phase	Pre-Design

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing		400,000	100,000			
Possible Grants and Other Funding Opportunities			300,000			

CAPITAL IMPROVEMENT PROGRAM

Town Branch Greenway



Description

The partially grant funded Town Branch Greenway project will connect the riverfront, the Southside neighborhood and the South Slope of downtown via a 2.2 mile greenway that begins where Ashland Avenue becomes McDowell Street and travels in a southeasterly direction to terminate on Depot Street just south of the Glen Rock development. It will also provide multimodal access to Lee Walker Heights, Livingston Heights and Erkin-Walton neighborhoods.

Project Schedule

Estimated Start Date	March-13
Estimated Completion Date	December-17
Current Phase	Pre-Construction

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)			112,500	637,500	300,000	
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing	31,500		311,250	406,866		
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Underground Fuel Tank Repair



Description

This project will repair the aging underground fuel tank at the City fueling station.

Project Schedule

Estimated Start Date	September-15
Estimated Completion Date	December-15
Current Phase	Implementation

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing		90,000				
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Velodrome Safety



Description

The Velodrome Safety project will rebuild the velodrome from the subsurface to address safety issues with cracking pavement and will upgrade lighting. Replacement of these old park amenities will reduce costly repairs and maintenance of the old outdated track facility.

Project Schedule

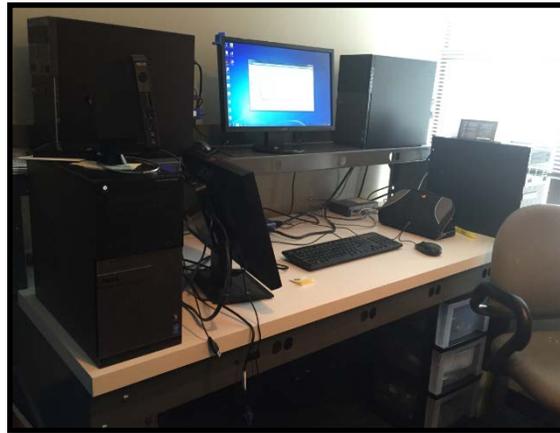
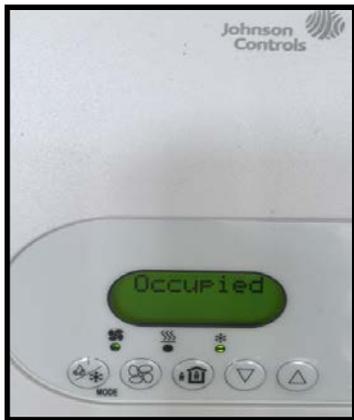
Estimated Start Date	April-13
Estimated Completion Date	TBD
Current Phase	Pre-Construction

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)		500,000				
Enterprise Fund(s)						
General Fund-Pay-Go						
Debt Financing		500,000				
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

General Capital Replacements and Upgrades



Description

The General Capital Replacements and Upgrades project will replace various City computers, facility roofs, City Hall air conditioning controls as well as other City facility upgrades.

Project Schedule

Estimated Start Date	July-13
Estimated Completion Date	On-Going
Current Phase	Implementation

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Computer Replacement	459,910	250,000	250,000	250,000	250,000	250,000
Roof Replacement		150,000	150,000	150,000	150,000	150,000
A/C Controls		74,740				
Various Facility Upgrades	125,000	275,000	275,000	275,000	275,000	275,000

CAPITAL IMPROVEMENT PROGRAM

2015/16 TO 2019/20

WATER RESOURCES CAPITAL IMPROVEMENT FUND SUMMARY

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Revenue Sources:					
Water Operating Fund Transfer	11,985,500	8,981,500	10,525,500	10,432,500	9,770,000
Future Revenue Bonds		12,000,000	40,000,000		
Total Revenues:	11,985,500	20,981,500	50,525,500	10,432,500	9,770,000
Use of Funds:					
NCDOT Projects:					
McFee Road Bridge		80,000			
Mills Gap Road Bridge	65,000				
Distribution System Projects:					
200 Bingham Road					500,000
AB Tech Area Waterline Improvements	1,500,000	1,000,000			
Affordable Housing Infill Devel. Initiative	30,000	30,000	30,000	30,000	30,000
Fairview Service Area WL Improvements		12,000,000			2,000,000
Main Transmission Line Projects	500,000	500,000			
Merrimon Avenue Main Replacement			3,125,000	3,825,000	2,050,000
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:					
Corrosion Control Study		50,000	700,000		
Education Facility					250,000
Mills River Raw Water Reservoir 15 MG					1,540,000
N. Fork / William DeBruhl WTP Wstewtr Upgrds	150,000				
N. Fork WTP Dam / Tunnel Eval. & Rep	2,000,000		40,000,000		
Replacement of Tanks					550,000
Ridgeview Tank 95,000 GAL	300,000	500,000			
Software Updates / HMI - all WTP's		200,000			
Wtr Storage Tank / Pump Station Maint.	150,000	150,000	200,000	200,000	200,000
Water Treatment Plant Improvements	1,000,000	1,000,000			

CAPITAL IMPROVEMENT PROGRAM

2015/16 TO 2019/20

WATER RESOURCES CAPITAL IMPROVEMENT FUND SUMMARY (Cont.)

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Neighborhood Water Line Replace. Proj.:					
Barnard Avenue & Sevier Street		142,000			
Beacon Village				2,000,000	
Biltmore Avenue		300,000			
Blue Ridge Rd, BR Assemb. Dr. & Maney Ln.			640,000		
College Circle	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				
Joyner Avenue				224,000	
Kenilworth side rds., 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	1,190,000				
Muirfield Subdivision		909,500			
Old Bee Tree / Rainbow Ridge / Halcyon Hill, etc. Roads		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	552,500				
Springdale Avenue			110,000		

CAPITAL IMPROVEMENT PROGRAM

2015/16 TO 2019/20

WATER RESOURCES CAPITAL IMPROVEMENT FUND SUMMARY (Cont.)

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Sunset Drive				206,000	
Sweeten Creek Road	850,000				
Valley View Road			64,000		
Waynesville Ave, Tremont & Short Tremont St	536,000				
FY2020 Projects TBD					2,000,000
Water System Master Plan Projects:					
Beaucatcher Rd from Buckstone to Kenilworth				807,500	
Candler School Rd / Old Candler Town Rd			172,500	977,500	
Enka Lake Rd from Sand Hill to Ironwood				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			
Total Use of Funds	11,985,500	20,981,500	50,525,500	10,432,500	9,770,000

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES



CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project: Mills Gap Road Bridge		Project #: W1601		Location: South Asheville
Budget: \$65,000.00	Funding Source: Water Operating Fund		Proj Mgr: Chad Pierce	
Description: NCDOT project for bridge replacement on Mills Gap Road and relocation of existing water line. Project will involve utility work by NCDOT's contractor to install approximately 100 Linear Feet of new 8-inch water line and all associated appurtenances. The City will reimburse NCDOT according to the Utility Agreement.				
Size Line: 8-inch	Linear Ft: 100	Size Line:	Linear Ft:	Total LF: 100
Justification: Project is mandated on the North Carolina Department of Transportation's (NCDOT) Transportation Improvement Program (TIP) Project list through the Strategic Prioritization Process.				
Project Priority: 1 - Imperative, Must Do		Strategic Initiative: Economic Growth & Sustainability		
Expense Category	Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016	
01 - Contracted Services				
02 - Professional Services				
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure	\$65,000.00		\$65,000.00	
13 - Intangibles				
14 - Other:				
TOTAL AMOUNT:	\$65,000.00	\$0.00	\$65,000.00	
Engineer:	NCDOT	Estimated Budgets for Planning FY's		
Contractor:	NCDOT	FY 16/17		
Construction Administration:	NCDOT	FY 17/18		
Inspection:	NCDOT	FY 18/19		
Right-of-Way Acquisition:	NCDOT	FY 19/20		
Additional Project Notes: NCDOT projects are Design / Build, which means that the City reimburses NCDOT in one lump sum for all expenses at the end of the project. NCDOT project number has not been assigned at this time.				

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project:	AB Tech Area WL Improvements	Project #:	W1602	Location: Downtown Asheville
Budget:	\$2,500,000.00	Funding Source:	Water Operating Fund	Proj Mgr: Multiple
Description:	Install 20,725 LF of 12" water line on Meadow Road, Lyman Street, Victoria Road, Short McDowell Street and McDowell Street. Reconnect services and abandon the old 12" cast iron water line. NCDOT surfacing will be required.			
Size Line:	12-inch	Linear Ft:	20,725	Total LF: 20,725
Justification:	Project will replace inadequate water lines for the area's high pressures and demand, improve fire service protection, and reduce the reoccurrence of water line breaks.			
Project Priority:	2 - Essential, Should Do		Strategic Initiative: Economic Growth & Sustainability	
Expense Category	Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016	
01 - Contracted Services				
02 - Professional Services	\$375,000.00		\$375,000.00	
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure	\$2,125,000.00		\$1,125,000.00	
13 - Intangibles				
14 - Other:				
TOTAL AMOUNT:	\$2,500,000.00	\$0.00	\$1,500,000.00	
Engineer:	Estimated Budgets for Planning FY's			
Contractor:	FY 16/17	\$1,000,000.00		
Construction Administration:	FY 17/18			
Inspection:	FY 18/19			
Right-of-Way Acquisition:	FY 19/20			
Additional Project Notes:	Project would enhance redundant feeds to the Hospital area, West Asheville Area, and the Downtown Area. Project would replace or consolidate problematic 12" lines on McDowell Street as well.			

