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**CITY OF ASHEVILLE  
NORTH CAROLINA**

**Adopted Annual Budget  
Fiscal Year 2010-2011**



*Terry M. Bellamy*  
Mayor

*Brownie W. Newman*  
Vice Mayor

*William A. Russell, Jr.*  
Councilmember

*Jan B. Davis*  
Councilmember

*Esther Manheimer*  
Councilmember

*Gordon Smith*  
Councilmember

*Cecil Bothwell*  
Councilmember

*Gary W. Jackson*  
City Manager

*Jeffrey B. Richardson*  
Assistant City Manager

*Lauren Bradley*  
Administrative Services Director

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# City of Asheville

## MISSION STATEMENT

The City of Asheville is committed to delivering an excellent quality of service to enhance your quality of life.

## CORE VALUES

In order to achieve our mission of providing quality service to enhance the quality of life in Asheville, we adhere to the following core values:

### A

ccountability:

By being responsive and responsible to citizens and their elected representatives.

### S

ervice:

By treating those whom we serve with respect and dignity.

### H

onesty:

By providing accurate, truthful, and complete information.

### E

fficiency:

By constantly striving to use technology and innovation to provide the highest level of service for the lowest possible cost.

### V

ision:

By looking toward the future with a focus on creating a better Asheville.

### I

ntegrity:

By approaching our work honestly, ethically, and with sincerity.

### L

oyalty:

By diligently promoting and supporting the interests of the community we serve.

### L

eadership:

By being a model for quality service and professionalism in our community and throughout the nation.

### E

qual Opportunity:

By encouraging our diverse population to participate in the government of our city as citizens and employees.

*"Our Quality of Service, Your Quality of Life"*

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## MEMORANDUM

July 23, 2010

TO: Mayor Bellamy and City Council Members  
FROM: Gary W. Jackson, City Manager  
SUBJECT: 2010-11 Annual Budget

I am pleased to present you with a copy of the 2010-11 Adopted Annual Budget. This document, which was prepared by the City's Budget & Research Division, reflects the City's overall budget plan and policies as approved by City Council for the upcoming fiscal year.

The Fiscal Year 2010-11 Annual Operating Budget was formally presented to City Council on May 11, 2010. In accordance with the North Carolina Local Government Budget and Fiscal Control Act, a summary of the budget along with a notice of the public hearing was published on May 14 and May 21, 2010. City Council conducted a public hearing on the proposed budget on May 25, 2010. The Fiscal Year 2010-11 budget is balanced with a tax rate of \$0.42 per \$100 of assessed valuation, which represents no change from the previous fiscal year. All essential City programs and services are maintained.

The net proposed operating budget presented to City Council on May 11th was set at \$136,095,766, which included a General Fund appropriation of \$91,635,962. City Council made no changes to the proposed operating budget during its deliberations, so the adopted operating budget numbers are unchanged from the initial proposed budget that was presented on May 11th. On the capital budget side, staff made two technical adjustments prior to adoption:

- The proposed capital budget indicated that all available Sullivan Act funding, which totaled approximately \$1.9 million, would be directed toward the Azalea Road improvement project. After the proposed budget was presented, staff revised its plan to direct \$110,000 in Sullivan Act funding to the Ridge Avenue project. \$1.7 million will now go toward Azalea Road, which will leave a \$91,041 balance to carry forward for future projects.
- Staff added \$143,000 in sidewalk funding to the capital budget to reflect fee-in-lieu-of-sidewalk proceeds that have been collected but not previously budgeted. This addition increases the total amount of capital funding for new sidewalks in FY 2010-11 from \$50,000 to \$193,000.

The FY 2010-11 budget numbers and all narrative in this document reflect the budget as adopted by City Council on June 22, 2010. By policy, however, the City Manager's Budget Message is included as it was presented with the proposed budget on May 11, 2010.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Asheville  
North Carolina**

For the Fiscal Year Beginning

**July 1, 2009**

President

Executive Director

# INTRODUCTION

*Budget Guide*  
*City of Asheville Strategic Operating Plan*  
*Organizational Structure*  
*Budget Process*  
*Financial Policies*

# 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 2010-11 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 2010-11 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 2010-11 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 2010-11 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 six 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 11, 2010

Honorable Mayor Bellamy and City Council Members,

As we enter the third year of what has become the country's worst economic downturn since the Great Depression, it is fair to say that local governments are implementing unprecedented changes to cope with the financial crisis that represent a different way of doing business. Governments are streamlining services, containing costs, and right sizing operations across the country.

As you are aware, revenues have been down in all areas – local and State alike – and there are no reliable trends that can accurately predict when we can expect full economic recovery. In fact, many experts believe that our current financial reality might be one that is here to stay well into the foreseeable future. On the other hand, with crisis comes the opportunity to innovate and find ways to work smarter. The City of Asheville has a long history of relying on creativity and efficiency to persevere challenging times, and this year is certainly no exception.

We respectfully submit to you a the city manager's proposed annual budget for the fiscal year beginning July 1, 2010 and ending June 30, 2011 with a total operating budget of \$136,095,766. The budget includes no property tax increase, minimal service impacts to citizens, and no permanent reduction in full-time positions. In order to maximize our opportunities in the coming year, the recommended budget incorporates budget balancing strategies that focus on minimizing expenditures at every opportunity and re-engineering services to manage costs. Consequently, while the overall budget will decrease by nearly 1% this year, Asheville will be able to sustain a focus on core services and support a stable and efficient workforce.

Asheville's resilience during this economic downturn has been fortified by past financial decisions made by City Council that considered the potential for difficult times ahead. The City, as the proposed budget shows, benefited from actions taken in previous years to maintain healthy reserves and minimize increases in expenses, including a reduction of 30 full-time positions through attrition and an early retirement incentive program over the last two years. The proposed budget continues the trend of decreasing expenses and reengineering services in order to position our city to continue to provide financial stability and quality core services for our citizens.

## **Background and Financial Trends**

In November 2009, staff presented City Council with its initial forecast for FY 2010-11 that projected a \$5.75 million shortfall in the General Fund. Much of this financial challenge stemmed from decreases in revenues and increases in costs associated with employee healthcare, retirement and the need to maintain quality services.

In January 2010, during the annual City Council strategic planning retreat, staff presented to Council a paper entitled *Asheville, NC 2010: A Financial Crossroads*. The purpose of the paper was to frame the issues and challenges facing Asheville as the city began to address its financial structure while embarking on a path to deliver the community's vision for what it wants Asheville to be. An excerpt from the paper reads:

"Over the last 50 years, Asheville has been limited in spreading the cost of supporting a regional economy over a greater proportion of the regional population...combined with the recent slowing in real estate markets and construction activity, it has become more apparent that Asheville's financial structure, particularly as it relates to addressing the vision and expectations of the population Asheville supports, is imbalanced. An increasing reliance on property taxes has not been a viable option for city leaders and city residents. Sales tax revenues declined significantly during the recent recession and show no signs of immediate recovery. Significant expenditure cuts have already been implemented, and more will certainly be necessary in the coming year."

## CITY MANAGER'S BUDGET MESSAGE

The paper goes on to identify positive and proactive strategies the City can work toward to correct this imbalance over time, including combining a tradition of frugal and innovative management practices with efficient city operations. The paper highlighted early in the budget process that decisions made this year need to take into consideration challenges that will be faced in the future and ensure that decisions made today are sustainable. For instance, the proposed budget does not include an allocation from General Fund reserves, an allocation that added \$1.9 million to the FY 2009-10 budget. This decision is an important structural correction that ensures one-time revenue sources are not used for recurring expenses. In addition, we took several steps to develop a budget that is conservative yet forward thinking:

- There are no increases to the tax rate or an appropriation from General Fund reserves built into the budget;
- For a second year, there are no merit or market-based pay raises for City employees. We greatly value our staff and their contribution to the community, and the long term positive effects - job security, avoiding elimination of filled full-time positions, and future affordability during difficult and unpredictable economic times – are a far greater priority. Employees who make at or below the median area income will receive a one-time pay supplement of \$300 at the beginning of the fiscal year;
- The equivalent of 15 full-time positions will be frozen throughout the fiscal year, and temporary and contract employment has been reduced across the board to achieve savings;
- This year's budget includes a proposal to right-size community center hours and programming, which will result in the elimination of 7 part-time and/or temporary positions. This adjustment is supported by data that shows Asheville has more than double the average number of community centers and 65% more programming hours when compared to seven other benchmark cities in the state;
- The city will transition from collecting brush twice per month to collecting it once per month. Later in the year, we plan to launch the opportunity for citizens to request brush collection more than once per month through an on-demand telephone and Web-based system;
- Adjustments to the city's healthcare program will be implemented this year, including a 5% increase in premiums. The city has a long tradition of providing a generous, high quality healthcare program for employees, and these changes are necessary to ensure the city's ability to provide this important benefit is secured well into the future;
- All fixed costs and line item expenses were carefully reviewed and in many cases were reduced;
- Several new, innovative programs will be launched this year to contain costs, including the creation of a Street Cut Utility Enterprise that will allow the city to more efficiently and effectively manage street cut repairs on the behalf of utilities;
- At least one item of good news from the Federal government was a one-year continuation of transportation grant funds in the amount of \$480,000 available for use toward Asheville Transit operations, which resulted in the City being able to reduce its local subsidy for those services.

### Strategic Initiatives

Over the last five years, Asheville City Council has led an annual strategic planning cycle. In January 2010, Asheville City Council adopted five strategic priorities for Fiscal Year 2010-11:

**Affordable** - *The City of Asheville will offer a standard of living that is affordable and attainable for people of all income levels, life stages and abilities.*

**Fiscally Responsible** - *The City of Asheville will create a stronger, more prosperous community with smart investments that accomplish lasting, tangible returns.*

**Green & Sustainable** - *Asheville will be the southeastern leader in clean energy and environmental sustainability.*

**Job Growth & Community Development** – *Asheville will support a dynamic and robust economy with balanced and sustainable growth.*

## CITY MANAGER'S BUDGET MESSAGE

*Safe - Asheville will be one of the safest and most secure communities when compared to similar cities.*

Given the difficult fiscal constraints that the City is currently facing, limited resources were available in the upcoming budget year to launch new or enhanced programs related to City Council's strategic priorities. However, this recommended budget is designed to support our citizens' priorities and continue to enhance the quality of life in our community by funding the continuation of strategic programs that were launched in prior budget years. Attachment A to the Manager's Message provides detailed information about programs and initiatives funded in this year's budget that directly support the organization's strategic priorities.

The key elements of the 2010-2011 proposed budget are outlined below.

### General Fund Highlights

#### **Revenues:**

- Growth in the City's tax base has averaged 3.4% over the last ten fiscal years. Based on estimates from the Buncombe County Tax Assessor, assessed value growth of only 1.5% is expected in FY 2010-11. This growth represents the smallest percentage increase in assessed value in the last ten fiscal years and reflects the impact of the recession on new construction. According to the Tax Assessor, property values were also negatively impacted by an increase in applications for programs, such as the Homestead and Veterans Exemptions and the builder improvement deferral, that allow property owners to reduce their valuations.
- With local and statewide economic activity remaining at record low levels, the City has continued to experience a decline in sales tax revenue in the current fiscal year. Sales tax revenue this fiscal year is down 8.2% through the first eight months. With sales tax revenue falling short of budget in the current fiscal year, and with the League of Municipalities projecting growth in next fiscal year of only 1.0%-2.0%, staff has budgeted a \$1.0 million decrease in sales tax revenue compared to the current fiscal year's budget. By way of comparison, the \$14.8 million in sales tax revenue expected to be received next fiscal year is approximately \$2.5 million less than the sales tax revenue that was collected in FY 2006-07, which was the last full year prior to the recession.
- Charges for Services is showing a 7.1% increase as a result of Council-approved fee increases as well as the planned 5% increase in employee health insurance premiums.
- Revenue reflected in the "Miscellaneous" category is increasing by 118.4% due to a transfer of grant dollars from a capital fund account. These funds will be transferred to the General Fund to reimburse the City for work associated with economic stimulus projects.
- As a part of the FY 2009-10 adopted general fund budget, Council approved the use of \$1.9 million in fund balance. In FY 2010-11, the City is making a significant structural correction by foregoing an allocation from General Fund reserves.

## CITY MANAGER'S BUDGET MESSAGE

<u>Revenue Sources:</u>	2009-10	2010-11	<i>Change From Prior Year</i>	
	<u>Budget</u>	<u>Proposed</u>	<u>in \$</u>	<u>in %</u>
Property Tax	45,413,548	46,055,271	641,723	1.4%
Intergovernmental	11,393,131	11,382,602	(10,529)	-0.1%
Sales Taxes	15,880,273	14,834,688	(1,045,585)	-6.6%
Other Taxes	330,000	310,000	(20,000)	-6.1%
Charges For Service	11,439,835	12,251,921	812,086	7.1%
Licenses & Permits	4,999,049	5,088,537	89,488	1.8%
Investment Earnings	1,014,000	1,014,000	0	0.0%
Miscellaneous	320,093	698,943	378,850	118.4%
App. Fund Bal.	1,898,364	0	(1,898,364)	-100.0%
<b>Total Revenue</b>	<u>92,688,293</u>	<u>91,635,962</u>	<u>(1,052,331)</u>	<u>-1.1%</u>

### Expenditures:

- The FY 2010-11 budget includes general fund expenditures that are 1.1% less than the FY 2009-10 budget.
- Public Safety is the largest general fund service area, accounting for 42% of all general fund expenditures. Expenditures in this service area will remain essentially flat in FY 2010-11. Operating costs in the Police and Fire Department were reduced by a total of \$500,000. Most of this reduction occurred in the Fire Department where \$192,000 in savings came from expiring annexation contracts with rural fire departments. Also, due to the timely replacement of fire apparatus in recent budget years, there has been a decline in high dollar fleet repairs, which allowed the department to reduce its fleet maintenance account by \$75,000. In addition to the operating savings, the Police and Fire budgets also include \$375,000 in overtime reductions as a result of re-engineering efforts. The reductions in over-time are not expected to impact levels of service in the community. These reductions in operating expenses and overtime helped to offset the increases in the retirement system contribution and health care.
- Environment & Transportation is the second largest service area in the general fund, representing 17% of the FY 2010-11 general fund budget. The budget for this service area shows a \$700,000 or 4.3% decrease. With the increase in the parking fund subsidy to the transit fund, staff was able to reduce the general fund subsidy to transit by approximately \$230,000. Savings of \$250,000 will also be realized in the Public Works Department as a result of a re-engineering of the residential brush collection program, which will result in the elimination of 3.0 FTE positions. The general fund portion of the Public Works budget also includes \$150,000 in savings associated with the creation of the street cut utility fund. Finally, the Transportation Department's budget was reduced by \$130,000 via line-item reductions and by holding vacant the Assistant Transportation Director position.
- A series of departmental reorganizations were implemented after adoption of the FY 2009-10 budget which reshuffled expenses between the General Government, Culture & Recreation, and Community Development services areas. In addition, \$300,000 in building maintenance funding which previously was accounted for in capital reserve funding was moved under the Building Safety Department, and therefore is now accounted for under the Community Development service area. When the FY 2009-10 adopted budgets for General Government, Culture & Recreation, Community Development, and capital reserve funding are combined and compared to the FY 2010-11 proposed budgets, the FY 2010-11 proposed budgets show a \$300,000 decrease compared to the FY 2009-10 adopted budgets.

## CITY MANAGER'S BUDGET MESSAGE

- Personnel costs, including both salaries and wages and fringe benefits make up 63% of the FY 2010-11 general fund budget. The proposed personnel budget includes funding for a one-time \$300 payment in July to all full-time employees earning at or below the Asheville area median income of \$41,722. The budget does not include funding for merit or market-based pay increases. The general fund personnel budget includes a \$1.8 million increase in fringe benefit expenses due to rising health care costs and the State-mandated increase in the City's contribution to the state retirement system. The increases in benefit costs were offset by reductions in salary and wage expenses. Most of the reduction in salaries and wages was achieved by implementing a selective hiring freeze, which will save approximately \$878,000. The selective hiring freeze targets the equivalent of 15 management and development review positions, but does not include public safety positions or public works field positions. Another significant amount of salary savings is being realized in the Police and Fire Departments, where re-engineering efforts have led to an overall reduction of \$375,000 in overtime. Salaries and wages are also being reduced by \$385,000 in the Parks and Recreation Department, where programming hours are being reduced at community centers and childcare programs are being consolidated.
- \$300,000 in building maintenance costs, which were accounted for in the capital outlay category in FY 2009-10, were moved to the operating cost category in FY 2010-11. Taking into account this technical adjustment, operating costs in the FY 2010-11 proposed budget are essentially flat compared to the FY 2009-10 adopted budget.
- General fund debt service is also flat compared to FY 2009-10. The proposed budget does include the issuance of approximately \$1.2 million in new debt in FY 2010-11 to fund the replacement of a fire aerial ladder. The estimated annual debt service for this purchase is \$230,000.
- Adjusting for technical changes, the general fund contribution to the capital reserve fund is remaining flat compared to FY 2009-10. There was a slight decrease in small capital budgets as departments made belt-tightening reductions to help balance the FY 2010-11 budget.
- Interfund transfers are budgeted to decrease by \$250,000 in FY 2010-11. Most of this decrease (\$230,000) is a result of the reduction in the general fund subsidy to the transit fund. Also, with the elimination of the Film Festival from the budget, and no increase projected for operating expenses for the other festivals, staff is able to reduce the general fund subsidy to the festivals fund by approximately \$22,000.

<i><u>Expense Category:</u></i>	2009-10	2010-11	<i>Change From Prior Year</i>	
	<u>Budget</u>	<u>Proposed</u>	<u>in \$</u>	<u>in %</u>
Salaries & Wages	43,123,462	40,836,760	(2,286,702)	-5.3%
Fringe Benefits	14,880,912	16,694,228	1,813,316	12.2%
Operating Costs	24,363,175	24,593,664	230,489	0.9%
Interfund Transfers	1,748,872	1,497,442	(251,430)	-14.4%
Debt Service	5,429,922	5,434,922	5,000	0.1%
Capital Outlay	3,141,950	2,578,946	(563,004)	-17.9%
<b>Total Expenditures</b>	<b><u>92,688,293</u></b>	<b><u>91,635,962</u></b>	<b><u>(1,052,331)</u></b>	<b><u>-1.1%</u></b>

# CITY MANAGER'S BUDGET MESSAGE

## Fund Balance Analysis

The City ended FY 2008-09 with available fund balance equivalent to 18.7% of FY 2008-09 expenditures. As a part of the FY 2009-10 adopted general fund budget, Council approved the use of \$1.9 million in fund balance. Since the start of the current fiscal year, Council has approved the use of another \$518,105 in fund balance; bringing the total FY 2009-10 fund balance appropriation to \$2.6 million. Based on current year-end revenue and expenditure estimates for FY 2009-10 staff is projecting that available fund balance will decrease to 14.5% of estimated year-end expenditures. The City's Financial Management Policy recommends that the City maintain a fund balance equal to 15% of the current-year budget expenditures. Given the severity of the current economic recession and no clear indication when growth may return to normal levels, coupled with the fact that Asheville faces some long-term structural budget issues, such as the inability to charge differential water rates and aging infrastructure, staff is recommending that no appropriation from fund balance be made as a part of the FY 2010-11 general fund budget.

## Other Funds

### **Water Resources Fund**

- The FY 2010-11 budget includes a 5% increase in water rates and the capital improvement fee. The 5% increase in water rates will allow the fund to continue current operations, meet debt service obligations, and provide a 1% Sullivan Act Transfer to the General Fund for water-related capital infrastructure improvements.
- Even with the rate increase, water revenues are essentially flat compared to the current year budget. This is due to the fact that there has been a 9% decrease in water consumption as customers have conserved more water and water usage for irrigation has declined as a result of the wet weather. This trend is expected to continue into next fiscal year. There has also been a 47% decrease in tap/connection fees because of the recession. Revenue has also been impacted due to the loss of the City of Hendersonville as a wholesale water customer.
- The capital outlay category includes \$5.6 million for water capital improvement projects, \$352,000 for rolling stock replacement, and \$200,000 for small capital equipment. The capital outlay category also includes the \$341,000 Sullivan Act transfer to the General Fund that is mentioned above. This \$341,000 will be coupled with the \$1.65 million transferred in the current fiscal year to provide a total of \$2.0 million for infrastructure improvements along Azalea Road.
- Six FTE positions in the water maintenance division that were responsible for repairing street cuts made by the Water Department will be moved to the new Street Cut Utility Fund.

### **Parking Services Fund**

- The FY 2010-11 budget includes \$500,000 for a possible debt service payment on the Biltmore Avenue parking deck. If no debt service payment is needed, this funding will flow back into the Parking Fund's fund balance.
- The transfer from the Parking Fund to the Transit Services Fund is being increased by approximately \$234,000. \$125,000 of this amount represents an ongoing adjustment to the transfer to cover increased expenses in the Transit Fund. The other \$109,000 is a one-time increase to provide funding that will allow for the continuation of all existing transit evening routes. In order to fund this one-year increase in the transfer, \$109,000 is being appropriated from the Parking Fund fund balance. This level of appropriation will allow the Parking Fund to maintain adequate reserves in anticipation of future parking garage construction.

# CITY MANAGER'S BUDGET MESSAGE

## *Transit Services Fund*

- In FY 2010-11, the City will continue to receive the same level of federal operating support (\$484,000) for transit that it has over the last several years. However, given the City's current Census classification, there is no guarantee that the City will receive this level of federal support in future budget years.
- The parking fund subsidy is being increased by approximately \$234,000. \$125,000 of this amount represents an ongoing adjustment to the transfer to cover increased expenses in the Transit Fund. The other \$109,000 is a one-time increase to provide funding that will allow for the continuation of all existing transit evening routes.
- Staff is proposing in the budget that the gap between day and evening service be eliminated and that evening service end at 10:30 pm. This schedule adjustment, which was recommended in the Transit Master Plan, will reduce costs by approximately \$65,000.
- With the increase in the parking fund subsidy and the savings from the schedule adjustment above, staff was able to reduce the general fund subsidy to transit by approximately \$230,000.

## *Stormwater Fund*

- An MEO position and a Labor Crew Supervisor position are eliminated from the budget, resulting a decrease of 2.0 FTE positions.
- The Stormwater Fund will be issuing debt in FY 2010-11 in order to fund \$2.3 million in major capital projects. The total estimated debt service on this issuance is \$190,000. This amount is included in the operating budget for next fiscal year.
- A portion of the debt funding will be transferred to the operating fund to reimburse for staff time spent on those projects. A similar reimbursement mechanism will be used for staff time spent on Recovery Act projects. In total, staff is estimating that \$200,000 in reimbursements from capital and grant funds will be received in FY 2010-11. This reimbursement is included as a revenue in the Stormwater operating budget.

## *Street Cut Utility Fund*

- Historically, public utility companies, such as the Metropolitan Sewerage District (MSD), and Public Service Natural Gas (PSNC) have obtained permits from the City for street cuts and then contracted with private companies to repair the cuts. The City of Asheville Water Department also obtained permits and then used their own crews to repair the cuts. The utility companies have expressed concern over the current street cut process. Based on these concerns, the City is proposing to create an internal city function in the Public Works Department specifically to repair street cuts and charge the utilities companies for the street cut repair work.
- The Water Department crew that previously handled street cut repair will be transferred to this new Street Cut enterprise fund. The Water Department will then be billed for their street cut repair work as the private utility companies are billed.
- Two existing General Fund street crews will devote half their time to this new utility cut repair program. This will result in a savings to the General Fund of approximately \$150,000.
- In order to ensure that staffing is adequate to meet demand, six additional FTE positions that were not previously a part of the budget will be added in FY 2010-11.

# CITY MANAGER'S BUDGET MESSAGE

## *Civic Center Fund*

- During FY 2009-10, the Civic Center Director and Economic Development Director positions were combined, which resulted in an overall savings of approximately \$73,000 between the General Fund and the Civic Center Fund.
- With operating expenses and revenues expected to remain nearly flat in FY 2010-11, the General Fund subsidy required to balance the Civic Center Fund budget will also remain essentially unchanged in FY 2010-11.

## *Festivals Fund*

- Based on staff's recommendation, which was endorsed by the Planning and Economic Development Committee, the Film Festival will not be held during 2010. During this one-year hiatus, staff will explore the possibility of privatizing future productions of the Film Festival.
- With the elimination of the Film Festival from the budget, and no increase projected for operating expenses for the other festivals, staff is able to reduce the general fund subsidy by approximately \$22,000.

## *Golf*

- The Golf Fund budget is adjusted downward by 8.0% in order to match expenditures with expected revenues. No General Fund subsidy is budgeted in FY 2010-11.

## Conclusion

The City of Asheville's Budget and Research Division coordinates the city's budget process every year. I would like to take this opportunity to thank the staff in this division, Tony McDowell and John Sanchez, and recognize their assistance and cooperation. I would also like to recognize the efforts of our department directors and employees in all departments; this was another year of difficult choices, but in the end, we have a budget proposal that conveys a predictable and affordable tax rate along with a dependable workforce and reliable core services.

It is also with great appreciation that I thank you, our Mayor and City Council members, for the thoughtful and mindful dialogue and direction you have provided, along with the feedback necessary to prepare the proposed budget. The support of City Council and your insightful decision-making and planning have aided in the advancement of significant actions taken, on all levels of the organization, to minimize the impact of financial conditions on our workforce and our community. As a result, we are better positioned to come out of this financial situation prepared to serve our citizens and grow our organization in a meaningful way.

Sincerely,



Gary W. Jackson  
City Manager

# CITY MANAGER'S BUDGET MESSAGE

## ATTACHMENT A

### Strategic Initiatives

**Affordable** - *The City of Asheville will offer a standard of living that is affordable and attainable for people of all income levels, life stages and abilities.*

- The FY 2010-11 budget recommends \$300,000 in General Fund support for the Housing Trust Fund, a dedicated low-interest loan pool set aside for the development of affordable housing.
- In the coming year, staff will proposed density bonuses for affordable, sustainable housing developments that take into account broader issues of affordability, including access to public transit and energy efficiency.
- The City of Asheville will continue to address chronic homelessness by providing tenant-based rental assistance coupled with support services to keep people housed. Funding for these services come from a variety of sources, including Community Development Block Grants (CDBG) and Homelessness Prevention and Rapid Re-Housing (HPRP).

**Fiscally Responsible** - *The City of Asheville will create a stronger, more prosperous community with smart investments that accomplish lasting, tangible returns.*

- The City of Asheville remained committed to holding the line on property taxes in FY 2010-11 to support our citizen's ability to affordably live and work in the community. No property tax increase is recommended in this budget.
- The City will maintain a healthy General Fund fund balance of approximately 14.5% in FY 2010-11, which is in accordance with State standards that requires an 8% fund balance.
- Throughout FY 2009-10, staff worked to secure more than \$8 million in economic stimulus funds for projects and initiatives in Asheville. Staff will continue to pursue new stimulus opportunities that become available in FY 2010-11 while managing the implementation of several projects that received funding in the prior year.
- Phase 1 of the Business Technology Improvement Project (BTIP) was deployed on schedule on January 4, 2010. The City's core financials are now on the new system, with process improvements in areas such as a paperless departmental budget submission process. The \$2 million project is on budget. Next steps of the project include replacement of the City's payroll and human resources information system, with anticipated deployments in winter 2011.

**Green & Sustainable** - *Asheville will be the southeastern leader in clean energy and environmental sustainability.*

- The proposed FY 2010-11 budget includes continued funding for the sustainability/energy program.
- During FY 2010-11, the city will complete several energy efficiency projects funded by Energy Efficiency and Conservation Block Grants (EECBG), including the City Hall lighting retrofit project, installing a more energy efficient HVAC system at the Asheville Civic Center, implementing solar thermal projects at two fire stations, weatherizing a third fire station, and completing an IT server virtualization project.
- The proposed budget includes \$250,000 in EECBG grant funds to potentially be used toward launching a pilot Property Assessed Clean Energy (PACE) financing program. A preliminary program design is currently under development for future City Council consideration.
- \$5.6 million will be invested in capital projects for the city's water system. An automatic meter reading project is included in this budget, which will be a multi-year project that will result in significant operational efficiencies upon its completion.
- The FY 2009-10 budget continues the City's commitment to repair aging infrastructure by continuing to provide \$250,000 for capital improvements at the Civic Center and \$952,300 for street and sidewalk maintenance.

## CITY MANAGER'S BUDGET MESSAGE

**Job Growth & Community Development** – *Asheville will support a dynamic and robust economy with balanced and sustainable growth.*

- The proposed budget supports the city's strategic partnership with UNC Asheville. The budget includes a \$100,000 economic incentive for the UNC Eshelman School of Pharmacy's plan to expand its pharmacy-education program to UNC Asheville. The city is participating in a \$2.5 million fund-raising initiative spearheaded by the Asheville Area Chamber of Commerce and supported by the Buncombe County Board of Commissioners, which has pledged \$600,000 toward that goal.
- The city continues to support diversified job growth and small business development by providing access to capital to small businesses through allocation of CDBG funds to Mountain Biz Works.
- The City's Office of Economic Development is providing staff support for the new Riverfront Redevelopment Commission, which furthers the city's partnership in regional economic development.
- The City's Minority Business Program, which is funded through the Office of Economic Development, provides outreach and assistance in helping historically underserved businesses achieve certification through the Statewide Uniform Certification Program.
- Staff is bringing forward regulatory changes to implement the design standards included in the Downtown Master Plan for City Council consideration in early FY 2010-11. These standards, built upon extensive community input, are significant milestones in implementing the Downtown Master Plan process.
- To support the City's goals reformatting the Unified Development Ordinance so that it is easy to read and understand, staff will bring forward in the upcoming fiscal year a table of uses for the UDO.

**Safe** - *Asheville will be one of the safest and most secure communities when compared to similar cities.*

- The Downtown Patrol Unit will continue its second year of operation, providing targeted community policing and crime prevention services in Asheville's downtown area. A new downtown police substation supporting this unit is located in the heart of downtown near the corner of Haywood Street and Battery Park Avenue.
- The proposed budget includes funding for the second year of the nuisance court program, including funding for court services and community service supplies and materials. This innovative program was launched in the previous year to ensure accountability and restitution for nuisance crimes committed in Asheville.
- The City of Asheville Youth Leadership Academy is fully funded in the FY 2010-11 budget. In addition, the program is receiving a donation that will allow the program to increase its student capacity by 50%. The city's contribution along with funds provided by partner organizations will provide the opportunity for 30 high school students to complete the program this year.
- The city will enter its fourth year of implementation of the community-based West Riverside Operation Weed & Seed crime prevention strategy. As part of the strategy, the city will enter the third funding cycle of operating 21<sup>st</sup> Century Community Learning Center sites where academic and enrichment opportunities are provided during non-school hours for middle school age children, particularly students who attend high-poverty and low-performing schools. The Weed & Seed initiative is expected to serve more than 125 youth through contracted service providers within the Weed & Seed designated area. The 21<sup>st</sup> CCLC program is budgeted to serve 100 youth and will continue to focus on the Weed & Seed area but will also expand services to other areas of the city.

# 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
- Civic Center Fund
- Festivals Fund
- Stormwater Fund
- Golf Fund

## Capital Funds

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

- General Capital Projects Fund
- Street and Sidewalk Improvement Fund
- Community Development Fund
- Water Major Capital Improvement Fund
- HOME Fund
- Civic Center Capital Fund
- Parking Services Capital Fund
- Transit Services Capital Fund

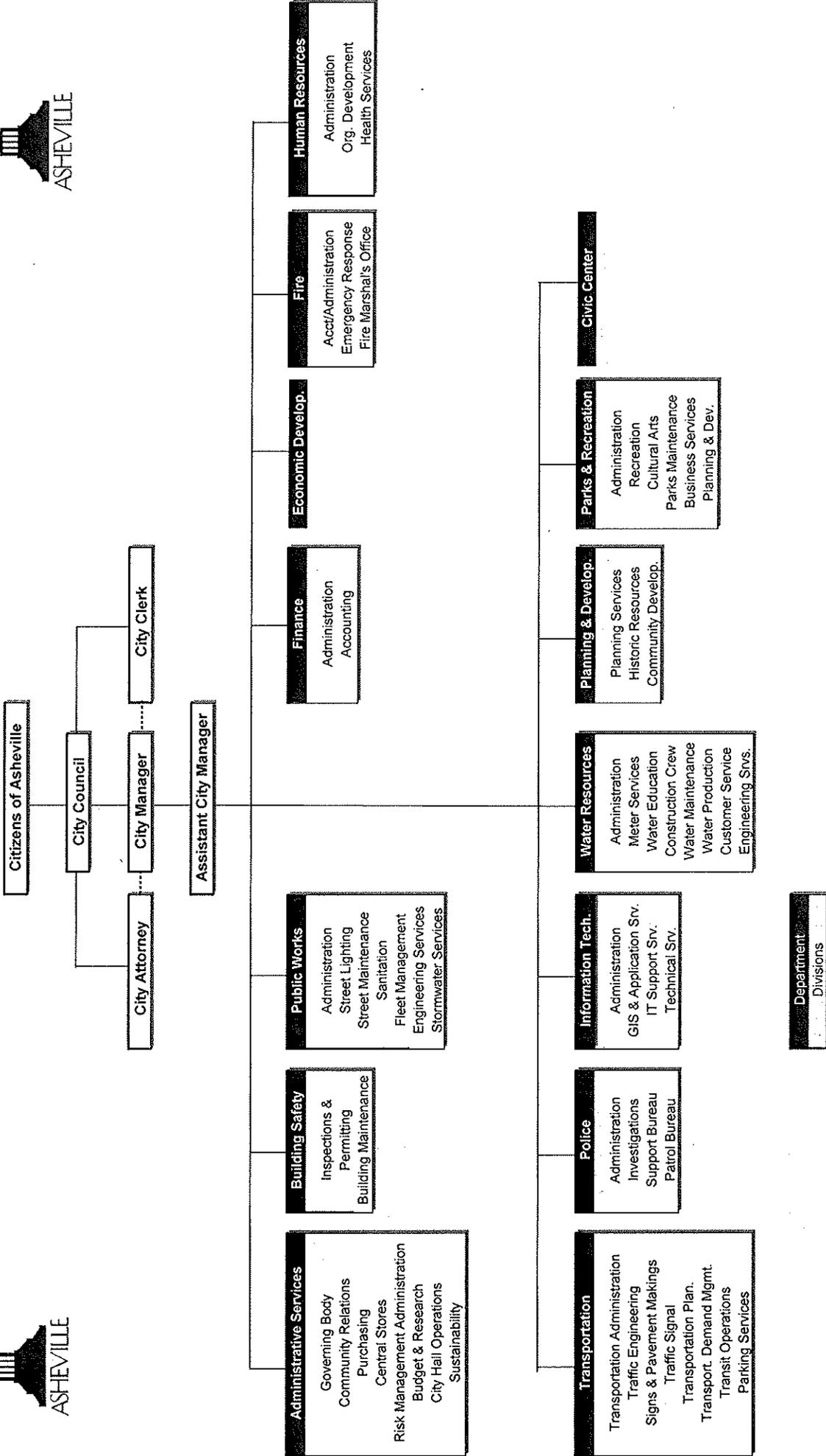
## How Funds Interact

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 2010-11 budget includes a transfer from the General Fund to the Civic 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 four divisions: administration, criminal investigations, support bureau, and patrol bureau. 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 following page.



# 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 2010-11 Budget Calendar is displayed on page 16.

## **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. The Council's directives set the tone for the development of the annual budget.

## **Departmental Budget Development**

Departments begin developing their budget requests in January. During this phase, departments are encouraged to thoroughly review all programs and services assessing their "value" and priority to the citizens of Asheville. Examination of current departmental programs or positions for possible trade-offs, reduction, or elimination is strongly suggested.

Any new programs or services that departments would like funded are submitted to the Budget Office as expansion requests. Expansion requests identify the program's purpose, costs, objectives, and 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, reduced or scaled back. These services can be used as possible "program trade-offs," allowing departments to shift resources from low priority services to new or enhanced services in order to maximize 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 Adopted 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 departmental budget not affecting the total departmental appropriation or fund total. Budget revisions do not require City Council approval.

## **Basis of Budgeting**

As required by the North Carolina Local Government Budget & Fiscal Control Act, the budget is prepared and 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: 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 2010-11 BUDGET SCHEDULE

<u>Event</u>	<u>Date</u>
Operating Budget Process Begins (Budget Work Papers Provided to Departments)	<i>January 4</i>
Departmental FY 2010-11 Budgets Submitted to Budget Office	<i>February 1</i>
Technical Budget Reviews with Departments	<i>February 2 – 26</i>
2 <sup>nd</sup> Quarter Financial Report & FY 2010-11 Budget Briefing	<i>February 10</i>
City Manager & Management Team Budget Preparation	<i>March 1 – March 26</i>
Finance Committee Reviews Fees & Charges Requests	<i>March 4</i>
City Council Budget Updates	<i>March 9 &amp; March 23</i>
FY 2010-11 Fees & Charges adopted by City Council	<i>April 13</i>
Budget Finalization	<i>April 1 - April 26</i>
City Council Budget Update	<i>April 27</i>
Budget Document Preparation	<i>April 28 – May 10</i>
<b>Formal Budget Presentation/Set Public Hearing</b>	<b><i>May 11</i></b>
<b>Budget Worksession/Public Hearing/ 3<sup>rd</sup> Quarter Financial Report</b>	<b><i>May 25</i></b>
<b>Budget Adoption</b>	<b><i>June 22</i></b>

# FINANCIAL POLICIES

## A. Revenue Policy

1. As provided by the North Carolina Local Budget and Fiscal Control Act, estimated revenue from the Ad Valorem Tax levy will be budgeted as follows:
  - a) Assessed valuation shall be estimated based on historical trends and growth patterns in a conservative manner.
  - b) The estimated rate of collection of the levy shall not exceed the rate of the preceding fiscal year.
  - c) The tax rate shall be set each year based on the cost of providing general government services. Rates shall be adjusted periodically, but shall not result in revenues exceeding a 5% annual growth in Ad Valorem Tax revenues excluding growth in valuation or an increased collection rate.
2. The City sets fees that will maximize user charges in lieu of Ad Valorem Taxes for services that can be individually identified and where the costs are directly related to the level of service:
  - a) To the extent possible, user charges for water, sewer and downtown parking will be sufficient to finance all operating, capital and debt service costs for said services.
  - b) The Civic Center will operate in a manner such that 90% of budgeted operating costs will be financed through user charges. A profit and loss statement will be prepared for each event for evaluation of cost recovery.
  - c) Recreational programs will be funded from user charges for all programs for which it is practical to charge. User charges should represent at least 10% of the total recreational budget.
  - d) Building and code enforcement activities will be funded through user charges in the form of building permits, inspections, and plan review fees. These fees should represent 100% of operating costs.

e) To the extent practical, any general city service, which is of a higher level or benefits specific recipients, shall be supported by user fees designed to recover costs from such recipients.

f) Where user fees are based on cost recovery, said costs shall be reviewed annually and fees adjusted as practicable.

3. The City will project revenues for five years and will update the projections annually.

## B. Operating Budget Policy

1. Current operating revenues will be sufficient to support current operating expenditures. Fund balance appropriated shall not exceed an amount that management can reasonably expect to save during the year.
2. Debt or bond financing will not be used to finance current expenditures.
3. The City will begin to develop a program to 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. The City will establish a risk management program to provide for protection against loss and a reduction in exposure to liability. The City will investigate the establishment of a self-insurance program to provide for protection against major loss in excess of an appropriate amount with excess coverage being purchased to cover catastrophic loss. The establishment of a comprehensive safety program will also be investigated to minimize the City's exposure to liability and thereby reduce the number of claims filed.
6. The City will maintain a capital reserve fund to replace all vehicles and other capital outlay items with a life of more than one year and a value of \$7,500 or more. Revenue equivalent to 7.0 cents on the tax rate and 60% of one-half cent sales tax will be appropriated annually to this fund.