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project: Affordable Housing Infill Dev. Incentive		Project #: W0813		Location: Buncombe County
Budget: Maintained at \$500,000/yr		Funding Source: Water Operating Fund		Proj Mgr: Audran Stephens
Description: Part of the City of Asheville's Affordable Housing Fee Rebate Program to provide a rebate of 50% for water tap and meter fees associated with the construction of new affordable housing. Applicants must submit documentation and meet the requirements of the program to receive the rebate.				
Size Line:	Linear Ft:	Size Line:	Linear Ft:	Total LF: 0
Justification: Improves access to safe, sufficient, affordable housing. Promotes infill growth that makes efficient use of existing resources.				
Project Priority: 3 - Important, Could Do		Strategic Initiative: Affordability & Economic Mobility		
Expense Category		Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016
01 - Contracted Services				
02 - Professional Services				
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure				
13 - Intangibles				
14 - Other: Construction		\$500,000.00	\$255,185.00	\$30,000.00
TOTAL AMOUNT:		\$500,000.00	\$255,185.00	\$30,000.00
Engineer:			Estimated Budgets for Planning FY's	
Contractor:			FY 16/17	\$30,000.00
Construction Administration:			FY 17/18	\$30,000.00
Inspection:			FY 18/19	\$30,000.00
Right-of-Way Acquisition:			FY 19/20	\$30,000.00
Additional Project	City Council adopted this project to be funded each fiscal year with an annual budget to be maintained at \$500,000. Water Resources anticipates an annual budget of \$30,000 in this project to maintain the required \$500,000 as adopted by City Council. Notes:			

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project:	Main Transmission Line Projects	Project #:	W1504	Location: Buncombe County
Budget:	\$1,500,000.00	Funding Source:	Water Operating Fund	Proj Mgr: Multiple
Description:	Various projects as recommended by Brown and Caldwell consulting engineers as part of the Main Transmission Line Evaluation. Specific projects have not yet been identified.			
Size Line:	Linear Ft:	Size Line:	Linear Ft:	Total LF: 0
Justification:	Main Transmission Line Evaluation by Brown and Caldwell consulting engineers			
Project Priority:	3 - Important, Could Do		Strategic Initiative: Economic Growth & Sustainability	
Expense Category		Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016
01 - Contracted Services				
02 - Professional Services		\$225,000.00		\$225,000.00
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure		\$1,275,000.00		\$275,000.00
13 - Intangibles				
14 - Other:				
TOTAL AMOUNT:		\$1,500,000.00	\$0.00	\$500,000.00
Engineer:			Estimated Budgets for Planning FY's	
Contractor:			FY 16/17	\$500,000.00
Construction Administration:			FY 17/18	
Inspection:			FY 18/19	
Right-of-Way Acquisition:			FY 19/20	
Additional Project Notes:				

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project:	Meter / Vault Repair	Project #:	W1008	Location: Buncombe County
Budget:	\$4,000,000.00	Funding Source:	Water Operating Fund	Proj Mgr: Brandon Buckner
Description: Upgrade selected vaults in various locations throughout the water distribution system.				
Size Line:	Linear Ft:	Size Line:	Linear Ft:	Total LF: 0
Justification: Project will improve accessibility to vaults and improve employee safety when performing maintenance and repair on existing large meters.				
Project Priority: 3 - Important, Could Do		Strategic Initiative: High Quality of Life		
Expense Category	Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016	
01 - Contracted Services	\$74,864.00	\$43,240.00		
02 - Professional Services	\$411,000.00	\$149,868.80		
03 - Legal Services				
04 - Maintenance and Repairs	\$3,400,000.00	\$232,276.90	\$500,000.00	
05 - Materials	\$100,000.00	\$92,597.80		
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure				
13 - Intangibles				
14 - Other: Underground Utilities	\$14,136.00	\$14,135.45		
TOTAL AMOUNT:	\$4,000,000.00	\$532,118.95	\$500,000.00	
Engineer: Cavanaugh & Associates		Estimated Budgets for Planning FY's		
Contractor: Cooper Construction Company		FY 16/17	\$500,000.00	
Construction Administration:		FY 17/18	\$500,000.00	
Inspection:		FY 18/19		
Right-of-Way Acquisition:		FY 19/20	\$500,000.00	
Additional Project Notes:				

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project:	Right-of-Way (ROW) Clearing	Project #:	W1505	Location: Buncombe County
Budget:	\$150,000 Annually	Funding Source:	Water Operating Fund	Proj Mgr: Multiple
Description: Project recommended as part of the Main Transmission Line Evaluation to access large water lines when needed.				
Size Line:	Linear Ft:	Size Line:	Linear Ft:	Total LF: 0
Justification: Project will improve accessibility to buried water lines and improve employee safety when performing maintenance and repair on large water lines. Recommendation from the Brown & Caldwell Main Transmission Line Evaluation.				
Project Priority: 3 - Important, Could Do		Strategic Initiative: High Quality of Life		
Expense Category	Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016	
01 - Contracted Services	\$900,000.00		\$150,000.00	
02 - Professional Services				
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure				
13 - Intangibles				
14 - Other:				
TOTAL AMOUNT:	\$900,000.00	\$0.00	\$150,000.00	
Engineer:		Estimated Budgets for Planning FY's		
Contractor:		FY 16/17	\$150,000.00	
Construction Administration:		FY 17/18	\$150,000.00	
Inspection:		FY 18/19	\$150,000.00	
Right-of-Way Acquisition:		FY 19/20	\$150,000.00	
Additional Project Notes: The Estimated Total Project Cost is \$150,000 annually for six years - the first year the project was budgeted and the 5-year planning period.				

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project: NF / WD WTP Wastewater Upgrades		Project #: W1603		Location: NF / WD WTP's
Budget: \$150,000.00		Funding Source: Water Operating Fund		Proj Mgr: Leslie Carreiro
Description: Complete state mandated wastewater upgrades at the North Fork and William DeBruhl Water Treatment Plants. Mandates have not been issued yet, so specific requirements are not known at this time.				
Size Line:	Linear Ft:	Size Line:	Linear Ft:	Total LF: 0
Justification: Ensure public health.				
Project Priority: 1 - Imperative, Must Do		Strategic Initiative: High Quality of Life		
Expense Category	Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016	
01 - Contracted Services				
02 - Professional Services	\$22,500.00		\$22,500.00	
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure	\$127,500.00		\$127,500.00	
13 - Intangibles				
14 - Other:				
TOTAL AMOUNT:	\$150,000.00	\$0.00	\$150,000.00	
Engineer:		Estimated Budgets for Planning FY's		
Contractor:		FY 16/17		
Construction Administration:		FY 17/18		
Inspection:		FY 18/19		
Right-of-Way Acquisition:		FY 19/20		
Additional Project Notes:				

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project: NF WTP Dam/Tunnel Eval & Repairs		Project #: W1204		Location: North Fork WTP
Budget: \$40,000,000.00		Funding Source: Multiple		Proj Mgr: Leslie Carreiro
Description: The annual inspection of the North Fork dam revealed the need to repair the tunnel running through the dam that contains the raw water line into the plant. The Evaluation portion of the project will recommend, design, and manage repairs to the dam and tunnel. The Repairs portion of the project will replace one joint of the raw water line and make additional repairs as needed. Reinforcement to the downstream face of the existing dam. Construction of additional spillway to handle excessive water in emergencies.				
Size Line:	Linear Ft:	Size Line:	Linear Ft:	Total LF: 0
Justification: Repairs to the NF WTP dam and tunnel are needed to control seepage, reduce sedimentation, and prevent dam failure which could result in loss of life, significant property damage, water service disruption, and environmental damage.				
Project Priority: 1 - Imperative, Must Do		Strategic Initiative: High Quality of Life		
Expense Category		Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016
01 - Contracted Services				
02 - Professional Services		\$8,000,000.00	\$762,552.91	\$2,000,000.00
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure		\$32,000,000.00		
13 - Intangibles				
14 - Other:				
TOTAL AMOUNT:		\$40,000,000.00	\$762,552.91	\$2,000,000.00
Engineer: Schnabel Engineering South PC		Estimated Budgets for Planning FY's		
Contractor: Haren Construction Company		FY 16/17	\$32,000,000.00	
Construction Administration:		FY 17/18		
Inspection:		FY 18/19		
Right-of-Way Acquisition:		FY 19/20		
Additional Project Notes: Project engineers estimate construction expenses to be approximately \$30 million. The department plans to borrow or issue bonds to cover all or most of the expense. The bond issue is planned for spring 2017.				

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project:	Ridgeview Tank	Project #:	W1604	Location: Fairview
Budget:	\$800,000.00	Funding Source:	Water Operating Fund	Proj Mgr: Leslie Carreiro
Description: Install a new 95,000 GAL water storage tank to replace the 20,000 GAL tank at Ridgeview.				
Size Line:	Linear Ft:	Size Line:	Linear Ft:	Total LF: 0
Justification: Ensure adequate water supply.				
Project Priority: 2 - Essential, Should Do		Strategic Initiative: Economic Growth & Sustainability		
Expense Category	Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016	
01 - Contracted Services				
02 - Professional Services	\$120,000.00		\$120,000.00	
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure	\$680,000.00		\$180,000.00	
13 - Intangibles				
14 - Other:				
TOTAL AMOUNT:	\$800,000.00	\$0.00	\$300,000.00	
Engineer:		Estimated Budgets for Planning FY's		
Contractor:		FY 16/17	\$500,000.00	
Construction Administration:		FY 17/18		
Inspection:		FY 18/19		
Right-of-Way Acquisition:		FY 19/20		
Additional Project Notes:				

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project: Water Storage Tank / Pump St. Maint.		Project #: W1106		Location: Buncombe County
Budget: \$150,000 Annually		Funding Source: Water Operating Fund		Proj Mgr: Leslie Carreiro
Description: Refurbish water storage tanks, pump stations, and associated piping. Includes painting and crack/spall repair.				
Size Line:	Linear Ft:	Size Line:	Linear Ft:	Total LF: 0
Justification: Infrastructure repairs are needed to maintain efficiency and aesthetics.				
Project Priority: 3 - Important, Could Do		Strategic Initiative: Economic Growth & Sustainability		
Expense Category		Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016
01 - Contracted Services: Painting/Repair		\$1,750,000.00	\$825,162.08	\$150,000.00
02 - Professional Services				
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure				
13 - Intangibles				
14 - Other:				
TOTAL AMOUNT:		\$1,750,000.00	\$825,162.08	\$150,000.00
Engineer:		Estimated Budgets for Planning FY's		
Contractor: Carolina Management Team, LLC		FY 16/17	\$150,000.00	
Construction Administration: City		FY 17/18	\$200,000.00	
Inspection:		FY 18/19	\$200,000.00	
Right-of-Way Acquisition:		FY 19/20	\$200,000.00	
Additional Project Notes:	Water Resources is currently under contract with Carolina Management Team for this project. At the end of the contract, the City will re-bid the project. The Estimated Total Project Cost of \$1,750,000 includes \$850,000 budgeted to-date along with costs projected over the 5-year planning period. Water Resources plans to increase the annual budget to \$200,000 starting in FY 17/18.			