## FINANCIAL POLICIES

7. The City will maintain a street & sidewalk reserve fund to provide for upgrading the City's street, sidewalk, and storm drainage systems. Revenues equivalent to 4.1 cents on the tax rate and Powell Bill revenues will be appropriated annually to this reserve.
  8. It is the City's policy not to fund requests from outside organizations which provide social services or services which are County-wide in scope.
  9. It is the City's policy that all general fund balance exceeding 15% of expenditures shall be earmarked for capital reserve purposes.
  10. It is the City's policy that the operating budget be prepared in accordance with Generally Accepted Accounting Principles.
- C. Capital Improvement Policy**
1. The City will update and readopt annually a six-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," to ensure that the capital items requested meet the future growth needs for the City.
  3. Operating expenditures will be used to maintain the Capital Improvements Program and provide all salaries, operating costs, and small capital outlay required.
- D. Accounting Policy**
1. The City will establish and maintain the accounting systems according to the North Carolina Local Budget and Fiscal Control Act.
  2. An annual audit will be performed by an independent public accounting firm which will issue an official opinion on the annual financial statements, with a management letter detailing areas that need improvement if required.
3. Full disclosure will be provided in the financial statements and bond representations.
  4. Financial systems will be maintained to monitor expenditures and revenues on a monthly basis.
  5. All revenue collections will be consolidated under the Director of Finance and be audited at least annually.
  6. The City's annual financial report will be prepared according to the standards necessary to obtain the Certificate of Achievement of Excellence in Financial Reporting from GFOA and submitted each year for the recognition.
  7. 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.
- E. Debt Policy**
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. Interest, operating, and/or maintenance expenses will be capitalized only for facilities of enterprise activities and will be strictly limited to those expenses incurred prior to actual operation of the facilities.
  5. The City will maintain its financial condition so as to maintain a minimum AA bond rating.
  6. The City's debt policy will be comprehensive and the City will not knowingly enter into any contracts creating significant unfunded liabilities.

## FINANCIAL POLICIES

### F. Reserve Policy

1. The City will maintain an unallocated fund balance to be used for unanticipated emergencies of 15% of the general operating budget (excluding capital outlay). These funds will be used to avoid cash-flow interruptions, generate interest income, eliminate need for short-term borrowing, and assist in maintaining an investment-grade bond rating.
2. The City will establish a contingency reserve to provide for unanticipated expenditures of a nonrecurring nature or to meet unexpected increases in service delivery costs. This reserve will be budgeted at 1.5% of the general fund revenues estimated for that fiscal year.
3. The City will maintain a two-to-one ratio of total current assets over total current liabilities in all enterprise funds.



# BUDGET SUMMARY

*Operating Budget Summary*  
*Expenditures*  
*Revenues*  
*Staffing*

BUDGET SUMMARY

FUND SUMMARY

DEPARTMENT OF ENVIRONMENT

# OPERATING BUDGET SUMMARY: ALL FUNDS

## BUDGET SUMMARY BY FUND

### FUND SUMMARY

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b><u>Revenues:</u></b>				
General Fund	87,724,015	88,727,807	92,688,293	91,635,962
Water Resources Fund	32,627,659	31,442,595	33,149,629	33,011,200
Transit Services Fund	4,777,881	5,109,216	5,659,280	5,736,596
Civic Center Fund	2,207,266	2,177,511	2,084,115	2,114,544
Parking Services Fund	3,095,654	2,890,410	2,839,700	2,911,500
Golf Fund	966,561	944,942	1,000,000	920,000
Stormwater Fund	3,105,942	2,929,146	2,899,218	3,095,218
Street Cut Utility Fund	0	0	0	1,578,280
Festivals Fund	<u>1,062,609</u>	<u>946,949</u>	<u>779,143</u>	<u>709,894</u>
Total	135,567,587	135,168,576	141,099,378	141,713,194
Less Interfund Transactions	(4,904,256)	(4,701,098)	(4,868,028)	(5,617,428)
Net Revenue	<u>130,663,331</u>	<u>130,467,478</u>	<u>136,231,350</u>	<u>136,095,766</u>
<b><u>Expenditures:</u></b>				
General Fund	90,964,262	87,955,930	92,688,293	91,635,962
Water Resources Fund	30,960,467	35,080,011	33,149,629	33,011,200
Transit Services Fund	4,815,873	5,211,463	5,659,280	5,736,596
Civic Center Fund	2,015,649	2,136,626	2,084,115	2,114,544
Parking Services Fund	2,358,799	3,454,642	2,839,700	2,911,500
Golf Fund	1,005,496	1,049,188	1,000,000	920,000
Stormwater Fund	2,579,320	3,233,775	2,899,218	3,095,218
Street Cut Utility Fund	0	0	0	1,578,280
Festivals Fund	<u>1,179,759</u>	<u>1,082,444</u>	<u>779,143</u>	<u>709,894</u>
Total	135,879,625	139,204,079	141,099,378	141,713,194
Less Interfund Transactions	(4,904,256)	(4,701,098)	(4,868,028)	(5,617,428)
Net Expenditure	<u>130,975,369</u>	<u>134,502,981</u>	<u>136,231,350</u>	<u>136,095,766</u>

# OPERATING BUDGET SUMMARY: ALL FUNDS

## BUDGET SUMMARY BY FUND

*Sources of Funds:*

	General Fund	Water Resources	Transit Services	Civic Center	Stormwater Utility	Parking Services	Festivals	Golf	Street Cut Utility
Property Tax	46,055,271	0	0	0	0	0	0	0	0
Charges For Service	12,251,921	32,678,500	831,000	1,648,450	2,665,218	8,500	546,542	920,000	1,578,280
Intergovernmental	11,382,602	0	3,463,200	0	0	0	0	0	0
Local Option Sales Tax	14,834,688	0	0	0	0	0	0	0	0
Other Taxes	310,000	0	0	0	0	0	0	0	0
Licenses & Permits	5,088,537	0	316,200	0	200,000	0	0	0	0
Investment Earnings	1,014,000	310,000	0	70,000	30,000	20,000	0	0	0
Miscellaneous	310,943	22,700	0	3,500	0	2,774,000	700	0	0
Other	388,000	0	484,000	0	200,000	0	0	0	0
General Fund Subsidy	0	0	642,196	392,594	0	0	162,652	0	0
Appropriated Fund Balance	0	0	0	0	0	109,000	0	0	0
<b>Total Revenue</b>	<b>91,635,962</b>	<b>33,011,200</b>	<b>5,736,596</b>	<b>2,114,544</b>	<b>3,095,218</b>	<b>2,911,500</b>	<b>709,894</b>	<b>920,000</b>	<b>1,578,280</b>

*Uses of Funds:*

	General Fund	Water Resources	Transit Services	Civic Center	Stormwater Utility	Parking Services	Festivals	Golf	Street Cut Utility
Salaries & Wages	40,836,760	6,222,321	145,588	915,955	1,328,262	709,849	124,841	382,524	561,708
Fringe Benefits	16,694,228	2,692,587	54,056	343,012	572,718	293,868	49,685	169,082	240,732
Operating Costs	24,593,664	9,944,416	5,536,952	853,577	906,105	913,783	535,368	368,394	562,197
Interfund Transfers	1,497,442	0	0	0	0	484,000	0	0	0
Debt Service	5,434,922	7,772,305	0	0	240,000	500,000	0	0	0
Capital Outlay	2,578,946	6,518,000	0	2,000	48,133	10,000	0	0	213,643
<b>Total Expenditure</b>	<b>91,635,962</b>	<b>33,011,200</b>	<b>5,736,596</b>	<b>2,114,544</b>	<b>3,095,218</b>	<b>2,911,500</b>	<b>709,894</b>	<b>920,000</b>	<b>1,578,280</b>

## BUDGET SUMMARY - EXPENDITURES

<u>Service Area</u>	2007-08	2008-09	2009-10	2010-11
Departments	Actual	Actual	Budget	Adopted
<b><u>General Government</u></b>				
Finance	2,470,842	2,557,947	2,759,415	1,723,798
Information Technology Services	2,272,813	2,317,256	2,637,058	2,441,732
Administrative Services	1,325,367	1,363,539	1,404,047	2,671,681
Economic Development	651,871	662,950	519,991	464,505
Legal Services	576,739	618,808	597,602	607,413
Human Resources	1,321,572	1,456,300	1,587,897	1,556,908
Health Care Tran. (Employee Share)	2,740,926	3,088,522	2,740,926	3,553,000
Nondepartmental	1,280,911	1,105,191	1,341,255	1,176,262
Total General Government	12,641,041	13,170,513	13,588,191	14,195,299
<b><u>Public Safety</u></b>				
Police	18,569,261	19,485,554	20,050,056	20,131,654
Fire & Rescue	16,426,305	17,014,221	17,991,504	17,849,548
Nondepartmental	601,142	451,489	391,088	400,170
Total Public Safety	35,596,708	36,951,264	38,432,648	38,381,372
<b><u>Environment &amp; Transportation</u></b>				
Water Resources Fund	30,960,467	35,080,011	33,149,629	33,011,200
Public Works	11,466,431	12,020,335	13,005,455	12,949,125
Transportation	1,858,662	1,587,236	1,571,187	1,149,338
Transit Services Fund	4,815,873	5,211,463	5,659,280	5,736,596
Parking Services Fund	2,358,799	3,454,642	2,839,700	2,911,500
Stormwater Fund	2,579,320	3,233,775	2,899,218	3,095,218
Street Cut Utility Fund	0	0	0	1,578,280
Nondepartmental	1,375,565	1,066,197	872,831	642,196
Total Environ. & Transportation	55,415,117	61,653,658	59,997,300	61,073,453
<b><u>Culture &amp; Recreation</u></b>				
Parks, Rec. & Cultural Arts	8,944,270	9,791,275	10,661,583	9,318,812
Civic Center Fund	2,015,649	2,136,626	2,084,115	2,114,544
Golf Fund	1,005,496	1,049,188	1,000,000	920,000
Festivals Fund	1,179,759	1,082,444	779,143	709,894
Nondepartmental	699,495	666,990	581,041	555,246
Total Culture & Recreation	13,844,669	14,726,523	15,105,882	13,618,496
<b><u>Community Development</u></b>				
Building Safety	2,795,629	2,543,757	2,756,621	3,676,929
Planning & Development	1,745,332	1,727,981	1,839,264	1,790,273
Housing Trust Fund	600,000	600,000	300,000	300,000
Nondepartmental	213,491	251,191	712,250	810,150
Total Community Development	5,354,452	5,122,929	5,608,135	6,577,352
Capital Reserve/Gen. Debt Service	13,027,638	7,579,192	8,367,222	7,867,222
<b>TOTAL EXPENDITURES</b>	135,879,625	139,204,079	141,099,378	141,713,194
<b>Less: Interfund Transactions</b>	(4,904,256)	(4,701,098)	(4,868,028)	(5,617,428)
<b>NET EXPENDITURES</b>	<u>130,975,369</u>	<u>134,502,981</u>	<u>136,231,350</u>	<u>136,095,766</u>

## BUDGET SUMMARY - EXPENDITURES

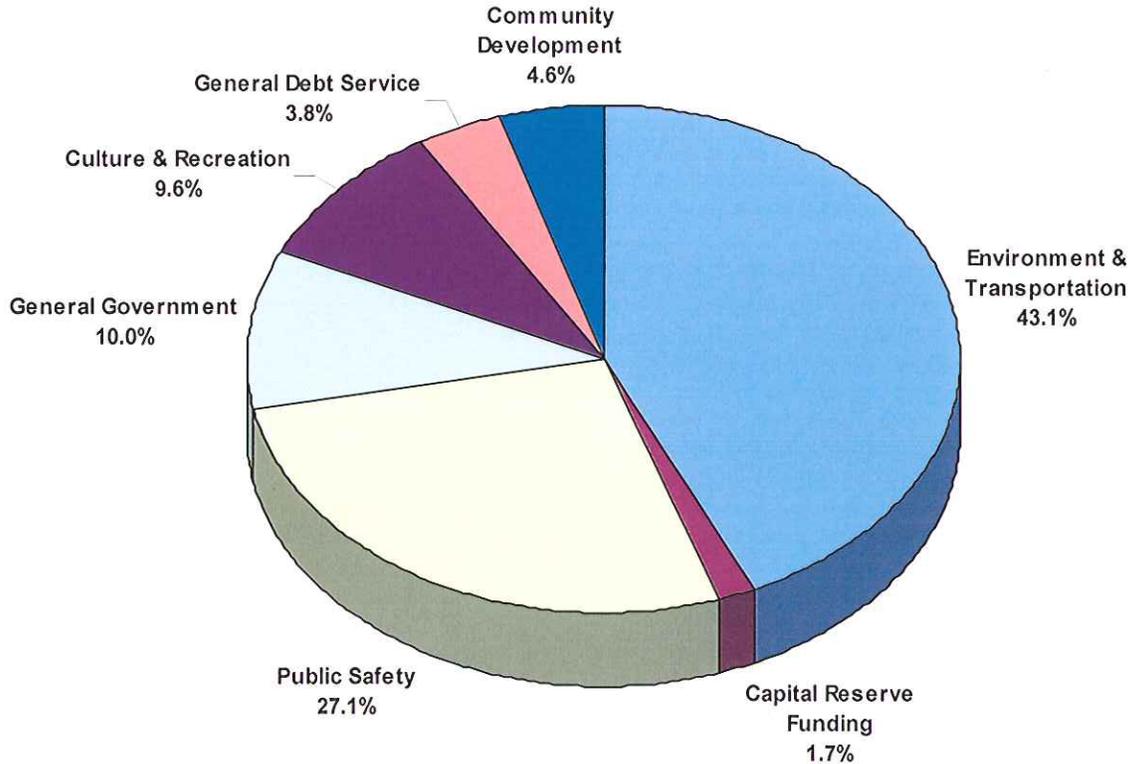
<u>Expenditures by Category</u>	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Salaries & Wages	48,183,920	52,247,513	52,972,998	51,227,808
Fringe Benefits	15,775,166	17,324,479	18,552,707	21,109,968
Operating Costs	36,387,796	36,984,679	40,845,422	40,423,591
Debt Service	11,629,868	13,471,496	13,617,321	13,972,677
Capital Outlay	<u>18,998,619</u>	<u>14,474,814</u>	<u>10,242,902</u>	<u>9,361,722</u>
<b>NET BUDGET</b>	<u>130,975,369</u>	<u>134,502,981</u>	<u>136,231,350</u>	<u>136,095,766</u>

### BUDGET HIGHLIGHTS

- Overall, the City's FY 2010-11 adopted budget shows a 0.1% decrease compared to FY 2009-10.
- The FY 2010-11 adopted budget for salaries and wages shows a \$1.7 million or 3.3% decrease. Most of this decrease is a result of the selective hiring freeze that is being adopted in the General Fund, which will save approximately \$878,000. The selective hiring freeze targets the equivalent of 15 management and development review positions, but does not include public safety positions or public works field positions. Another significant amount of salary savings is being realized in the Police and Fire Departments, where re-engineering efforts have led to an overall reduction of \$375,000 in overtime. Salaries and wages are also being reduced by \$385,000 in the Parks and Recreation Department, where programming hours are being reduced at community centers and childcare programs are being consolidated.
- The adopted salaries and wages budget does include \$190,000 to fund a one-time \$300 payment in July 2010 to all full-time employees earning at or below the Asheville area median income of \$41,722. The budget includes no funding for merit or market-based pay increases for City employees.
- The adopted FY 2010-11 fringe benefits budget shows a \$2.5 million or 13.8% increase. Two factors are driving this increase. First, the North Carolina state retirement system mandated that on July 1, 2010 local governments increase the per employee amount that they are contributing to the retirement system from 4.8% to 6.35% for general employees and from 5.27% to 6.82% for sworn law enforcement employees. This increase added \$800,000 to the City's fringe benefit budget for FY 2010-11.
- The second factor driving the increase in benefit costs is the continued inflation in health care expenses. The City will implement a number of changes to the health care program in the upcoming fiscal year designed to slow the growth in expenses. For example, beginning July 1, the City will increase employee premiums by 5.0% and switch to a 90/10 co-insurance program, where employees are responsible for 10% of the cost of services and have a \$300 deductible. Even with these program changes, the amount that the City contributes to the health care program is increasing by approximately \$1.7 million or 20.5% in FY 2010-11.
- Approximately \$300,000 in costs that were previously accounted for as capital outlay has been reclassified as operating expenses. After adjusting for this change, citywide operating costs show a net \$700,000 or 1.7% decrease in FY 2010-11. This reduction is the result of departmental savings initiatives aimed at balancing the FY 2010-11 budget.
- Taking into account the expense reclassification mentioned above, the budget for capital outlay and debt service remains essentially flat in FY 2010-11.

# BUDGET SUMMARY - EXPENDITURES

## CITY OF ASHEVILLE FY 2010-11 EXPENDITURES BY SERVICE AREA NET TOTAL \$136,095,766



### Budget-to-Budget Expenditure Comparison

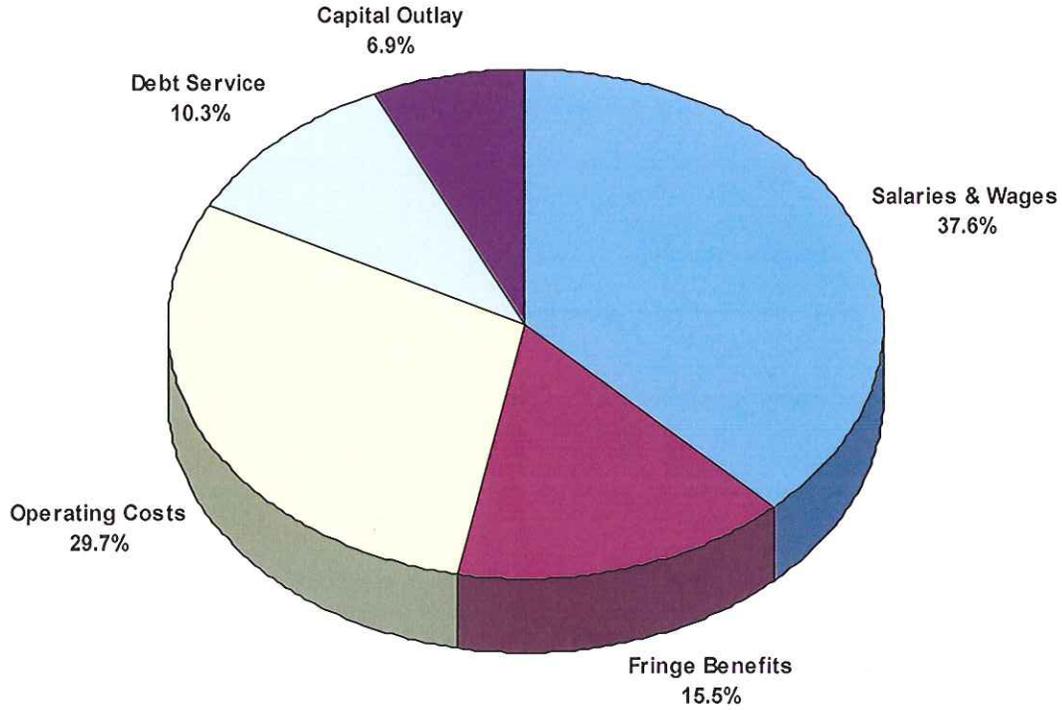
Service Areas:	2009-10	2010-11	Change From Prior Year	
	Budget	Adopted	in \$	in %
Environment & Transportation	59,997,300	61,073,453	1,076,153	1.8%
Public Safety	38,432,648	38,381,372	(51,276)	-0.1%
Culture & Recreation	15,105,882	13,618,496	(1,487,386)	-9.8%
General Government	13,588,191	14,195,299	607,108	4.5%
Capital Reserve Funding	2,937,300	2,432,300	(505,000)	-17.2%
General Debt Service	5,429,922	5,434,922	5,000	0.1%
Community Development	5,608,135	6,577,352	969,217	17.3%
<b>Total Expenditures</b>	<b>141,099,378</b>	<b>141,713,194</b>	<b>613,816</b>	<b>0.4%</b>
<b>Less: Interfund Transfers</b>	<b>(4,868,028)</b>	<b>(5,617,428)</b>	<b>(749,400)</b>	<b>15.4%</b>
<b>Net Expenditures</b>	<b><u>136,231,350</u></b>	<b><u>136,095,766</u></b>	<b><u>(135,584)</u></b>	<b><u>-0.1%</u></b>

Notes:

- 1) Debt service payments in the Water Resources and Parking Services funds are included in the Environment & Transportation service area. All other debt service is included under General Debt Service.
- 2) A significant amount of reorganization occurred after the FY 2009-10 budget was adopted in which functions were moved from one department to another. These changes impacted the budget-to-budget comparisons for the service areas.