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project: Water Treatment Plant Improvements		Project #: W1406		Location: NF & WD WTP's
Budget: \$3,900,000.00		Funding Source: Water Operating Fund		Proj Mgr: Leslie Carreiro
Description: Project will include replacement of all valves associated with filters at the North Fork WTP. Project will also include upgrading the hypochlorite tank, installing a water supply at the backwash lagoon, installing a safety shower / locker room, and upgrading the dry chemical storage and shop at the William DeBruhl WTP.				
Size Line:	Linear Ft:	Size Line:	Linear Ft:	Total LF: 0
Justification: The components to be replaced will have reached the end of their life cycle and could fail if not replaced on schedule. These improvements will ensure safety of the water supply and water plant personnel.				
Project Priority: 1 - Imperative, Must Do		Strategic Initiative: High Quality of Life		
Expense Category		Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016
01 - Contracted Services				
02 - Professional Services		\$585,000.00		\$300,000.00
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure		\$3,315,000.00		\$700,000.00
13 - Intangibles				
14 - Other:				
TOTAL AMOUNT:		\$3,900,000.00	\$0.00	\$1,000,000.00
Engineer:			Estimated Budgets for Planning FY's	
Contractor:			FY 16/17	\$1,000,000.00
Construction Administration:			FY 17/18	
Inspection:			FY 18/19	
Right-of-Way Acquisition:			FY 19/20	
Additional Project Notes:				

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016					
Project:	College Circle	Project #:	W1506	Location:	Swannanoa
Budget:	\$1,000,000.00	Funding Source:	Water Operating Fund	Proj Mgr:	Tim Burdine
Description: Replace 6,270 LF of 2" galvanized and 6" asbestos waterline with 6" DIP.					
Size Line:	8	Linear Ft:	6,270	Size Line:	
		Linear Ft:		Total LF:	6,270
Justification: Project will replace inadequate water lines for the area's high pressures and demand, improve fire service protection, and reduce the reoccurrence of water line breaks.					
Project Priority: 2 - Essential, Should Do			Strategic Initiative: Economic Growth & Sustainability		
Expense Category	Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016		
01 - Contracted Services					
02 - Professional Services	\$150,000.00				
03 - Legal Services					
04 - Maintenance and Repairs					
05 - Materials					
06 - Licenses, Taxes & Fees					
07 - Public Works Charges					
08 - Land					
09 - Improvements Other Than Buildings					
10 - Buildings					
11 - Machinery and Equipment					
12 - Infrastructure	\$850,000.00				\$850,000.00
13 - Intangibles					
14 - Other:					
TOTAL AMOUNT:	\$1,000,000.00		\$0.00		\$850,000.00
Engineer:		Estimated Budgets for Planning FY's			
Contractor:		FY 16/17			
Construction Administration:		FY 17/18			
Inspection:		FY 18/19			
Right-of-Way Acquisition:		FY 19/20			
Additional Project Notes:					

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016			
Project: Conestee Street & Conestee Place	Project #: W1605	Location: North Asheville	
Budget: \$121,000.00	Funding Source: Water Operating Fund	Proj Mgr: Tim Burdine	
Description: Replace 800 LF of 4" CIP and install 950 LF of 6" DIP.			
Size Line: 6-inch	Linear Ft: 950	Size Line:	Linear Ft:
			Total LF: 950
Justification: Project will replace inadequate water lines for the area's high pressures and demand, improve fire service protection, and reduce the reoccurrence of water line breaks.			
Project Priority: 2 - Essential, Should Do		Strategic Initiative: Economic Growth & Sustainability	
Expense Category	Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016
01 - Contracted Services			
02 - Professional Services			
03 - Legal Services			
04 - Maintenance and Repairs			
05 - Materials			
06 - Licenses, Taxes & Fees			
07 - Public Works Charges			
08 - Land			
09 - Improvements Other Than Buildings			
10 - Buildings			
11 - Machinery and Equipment			
12 - Infrastructure	\$121,000.00		\$121,000.00
13 - Intangibles			
14 - Other:			
TOTAL AMOUNT:	\$121,000.00	\$0.00	\$121,000.00
Engineer:		Estimated Budgets for Planning FY's	
Contractor:		FY 16/17	
Construction Administration:		FY 17/18	
Inspection:		FY 18/19	
Right-of-Way Acquisition:		FY 19/20	
 Additional Project Notes: Project may be designed by the in-house Water Engineering staff.			

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project: Daniel Rd, Starnes Cove, Pisgah View		Project #: W1606		Location: West Asheville
Budget: \$242,000.00		Funding Source: Water Operating Fund		Proj Mgr: Tim Burdine
Description: Replace 2,400 LF of 2" and smaller galvanized waterlines with 6" DIP on Daniel Road, Starnes Cove Drive, Starnes Cove Place, and Pisgah View Court.				
Size Line: 6-inch	Linear Ft: 2,400	Size Line:	Linear Ft:	Total LF: 2,400
Justification: Project will replace inadequate water lines for the area's high pressures and demand, improve fire service protection, and reduce the reoccurrence of water line breaks.				
Project Priority: 2 - Essential, Should Do		Strategic Initiative: Economic Growth & Sustainability		
Expense Category		Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016
01 - Contracted Services				
02 - Professional Services				
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure		\$242,000.00		\$242,000.00
13 - Intangibles				
14 - Other:				
TOTAL AMOUNT:		\$242,000.00	\$0.00	\$242,000.00
Engineer:			Estimated Budgets for Planning FY's	
Contractor:			FY 16/17	
Construction Administration:			FY 17/18	
Inspection:			FY 18/19	
Right-of-Way Acquisition:			FY 19/20	
Additional Project Notes: Project may be designed by the in-house Water Engineering staff.				

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project:	Dogwood Court (East)	Project #:	W1607	Location: East Asheville
Budget:	\$105,000.00	Funding Source:	Water Operating Fund	Proj Mgr: Tim Burdine
Description: Replace 1,305 LF of 2" galvanized with 6" DIP on Dogwood Court (East).				
Size Line: 6-inch	Linear Ft: 1,305	Size Line:	Linear Ft:	Total LF: 1,305
Justification: Project will replace inadequate water lines for the area's high pressures and demand, improve fire service protection, and reduce the reoccurrence of water line breaks.				
Project Priority: 2 - Essential, Should Do		Strategic Initiative: Economic Growth & Sustainability		
Expense Category	Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016	
01 - Contracted Services				
02 - Professional Services				
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure	\$105,000.00		\$105,000.00	
13 - Intangibles				
14 - Other:				
TOTAL AMOUNT:	\$105,000.00	\$0.00	\$105,000.00	
Engineer:		Estimated Budgets for Planning FY's		
Contractor:		FY 16/17		
Construction Administration:		FY 17/18		
Inspection:		FY 18/19		
Right-of-Way Acquisition:		FY 19/20		
Additional Project Notes: Project may be designed by the in-house Water Engineering staff.				

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project:	Frederick Street	Project #:	W1608	Location: Downtown Asheville
Budget:	\$30,000.00	Funding Source:	Water Operating Fund	Proj Mgr: Tim Burdine
Description: Replace 356 LF of 2" galvanized with 6" DIP.				
Size Line: 6-inch	Linear Ft: 356	Size Line:	Linear Ft:	Total LF: 356
Justification: Project will replace inadequate water lines for the area's high pressures and demand, improve fire service protection, and reduce the reoccurrence of water line breaks.				
Project Priority: 2 - Essential, Should Do		Strategic Initiative: Economic Growth & Sustainability		
Expense Category	Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016	
01 - Contracted Services				
02 - Professional Services				
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure	\$30,000.00		\$30,000.00	
13 - Intangibles				
14 - Other:				
TOTAL AMOUNT:	\$30,000.00	\$0.00	\$30,000.00	
Engineer:		Estimated Budgets for Planning FY's		
Contractor:		FY 16/17		
Construction Administration:		FY 17/18		
Inspection:		FY 18/19		
Right-of-Way Acquisition:		FY 19/20		
 Additional Project Notes: Project may be designed by the in-house Water Engineering staff.				

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project: Gatehouse, Parkridge, & Creekside Ct		Project #: W1609		Location: South Asheville
Budget: \$122,000.00		Funding Source: Water Operating Fund		Proj Mgr: Tim Burdine
Description: Replace 1,520 LF of 2" galvanized with 6" DIP on Gatehouse Court, Parkridge Court, and Creekside Court.				
Size Line: 6-inch	Linear Ft: 1,520	Size Line:	Linear Ft:	Total LF: 1,520
Justification: Project will replace inadequate water lines for the area's high pressures and demand, improve fire service protection, and reduce the reoccurrence of water line breaks.				
Project Priority: 2 - Essential, Should Do		Strategic Initiative: Economic Growth & Sustainability		
Expense Category		Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016
01 - Contracted Services				
02 - Professional Services				
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure		\$122,000.00		\$122,000.00
13 - Intangibles				
14 - Other:				
TOTAL AMOUNT:		\$122,000.00	\$0.00	\$122,000.00
Engineer:		Estimated Budgets for Planning FY's		
Contractor:		FY 16/17		
Construction Administration:		FY 17/18		
Inspection:		FY 18/19		
Right-of-Way Acquisition:		FY 19/20		
 Additional Project Notes: Project may be designed by the in-house Water Engineering staff.				

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016			
Project:	Glenn Bridge Road Southeast	Project #:	W1610
		Location:	Arden
Budget:	\$200,000.00	Funding Source:	Water Operating Fund
		Proj Mgr:	Tim Burdine
Description:	Abandon 4,460 LF of old 2" galvanized WL and transfer services. Replace 225 LF of 2" galvanized WL from the end of the existing 8" line past Ledbetter Road with a 6" WL and hydrant.		
Size Line:	6-inch	Linear Ft:	225
		Size Line:	
		Linear Ft:	
		Total LF:	225
Justification:	Project will replace inadequate water lines for the area's high pressures and demand, improve fire service protection, and reduce the reoccurrence of water line breaks.		
Project Priority:	2 - Essential, Should Do		
Strategic Initiative:	Economic Growth & Sustainability		
Expense Category	Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016
01 - Contracted Services			
02 - Professional Services			
03 - Legal Services			
04 - Maintenance and Repairs			
05 - Materials			
06 - Licenses, Taxes & Fees			
07 - Public Works Charges			
08 - Land			
09 - Improvements Other Than Buildings			
10 - Buildings			
11 - Machinery and Equipment			
12 - Infrastructure	\$200,000.00		\$200,000.00
13 - Intangibles			
14 - Other:			
TOTAL AMOUNT:	\$200,000.00	\$0.00	\$200,000.00
Engineer:	Estimated Budgets for Planning FY's		
Contractor:	FY 16/17		
Construction Administration:	FY 17/18		
Inspection:	FY 18/19		
Right-of-Way Acquisition:	FY 19/20		
Additional Project Notes:	Project may be designed by the in-house Water Engineering staff.		

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project:	Kenilworth side roads, Ravenna St	Project #:	W1611	Location: East Asheville
Budget:	\$542,000.00	Funding Source:	Water Operating Fund	Proj Mgr: Tim Burdine
Description:	Replace 6,763 LF of 2" galvanized and 4" CIP with 6" DIP on Kenilworth side roads, Ravenna Street, Finalee Avenue, Warwick Place, McLain Street, Aurora Drive, Clearbrook Road, and Dunkirk Road.			
Size Line: 6-inch	Linear Ft: 6,763	Size Line:	Linear Ft:	Total LF: 6,763
Justification:	Project will replace inadequate water lines for the area's high pressures and demand, improve fire service protection, and reduce the reoccurrence of water line breaks.			
Project Priority:	2 - Essential, Should Do		Strategic Initiative: Economic Growth & Sustainability	
Expense Category	Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016	
01 - Contracted Services				
02 - Professional Services	\$81,300.00		\$81,300.00	
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure	\$460,700.00		\$460,700.00	
13 - Intangibles				
14 - Other:				
TOTAL AMOUNT:	\$542,000.00	\$0.00	\$542,000.00	
Engineer:	Estimated Budgets for Planning FY's			
Contractor:	FY 16/17			
Construction Administration:	FY 17/18			
Inspection:	FY 18/19			
Right-of-Way Acquisition:	FY 19/20			
Additional Project Notes:				

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016					
Project:	Lindsey Road	Project #:	W1612	Location:	Enka/Candler
Budget:	\$140,000.00	Funding Source:	Water Operating Fund	Proj Mgr:	Tim Burdine
Description:	Install 1,500 LF of 8" water line on Lindsey Road from Old 19/23 to Pisgah Highway, reconnect 13 services, and abandon the old 2" galvanized water main.				
Size Line:	8-inch	Linear Ft:	1,500	Size Line:	
		Linear Ft:		Total LF:	1,500
Justification:	Project will replace inadequate water lines for the area's high pressures and demand, improve fire service protection, and reduce the reoccurrence of water line breaks.				
Project Priority:	2 - Essential, Should Do		Strategic Initiative:	Economic Growth & Sustainability	
Expense Category	Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016		
01 - Contracted Services					
02 - Professional Services					
03 - Legal Services					
04 - Maintenance and Repairs					
05 - Materials					
06 - Licenses, Taxes & Fees					
07 - Public Works Charges					
08 - Land					
09 - Improvements Other Than Buildings					
10 - Buildings					
11 - Machinery and Equipment					
12 - Infrastructure	\$140,000.00				\$140,000.00
13 - Intangibles					
14 - Other:					
TOTAL AMOUNT:	\$140,000.00	\$0.00			\$140,000.00
Engineer:	Estimated Budgets for Planning FY's				
Contractor:	FY 16/17				
Construction Administration:	FY 17/18				
Inspection:	FY 18/19				
Right-of-Way Acquisition:	FY 19/20				
Additional Project Notes:	Project may be designed by the in-house Water Engineering staff.				

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project: Mt. Carmel Subdivision & Erwin Hills Rd		Project #: W1310		Location: West Asheville
Budget: \$1,650,000.00	Funding Source: Water Operating Fund		Proj Mgr: Tim Burdine	
Description: Replace 13,540 LF of 2" galvanized, 6" PVC, and 6" CIP with 6" DIP in Mount Carmel Subdivision. Replace 4,260 LF of 6" asbestos concrete line with 6" DIP on Erwin Hill Road.				
Size Line: 6-inch	Linear Ft: 13,540	Size Line: 6-inch	Linear Ft: 4,260	Total LF: 17,800
Justification: Project will replace inadequate water lines for the area's high pressures and demand, improve fire service protection, and reduce the reoccurrence of water line breaks.				
Project Priority: 2 - Essential, Should Do		Strategic Initiative: Economic Growth & Sustainability		
Expense Category		Estimated Total Project	Total Expended To-Date	Estimated Budget FY 2015/2016
01 - Contracted Services				
02 - Professional Services		\$247,500.00		\$37,500.00
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure		\$1,402,500.00		\$1,152,500.00
13 - Intangibles				
14 - Other:				
TOTAL AMOUNT:		\$1,650,000.00	\$0.00	\$1,190,000.00
Engineer:		Estimated Budgets for Planning FY's		
Contractor:		FY 16/17		
Construction Administration:		FY 17/18		
Inspection:		FY 18/19		
Right-of-Way Acquisition:		FY 19/20		
Additional Project Notes: The project scope has been expanded to Include Lee's Creek Road.				

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project:	Piney Mountain Church Road	Project #:	W1613	Location: Enka/Candler
Budget:	\$160,000.00	Funding Source:	Water Operating Fund	Proj Mgr: Tim Burdine
Description: Replace 1,000 LF of 2" galvanized with 6" DIP.				
Size Line: 6-inch	Linear Ft: 1,000	Size Line:	Linear Ft:	Total LF: 1,000
Justification: Project will replace inadequate water lines for the area's high pressures and demand, improve fire service protection, and reduce the reoccurrence of water line breaks.				
Project Priority: 2 - Essential, Should Do		Strategic Initiative: Economic Growth & Sustainability		
Expense Category	Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016	
01 - Contracted Services				
02 - Professional Services				
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure	\$160,000.00		\$160,000.00	
13 - Intangibles				
14 - Other:				
TOTAL AMOUNT:	\$160,000.00	\$0.00	\$160,000.00	
Engineer:		Estimated Budgets for Planning FY's		
Contractor:		FY 16/17		
Construction Administration:		FY 17/18		
Inspection:		FY 18/19		
Right-of-Way Acquisition:		FY 19/20		
Additional Project Notes: Project may be designed by the in-house Water Engineering staff.				

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project:	South Malvern Hills Subdivision	Project #:	W1508	Location: West Asheville
Budget:	\$650,000.00	Funding Source:	Water Operating Fund	Proj Mgr: Tim Burdine
Description:	Install 3,525 LF of 6" water line on Merion Drive and Narbeth Road, Ridgeway Drive, and Springside Drive. Install 400 LF of 6" water line in Merion Court from Merion Dr to dead end. Reconnect 27 services and abandon the old 2" galvanized water lines.			
Size Line: 6-inch	Linear Ft: 3,525	Size Line: 6-inch	Linear Ft: 400	Total LF: 3,925
Justification:	Project will replace inadequate water lines for the area's high pressures and demand, improve fire service protection, and reduce the reoccurrence of water line breaks.			
Project Priority:	2 - Essential, Should Do		Strategic Initiative: Economic Growth & Sustainability	
Expense Category				
Expense Category	Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016	
01 - Contracted Services				
02 - Professional Services	\$97,500.00			
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure	\$552,500.00		\$552,500.00	
13 - Intangibles				
14 - Other:				
TOTAL AMOUNT:	\$650,000.00	\$0.00	\$552,500.00	
Engineer:	Estimated Budgets for Planning FY's			
Contractor:	FY 16/17			
Construction Administration:	FY 17/18			
Inspection:	FY 18/19			
Right-of-Way Acquisition:	FY 19/20			
Additional Project Notes:				

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016					
Project:	Sweeten Creek Road	Project #:	W1509	Location:	South Asheville
Budget:	\$1,000,000.00	Funding Source:	Water Operating Fund	Proj Mgr:	Tim Burdine
Description: Abandon 14,852 LF of old CIP 8-inch waterline from Mills Gap Road to Buck Shoals Road and transfer services.					
Size Line:	Linear Ft:	Size Line:	Linear Ft:	Total LF:	0
Justification: Project will replace inadequate water lines for the area's high pressures and demand, improve fire service protection, and reduce the reoccurrence of water line breaks.					
Project Priority: 2 - Essential, Should Do			Strategic Initiative: Economic Growth & Sustainability		
Expense Category		Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016	
01 - Contracted Services					
02 - Professional Services		\$150,000.00			
03 - Legal Services					
04 - Maintenance and Repairs					
05 - Materials					
06 - Licenses, Taxes & Fees					
07 - Public Works Charges					
08 - Land					
09 - Improvements Other Than Buildings					
10 - Buildings					
11 - Machinery and Equipment					
12 - Infrastructure		\$850,000.00		\$850,000.00	
13 - Intangibles					
14 - Other:					
TOTAL AMOUNT:		\$1,000,000.00	\$0.00	\$850,000.00	
Engineer:			Estimated Budgets for Planning FY's		
Contractor:			FY 16/17		
Construction Administration:			FY 17/18		
Inspection:			FY 18/19		
Right-of-Way Acquisition:			FY 19/20		
Additional Project Notes:					

CAPITAL IMPROVEMENT PROGRAM WATER RESOURCES

Budget Data Sheet: FY 2015/2016				
Project:	Waynesville Ave, Tremont Street	Project #:	W1614	Location: West Asheville
Budget:	\$536,000.00	Funding Source:	Water Operating Fund	Proj Mgr: Tim Burdine
Description:	Replace 6,300 LF of 6" PVC, 4" CIP, and 2" galvanized with 6" DIP on Waynesville Avenue, Tremont Street, and Short Tremont Street.			
Size Line: 6-inch	Linear Ft: 6,300	Size Line:	Linear Ft:	Total LF: 6,300
Justification:	Project will replace inadequate water lines for the area's high pressures and demand, improve fire service protection, and reduce the reoccurrence of water line breaks.			
Project Priority:	2 - Essential, Should Do		Strategic Initiative: Economic Growth & Sustainability	
Expense Category	Estimated Total Project Cost	Total Expended To-Date	Estimated Budget FY 2015/2016	
01 - Contracted Services				
02 - Professional Services	\$80,400.00		\$80,400.00	
03 - Legal Services				
04 - Maintenance and Repairs				
05 - Materials				
06 - Licenses, Taxes & Fees				
07 - Public Works Charges				
08 - Land				
09 - Improvements Other Than Buildings				
10 - Buildings				
11 - Machinery and Equipment				
12 - Infrastructure	\$455,600.00		\$455,600.00	
13 - Intangibles				
14 - Other:				
TOTAL AMOUNT:	\$536,000.00	\$0.00	\$536,000.00	
Engineer:	Estimated Budgets for Planning FY's			
Contractor:	FY 16/17			
Construction Administration:	FY 17/18			
Inspection:	FY 18/19			
Right-of-Way Acquisition:	FY 19/20			
Additional Project Notes: Project may be designed by the in-house Water Engineering staff.				

CAPITAL IMPROVEMENT PROGRAM

2015/16 TO 2019/20

PARKING SERVICES CAPITAL IMPROVEMENT FUND SUMMARY

	2015/16	2016/17	2017/18	2018/19	2019/20
Revenue Source:					
Transfer from Parking Operating Fund	300,000	850,000	900,000	300,000	430,000
Use of Funds:					
Elevator Rehabilitation (3 older garages)	200,000				
Parking Meter Replacement		300,000	300,000	300,000	
Structural Maintenance – Civic Center	100,000	550,000			
Structural Maintenance – Rankin Ave			300,000		
Structural Maintenance – Wall St			300,000		
Structural Maintenance – Biltmore Ave					400,000
Vehicle Replacement					30,000
Total Use of Funds	300,000	850,000	900,000	300,000	430,000

CAPITAL IMPROVEMENT PROGRAM

Elevator Rehabilitation



Description

An evaluation of the structural integrity and operating systems of elevators in the Civic Center, Rankin Avenue, and Wall Street parking garages resulting in a determination of steps required to upgrade, rehabilitate, and modernize the lifts, cabs, and equipment rooms. Selected engineering consultants will evaluate the condition of the elevators and prepare a feasibility plan for the City.

Project Schedule

Estimated Construction Start Date	July-15
Estimated Construction Completion Date	February-16
Current Phase	Pre-design

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)		200,000				
General Fund-Pay-Go						
Debt Financing						
Possible Grants and Other Funding Opportunities						

CAPITAL IMPROVEMENT PROGRAM

Structural Maintenance – Civic Center Garage



Description

Part of the City's periodic maintenance program on parking infrastructures. An evaluation of the structural integrity of the Civic Center Parking Garage resulting in a determination of steps required to repair, rehabilitate, modernize and update the facility, Included will be aesthetic improvements such as painting, replacement of signage, sealing of parking surfaces, and replacement of traffic control markings. Selected engineering consultants will evaluate the condition of the garage and prepare a feasibility plan for the City.