# BUDGET SUMMARY - EXPENDITURES

## CITY OF ASHEVILLE FY 2010-11 EXPENDITURES BY SERVICE AREA NET TOTAL \$136,095,766



### Budget-to-Budget Expenditure Comparison

Expense Category:	2009-10	2010-11	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Salaries & Wages	52,972,998	51,227,808	(1,745,190)	-3.3%
Fringe Benefits	18,552,707	21,109,968	2,557,261	13.8%
Operating Costs	40,845,422	40,423,591	(421,831)	-1.0%
Debt Service	13,617,321	13,972,677	355,356	2.6%
Capital Outlay	10,242,902	9,361,722	(881,180)	-8.6%
<b>Net Expenditures</b>	<u>136,231,350</u>	<u>136,095,766</u>	<u>(135,584)</u>	<u>-0.1%</u>

## BUDGET SUMMARY - REVENUES

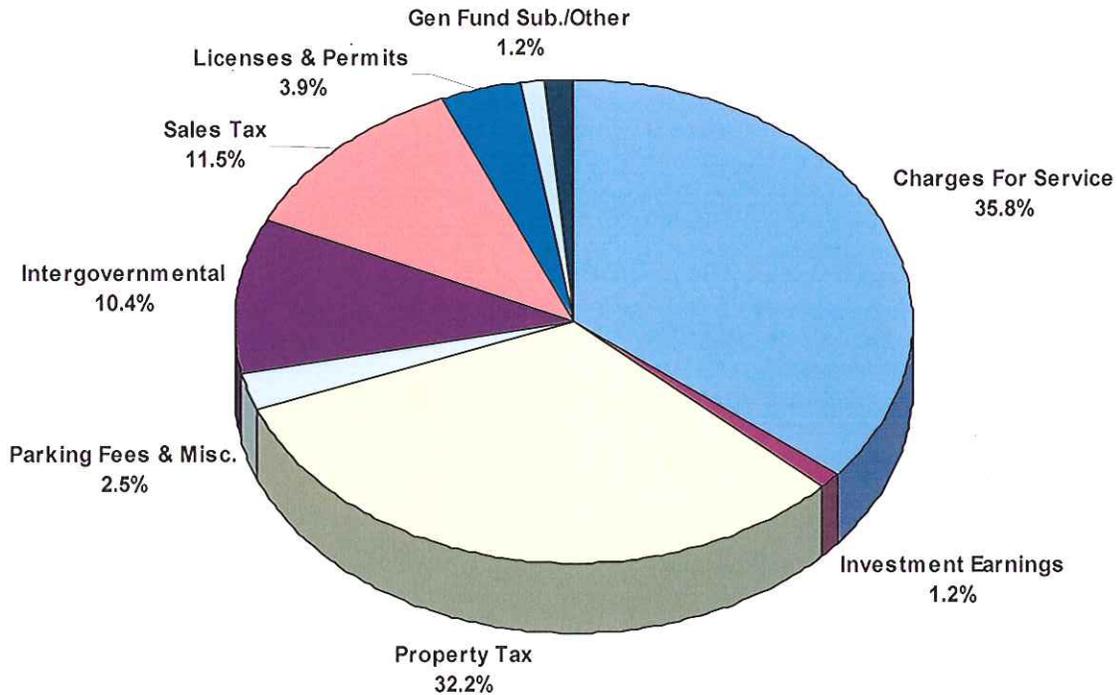
<u>Revenue Sources:</u>	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Property Tax	42,137,549	43,839,812	45,413,548	46,055,271
Charges For Service	48,140,866	47,821,733	50,460,692	52,792,294
Intergovernmental	13,010,051	14,441,114	14,710,464	14,869,802
Local Option Sales Tax	16,548,425	15,036,346	15,880,273	14,834,688
Other Taxes	313,987	301,358	330,000	310,000
Licenses & Permits	5,799,785	5,992,574	5,513,049	5,584,737
Investment Earnings	3,132,071	1,920,115	1,714,000	1,444,700
Parking Fees	3,008,299	2,849,477	2,789,700	2,766,000
Miscellaneous	1,166,946	915,379	688,100	677,260
Other/Interfund Subsidy	2,309,608	2,050,668	1,701,188	2,269,442
Appropriated Fund Bal.	=	=	<u>1,898,364</u>	<u>109,000</u>
<b>Total Revenue</b>	135,567,587	135,168,576	141,099,378	141,713,194
<b>Less: Interfund Transactions</b>	(4,904,256)	(4,701,098)	(4,868,028)	(5,617,428)
<b>Net Revenue</b>	<u>130,663,331</u>	<u>130,467,478</u>	<u>136,231,350</u>	<u>136,095,766</u>

### BUDGET HIGHLIGHTS

- Growth in the City's tax base has averaged 3.4% over the last ten fiscal years. Based on estimates from the Buncombe County Tax Assessor, assessed value growth of only 1.5% is expected in FY 2010-11. This growth represents the smallest percentage increase in assessed value in the last ten fiscal years and reflects the impact of the recession on new construction. According to the Tax Assessor, property values were also negatively impacted by an increase in applications for programs, such as the Homestead and Veterans Exemptions and the builder improvement deferral, that allow property owners to reduce their valuations.
- Revenue from charges for services shows a 4.6% increase. Most of this increase is due to the 5.0% increase in water rates that City Council approved as a part of the FY 2010-11 fee adjustments. City Council also passed fee increases in the general fund, which will produce approximately \$200,000 in additional revenue.
- With local and statewide economic activity remaining at record low levels, the City has continued to experience a decline in sales tax revenue in the current fiscal year. Sales tax revenue this fiscal year is down 8.2% through the first eight months. With sales tax revenue falling short of budget in the current fiscal year, and with the League of Municipalities projecting growth in next fiscal year of only 1.0%-2.0%, staff has budgeted a \$1.0 million decrease in sales tax revenue compared to the current fiscal year's budget.
- The adopted FY 2010-11 budgets for other revenue categories are essentially flat compared to FY 2009-10.
- The adopted budget includes the use of \$109,000 in Parking Fund fund balance to provide funding that will allow for the continuation of all existing transit evening routes.

# BUDGET SUMMARY - REVENUES

## CITY OF ASHEVILLE FY 2010-11 EXPENDITURES BY SERVICE AREA NET TOTAL \$136,095,766



### Budget-to-Budget Revenue Comparison

Revenue Sources:	2009-10	2010-11	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Property Tax	45,413,548	46,055,271	641,723	1.4%
Charges For Service	50,460,692	52,792,294	2,331,602	4.6%
Intergovernmental	14,710,464	14,869,802	159,338	1.1%
Sales & Other Taxes	16,210,273	15,144,688	(1,065,585)	-6.6%
Licenses & Permits	5,513,049	5,584,737	71,688	1.3%
Investment Earnings	1,714,000	1,444,700	(269,300)	-15.7%
Parking Fees & Other Misc.	3,477,800	3,443,260	(34,540)	-1.0%
Other	1,701,188	2,269,442	568,254	33.4%
Appropriated Fund Bal.	1,898,364	109,000	(1,789,364)	-94.3%
<b>Total Revenue</b>	<b>141,099,378</b>	<b>141,713,194</b>	<b>613,816</b>	<b>0.4%</b>
<b>Less: Interfund Transactions</b>	<b>(4,868,028)</b>	<b>(5,617,428)</b>	<b>(749,400)</b>	<b>15.4%</b>
<b>Net Revenue</b>	<b><u>136,231,350</u></b>	<b><u>136,095,766</u></b>	<b><u>(135,584)</u></b>	<b><u>-0.1%</u></b>

## BUDGET SUMMARY - STAFFING

### FULL-TIME EQUIVALENT POSITIONS BY FUND

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Environment & Transportation	349.38	344.38	336.63	337.63
Public Safety	488.00	494.00	497.00	497.00
Culture & Recreation	162.03	161.91	153.02	134.26
General Government	91.76	88.76	93.13	98.13
Community Development	71.00	71.00	68.75	78.75
<b>TOTAL CITY WIDE</b>	1,162.17	1,160.05	1,148.53	1,145.77

### BUDGET HIGHLIGHTS

- As mentioned earlier in the Budget Document, the City will implement a selective hiring freeze in FY 2010-11 in the General Fund, which will save approximately \$878,000. The selective hiring freeze targets the equivalent of 15 management and development review positions, but does not include public safety positions or public works field positions. Since these positions are being frozen instead of eliminated, they remain in the position count for FY 2010-11. As a result, there is a significant reduction in salary and wage costs but the overall position count only shows a reduction of 2.76 positions.
- The new Street Cut Utility Fund includes six new positions that are added to the City's FTE count. In addition to the six new FTE positions, six positions will be transferred from the Water Fund to the Street Cut Utility Fund. Also, there will be several General Fund street crews that split time between the two funds. To account for this, the equivalent of 6.5 FTE positions will be moved from the General Fund streets division to the Street Cut Fund.
- One custodian position is added to the Administrative Services Department for FY 2010-11. This position will be funded at no additional cost by reducing the amount of the custodial contract with the City's outside vendor.
- The Public Works Department will re-engineer the residential brush collection program in FY 2010-11 which will result in the reduction of 3.0 FTE positions.
- An MEO position and a Labor Crew Supervisor position are eliminated from the Stormwater Fund budget, resulting in a decrease of 2.0 FTE positions.
- The charts on the following three pages detail the changes in FTE positions by service area, department, and division for each of the last four fiscal years.

## BUDGET SUMMARY - STAFFING

<u>SERVICE AREAS</u>	2007-08	2008-09	2009-10	2010-11
Departments & Divisions	Actual	Actual	Budget	Adopted
<b><u>Public Safety</u></b>				
Police				
Administration	12.00	12.00	12.00	12.00
Criminal Investigations	38.00	38.00	41.00	41.00
Support Bureau	41.00	41.00	39.00	39.00
Patrol Bureau	170.00	170.00	166.00	166.00
Subtotal Police	261.00	261.00	258.00	258.00
Fire & Rescue				
Accountability/Administration	5.00	5.00	4.00	4.00
Emergency Response	210.00	216.00	224.00	224.00
Fire Marshal's Office	12.00	12.00	11.00	11.00
Subtotal Fire	227.00	233.00	239.00	239.00
<b>Total Public Safety</b>	<b><u>488.00</u></b>	<b><u>494.00</u></b>	<b><u>497.00</u></b>	<b><u>497.00</u></b>
<b><u>Culture &amp; Recreation</u></b>				
Parks, Recreation & Cultural Arts				
Administration	9.00	2.00	2.00	2.00
Planning		2.00	2.00	2.00
Riverside Cemetery	2.00	2.00	--	--
Cultural Arts	1.00	4.75	3.00	3.00
Athletics	5.00	4.00	4.00	--
Recreation Programs	32.76	30.39	25.76	32.26
After School Program	5.26	4.76	5.26	--
McCormick Field	1.00	1.00	--	--
Nature Center	14.75	14.75	12.75	12.75
Aston Park	2.00	2.00	2.00	2.00
Skate Park	--	1.00	1.00	1.00
Business Services	--	5.00	9.50	9.50
Specialized Facilities	--	2.00	--	--
Park Maintenance	39.00	35.00	38.75	38.75
Building Maintenance	8.00	8.00	10.00	--
City Hall Operations	5.00	5.00	6.00	--
Subtotal Parks & Recreation	124.77	123.65	122.02	103.26
Parks & Recreation				
Grant Funded Positions	1.00	2.00	1.00	1.00
Festivals Fund	4.75	4.75	2.75	2.75
Golf Fund	14.00	14.00	11.00	11.00
Civic Center Fund	17.51	17.51	16.25	16.25
<b>Total Culture &amp; Recreation</b>	<b><u>162.03</u></b>	<b><u>161.91</u></b>	<b><u>153.02</u></b>	<b><u>134.26</u></b>

## BUDGET SUMMARY - STAFFING

<u>SERVICE AREAS</u>	2007-08	2008-09	2009-10	2010-11
Departments & Divisions	Actual	Actual	Budget	Adopted
<b><u>General Government</u></b>				
<b>Administrative Services</b>				
City Clerk	2.00	1.00	1.00	1.00
City Manager	6.00	5.00	4.00	4.00
Community Relations	7.00	7.00	7.00	4.00
Sustainability	--	--	1.00	1.00
Purchasing	--	--	--	4.00
Central Stores	--	--	--	2.00
Risk Management Admin	--	--	--	3.00
Budget & Research	--	--	--	3.00
City Hall Operations	--	--	--	8.00
Subtotal Administrative Srv.	15.00	13.00	13.00	30.00
Administrative Services - Grant Funded			2.00	2.00
<b>Finance</b>				
Administration	3.00	3.00	3.00	3.00
Accounting	17.00	16.00	18.00	18.00
Central Stores	2.00	2.00	2.00	--
Purchasing	5.00	5.00	4.00	--
Budget & Research	3.00	3.00	3.00	--
Risk Management Admin	3.00	3.00	3.00	--
Subtotal Finance	33.00	32.00	33.00	21.00
<b>Information Technology</b>				
Administration	17.00	2.00	3.50	3.50
GIS & Application Services	--	4.00	5.00	5.00
IT Support Services	--	5.00	6.00	6.00
Technical Services	--	6.00	5.00	5.00
Subtotal Information Services	17.00	17.00	19.50	19.50
<b>Human Resources</b>				
Administration	11.50	11.50	12.50	12.50
Organization & Development	2.00	2.00	1.00	1.00
Health Services	2.26	2.26	2.13	2.13
Subtotal Human Resources	15.76	15.76	15.63	15.63
City Attorney	6.00	6.00	5.50	5.50
Economic Development	5.00	5.00	4.50	4.50
<b>Total General Government</b>	<u>91.76</u>	<u>88.76</u>	<u>93.13</u>	<u>98.13</u>

## BUDGET SUMMARY - STAFFING

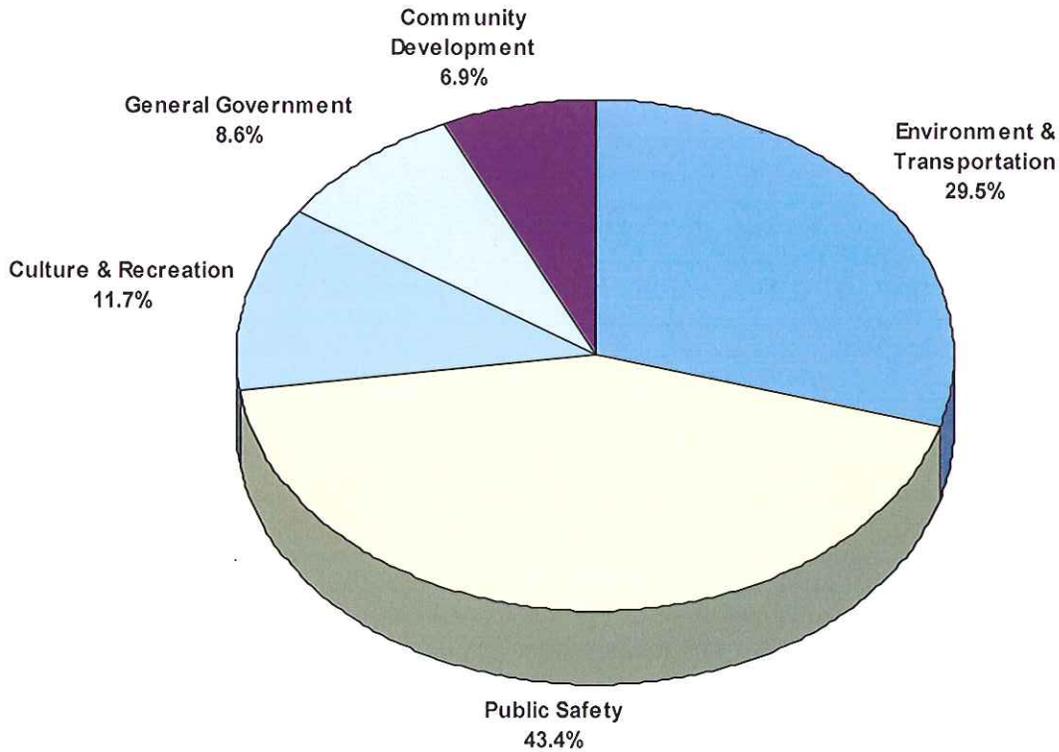
<u>SERVICE AREAS</u>	2007-08	2008-09	2009-10	2010-11
Departments & Divisions	Actual	Actual	Budget	Adopted
<b><u>Environment &amp; Transportation</u></b>				
Water Resources Fund				
Administration	7.00	8.00	7.00	7.00
Meter Services	17.00	17.00	17.00	17.00
Water Education	1.00	1.00	--	--
Water Maintenance	49.00	49.00	49.00	43.00
Water Production	41.00	41.00	41.00	41.00
Customer Service	22.00	22.00	22.00	22.00
Construction Crew	7.00	7.00	7.00	7.00
Water Engineering Services	8.00	8.00	9.00	9.00
Subtotal Water Resources Fund	152.00	153.00	152.00	146.00
Public Works				
Administration	4.75	4.75	4.00	4.00
Engineering Services	--	--	--	7.00
Signs & Markings	4.00	4.00	4.00	--
Street Maintenance	57.00	52.00	52.00	45.50
Fleet Maintenance	14.00	14.00	14.00	14.00
Sanitation	37.00	37.00	35.00	32.00
Subtotal Public Works	116.75	111.75	109.00	102.50
Transportation				
City Engineering	11.00	11.00	10.00	--
Administration	--	--	--	3.00
Traffic Engineering	4.00	3.00	2.00	2.00
Traffic Signal Maintenance	2.00	2.00	2.00	2.00
Transportation Planning	3.63	3.63	1.63	1.63
Transportation Demand Mgmt.	--	--	1.00	1.00
Signs & Markings	--	--	--	4.00
Subtotal Engineering	20.63	19.63	16.63	13.63
Stormwater Fund	38.00	38.00	37.00	35.00
Transit Services Fund	3.00	3.00	3.00	3.00
Parking Services Fund	19.00	19.00	19.00	19.00
Street Cut Utility Fund	--	--	--	18.50
<b>Total Environment &amp; Transportation</b>	<b><u>349.38</u></b>	<b><u>344.38</u></b>	<b><u>336.63</u></b>	<b><u>337.63</u></b>

## BUDGET SUMMARY - STAFFING

<u>SERVICE AREAS</u>	2007-08	2008-09	2009-10	2010-11
Departments & Divisions	Actual	Actual	Budget	Adopted
<b><u>Community Development</u></b>				
Planning & Development				
Planning Services	24.00	23.00	19.75	19.75
Homeless Program	1.00	1.00	1.00	1.00
Historic Resources	1.00	2.00	2.00	2.00
Subtotal Planning & Development	26.00	26.00	22.75	22.75
Building Safety				
Inspections & Permits	39.00	39.00	40.00	40.00
Building Maintenance	--	--	--	10.00
Subtotal Building Safety	39.00	39.00	40.00	50.00
Community Development Fund	6.00	6.00	6.00	6.00
<b><i>Total Community Development</i></b>	<u>71.00</u>	<u>71.00</u>	<u>68.75</u>	<u>78.75</u>
<b>TOTAL CITY WIDE FTE POSITIONS</b>	1,162.17	1,160.05	1,148.53	1,145.77

**BUDGET SUMMARY - STAFFING**

**CITY OF ASHEVILLE  
FY 2010-11 FTE POSITIONS BY SERVICE AREA  
TOTAL: 1,145.77**



**Budget-to-Budget Staffing Comparison**

<u>Service Areas:</u>	2009-10	2010-11	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in #</u>	<u>in %</u>
Environment & Transportation	336.63	337.63	1.0	0.3%
Public Safety	497.00	497.00	0.0	0.0%
Culture & Recreation	153.02	134.26	-18.76	-12.3%
General Government	93.13	98.13	5.00	5.4%
Community Development	68.75	78.75	10.00	14.5%
<b>Total Citywide FTE Positions</b>	<u>1,148.53</u>	<u>1,145.77</u>	<u>-2.76</u>	<u>-0.2%</u>

Notes:

- 1) A significant amount of reorganization occurred after the FY 2009-10 budget was adopted in which functions were moved from one department to another. These changes impacted the budget-to-budget FTE comparisons for the service areas.