Project Schedule

Estimated Construction Start Date	January-16
Estimated Construction Completion Date	December-16
Current Phase	Pre-design

Project Funding

Funding Source(s)	Prior Years	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Grant(s)						
Enterprise Fund(s)		100,000	550,000			
General Fund-Pay-Go						
Debt Financing						
Possible Grants and Other Funding Opportunities						

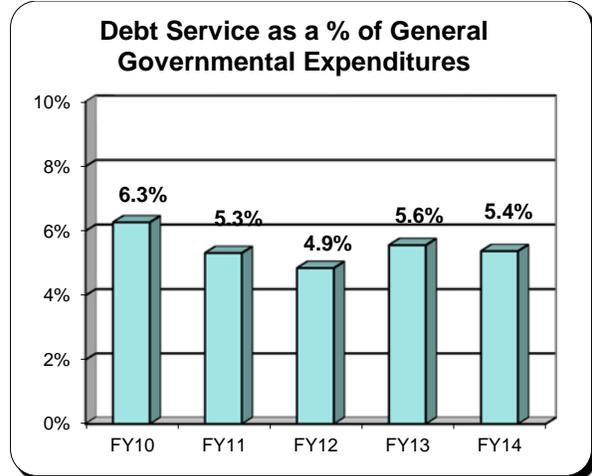
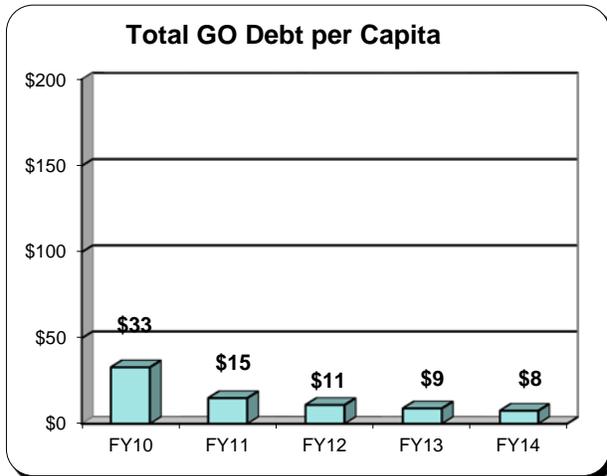
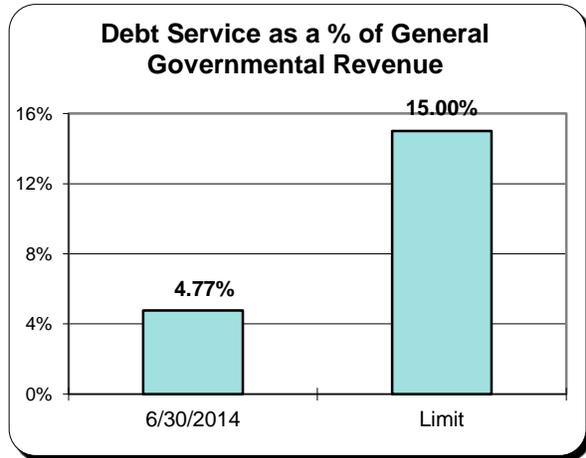
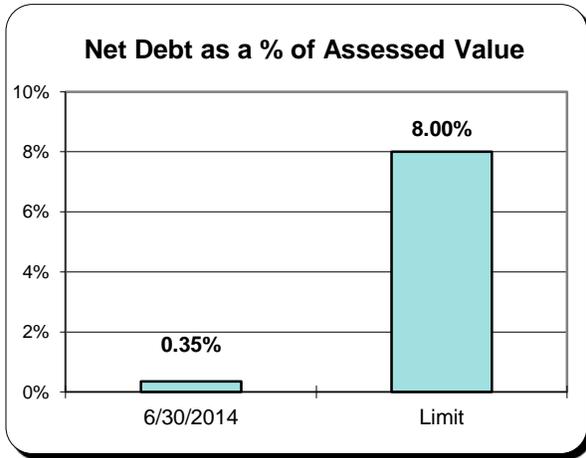
DEBT MANAGEMENT

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

Policy Statements:

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

DEBT MANAGEMENT



DEBT MANAGEMENT

Legal Debt Limit. The City is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt the City may have outstanding to 8% of the appraised value of property subject to taxation. At June 30, 2014, such statutory limit for the City was approximately \$893,440,000. The City had outstanding debt of \$38,826,000, providing a legal debt margin of approximately \$854,614,000.

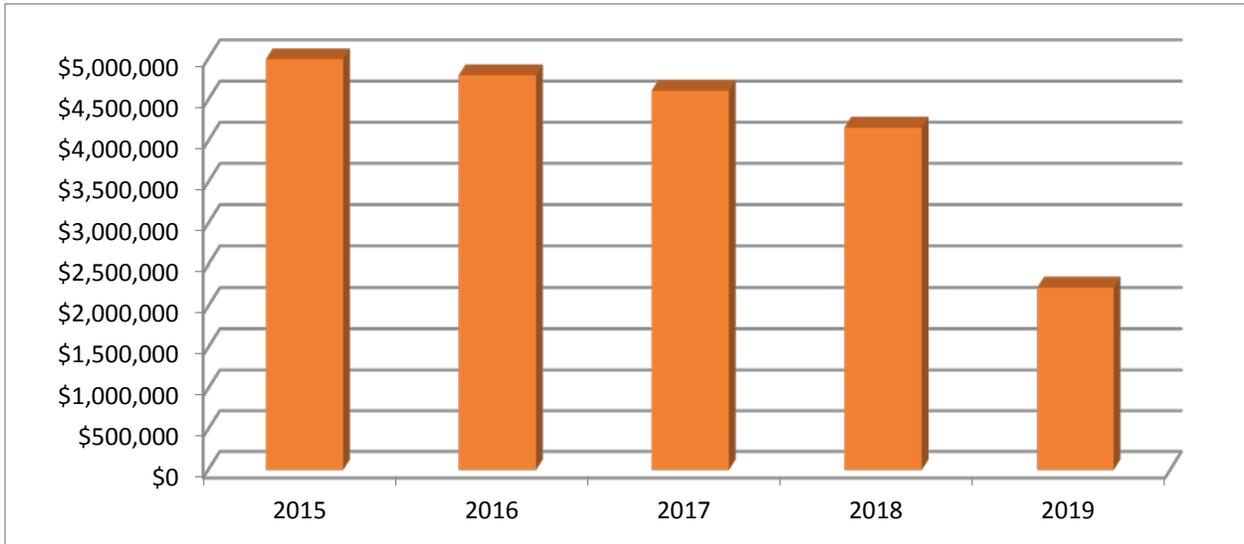
Future Maturities of Long-Term Obligations. Annual debt service requirements to maturity, including interest are as follows:

	General Obligation Bonds		Limited Obligation Bonds and Installment Financings		Other Long-Term Obligations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Governmental Activities								
2015	\$ 100,000	\$ 31,000	\$ 3,741,124	\$ 1,015,796	\$ 65,010	\$ 40,364	\$ 3,906,134	\$ 1,087,160
2016	100,000	26,000	3,700,365	863,863	71,240	36,904	3,871,605	926,767
2017	100,000	21,000	3,645,365	735,071	76,240	33,154	3,821,605	789,225
2018	100,000	16,000	3,355,990	579,867	81,240	29,089	3,537,230	624,956
2019	100,000	11,000	1,566,115	440,478	86,240	24,709	1,752,355	476,187
2020-2024	170,000	7,750	4,806,173	1,474,313	403,160	48,942	5,379,333	1,531,005
2025-2029	-	-	2,808,333	714,087			2,808,333	714,087
2030-2033	-	-	1,685,000	149,380	-	-	1,685,000	149,380
	<u>\$ 670,000</u>	<u>\$ 112,750</u>	<u>\$ 25,308,465</u>	<u>\$ 5,972,855</u>	<u>\$ 783,130</u>	<u>\$ 213,161</u>	<u>\$ 26,761,595</u>	<u>\$ 6,298,766</u>
	Revenue Bonds		Limited Obligation Bonds and Installment Financings		Other Long-Term Obligations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Business-type Activities								
2015	\$ 3,005,000	\$ 2,920,575	\$ 746,859	\$ 529,808	\$ 159,910	\$ 15,435	\$ 3,911,769	\$ 3,465,818
2016	3,145,000	2,778,625	773,719	494,492	159,910	10,290	4,078,629	3,283,407
2017	3,290,000	2,630,025	768,719	464,758	159,910	5,145	4,218,629	3,099,928
2018	3,445,000	2,474,425	688,719	427,975	9,910	-	4,143,629	2,902,400
2019	3,605,000	2,311,475	693,719	395,192	9,910	-	4,308,629	2,706,667
2020-2024	20,745,000	8,787,394	3,246,858	1,578,537	49,549	-	24,041,407	10,365,931
2025-2029	15,840,000	3,906,069	3,225,000	843,125	49,549	-	19,114,549	4,749,194
2030-2033	9,610,000	991,000	1,920,000	176,000	19,819	-	11,549,819	1,167,000
	<u>\$ 62,685,000</u>	<u>\$ 26,799,587</u>	<u>\$ 12,063,593</u>	<u>\$ 4,909,887</u>	<u>\$ 618,465</u>	<u>\$ 30,870</u>	<u>\$ 75,367,058</u>	<u>\$ 31,740,344</u>

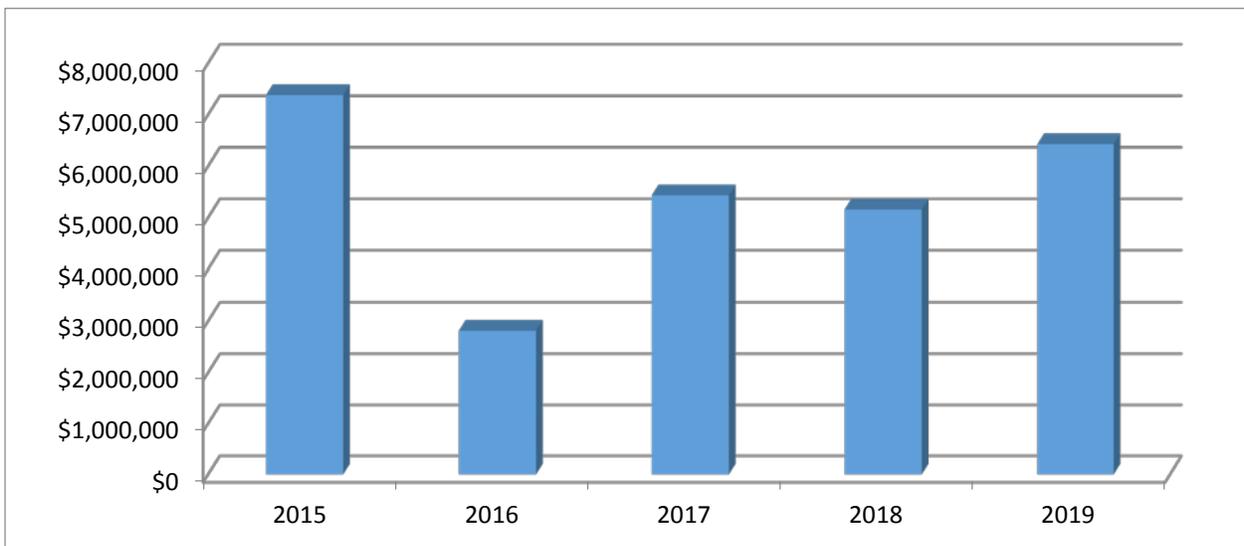
DEBT MANAGEMENT

Future Maturities of Long-Term Obligations

Total Debt Service – Governmental Activities



Total Debt Service – Business Type Activities





SUPPLEMENTAL **INFORMATION**

Asheville Community Profile
Budget Ordinance
Glossary of Budget Terms

ASHEVILLE COMMUNITY PROFILE

Community Description

The City of Asheville, with a population of 88,003 (2013 est.), is the largest city in western North Carolina, the 10th largest in the State of North Carolina and is the county seat of Buncombe County. It sits on approximately 45 square miles on a high plateau near the Great Smoky Mountains National Park. It is 240 miles west of Raleigh, North Carolina, the State's capital, and 204 miles north of Atlanta, Georgia. The City is also the center of western North Carolina's only Metropolitan Statistical Area, which is comprised of Buncombe, Madison, Henderson and Haywood Counties. Known as Morristown in 1792, the community later became the Village of Asheville (without the first "e"). The Town of Asheville, named in honor of Governor Samuel Ashe, was incorporated January 27, 1798 and was reincorporated in 1883 as the City of Asheville

The City is the regional center of health care, manufacturing, transportation, banking, professional services and retail trade. Other leading industry sectors include tourism, government, hospitality and food services. Asheville is nestled between the Blue Ridge and Great Smoky Mountains and located astride the French Broad and Swannanoa Rivers. The City is surrounded by lush mountains, many with elevations above 5,000 feet.

Recreational opportunities abound in the Asheville area with approximately 16% of the region's area designated as public or recreational. The Biltmore Estate, George Vanderbilt's 19th century estate, comprises over 8,000 acres just outside the city limits. The Blue Ridge Parkway is also headquartered in Asheville. The City also has a strong historic preservation program. This assistance in the preservation of downtown housing and historic structures has created a truly unique and vibrant urban atmosphere in downtown Asheville.

Asheville's natural and architectural beauty, moderate climate, strong job market, and outstanding educational and health care facilities make it one of the most attractive locations in the United States. Asheville is consistently ranked high among the best places to live, work and retire. The City's long-range planning is directed toward preserving this area's high quality of life, so that it shall remain one of the "best places."

Form of City Government

The City of Asheville operates under a Council/Manager form of government. The six-member City Council and the Mayor are elected at-large for staggered terms of four years. City Council, which acts as the City's legislative and policy-making body, selects the City Manager, who is the City's chief administrator and is responsible for implementing the policies and programs adopted by the City Council. The City's workforce provides basic City services including fire and police protection, planning and economic development, public works (streets, traffic, solid waste and stormwater services), parks and recreation, and water.

Demographic Information

The United States Department of Commerce, Bureau of the Census, has recorded the population of the City as follows:

<u>1990</u>	<u>2000</u>	<u>2010</u>
61,855	68,889	83,393

ASHEVILLE COMMUNITY PROFILE

Personal per capita income for the Asheville Metropolitan Statistical Area (MSA) and the State of North Carolina (the "State") as of June 30 is presented in the following table:

<u>Year</u>	<u>City (MSA)</u>	<u>State</u>
2009	33,783	34,934
2010	33,653	35,462
2011	34,775	36,520
2012	36,125	37,910
2013	37,029	38,683

Source: United States Department of Commerce, Bureau of Economic Analysis (latest data available).

Statistical Information

Climate

Avg. Yearly Temp.	55.6 F
Avg. Yearly Rainfall	47.07 in
Avg. Yearly Snowfall	13.3 in
Avg. Elevation	2,165 ft

Police Protection

Number of Stations	6
Number of Police Personnel	283
Number of Patrol Districts	3
Number of:	
Calls for Service Dispatched	113,448
UCR Part I Crimes Reported	5,597
UCR Part I Crimes Cases Cleared	1,923
Traffic Accidents Reported	5,025

Fire Protection

Number of Stations	12
Number of Fire Personnel	261
Number of Responses (FY14)	16,575
Number of Inspections (FY14)	8,999

Utilities

Miles of Streets	404.69
Number of Street Lights	10,189
Number of City-Maintained Signals	62
Miles of Water Mains	1,681
Treatment Plants	3
Water Service Connections	58,289
Fire Hydrants	6,916
Daily Avg. Consumption of Water (gal)	20.4 million
Max. Daily Capacity of Treat. Plants (gal)	43.5 million

Culture & Recreation

Community Centers	11
Parks & Playgrounds	59
Park Acreage	874
Swimming Pools	3
Tennis Courts	26

Education

There are two public school systems serving the City, the Asheville City Schools and the Buncombe County Schools. Asheville City Schools has five elementary schools and three secondary schools with just under 4,000 students. In addition, approximately 5,000 of the 25,597 students attending the Buncombe County Schools system reside within the corporate limits of the City. The State provides funding for a basic minimum educational program that is supplemented by the County and federal governments. This minimum program provides funds for operational costs only, while financing of public school facilities has been a joint State and County effort. Thus, local financial support is provided by the County for capital and operating costs that are not provided for by the State or federal government. The City does not provide any funding for the school system. The Buncombe County Board of Commissioners levies an Asheville City Schools tax for enhanced education

ASHEVILLE COMMUNITY PROFILE

funding on real and personal property located within the Asheville City Schools district. Approximately 52% of property parcels located within the City are subject to the supplemental school tax.

There are several post-secondary institutions located in the County area. The City is home to The University of North Carolina Asheville (“*UNC Asheville*”), a four-year liberal arts university that is part of the University of North Carolina system. Of the 17 constituent institutions in the University of North Carolina system, UNC Asheville is the only institution dedicated to liberal arts. UNC Asheville offers more than 30 majors leading to the bachelor of arts, bachelor of science and master of liberal arts degrees. Approximately 3,700 undergraduate students attend the university, which has approximately 225 full-time faculty members and 300 staff members.

Asheville-Buncombe Technical Community College (“*AB Tech*”) offers both general and trade curriculums for students of all ages. AB Tech offers 64 curriculum programs, 52 degrees, 22 diplomas and 69 certificates. Its main campus in the City includes 22 buildings on 145 acres. Montreat College, Warren Wilson College, Brevard College and Mars Hill College are located within 10 to 30 miles of the City. The colleges are four-year private, coeducational, comprehensive liberal arts colleges offering undergraduate degrees in over 48 major programs. The combined full-time enrollment at these four colleges approaches 4,000 students.

Economic Indicators

Growth in many of the City’s revenues depends on the state of the economy. When the economy is expanding, revenues are up, and when the economy slows, revenues react accordingly. Given this relationship, key economic indicators, such as retail sales, unemployment rates, job growth, construction starts and hotel/motel sales are helpful in assessing why revenues are either up or down, and how they might be trending in the future. Although the City’s revenues are most directly impacted by the local economy, trends in North Carolina and across the nation are also important.

Retail Sales - Taxable sales figures are not available for the City of Asheville. Taxable sales for Buncombe County for fiscal years ended June 30, 2010 through 2014 are shown in the following table:

<u>Fiscal Year Ended June 30</u>	<u>Total Taxable Sales</u>	<u>Increase (Decrease) Over Previous Year</u>
2010	2,954,277,382	(1.38%)
2011	3,125,296,879	5.78%
2012	3,308,421,583	5.86%
2013	3,632,106,651	9.78%
2014	3,789,896,675	4.34%

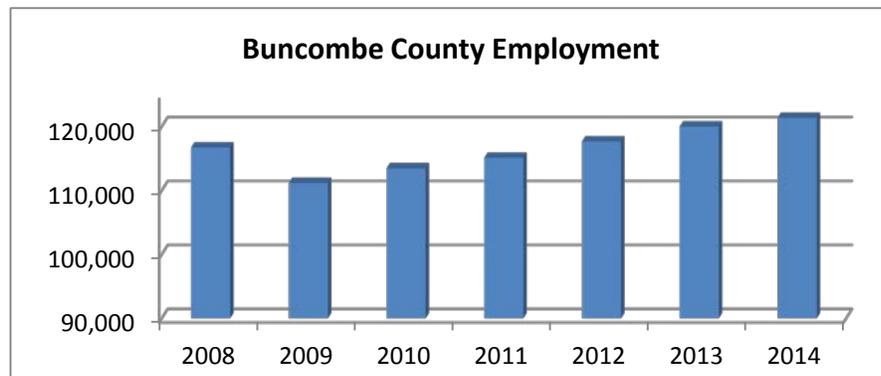
Source: North Carolina Department of Revenue, Sales and Use Tax Division.

In addition to being an important indicator of overall local economic health, Buncombe County retail sales activity also directly impacts the City’s general fund budget through sales tax receipts. The economic recession and its lingering effects caused retail sales to drop substantially in FY 2009 and FY 2010, with sales falling over 10% during this time period. Sales rebounded in FY 2011 and have continued growing since that time, with FY 2014 retail sales growing by 4.34%. Approximately 75% of the retail sales in Buncombe County occur within the City of Asheville. Among the large cities in North Carolina, Asheville has one of the highest levels of retail sales per resident. This data reflects Asheville’s position as the regional economic center for Western North Carolina. Asheville’s high level of retail sales per resident is also likely associated with Asheville’s status as a tourist destination. According to a recent Standard and Poor’s credit report, per capita retail sales in the Asheville area were 239% of the national average in 2011.

ASHEVILLE COMMUNITY PROFILE

Labor Market Trends *(Sources: N.C. Employment Security Commission & the Asheville Area Chamber of Commerce)*

The unemployment rate is a critical indicator of relative strength in the local economy. During the recession, the unemployment rate in Buncombe County peaked at 9.7% in February 2010. Since then local employment has seen steady improvement, and the County's unemployment rate as of May 2015 stood at 4.5%. Local unemployment rates are below both the statewide rate (5.9%) and the national rate (5.5%). As of May, Buncombe County had the lowest unemployment rate of any county in North Carolina. Between 2001 and 2008, the total employment in Buncombe County increased by 12,740 jobs or 12.3%. With the onset of the recession, average employment in 2009 dropped by 4.7%. Employment began growing again 2010 and in 2012, exceeded pre-recessionary levels. County employment for 2014 totaled 121,350. The area's leading industry in terms of employment is health care and social assistance. Other leading industry sectors include government, accommodation and food services, and retail trade.