## ANALYSIS OF FUND BALANCE

<u>GENERAL FUND</u>	2009-10 Budget*	2009-10 Estimate	2010-11 Adopted
Total Revenues	91,089,761	89,780,761	91,635,962
Total Expenditures	94,603,261	94,020,261	91,635,962
Other Financing Sources (Uses)	1,097,031	1,200,000	0
Revenues Over (Under) Expenditures	(2,416,469)	(3,039,500)	0
<b>Unreserved Fund Balance:</b>			
Beginning	16,696,979	16,696,979	13,657,479
Ending	14,280,510	13,657,479	13,657,479
<b>Ending Unreserved Fund Balance as a % of Total Expenditures</b>	15.1%	14.5%	14.9%

\*Budget as of the 3<sup>rd</sup> quarter FY 2008-09 financial report including encumbrances from the prior fiscal year.

One measure of a city's financial strength is the level of its available fund balances. In general, fund balance is excess or surplus money. At the end of a fiscal year, unreserved 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 unreserved 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. One measure of a city's financial strength is the level of its available fund balances. In general, fund balance is excess or surplus money. At the end of a fiscal year, unreserved fund balance is that portion of a municipality's money that can be appropriated in the new fiscal year to cover expenditures. Fund balance that is unappropriated after budget adoption serves as a general operating reserve for the city. This operating reserve is identified as unreserved fund balance in the chart above.

The City estimates that for the General Fund, unreserved fund balance will be approximately \$13.7 million at the end of fiscal year 2009-10, which will equal 14.5% of total estimated FY 2009-10 General Fund expenditures. The FY 2010-11 adopted budget includes no appropriation from fund balance. Budget staff estimates that fund balance available for appropriation at the end of FY 2010-11 will equal 14.9% of General Fund expenditures.

### **Enterprise Funds**

The other funds in the City's adopted budget are all enterprise funds. For these funds, the City calculates a "fund balance equivalent" by taking cash and investments and subtracting out all current liabilities. The projected June 30, 2011 fund balance equivalent for the Water Resources Fund and the other Non-Major Enterprise Funds is shown below.

	Fund Balance Equivalent 6/30/10 Est.	Fund Balance Usage by 6/30/11	Fund Balance Equivalent 6/30/10 Bud.
Water Resources Fund	7,576,270	0	7,576,270
Non-Major Enterprise Funds	1,798,099	109,000	1,689,099

# FUND SUMMARY

*Expenditure Summary*  
*General Fund*  
*Enterprise Funds*

FUND SUMMARY

GENERAL GOVERNMENT

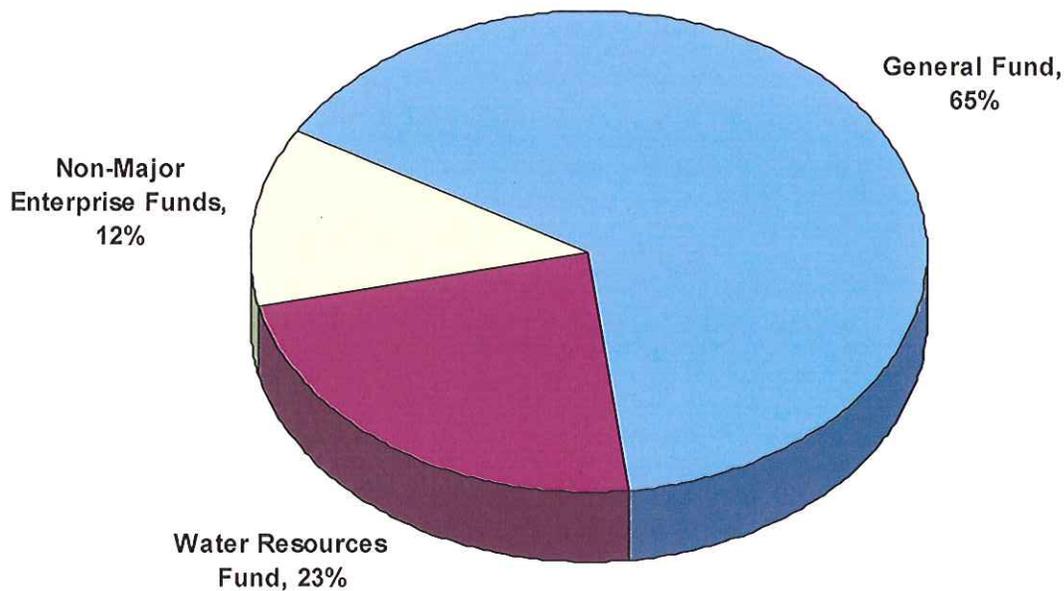
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AFETY

## FUND SUMMARY

<u>FUNDS</u>	2007-08	2008-09	2009-10	2010-11
Service Areas	Actual	Actual	Budget	Adopted
<b><u>GENERAL FUND</u></b>				
Public Safety	35,596,708	36,951,264	38,432,648	38,381,372
Environment & Transportation	14,700,658	14,673,768	15,449,473	14,740,659
General Government	12,641,041	13,170,513	13,588,191	14,195,299
Culture & Recreation	9,643,765	10,458,265	11,242,624	9,874,058
Capital Reserve/Gen. Debt	13,027,638	7,579,192	8,367,222	7,867,222
Community Development	<u>5,354,452</u>	<u>5,122,929</u>	<u>5,608,135</u>	<u>6,577,352</u>
<b>Total General Fund</b>	90,964,262	87,955,930	92,688,293	91,635,962
<b><u>ENTERPRISE FUNDS</u></b>				
Environment & Transportation	40,714,459	46,979,891	44,547,827	46,332,794
Culture & Recreation	<u>4,200,904</u>	<u>4,268,258</u>	<u>3,863,258</u>	<u>3,744,438</u>
<b>Total Enterprise Funds</b>	44,915,363	51,248,149	48,411,085	50,077,232
<b>TOTAL BUDGET</b>	135,879,625	139,204,079	141,099,378	141,713,194
<b>Less: Interfund Transactions</b>	(4,904,256)	(4,701,098)	(4,868,028)	(5,617,428)
<b>NET BUDGET</b>	<u>130,975,369</u>	<u>134,502,981</u>	<u>136,231,350</u>	<u>136,095,766</u>

### FY 2010-11 EXPENDITURES BY FUND TOTAL: \$136,095,766



## GENERAL FUND SUMMARY

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b><u>Revenues:</u></b>				
Property Taxes	42,137,549	43,839,812	45,413,548	46,055,271
Intergovernmental	10,934,063	11,863,028	11,393,131	11,382,602
Local Option Sales Tax	16,548,425	15,036,346	15,880,273	14,834,688
Other Taxes	313,987	301,358	330,000	310,000
Charges For Service	10,319,416	10,447,023	11,439,835	12,251,921
Licenses & Permits	5,187,003	5,496,735	4,999,049	5,088,537
Investment Earnings	1,543,080	1,191,668	1,014,000	1,014,000
Miscellaneous	740,492	551,837	320,093	310,943
Other	0	0	0	388,000
Subtotal	87,724,015	88,727,807	90,789,929	91,635,962
Appropriated Fund Bal.	--	--	1,898,364	0
<b>Total Revenues</b>	87,724,015	88,727,807	92,688,293	91,635,962

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b><u>Appropriations:</u></b>				
Police	18,569,261	19,485,554	20,050,056	20,131,654
Fire & Rescue	16,426,305	17,014,221	17,991,504	17,849,548
Public Works	11,466,431	12,020,335	13,005,455	12,949,125
Capital Reserve/Gen. Debt	13,027,638	7,579,192	8,367,222	7,867,222
Parks, Recreation & Cult. Arts	8,944,270	9,791,275	10,661,583	9,318,812
Finance	2,470,842	2,557,947	2,759,415	1,723,798
Information Technology Services	2,272,813	2,317,256	2,637,058	2,441,732
Nondepartmental	2,209,919	1,838,495	2,449,593	2,386,582
Building Safety	2,795,629	2,543,757	2,756,621	3,676,929
City Attorney	576,739	618,808	597,602	607,413
Administrative Services	1,325,367	1,363,539	1,404,047	2,671,681
Economic Development	651,871	662,950	519,991	464,505
Transportation	1,858,662	1,587,236	1,571,187	1,149,338
Planning & Development	1,745,332	1,727,981	1,839,264	1,790,273
Transit Fund Subsidy	1,275,565	1,066,197	872,831	642,196
Civic Center Subsidy	431,198	397,989	391,315	392,594
Golf Fund Subsidy	0	75,701	0	0
Festivals Fund Subsidy	253,922	162,675	184,726	162,652
Human Resources	1,321,572	1,456,300	1,587,897	1,556,908
Health Care (Employee Contr.)	2,740,926	3,088,522	2,740,926	3,553,000
Housing Trust Fund Transfer	600,000	600,000	300,000	300,000
<b>Total Appropriations</b>	90,964,262	87,955,930	92,688,293	91,635,962

## GENERAL FUND EXPENDITURES

<u>Service Areas</u>	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Public Safety	35,596,708	36,951,264	38,432,648	38,381,372
Environment & Transportation	14,700,658	14,673,768	15,449,473	14,740,659
General Government	12,641,041	13,170,513	13,588,191	14,195,299
Culture & Recreation	9,643,765	10,458,265	11,242,624	9,874,058
Capital Reserve/Gen. Debt	13,027,638	7,579,192	8,367,222	7,867,222
Community Development	<u>5,354,452</u>	<u>5,122,929</u>	<u>5,608,135</u>	<u>6,577,352</u>
<b>Total General Fund</b>	<u>90,964,262</u>	<u>87,955,930</u>	<u>92,688,293</u>	<u>91,635,962</u>

### BUDGET HIGHLIGHTS

- The FY 2010-11 adopted budget includes general fund expenditures that are 1.1% less than the FY 2009-10 budget.
- Public Safety is the largest general fund service area, accounting for 42% of all general fund expenditures. Expenditures in this service area will remain essentially flat in FY 2010-11. Operating costs in the Police and Fire Department were reduced by a total of \$500,000. Most of this reduction occurred in the Fire Department where \$192,000 in savings came from expiring annexation contracts with rural fire departments. Also, due to the timely replacement of fire apparatus in recent budget years, there has been a decline in high dollar fleet repairs, which allowed the department to reduce its fleet maintenance account by \$75,000. In addition to the operating savings, the Police and Fire budgets also include \$375,000 in overtime reductions as a result of re-engineering efforts. These reductions in operating expenses and overtime helped to offset the increases in the retirement system contribution and health care.
- Environment & Transportation is the second largest service area in the general fund, representing 17% of the FY 2010-11 general fund budget. The budget for this service area shows a \$700,000 or 4.3% decrease. With the increase in the parking fund subsidy to the transit fund, staff was able to reduce the general fund subsidy to transit by approximately \$230,000. Savings of \$250,000 will also be realized in the Public Works Department as a result of a re-engineering of the residential brush collection program, which will result in the elimination of 3.0 FTE positions. The general fund portion of the Public Works budget also includes \$150,000 in savings associated with the creation of the street cut utility fund. Finally, the Transportation Department's budget was reduced by \$130,000 via line-item reductions and by holding vacant the Assistant Transportation Director position.
- A series of departmental reorganizations were implemented after adoption of the FY 2009-10 budget which reshuffled expenses between the General Government, Culture & Recreation, and Community Development services areas. In addition, \$300,000 in building maintenance funding which previously was accounted for in capital reserve funding was moved under the Building Safety Department, and therefore is now accounted for under the Community Development service area. When the FY 2009-10 adopted budgets for General Government, Culture & Recreation, Community Development, and capital reserve funding are combined and compared to the FY 2010-11 adopted budgets, the FY 2010-11 adopted budgets show a \$300,000 decrease compared to the FY 2009-10 adopted budgets.

## GENERAL FUND EXPENDITURES

### GENERAL FUND EXPENDITURES BY EXPENSE CATEGORY

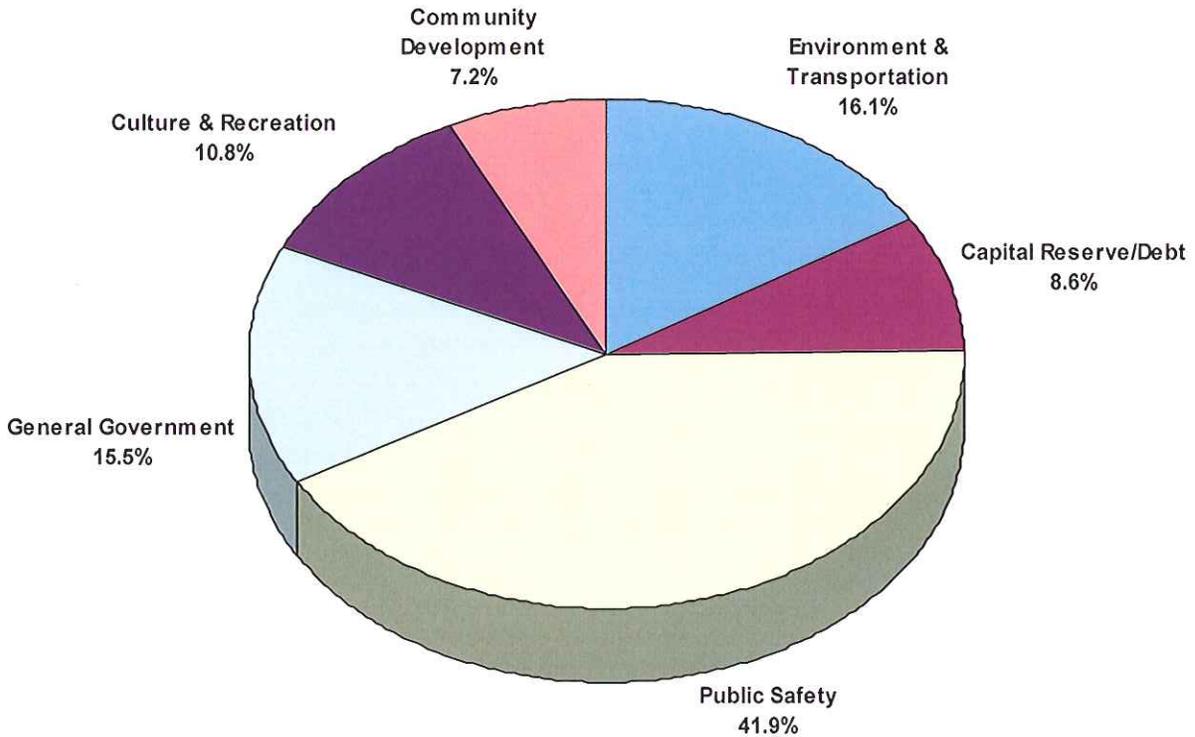
	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Salaries & Wages	39,954,340	42,733,069	43,123,462	40,836,760
Fringe Benefits	12,829,705	13,874,113	14,880,912	16,694,228
Operating Costs	21,905,176	20,738,808	24,363,175	24,593,664
Interfund Transfers	2,560,685	2,302,562	1,748,872	1,497,442
Debt Service	4,838,792	5,097,904	5,429,922	5,434,922
Capital Outlay	<u>8,875,564</u>	<u>3,208,474</u>	<u>3,141,950</u>	<u>2,578,946</u>
<b>TOTAL</b>	<u>90,964,262</u>	<u>87,955,930</u>	<u>92,688,293</u>	<u>91,635,962</u>

### BUDGET HIGHLIGHTS

- Personnel costs, including both salaries and wages and fringe benefits make up 63% of the FY 2010-11 general fund budget. The adopted personnel budget includes funding for a one-time \$300 payment in July to all full-time employees earning at or below the Asheville area median income of \$41,722. The budget does not include funding for merit or market-based pay increases. The general fund personnel budget includes a \$1.8 million increase in fringe benefit expenses due to rising health care costs and the State-mandated increase in the City's contribution to the state retirement system. The increases in benefit costs were offset by reductions in salary and wage expenses. Most of the reduction in salaries and wages was achieved by implementing a selective hiring freeze, which will save approximately \$878,000. The selective hiring freeze targets the equivalent of 15 management and development review positions, but does not include public safety positions or public works field positions. Another significant amount of salary savings is being realized in the Police and Fire Departments, where re-engineering efforts have led to an overall reduction of \$375,000 in overtime. Salaries and wages are also being reduced by \$385,000 in the Parks and Recreation Department, where programming hours are being reduced at community centers and childcare programs are being consolidated.
- \$300,000 in building maintenance costs, which were accounted for in the capital outlay category in FY 2009-10, were moved to the operating cost category in FY 2010-11. Taking into account this technical adjustment, operating costs in the FY 2010-11 adopted budget are essentially flat compared to the FY 2009-10 adopted budget.
- General fund debt service is also flat compared to FY 2009-10. The adopted budget does include the issuance of approximately \$1.2 million in new debt in FY 2010-11 to fund the replacement of a fire aerial ladder. The estimated annual debt service for this purchase is \$230,000.
- Adjusting for technical changes, the general fund contribution to the capital reserve fund is remaining flat compared to FY 2009-10. There was a slight decrease in small capital budgets as departments made belt-tightening reductions to help balance the FY 2010-11 budget.
- Interfund transfers are budgeted to decrease by \$250,000 in FY 2010-11. Most of this decrease (\$230,000) is a result of the reduction in the general fund subsidy to the transit fund. Also, with the elimination of the Film Festival from the budget, and no increase projected for operating expenses for the other festivals, staff is able to reduce the general fund subsidy to the festivals fund by approximately \$22,000.

# GENERAL FUND EXPENDITURES

## CITY OF ASHEVILLE FY 2010-11 GENERAL FUND EXPENDITURES BY SERVICE AREA TOTAL \$91,635,962



### Budget-to-Budget Expenditure Comparison

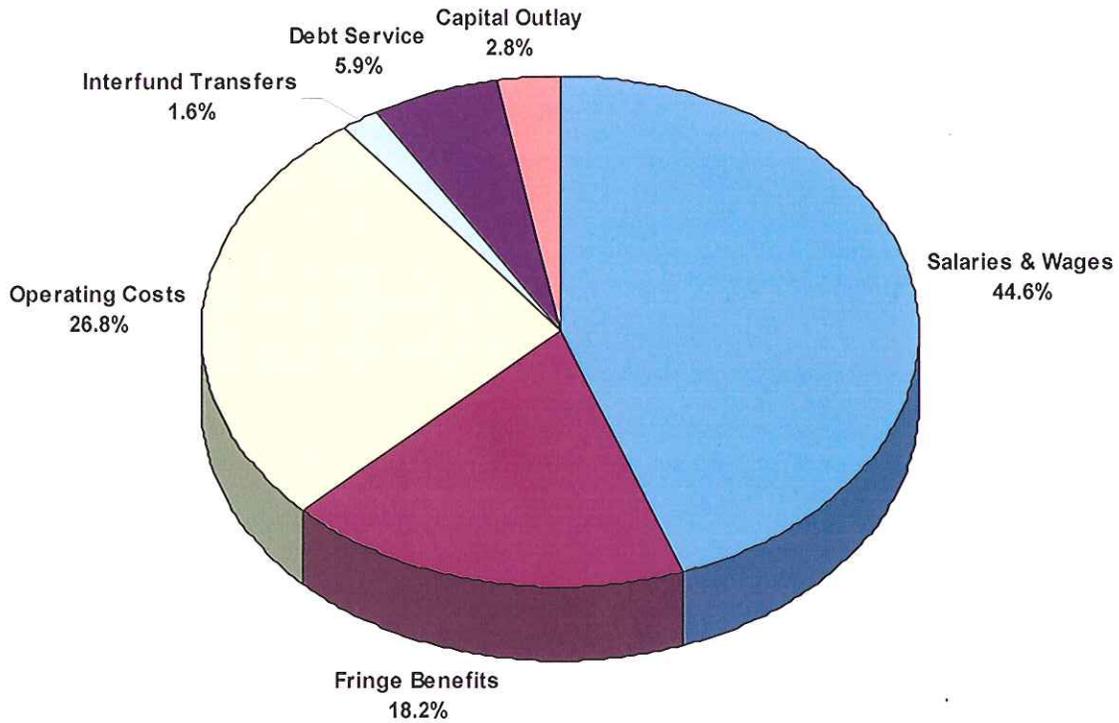
<u>Service Areas:</u>	2009-10	2010-11	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Public Safety	38,432,648	38,381,372	(51,276)	-0.1%
Environment & Transportation	15,449,473	14,740,659	(708,814)	-4.6%
General Government	13,588,191	14,195,299	607,108	4.5%
Culture & Recreation	11,242,624	9,874,058	(1,368,566)	-12.2%
Capital Reserve/Gen. Debt	8,367,222	7,867,222	(500,000)	-6.0%
Community Development	5,608,135	6,577,352	969,217	17.3%
<b>Total General Fund Expenditures</b>	<b><u>92,688,293</u></b>	<b><u>91,635,962</u></b>	<b><u>(1,052,331)</u></b>	<b><u>-1.1%</u></b>

**Notes:**

- 1) A significant amount of reorganization occurred after the FY 2009-10 budget was adopted in which functions were moved from one department to another. These changes impacted the budget-to-budget comparisons for the service areas.

# GENERAL FUND EXPENDITURES

## CITY OF ASHEVILLE FY 2010-11 GENERAL FUND EXPENDITURES BY CATEGORY TOTAL \$91,635,962



### Budget-to-Budget Expenditure Comparison

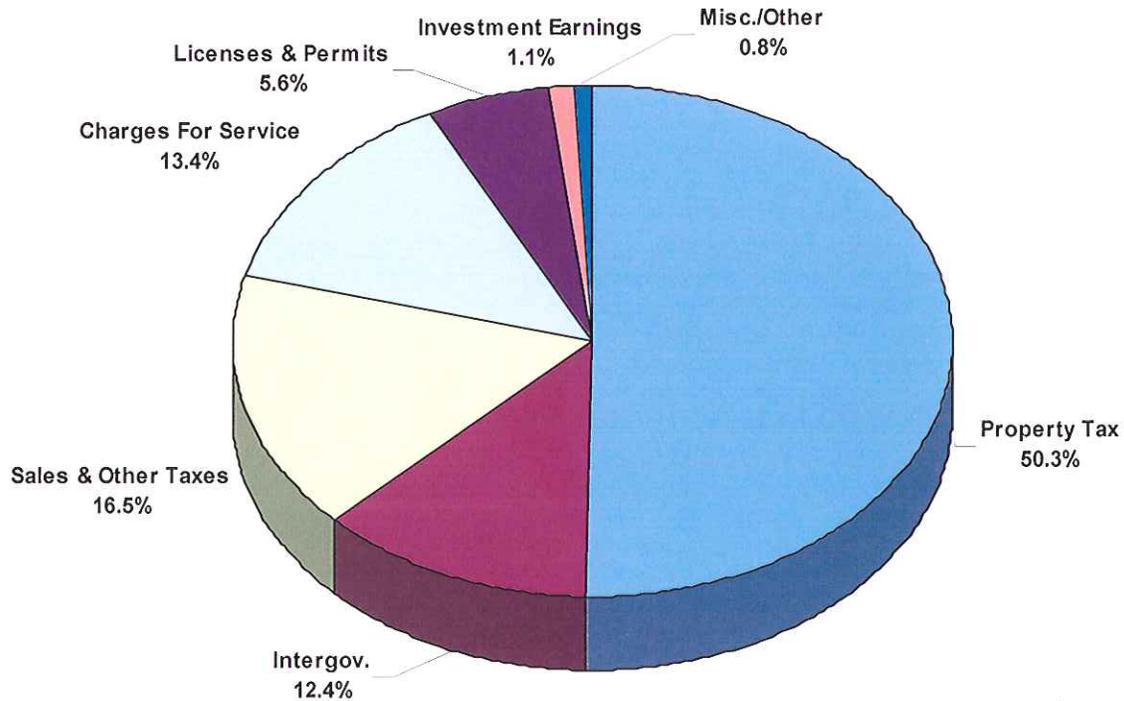
<u>Expense Category:</u>	2009-10	2010-11	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>Budget</u>
Salaries & Wages	43,123,462	40,836,760	(2,286,702)	-5.3%
Fringe Benefits	14,880,912	16,694,228	1,813,316	12.2%
Operating Costs	24,363,175	24,593,664	230,489	0.9%
Interfund Transfers	1,748,872	1,497,442	(251,430)	-14.4%
Debt Service	5,429,922	5,434,922	5,000	0.1%
Capital Outlay	3,141,950	2,578,946	(563,004)	-17.9%
<b>Total General Fund Expenditures</b>	<u>92,688,293</u>	<u>91,635,962</u>	<u>(1,052,331)</u>	<u>-1.1%</u>

## GENERAL FUND REVENUES

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b><u>Taxes</u></b>				
Property Tax - Current Year	39,587,510	41,247,841	42,781,503	43,423,226
Local Option Sales Tax	16,548,425	15,036,346	15,880,273	14,834,688
Motor Vehicle Taxes	2,172,180	2,193,424	2,232,045	2,232,045
Property Tax - Prior Years	377,859	398,547	400,000	400,000
Other Taxes	313,987	301,358	330,000	310,000
<b>Total Taxes</b>	58,999,961	59,177,516	61,623,821	61,199,959
<b><u>Licenses &amp; Permits</u></b>				
Building Safety Fees	2,793,355	2,699,515	2,648,900	2,434,925
Local Utility Franchise Tax	679,496	707,654	683,000	693,000
Business Privilege Licenses	1,107,849	1,476,118	1,105,199	1,400,000
Motor Vehicle Licenses	322,809	312,791	342,000	321,162
Other	283,494	300,657	219,950	239,450
<b>Total Licenses/Permits</b>	5,187,003	5,496,735	4,999,049	5,088,537
<b><u>Intergovernmental</u></b>				
State Utility Taxes	6,412,238	7,403,284	7,151,506	7,400,000
Powell Bill	2,607,730	2,372,265	2,160,189	2,070,170
ABC Revenue	895,909	750,000	900,000	900,000
State Beer & Wine Taxes	349,847	349,564	360,000	360,000
Other	668,339	987,915	821,436	652,432
<b>Total Intergovernmental</b>	10,934,063	11,863,028	11,393,131	11,382,602
<b><u>Charges For Service</u></b>				
Internal Charges	2,387,859	2,329,899	2,676,753	2,499,821
Employee Insurance Contrib.	2,740,926	3,088,522	2,740,926	3,553,000
Parks & Recreation Fees	1,410,650	1,253,880	1,572,507	1,522,959
Recycling Charges	417,224	420,682	965,376	950,500
Fire Protection & Inspections	1,433,212	1,544,159	1,605,000	1,626,743
Outside Vehicle Repairs & Fuel	1,140,749	1,130,007	1,258,594	1,258,594
Other	788,796	679,874	620,679	840,304
<b>Total Charges For Service</b>	10,319,416	10,447,023	11,439,835	12,251,921
<b><u>Other</u></b>				
Miscellaneous	740,492	551,837	320,093	310,943
Investment Earnings	1,543,080	1,191,668	1,014,000	1,014,000
<b><u>App. Fund Balance</u></b>	-	-	1,898,364	0
<b>Total Revenues</b>	87,724,015	88,727,807	92,688,293	91,635,962

# GENERAL FUND REVENUES

## CITY OF ASHEVILLE FY 2010-11 GENERAL FUND REVENUES BY SOURCE TOTAL \$91,635,962

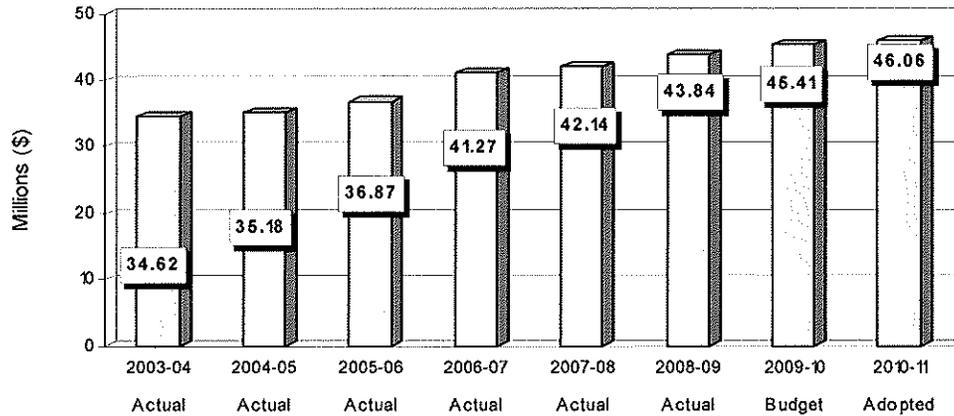


### Budget-to-Budget Revenue Comparison

<u>Revenue Sources:</u>	2009-10	2010-11	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>Budget</u>
Property Tax	45,413,548	46,055,271	641,723	1.4%
Intergovernmental	11,393,131	11,382,602	(10,529)	-0.1%
Sales & Other Taxes	16,210,273	15,144,688	(1,065,585)	-6.6%
Charges For Service	11,439,835	12,251,921	812,086	7.1%
Licenses & Permits	4,999,049	5,088,537	89,488	1.8%
Investment Earnings	1,014,000	1,014,000	0	0.0%
Miscellaneous/Other	320,093	698,943	378,850	118.4%
App. Fund Bal.	1,898,364	0	(1,898,364)	-100.0%
<b>Total General Fund Revenue</b>	<b><u>92,688,293</u></b>	<b><u>91,635,962</u></b>	<b><u>(1,052,331)</u></b>	<b><u>-1.1%</u></b>

# GENERAL FUND REVENUES

## PROPERTY TAXES



<u>Property Taxes</u>	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Current Year</b>	39,587,510	41,247,841	42,781,503	43,423,226
<b>Registered Motor Vehicles</b>	2,172,180	2,193,424	2,232,045	2,232,045
<b>Prior Years</b>	<u>377,859</u>	<u>398,547</u>	<u>400,000</u>	<u>400,000</u>
<b>Total Property Taxes</b>	42,137,549	43,839,812	45,413,548	46,055,271

### Trends & Assumptions

The Property or Ad Valorem Tax is the largest funding source for general government services, providing 50% of the City's total FY 2010-11 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 revalued every four years, while personal and utility values are adjusted annually. Real property makes up approximately 80% of the City's total tax base. The most recent revaluation was completed in 2005, and the new values become effective in FY 2006-07. The current tax rate, which is 42 cents per \$100 of assessed valuation, will remain the same in FY 2010-11.

Over the last ten years, the property tax base has grown by an average of 3.4% per year. Based on estimates from the Buncombe County Tax Assessor, assessed value growth of only 1.5% is expected in FY 2010-11. This growth represents the smallest percentage increase in assessed value in the last ten fiscal years and reflects the impact of the recession on new construction. According to the Tax Assessor, property values were also negatively impacted by an increase in applications for programs, such as the Homestead and Veterans Exemptions and the builder improvement deferral, that allow property owners to reduce their valuations.

# GENERAL FUND REVENUES

## ASSESSED VALUATION HISTORY

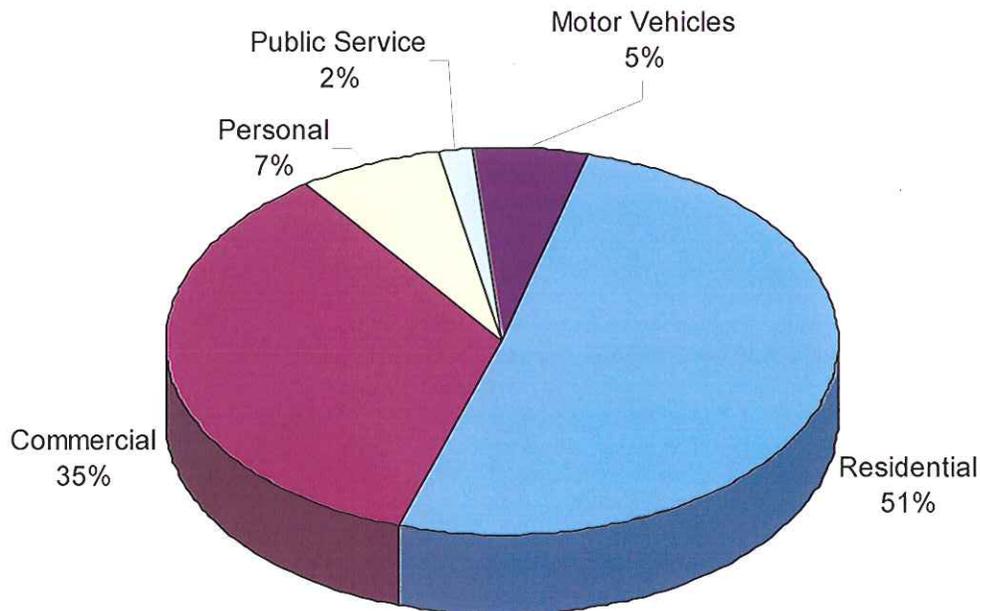
### Major Property Categories

(\$ in thousands)

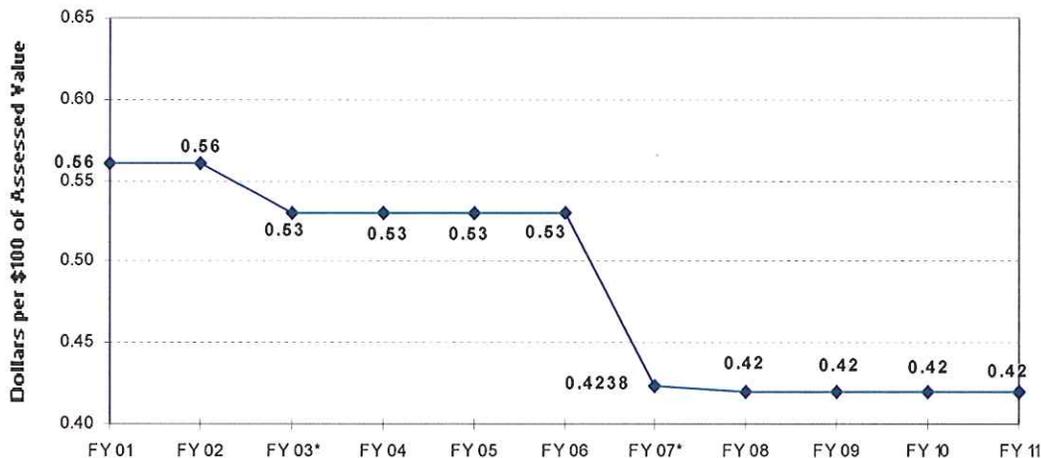
	FY 2004-05	FY 2005-06	FY 2006-07*	FY 2007-08	FY 2008-09
<b>Residential</b>	\$3,169,846	\$3,284,605	\$4,867,777	\$5,007,378	\$5,286,384
Percent Change	2.8%	3.6%	48.2%	2.9%	5.6%
<b>Commercial/Industrial</b>	\$2,280,227	\$2,309,749	\$3,598,231	\$3,589,744	\$3,663,006
Percent Change	3.8%	1.3%	55.8%	-0.2%	2.0%
<b>Personal</b>	\$580,056	\$597,418	\$613,292	\$654,581	\$718,508
Percent Change	2.6%	3.0%	2.7%	6.7%	9.8%
<b>Public Service Companies</b>	\$162,514	\$165,360	\$189,426	\$190,305	\$195,966
Percent Change	2.4%	1.8%	14.6%	0.5%	3.0%
<b>Motor Vehicles</b>	\$486,374	\$509,456	\$549,169	\$572,808	\$571,325
Percent Change	-8.6%	4.7%	7.8%	4.3%	-0.3%
<b>TOTAL TAX BASE</b>	<b>\$6,679,017</b>	<b>\$6,866,588</b>	<b>\$9,817,895</b>	<b>\$10,014,816</b>	<b>\$10,435,190</b>
Percent Change	2.2%	2.8%	43.0%	2.0%	4.2%

\* Revaluation year.