Metro Area Workforce

<u>Largest Employment (Industry)</u>	<u>% of Employment</u>	<u>Buncombe County Employment Growth</u>		
		<u>Year</u>	<u>Avg. Employment</u>	<u>% Change</u>
Health Care & Social Assistance	20%	2005	110,997	1.95%
Accommodations & Food Services	14%	2006	115,026	3.63%
Retail Trade	13%	2007	116,452	1.24%
Government	13%	2008	116,720	0.23%
Manufacturing	9%	2009	111,171	-4.75%
Administrative & Waste Services	6%	2010	113,465	2.06%
Educational Services	5%	2011	115,114	0.95%
Public Administration	5%	2012	117,664	2.22%
		2013	120,001	1.99%
		2014	121,350	1.12%

ASHEVILLE COMMUNITY PROFILE

Major Buncombe County Employers

Company/Institution	NAICS 3-DIGIT DESCRIPTION	Approximate Number of Employees
Mission Health System and Hospitals	Hospitals	3,000+
Buncombe County Public Schools	Educational Services	3,000+
City of Asheville	Executive, Leg., Govt.	1,000-2,999
The Biltmore Company	Museums, Historical Sites	1,000-2,999
Buncombe County Government	Executive, Leg., Govt.	1,000-2,999
The Omni Grove Park Inn Resort & Spa	Accommodation	1,000-2,999
Ingles Markets, Inc. (Home Office Buncombe County)	Food & Beverage Stores	1,000-2,999
Veterans Administration	Hospitals	1,000-2,999
Asheville Buncombe Community Coll.	Educational Services	1,000-2,999
CarePartners Inc.	Nursing & Residential Care	750-999
Eaton Corporation – Electrical Division	Electrical Equip.	750-999
BorgWarner Turbo Systems	Transportation Equip	500-749
Asheville City Schools	Educational Services	500-749
Arvato Digital Services	Computer & Electronic Equip	500-749
Sitel, A Subsidiary of Onex Corp.	Administrative & Support Services	500-749
Thermo Fisher Scientific, Inc.	Machinery Manufacturing	500-749
UNC – Asheville	Educational Services	500-749
Guthy Renker Fulfillment Srv.	Administrative & Support Services	500-749
MB Haynes Corp.	Construction	500-749

Source: Asheville Area Chamber of Commerce and North Carolina Employment Security Commission

ACCRA Cost of Living Index (Select N.C. Cities)

Cities	All Items	Food	Housing
Asheville	104.8	103.9	106.5
Raleigh	93.3	101.9	77.8
Charlotte	95.0	100.0	85.5
Winston-Salem	91.1	102.7	67.1
Wilmington	99.5	106.0	89.3

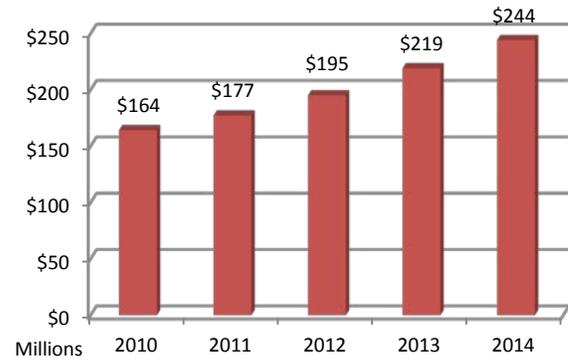
(100 = The Composite National Average)

ASHEVILLE COMMUNITY PROFILE

Buncombe County Hotel/Motel Sales

(Sources: N.C. Department of Commerce & the Asheville Area Chamber of Commerce)

	<u>Hotel/Motel Sales</u>	<u>% Change</u>
2005	138,271,482	10.8%
2006	156,752,276	13.4%
2007	168,839,645	7.7%
2008	163,836,134	-3.0%
2009	149,598,804	-8.7%
2010	164,471,930	10.1%
2011	177,743,689	8.1%
2012	195,354,880	9.9%
2013	218,954,780	12.1 %
2013	244,393,209	11.6 %



Asheville's setting, in the heart of a vast and beautiful recreational area, has made tourism an important part of the local economy. The most recent data from the N.C. Department of Commerce indicate that domestic tourism in Buncombe County generated an economic impact of \$901.28 million in 2013. Buncombe County ranked 5th in travel impact among the state's 100 counties. Over 9,790 jobs in Buncombe County are directly linked to travel and tourism. Hotel/motel sales are a good indicator of the status of the local tourist economy. Hotel/motel sales grew steadily between 2004 and 2007, however the effects of the recession began being felt in 2008 and extended into 2009, with hotel/motel sales falling by a combined 11.7% over those two years. Sales have rebounded since the recession ended, however and they reached a new high in calendar year 2014.

Construction Trends

The following table summarizes the number and value of new building permits issued in the City:

<u>CALENDAR YEAR</u>	<u>BUILDING PERMITS ISSUED</u>	<u>BUILDING PERMITS VALUES</u>
2010	2,858	212,198,092
2011	2,892	180,625,549
2012	2,854	180,213,364
2013	3,175	290,634,189
2014	2,990	335,630,507

Source: City of Asheville Development Services Department.

ORDINANCE NO. 4432

AN ORDINANCE ADOPTING THE ANNUAL BUDGET AND FIXING THE TAX RATE FOR THE CITY OF ASHEVILLE FOR THE FISCAL YEAR 2015-16

WHEREAS, Article 3 of Chapter 159 of the N. C. General Statutes requires local governments in North Carolina to adopt ordinances establishing an annual budget, in accordance with procedures specified in said Article 3; and

WHEREAS, the Asheville City Council, following a public hearing as required by law has considered the proposed annual budget for the City of Asheville for the 2015-16 fiscal year;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

Section 1. The following anticipated revenues and authorized expenditures by fund, together with a financial plan for internal service funds, are hereby appropriated for operating City government for the fiscal year beginning July 1, 2015 and ending June 30, 2016.

GENERAL FUND

Revenues:

Taxes-Ad Valorem	\$54,833,390	
Other Taxes	20,129,180	
Intergov Revenue	12,098,379	
Licenses and Permits	4,550,994	
Sales and Services	9,985,234	
Investment Earnings	150,000	
Miscell Revenue	<u>1,401,450</u>	
Total Revenues		<u>\$103,148,627</u>

Appropriations:

Departmental Operations		<u>\$103,148,627</u>
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WATER RESOURCES FUND

Revenues:

Sales and Services	\$35,300,222	
Investment Earnings	125,000	
Miscell Revenue	110,000	
Oth Financing Source	<u>1,890,983</u>	
Total Revenues		<u>\$37,426,205</u>

Appropriations:

Water Resources Operations		<u>\$37,426,205</u>
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PARKING SERVICES FUND

Revenues:

Sales and Services	\$500	
Investment Earnings	2,544	
Miscell Revenue	4,322,100	
Oth Financing Source	<u>300,000</u>	
Total Revenues		<u>\$4,625,144</u>

Appropriations:

Parking Services Operations		<u>\$4,625,144</u>
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STORMWATER FUND

Revenues:

Licenses and Permits	\$187,000	
Sales and Services	4,921,491	
Investment Earnings	11,000	
Miscell Revenue	11,000	
Oth Financing Source	<u>205,000</u>	
Total Revenues		<u>\$5,335,491</u>

Appropriations:

Stormwater Operations		<u>\$5,335,491</u>
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TRANSIT SERVICES FUND

Revenues:

Intergov Revenue	\$3,063,000	
Licenses and Permits	360,000	
Sales and Services	810,000	
Oth Financing Source	<u>2,406,992</u>	
Total Revenues		<u>\$6,639,992</u>

Appropriations:

Transit Services Operations		<u>\$6,639,992</u>
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US CELLULAR CENTER FUND

Revenues:

Sales and Services	\$1,855,005	
Investment Earnings	2,000	
Miscell Revenue	113,500	
Oth Financing Source	<u>1,049,711</u>	
Total Revenues		<u>\$3,020,216</u>

Appropriations:

Civic Center Operations		<u>\$3,020,216</u>
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STREET CUT UTILITY FUND

Revenues:

Sales and Services	\$1,625,076	
Oth Financing Source	<u>240,000</u>	
Total Revenues		<u>\$1,865,076</u>

Appropriations:

Street Cut Operations		<u>\$1,865,076</u>
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HOUSING PARTNERSHIP FUND (GENERAL FUND)

Revenues:

Miscell Revenue	\$150,000	
Oth Financing Source	<u>500,000</u>	
Total Revenues		<u>\$650,000</u>

Appropriations:

Housing Partnership Fund Ops.		<u>\$650,000</u>
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INTERNAL SERVICE FUNDS

Revenues:

Sales and Services	\$16,569,824	
Investment Earnings	10,000	
Miscell Revenue	<u>437,207</u>	
Total Revenues		<u>\$17,017,031</u>

Appropriations:

Health Insurance	\$13,500,527	
Workers Compensation	1,445,000	
Property & Liability	<u>2,071,504</u>	
Total Expenditures		<u>\$17,017,031</u>

CAPITAL RESERVE 2100 FUND (GENERAL FUND)

Revenues:

Oth Financing Source	<u>\$8,687,021</u>	
Total Revenues		<u>\$8,687,021</u>

Appropriations:

Capital Reserve Fund Ops.		<u>\$8,687,021</u>
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Section 2. All appropriations included in the following Capital Project and other multi-year project funds are approved for the financing life of each project, which may extend beyond one fiscal year.

GENERAL CAPITAL PROJECTS FUND

<u>Revenues:</u>		
Transfer from General Fund	\$150,000	
Intergov Revenue	11,497,972	
Oth Financing Source	<u>18,320,331</u>	
Total Revenues		<u>\$29,968,303</u>
<u>Appropriations:</u>		
General Capital Fund Expenditures		<u>\$29,968,303</u>

WATER CAPITAL PROJECTS FUND

<u>Revenues:</u>		
Transfer from Water Resources Fund		<u>\$11,985,500</u>
<u>Appropriations:</u>		
Water Capital Fund Expenditures		<u>\$11,985,500</u>

PARKING CAPITAL PROJECTS FUND

<u>Revenues:</u>		
Transfer from Parking Operating Fund		<u>\$300,000</u>
<u>Appropriations:</u>		
Parking Capital Fund Expenditures		<u>\$300,000</u>

TRANSIT CAPITAL PROJECTS FUND

<u>Revenues:</u>		
Transfer from General Fund	\$135,807	
Total Revenues		<u>\$135,807</u>
<u>Appropriations:</u>		
Transit Capital Fund Expenditures		<u>\$135,807</u>

US CELLULAR CENTER CAPITAL PROJECTS FUND

Revenues:

Transfer from General Fund	\$114,050	
Oth Financing Source	500,000	
Miscellaneous	<u>150,000</u>	
Total Revenues		<u>\$764,050</u>

Appropriations:

US Cellular Center Capital Fund Expenditures		<u>\$764,050</u>
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COMMUNITY DEVELOPMENT BLOCK GRANT FUND

Revenues:

Federal Grant FY 2015-16	\$956,356	
Program Income FY 2015-16	68,062	
Program Income FY 2014-15	<u>59,203</u>	
Total Revenues		<u>\$1,083,621</u>

Appropriations:

Fiscal 2015-16 CDBG Program	1,024,418	
Fiscal 2014-15 CDBG Program	<u>59,203</u>	
Total Appropriations		<u>\$1,083,621</u>

HOME OWNERSHIP GRANT FUND

Revenues:

Federal Grant FY 2015-16	\$914,499	
Program Income FY 2015-16	19,526	
Program Income FY 2014-15	<u>54,232</u>	
Total Revenues		<u>\$988,257</u>

Appropriations:

Fiscal 2015-16 HOME Program	\$934,025	
Fiscal 2014-15 HOME Program	<u>54,232</u>	
Total Appropriations		<u>\$988,257</u>

SECTION 108 REHAB GRANT FUND

Revenues:

Program Income		<u>\$67,230</u>
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Appropriations:

Section 108 Expenditures		<u>\$67,230</u>
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SPECIAL REVENUE GRANT FUND

Revenues:

Federal Grant	\$104,000		
State Grant	<u>194,492</u>		
Total Revenues		<u>\$298,492</u>	<u>\$988,257</u>

Appropriations:

Continuum of Care Grant (HMIS)	\$104,000		
Emergency Solution Grant (ESG)	<u>194,492</u>		
Total Appropriations		<u>\$298,492</u>	

Section 3. It is estimated that revenues in the amounts indicated in the foregoing schedule will be available to support the foregoing appropriations. The fees & charges, as readopted and changed on April 28th, 2015 in ordinance number 4405 and amended by City Council in this ordinance, shall be set forth in a Fees and Charges Manual to be kept on file in the Office of the City Clerk.

Section 4. There is hereby levied for the fiscal year ending June 30, 2016, the following tax on each \$100 assessed valuation of taxable property as listed on January 1, 2015 for purposes of raising the revenues from current year's property tax as set forth in the foregoing estimates of revenues and in order to finance the foregoing appropriations:

Tax Rate per \$100 Assessed Valuation \$0.4750

Such rate of tax is based on an estimated total assessed value of property for the purposes of taxation of \$10,917,111,961 assuming 99.00% collection of the levy. In addition, Ad Valorem Tax revenue from taxes levied on motor vehicles at the same tax rate is estimated at \$2,795,671.

Section 5. The City Manager is authorized to amend the budget by transfer of appropriations within each fund. All amendments affecting revenues or total fund appropriations shall be approved by ordinance by the City Council, to be acted on at any regular or special meeting and approved by a simple majority of those present and voting, a quorum being present. Only one reading will be required and a public hearing or publication of notice is not necessary unless requested by Council.

Section 6. The City Manager is authorized to expend up to \$20,000 in general contingency funds in the event of any need he deems an emergency. Said action shall be reported to the City Council at the next regularly scheduled Council meeting and the budget ordinance amended accordingly.

Section 7. The reserve for encumbrances at June 30, 2015 and carry-over appropriations, representing prior commitments as of that date shall be reappropriated pursuant to North Carolina General Statute 159-13, to the departments within various funds, under which expenditures may be made during fiscal year 2015-16 as the previous commitments are satisfied.

Section 8. Copies of this ordinance shall be furnished to the City Manager and Director of Finance, to be kept on file by them for their direction in the collection of revenues and expenditures of amounts appropriated.

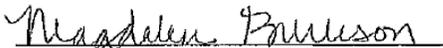
Section 9. The Pay & Classification Plan is amended to incorporate all personnel actions such as reclassifications and pay modifications recommended by the Human Resources department and approved by the City Manager. Funding for the Plan and compensation items is included in the various departments. The amended plan will become effective with the pay cycle that ends on July 3, 2015.

Section 10. Compensation for the Mayor, Vice-Mayor and Councilmembers will be \$20,413.85 - \$20,617.99, \$16,941.77 - \$17,111.19, and \$14,997.84 - \$15,147.82, respectively. Travel for official activities will be reimbursed under the same plan used for City employees.

Section 11. Should any section, paragraph, sentence, clause or phrase of this ordinance be declared unconstitutional or invalid for any reason, the remainder of said ordinance shall not be affected thereby.

Section 12. That this ordinance shall be in full force and effect upon date of final passage.

Read, approved and adopted this 23th day of June, 2015.



City Clerk



Mayor

Approved as to form


City Attorney

GLOSSARY OF TERMS

Accrual Basis - Method of accounting in which transactions are recognized at the time they are incurred as opposed to when cash is received or spent.

Adopted Budget - The budget approved by City Council and enacted via a budget appropriation ordinance, on or before June 30 of each year.

Ad Valorem Taxes - Commonly referred to as property taxes, ad valorem taxes are levied on the value of real, certain personal, and public utility property according to the property's valuation and the tax rate.

Appropriated Fund Balance - The amount of fund balance appropriated as a revenue for a given fiscal year to offset operating expenses that exceed current revenue.

Appropriation - An authorization made by City Council which permits the City administrative staff to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Assessed Value - The fair market value placed on personal and real property owned by taxpayers by the Buncombe County Tax Supervisor. Real property is reappraised and assessed value established every four years.

Basis of Budgeting – This refers to the form of accounting utilized throughout the budget process.

Bond - A written promise to pay a specified sum of money (principal) at a specific future date, along with periodic interest payments paid at a specified percentage of the principal.

Budget - A plan of financial operation comprised of an estimate of proposed expenditures for a fiscal year and the proposed means of financing those expenditures (revenue estimates).

Budget Amendment - Formal action by City Council to change an appropriation or revenue estimate during the fiscal year.

Budget Calendar - The schedule of key dates or milestones which the City follows in the preparation and adoption of the budget.

Budget Document - The official written statement prepared by the City's administrative staff which presents the proposed budget to the City Council.

Budget Message - A general discussion of the proposed budget presented to the City Council by the City Manager as a part of the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the City Manager.

Budget Ordinance - The official enactment by City Council establishing the legal authority for City administrative staff to obligate and expend funds.

Budget Process - Activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital needs.

Capital Outlay - Items of significant value (more than \$1,000) and having a useful life of several years, also referred to as fixed assets.

Capital Improvement Program - A plan to identify, prioritize, and approve capital needs (over \$25,000) for a six-year period.

Capital Projects - Projects established to account for the cost of capital improvements. Typically, a capital project encompasses a purchase of land and/or the construction of or improvements to a building or facility.

GLOSSARY OF TERMS

Certificates of Participation (COPs) - A financing mechanism in which certificates or securities are sold to investors who underwrite a project. The issuance of COPs is secured by lease-purchase agreements to which the City is a party.

Community Development Block Grant (CDBG) - A U.S. Department of Housing & Community Development federal assistance grant to support local provision of decent housing and a suitable living environment for persons of low and moderate income.

Contingency Reserve - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Cost Transfer – A reallocation of cost from one activity to another. The City uses cost transfers to avoid double counting expenditures associated with internal transactions between City departments. For example, when fleet maintenance repairs a fire engine, that expense is recorded in both the fleet division and the fire department. A negative expense or cost transfer is then entered in the fleet division to eliminate the double counting. The remaining expenses in the fleet division after all cost transfers represent the net cost of that activity to the City.

Debt Service - Payment of interest and principal on borrowed funds, such as bonds or lease-purchase payments.

Department - A management unit of closely associated City divisions and activities.

Departmental Mission - A brief statement explaining the general purpose and goal of the department in relation to the overall City mission.

Depreciation – An accounting charge associated with expiration in the service life of fixed assets. Depreciation is not recorded as an expense for budget purposes.

Division - A term used to describe a City cost center with distinct objectives and activities.

Enterprise Fund - A type of fund that accounts for governmental operations that are financed and operated in a manner similar to private business enterprises. It is financed primarily from charges to users for services provided.

Included in this category are the Civic Center, Water Resources, Transit Services, and Parking Services Funds.

Encumbrance – The legal commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Expenditures - The measurement focus of governmental fund accounting. Financial resources expended during a period for operations, capital outlay, and long-term principal retirement and interest. Expenditures reflect the cost incurred to acquire goods or services.

Expenses – The measurement focus of propriety fund accounting. Costs expired during a period, including depreciation and other allocations, as in business accounting. Expenses reflect the cost of goods or services used.

Fiscal Year - An accounting period extending from July 1 through the following June 30.

Fixed Assets – Assets, such as land, buildings, machinery, furniture, and other equipment, which are intended to be held or used over a long time period.

Full Time Equivalent Position (FTE) - A unit for measuring staffing levels equal to one position working 37.5 hours per week for an entire year. Temporary/seasonal positions, such as summer Parks & Recreation staff, are not included in the FTE count.

Fund - A fiscal entity with a self-balancing set of accounts used to account for an activity(s) with common objectives.

GLOSSARY OF TERMS

Fund Balance - The cumulative excess of revenues over expenditures in a fund at the end of a fiscal year. With certain limitations, fund balance may be used to balance the subsequent year's budget.

General Fund - A type of governmental fund used to account for revenues and expenditures for regular day-to-day operations of the City, which are not accounted for in the proprietary funds; i.e., Enterprise and Intergovernmental Service Funds. The primary sources of revenue for this fund are local taxes and state-shared revenues.

General Obligation Bonds - Bonds issued by City government, usually requiring voter approval, that are backed by the City's full faith, credit, and taxing power.

Generally Accepted Accounting Principles (GAAP) - The set of accounting rules and procedures used by governmental agencies to account for the receipt and expenditure of funds.

Goal - The underlying reason(s) for the provision of essential City services.

Interfund Transfer – The movement of monies between funds of the same governmental entity.

Internal Charges - Charges for goods or services provided by one City department to other departments within the City on a cost reimbursement basis.

Internal Service Fund - A type of proprietary fund used to account for the financing of goods or services provided by one City activity to other City activities on a cost-recovery basis.

ITRE: Standard rating system used to assess street pavement condition.

Lease-Purchase - A contractual agreement to purchase a fixed asset over a period of several years. Also known as installment purchasing.

Line-Item Budget - A budget summarizing the detail categories of expenditure for goods and services that the City intends to purchase during the fiscal year.

Local Government Budget and Fiscal Control Act - The legal guidelines of the State of North Carolina which govern budgetary and fiscal affairs of local governments.

Modified Accrual Basis - A method for recording receipts and expenditures in which expenditures are recognized when the goods or services are received, and revenues are recognized when measurable and available to pay expenditures in the accounting period.

NCDOT: North Carolina Department of Transportation.

Operating Budget - The City's financial plan which outlines proposed expenditures for the fiscal year and estimates the revenues which will be used to finance them.

Pay-As-You-Go Financing - A method of paying for capital projects that relies on current revenue rather than on debt.

Payment In Lieu of Taxes (PILOTs) - Money transferred from an outside non-profit agency into the General Fund. The principle underlying such transfers is that the City would have received the equivalent amount in taxes had the service been provided by a private firm.

Performance Measure - Indicators used to determine how effectively and efficiently a department achieved its objectives.

Performance Objective - A statement of expected results or impacts which is specific, measurable, realistic, and consistent with overall departmental and organizational goals.

Proposed Budget - The City Manager's recommended balanced budget, which is submitted to City Council prior to June 1.

Proprietary Fund - A type of fund that accounts for governmental operations that are financed and operated in a manner similar to a private business enterprise. It is financed primarily from charges to users for services provided. Proprietary funds used by the City of Asheville include the Enterprise and Internal Service Funds.

GLOSSARY OF TERMS

Revenue - A term used to represent actual or expected income to a specific fund.

Tax Collection Rate - The percentage of the tax levy that can reasonably be expected to be collected during the fiscal year.

Tax Rate - The level at which taxes are levied. For example, the tax rate is \$0.46 per \$100 of assessed value.

Tax Levy - The total dollar amount of tax that optimally should be collected based on tax rates and assessed values of personal and real properties.

Transmittal Letter – A letter from the City Manager summarizing the major differences between the proposed budget and the adopted budget.