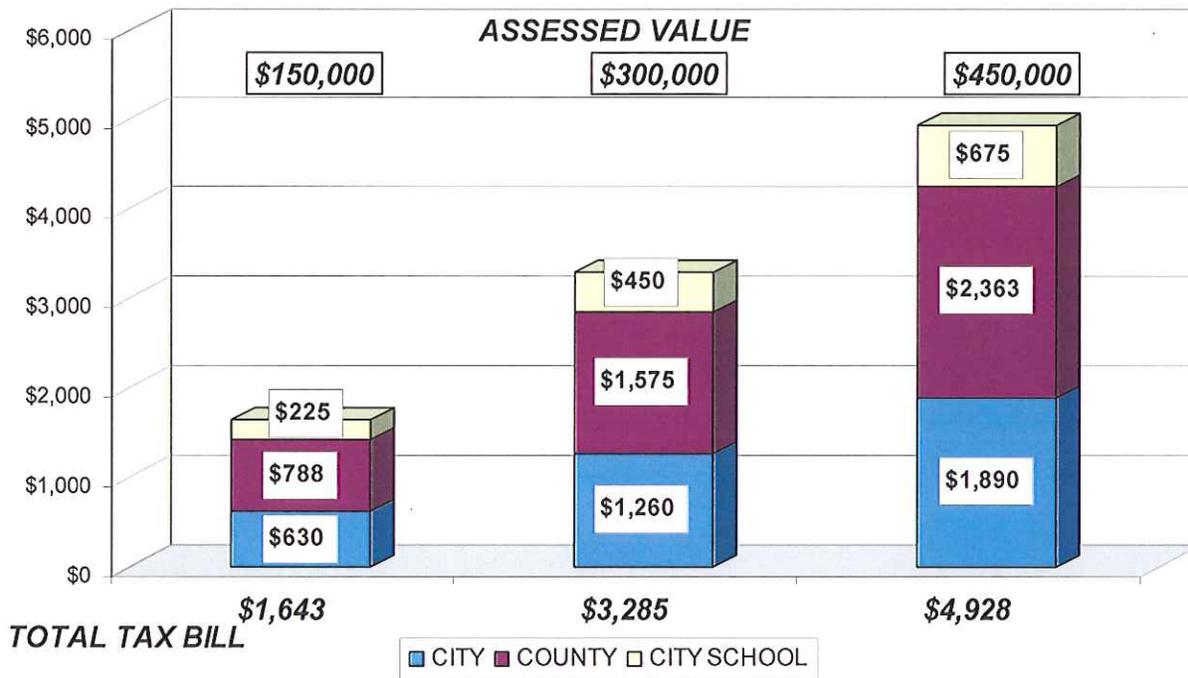
### City of Asheville FY 2008-09 Tax Base



# GENERAL FUND REVENUES



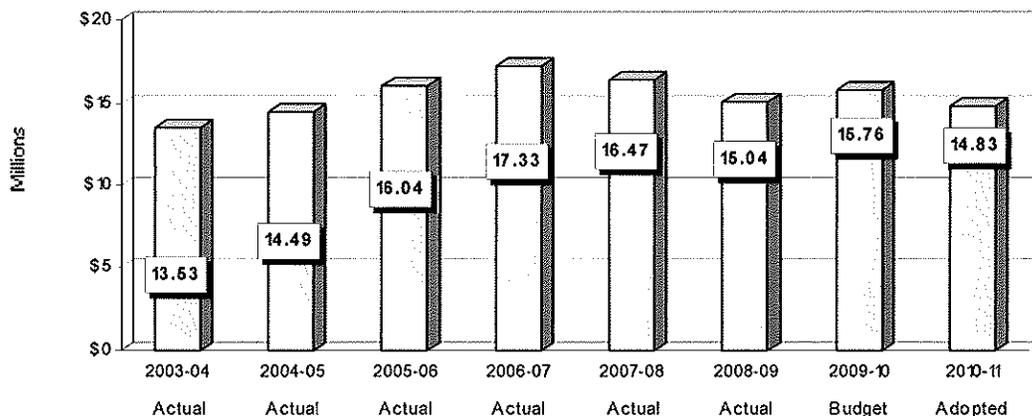
## FY 2010-11 Sample Tax Bill



Note: City tax rate: 42 cents per \$100 of assessed valuation  
 County tax rate: 52.5 cents per \$100 of assessed valuation  
 City School tax rate: 15 cents per \$100 of assessed valuation. Approximately 65% of City of Asheville residents pay the City School tax.

# GENERAL FUND REVENUES

## LOCAL OPTION SALES TAX



<u>Sales Tax Components</u>	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Article 39	7,640,778	7,045,487	7,376,148	6,914,330
Article 40	2,932,193	2,655,989	2,750,545	2,565,283
Article 42	2,894,224	2,614,326	2,813,241	2,623,756
Article 44/Hold Harmless	<u>3,006,334</u>	<u>2,644,075</u>	<u>2,823,380</u>	<u>2,731,319</u>
<b>Total Sales Tax</b>	<b>16,473,529</b>	<b>15,036,346</b>	<b>15,763,314</b>	<b>14,834,688</b>

### 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 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.

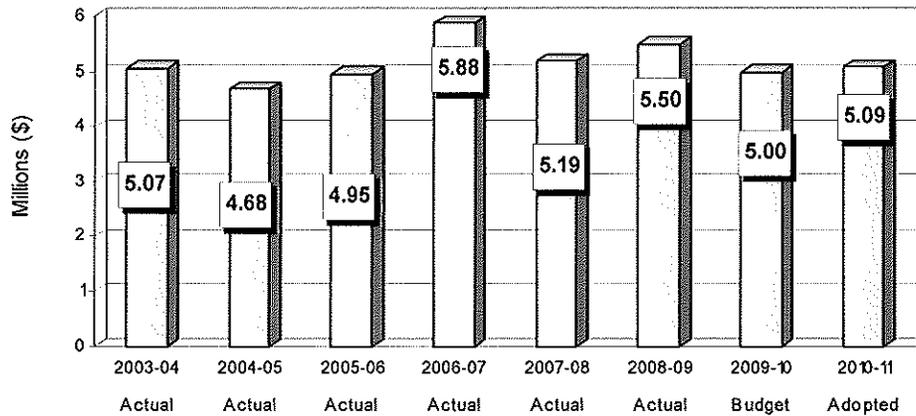
Buncombe County's sales tax revenue is divided between the county and the local municipalities based on each entity's share of the total county ad

valorem tax levy. Based on this distribution formula, the City currently receives 19.60% 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.

City sales tax revenue peaked in FY 2006-07 at \$17.3 million and has declined every year since then. With local and statewide economic activity remaining at record low levels, the City has continued to experience declining sales tax revenue in the current fiscal year. Sales tax revenue this fiscal year is down 8.2% through the first eight months. With sales tax revenue falling short of budget in the current fiscal year, and with the League of Municipalities projecting growth in next fiscal year of only 1.0% - 2.0%, staff has budgeted a \$1.0 million decrease in sales tax revenue compared to the current fiscal year's. By way of comparison, the \$14.8 million in sales tax revenue expected to be received next fiscal year is approximately \$2.5 million less than the sales tax revenue that was collected four years ago.

# GENERAL FUND REVENUES

## LICENSES & PERMITS



<u>Licenses &amp; Permits</u>	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Building Safety Fees</b>	2,793,355	2,699,515	2,648,900	2,434,925
<b>Local Utility Franchise Tax</b>	679,496	707,654	683,000	693,000
<b>Business Privilege Licenses</b>	1,107,849	1,476,118	1,105,199	1,400,000
<b>Motor Vehicle Licenses</b>	322,809	312,791	342,000	321,162
<b>Other</b>	<u>283,494</u>	<u>300,657</u>	<u>219,950</u>	<u>239,450</u>
<b>Total Licenses &amp; Permits</b>	5,187,003	5,496,735	4,999,049	5,088,537

### 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.

**Building Safety Fees:** After substantial growth in FY 2006-07 and FY 2007-08, revenue growth in building safety fees has slowed due to the recession. In FY 2010-11, the development services technology fee, which was collected in the general fund and then transferred to a capital projects fund, will be recorded directly in the capital fund. Adjusting for this technical adjustment, revenue from building safety fees is budgeted to remain flat in FY 2010-11.

**Local Utility Franchise Tax:** The State of North Carolina under the Video Services Bill now collects most of what used to be considered local cable franchise revenue and shares it with municipalities as a part of the state utility taxes. However, the City still receives some revenue for parts of our franchise agreement not covered under the state law. Revenue from the local

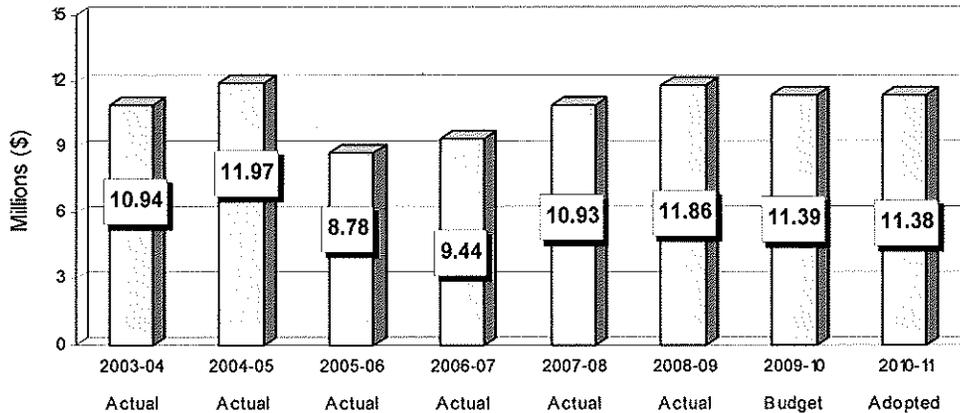
utility franchise tax on electricity and gas is expected to remain flat compared to prior year collections.

**Business Privilege Licenses:** The City levies a privilege license fee on certain businesses operating within the City of Asheville. The budget for privilege license revenue is increased in FY 2010-11 to reflect collections in FY 2008-09.

**Motor Vehicle Licenses:** The City levies an annual registration fee of \$10 on all motor vehicles owned by City residents. In prior years, all of this money was collected in the general fund and half of the revenue was transferred to the Transit Services Fund to support the operational and capital needs of the City's transit system. Beginning in 2007-08, this revenue was split with half going into each fund. This budget is adjusted downward in FY 2010-11 to reflect collection trends observed over the last few years.

# GENERAL FUND REVENUES

## INTERGOVERNMENTAL REVENUE



	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b><u>Intergovernmental</u></b>				
State Utility Taxes	6,412,238	7,403,284	7,151,506	7,400,000
Powell Bill	2,607,730	2,372,265	2,160,189	2,070,170
ABC Revenue	895,909	750,000	900,000	900,000
State Beer & Wine Tax	349,847	349,564	360,000	360,000
Other	<u>668,339</u>	<u>987,915</u>	<u>821,436</u>	<u>652,432</u>
<b>Total Intergovernmental</b>	10,934,063	11,863,028	11,393,131	11,382,602

### 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.

City staff completed an audit of address data maintained by Progress Energy Company in FY 2008-09 and discovered a number of premises that were in the City but coded as out of the City by Progress. This audit resulted in a one-time back payment of \$300,000 and an ongoing annual gain of \$100,000 in the City's electricity franchise tax revenue. In addition, the state increased the tax rate on telecommunications, satellite, and cable service providers in April 2008. Based on these two factors, along with current year collection trends and growth estimates provided by the North Carolina League of Municipalities, staff has budgeted a 3.5% or \$250,000 increase in this revenue in FY 2010-11.

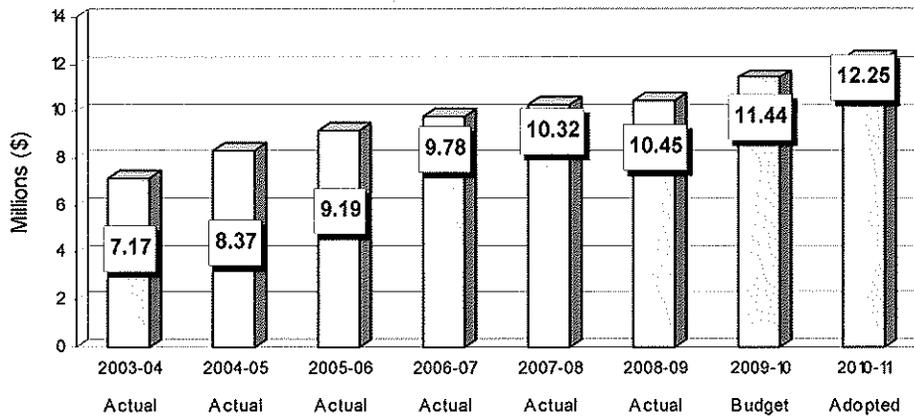
**ABC Revenue:** A portion of net profits from Alcoholic Beverage Control sales in the City of Asheville are divided between the City and Buncombe County. The budget for this revenue is held flat in FY 2010-11.

**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. This revenue is expected to also remain flat in FY 2010-11.

**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 on 75% on population and 25% on local street mileage. Powell Bill funds can only be expended to maintain, repair, or construct local streets. The current recession has caused a slowdown in automobile sales and decreased demand for gasoline, as a result, Powell Bill revenue in the current fiscal year declined 10.4% compared to FY 2008-09. The League of Municipalities is forecasting another 2.6% decline in this revenue in FY 2010-11.

# GENERAL FUND REVENUES

## CHARGES FOR SERVICE



<u>Charges For Service</u>	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Charges to Other Funds	2,387,859	2,329,899	2,686,753	2,499,821
Employee Insurance Contributions	2,740,926	3,088,522	2,740,926	3,553,000
Parks & Recreation Fees	1,410,650	1,253,880	1,572,507	1,522,959
Recycling Charges	417,224	420,682	965,376	950,500
Fire Protection & Inspections	1,433,212	1,544,159	1,605,000	1,626,743
Outside Vehicle Repairs & Fuel	1,140,749	1,130,007	1,258,594	1,258,594
Other	<u>788,796</u>	<u>679,874</u>	<u>537,436</u>	<u>840,304</u>
<b>Total Charges For Service</b>	10,319,416	10,447,023	11,439,835	12,251,921

### 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.

**Charges to Other Funds:** Charges to other funds are transfers to the general fund from other City funds, specifically the water fund. The transfer amounts are designed to cover the cost of services provided by general fund departments in support of these enterprise fund operations. This revenue shows an \$186,000 decrease in FY 2010-11 based on the latest update to the City's cost allocation plan, which was completed by a consultant in the spring of 2010.

**Employee Insurance Contributions:** City employees are charged differing rates based on the type of health insurance coverage they select.

Employee contributions in the current fiscal year are coming in higher than initially budgeted. In addition, the City is increasing employee health insurance premiums by 5% in FY 2010-11. Based on these two factors, the budget for this revenue is increased by \$800,000 in FY 2010-11.

**Parks & Recreation Fees:** Based on current year trends and a Adopted reduction in community center programming, a slight decrease of \$50,000 is budgeted in Parks and Recreation fees.

**Recycling Charges:** City Council approved increasing the fee for household recycling to 100% cost recovery in FY 2009-10. With recycling costs holding steady in FY 2010-11, no increase was adopted for FY 2010-11. Therefore, this revenue is expected to remain essentially flat in FY 2010-11.

## GENERAL FUND REVENUES

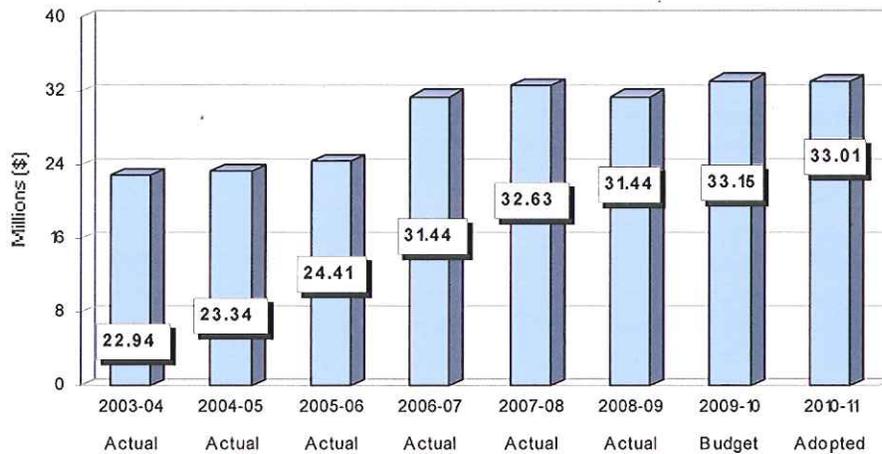
**Fire Protection & Inspections:** The City's Fire and Rescue Department has historically provided fire protection services to the Biltmore Estate and the town of Biltmore Forest. The charge for this service is based on the assessed value of the property being served. On July 1, 2009, the City also began providing service to a portion of the Haw Creek suburban fire district. In addition, the Fire and Rescue Department provides inspection services and charges a fee for this service.

Overall, revenue generated by the Fire Department will be flat in FY 2010-11.

**Outside Vehicle Repairs & Fuel:** The City's Fleet Maintenance Division provides fuel and limited repair services to certain governmental units and non-profit agencies, including Mission/St. Joseph's Hospital and the Metropolitan Sewerage District. With fuel prices expected to remain flat in FY 2010, staff budgeted no increase in this revenue.

# ENTERPRISE FUND REVENUES

## WATER RESOURCES FUND REVENUE



<u>Water Resources Revenue</u>	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Utility Charges	21,065,198	21,034,771	22,104,000	22,400,000
Other Operating Revenue	4,275,417	3,953,120	4,405,629	3,906,700
Capital Maintenance Fee	5,859,327	5,846,409	6,090,000	6,394,500
Investment Earnings	<u>1,427,717</u>	<u>608,295</u>	<u>550,000</u>	<u>310,000</u>
<b>Total Water Resources Revenue</b>	<b>32,627,659</b>	<b>31,442,595</b>	<b>33,149,629</b>	<b>33,011,200</b>

### 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 2009-10 budget includes a 5% increase in water rates, which will generate approximately \$1,000,000 in additional revenue. Even with this rate increase, overall revenue from utility charges is only showing a budget-to-budget increase of \$300,000. This smaller than expected increase is primarily due to the fact that in the current fiscal year, there has been a 9% decrease in water consumption as customers have conserved more water and water usage for irrigation has declined as a result of the wet weather. This trend is expected to continue into next fiscal year. Revenue has also been impacted due to the loss of the City of Hendersonville as a wholesale water customer.

**Capital Maintenance Fee:** The purpose of this fee is to provide funding for major capital

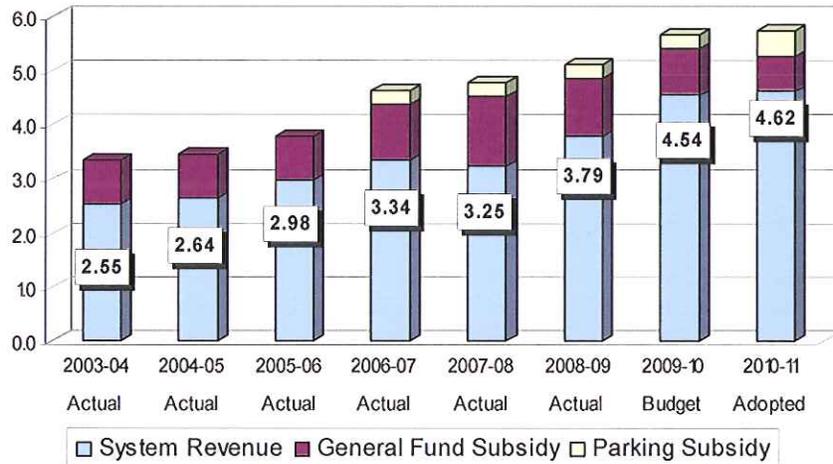
improvements such as water line replacements and water treatment source improvements. It is a charge based on the size of the meter. Based on collection trends over the last two years, along with the 5% rate increase approved by City Council, staff has budgeted a \$300,000 increase in this revenue for FY 2010-11.

**Other Revenue:** This category includes development fees, tap and connection fees, fire line charges, reconnection and delinquency fees and other miscellaneous revenue. A \$500,000 decrease is budgeted in this revenue based on current year trends. The recession continues to have a major impact on new development across Buncombe County, resulting in a 47% decrease in tap/connection fees in the current fiscal year.

Investment earnings reflect earnings on cash fund balances. The budget for investment earnings is adjusted downward to reflect current interest rates and a decrease in cash available for investment.

# ENTERPRISE FUND REVENUES

## TRANSIT SERVICES FUND REVENUE



<u>Transit Services Revenue</u>	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Federal/State Grants	2,075,988	2,553,611	3,317,333	3,463,200
General Fund Subsidy	1,275,565	1,066,197	872,831	642,196
Parking Fund Subsidy	248,116	248,116	248,116	484,000
Operating Revenue	870,860	832,117	911,000	831,000
Motor Vehicle License Fee	307,352	309,175	310,000	316,200
Miscellaneous	0	100,000	0	0
<b>Total Transit Revenue</b>	<b>4,777,881</b>	<b>5,109,216</b>	<b>5,659,280</b>	<b>5,736,596</b>

### 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 represents 60% of the fund's total revenue. In FY 2010-11, the City will continue to receive the same level of federal operating support for transit that it has over the last several years. However, given the City's current Census classification, there is no guarantee that the City will receive this level of federal support in future budget years.

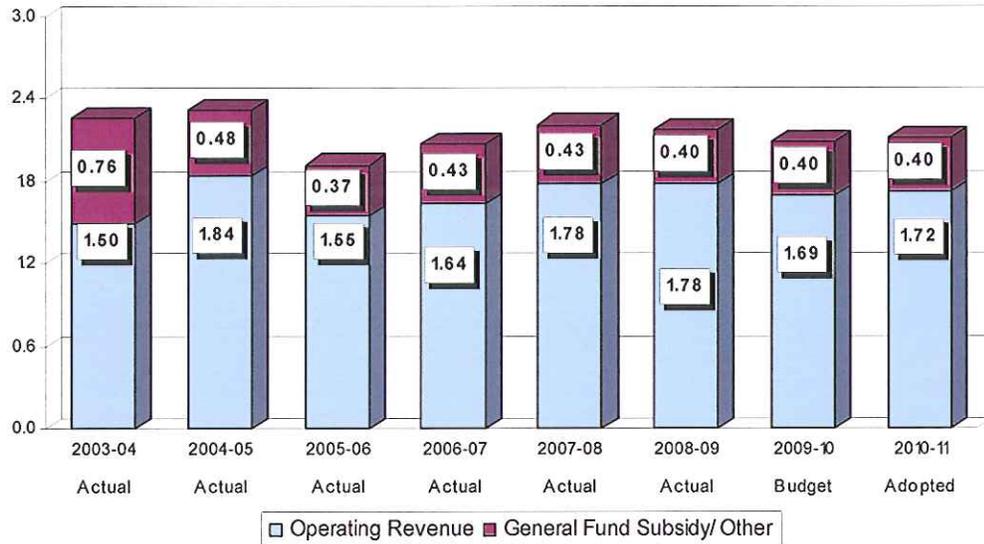
**City Support:** This category includes both the general fund and parking fund subsidies and the motor vehicle license fee. The parking fund

subsidy is being increased by approximately \$234,000. \$125,000 of this amount represents an ongoing adjustment to the transfer to cover increased expenses in the Transit Fund. The other \$109,000 is a one-time increase to provide funding that will allow for the continuation of all the existing transit evening service. With the increase in the parking fund subsidy, staff was able to reduce the general fund subsidy to transit by approximately \$230,000. Motor vehicle license fee revenue is expected to remain flat compared to the current year.

**Operating Revenue:** This category consists of passenger fares, bulk fare income, and advertising revenue. Based on current staff has budgeted a decrease in this revenue category in FY 2010-11.

# ENTERPRISE FUND REVENUES

## CIVIC CENTER FUND REVENUE



<u>Civic Center Revenue</u>	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Food & Beverage Sales	587,776	798,918	607,300	632,800
Rent	567,305	491,265	530,750	530,750
Admissions & Other Sales	442,774	358,849	410,350	414,000
Other	<u>178,213</u>	<u>130,490</u>	<u>144,400</u>	<u>144,400</u>
<b>Total Operating Revenue</b>	1,776,068	1,779,522	1,692,800	1,721,950
<b>General Fund Subsidy</b>	<u>431,198</u>	<u>397,989</u>	<u>391,315</u>	<u>392,594</u>
<b>Total Civic Center Revenue</b>	2,207,266	2,177,511	2,084,115	2,114,544

### Trends & Assumptions

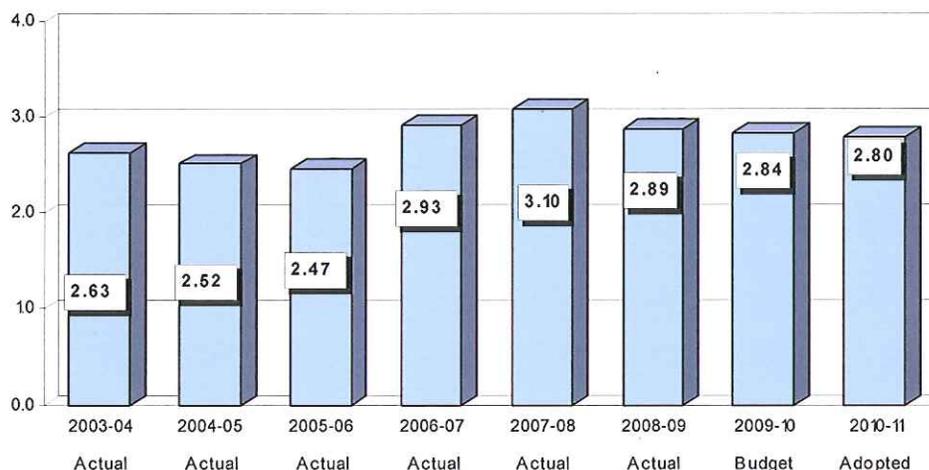
The Civic Center receives operating revenue from the sale of food and beverages, rental fees charged to the users of the facility, and from various other charges including facility fees and staffing reimbursements. Operating revenue is supplemented with support from the City's general fund.

**Operating Revenue:** Operating revenue shows a budget-to-budget increase of approximately \$30,000. This increase reflects additional revenue generated from the sale of wristbands to patrons purchasing alcoholic beverages.

**General Fund Subsidy:** The strong performance in operating revenue has allowed the Civic Center to operate at a substantially lower loss over the last several fiscal years. As such, the general fund subsidy has remained in the \$400,000 range over the last five years. In the years prior to that, the operating deficit had routinely exceeded \$700,000. This trend continues with the FY 2010-11 budget, which includes a general fund subsidy of \$392,594.

# ENTERPRISE FUND REVENUES

## PARKING SERVICES FUND REVENUES



<u>Parking Services Revenue</u>	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Garage Revenue	1,226,593	1,136,838	1,115,000	1,090,000
Parking Meters	992,344	986,648	925,000	940,000
Parking Violations	617,131	574,936	644,700	596,000
Parking Lots & Peripheral Parking	172,231	148,731	105,000	140,000
App. Fund Balance	--	--	--	109,000
Other	<u>87,355</u>	<u>43,257</u>	<u>50,000</u>	<u>36,500</u>
<b>Total Parking Services Revenue</b>	<b>3,095,654</b>	<b>2,890,410</b>	<b>2,839,700</b>	<b>2,911,500</b>

### Trends & Assumptions

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

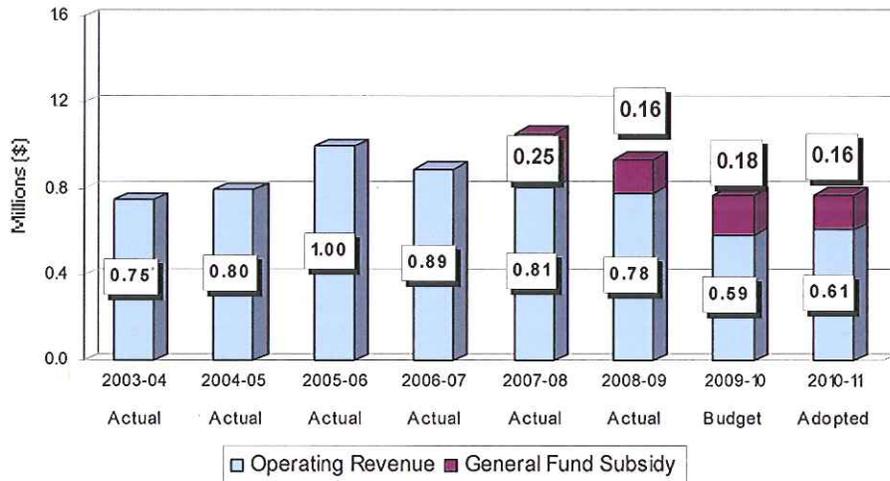
**Garage Revenue:** The recession has led to a decline in garage revenue compared to prior years. In FY 2009-10, garage revenue is expected to come in slightly under budget. Based on this trend, a small decrease is budgeted in FY 2010-11.

**Parking Meters & Parking Violations:** All other parking operating revenues have also seen declines since FY 2007-08. The budgets for FY 2010-11 for these revenues assume a continuation of the current year collection trends.

**Appropriated Fund Balance:** In order to avoid a reduction in transit evening service, staff is proposing that \$109,000 be transferred from the Parking Fund to the Transit Fund. This transfer will be covered with an appropriation from the Parking Fund's fund balance. This level of appropriation will allow the Parking Fund to maintain adequate reserves in anticipation of future parking garage construction.

# ENTERPRISE FUND REVENUES

## FESTIVALS FUND REVENUES



<u>Festivals Revenue</u>	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Sponsorships	269,179	270,325	273,917	243,917
Beverages	208,512	229,906	156,500	161,500
Vendor Fees & Booths	191,064	165,126	112,000	121,125
Souvenirs	34,421	32,190	21,300	20,000
Tickets/Events	80,588	6,866	30,000	0
Other	24,923	79,861	700	700
<b>Total Operating Revenue</b>	<b>808,687</b>	<b>784,274</b>	<b>594,417</b>	<b>547,242</b>
<b>General Fund Subsidy</b>	<b>253,922</b>	<b>162,675</b>	<b>184,726</b>	<b>162,652</b>
<b>Total Festivals Revenue</b>	<b>1,062,609</b>	<b>946,949</b>	<b>779,143</b>	<b>709,894</b>

### Trends & Assumptions

The Festivals Fund was created in FY 2001-02 to account for revenues and expenditures associated with City-produced festivals, such as Bele Chere and the Film Festival.

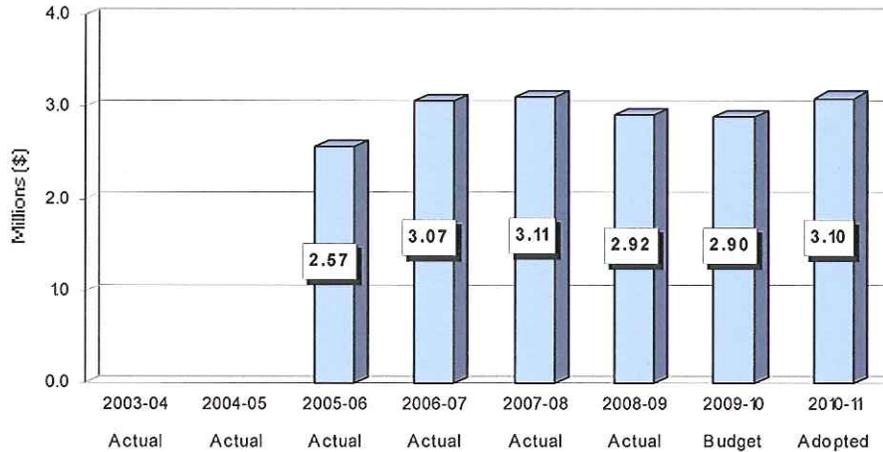
**Operating Revenue:** The operating revenue budget shows a decrease to reflect the recommendation that the Film Festival not be held in 2010. This revenue decrease is partially offset by the additional revenue from Bele Chere

beverage sales and vendor fees that will be realized as a result of Council-approved fee increases.

**General Fund Subsidy:** With the elimination of the Film Festival from the budget, and no increase projected for operating expenses for the other festivals, staff is able to reduce the general fund subsidy by approximately \$22,000.

# ENTERPRISE FUND REVENUES

## STORMWATER FUND REVENUES



<u>Stormwater Revenue</u>	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Utility Charges	2,744,219	2,576,677	2,665,218	2,665,218
Licenses & Permits	305,430	186,666	204,000	200,000
Lease-Purchase Proceeds	264	0	0	0
Transfer from Other Funds	0	0	0	200,000
Other	<u>56,029</u>	<u>165,803</u>	<u>30,000</u>	<u>30,000</u>
<b>Total Stormwater Revenue</b>	<b>3,105,942</b>	<b>2,929,146</b>	<b>2,899,218</b>	<b>3,095,218</b>

### 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.

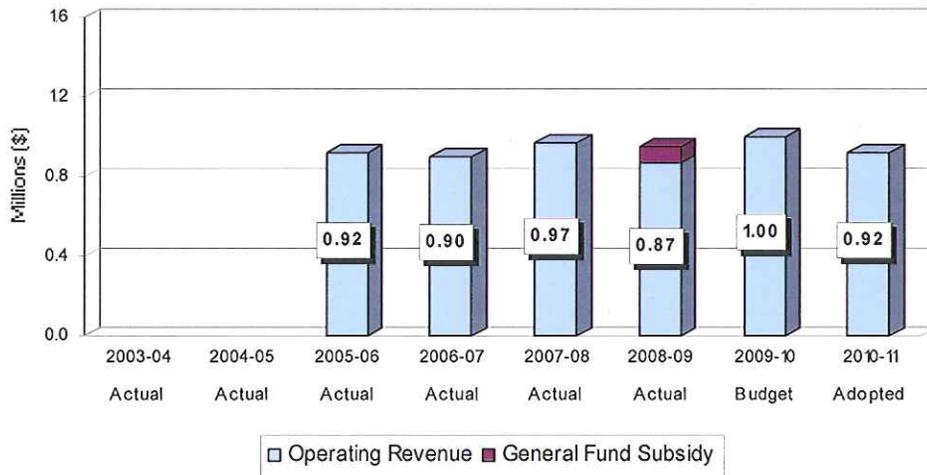
**Licenses & Permits:** The current recession has slowed revenue collections in the licenses and permits category. The FY 2010-11 budget reflects a continuation of this trend.

**Utility Charges:** Revenue from utility charges remains flat compared to the current year budget.

**Transfer from Other Funds:** The Stormwater Fund will be issuing debt in FY 2010-11 in order to fund \$2.3 million in major capital projects. A portion of the debt funding will be transferred to the operating fund to reimburse for staff time spent on those projects. A similar reimbursement mechanism will be used for staff time spent on Recovery Act projects. In total, staff is estimating that \$200,000 in reimbursements from capital and grant funds will be received in FY 2010-11.

# ENTERPRISE FUND REVENUES

## GOLF FUND REVENUES



<u>Golf Revenue</u>	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Pro Shop Sales	42,319	27,644	30,000	10,000
Membership Fees	191,482	170,379	180,000	180,000
Snack Bar	73,543	57,029	80,000	40,000
Equipment Rental	272,775	246,604	275,000	255,000
Green Fees	381,270	359,344	435,000	435,000
Other	<u>5,172</u>	<u>8,242</u>	<u>0</u>	<u>0</u>
<b>Total Operating Revenue</b>	966,561	869,241	1,000,000	920,000
<b>General Fund Subsidy</b>	<u>0</u>	<u>75,701</u>	<u>0</u>	<u>0</u>
<b>Total Golf Revenue</b>	966,561	944,942	1,000,000	920,000

### Trends & Assumptions

The Golf Fund was created in FY 2005-06 when the City assumed operation of the Municipal Golf Course from Buncombe County as a part of the Water Agreement termination.

**Operating Revenues:** The Adopted Budget shows a decrease in operating revenue of \$80,000 or 8.0%. This decrease reflects the

impact of the recession on golf course revenue, as well as an attempt by staff to budget revenues at a level that is more consistent with collections in prior years.

**General Fund Subsidy:** No general fund subsidy is required to balance the FY 2010-11 golf fund budget.



# GENERAL GOVERNMENT

~~General Government Summary~~

~~General Administration~~

✓ Finance

✓ Information Technology

✓ Human Resources

✓ Nondepartmental

✓ Administrative Services

✓ Economic Development

✓ City Attorney's Office

# ADMINISTRATIVE SERVICES

Lauren Bradley, Director

**MISSION:** The mission of the Administrative Services Department is to provide fair and consistently high quality services to all citizens and employees by creating a cooperative, outcome-oriented and informed environment. We promise to all City employees our commitment to: leadership by example; open communication; an atmosphere of mutual trust and loyalty; pride and enjoyment in work; recognition of accomplishment; excellence; new ideas; fairness and consistency; personal and professional development; a safe and healthy workplace; fair pay and benefits; necessary tools to do the job; and responsible financial management.

## DEPARTMENT SUMMARY

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Expenditures:</b>				
Salaries & Wages	888,436	921,198	964,255	1,709,921
Fringe Benefits	242,311	282,930	305,530	612,484
Operating Costs	350,206	255,842	264,262	484,276
Capital Outlay	0	0	0	0
Cost Transfers	<u>-155,586</u>	<u>-96,431</u>	<u>-130,000</u>	<u>-135,000</u>
Total	1,325,367	1,363,539	1,404,047	2,671,681
FTE Positions	15.00	13.00	13.00	30.00

## BUDGET HIGHLIGHTS

- As a part of a series of reorganizations during FY 2009-10, the following divisions were moved under the Administrative Services Department: purchasing, central stores, risk management, City Hall operations, and budget. The FY 2010-11 Adopted budgets for each of these divisions is presented under the Administrative Services Department; prior year information for these divisions is presented under their previous departments.
- At the start of FY 2009-10, the City's internal print shop operation was closed and all print services were contracted out. This reengineering led to the elimination of 2 FTE positions and a net savings of \$95,000.
- In order to help balance the FY 2010-11 budget, the Administrative Services Department operating budget was reduced by approximately \$100,000. In addition, one position in the budget division is targeted to be held vacant during FY 2010-11, which will produce a total salary and benefits savings of \$40,000.
- In order to provide more effective cleaning services for city facilities, one custodian position is added to the city hall operation budget for FY 2010-11. This position will be funded by reducing the amount of the custodial contract with the City's outside vendor.

## ADMINISTRATIVE SERVICES

DIVISION SUMMARY	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<u>Governing Body</u>	187,907	171,738	189,455	184,604
FTE Positions	0.00	0.00	0.00	0.00

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

<u>City Clerk</u>	112,441	130,676	109,981	111,315
FTE Positions	2.00	1.00	1.00	1.00

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

<u>City Manager</u>	577,531	571,498	598,470	551,452
FTE Positions	5.00	5.00	4.00	4.00

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

<u>Community Relations</u>	447,488	489,626	506,141	393,271
FTE Positions	7.00	7.00	7.00	4.00

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

<u>Purchasing</u>				360,409
FTE Positions				4.00

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

<u>Central Stores</u>				162,216
FTE Positions				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).

## ADMINISTRATIVE SERVICES

DIVISION SUMMARY	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
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<u><i>Risk Management Admin</i></u>				241,402
FTE Positions				3.00

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

<u><i>Budget &amp; Research</i></u>				188,839
FTE Positions				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 management, planning and evaluation.

<u><i>City Hall Operations</i></u>				400,588
FTE Positions				8.00

The City Hall Operations staff strives to provide the highest quality of service to all employees and visitors to the City Hall building.

<u><i>Sustainability</i></u>				77,585
FTE Positions			1.00	1.00

### 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.
- Continue to make Asheville a desirable place to live, work and play by pursuing policies that enhance the quality of life for all City residents.
- 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 engaged and informed community by effectively communicating the City's goals, services, programs and initiatives.
- Utilize a broad range of communication tools including the City's website, the Asheville Channel, and in-house print services to foster a community that is well-informed and involved in decisions.

# ADMINISTRATIVE SERVICES

## KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2008/09</u> <u>Actual</u>	<u>2009/10</u> <u>Estimated</u>	<u>2010/11</u> <u>Target</u>
• <i>Percentage of city-wide contracts under city hall operations reviewed for efficient use and need by the city (print, custodial and mail)</i>	N/A	66%	66%
• <i>Percentage of contracts that should be city-wide to decrease costs to the city overall</i>	N/A	N/A	60%
• <i>Percentage of City Council generated staff action items tracked to improve citizen service</i>	N/A	100%	100%
• <i>Fulfill or close 98% of records requests in no more than 10 business days</i>	N/A	3	5
• <i>Purchasing support to all departments for CIP bids and formal bids by issuing bid invitations within 30 days of receipt requisition and approved specifications from the using department</i>	N/A	N/A	95%
• <i>Reduce the municipal carbon footprint</i>	2.5%	2.0%	3.0%
• <i>Process 98% of budget revision requests within one business day</i>	100%	98%	98%
• <i>Minimize the variance between actual general fund revenues and the budget (% variance)</i>	-0.7%	-1.0%	0%

# ECONOMIC DEVELOPMENT

Sam Powers, Director

**MISSION:** The Economic Development Division is responsible for establishing and executing activities and policies that result in the retention, expansion, and attraction of quality business investments and jobs for the City of Asheville

## DEPARTMENT SUMMARY

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Expenditures:</b>				
Salaries & Wages	262,859	281,535	289,383	235,425
Fringe Benefits	83,510	87,088	85,423	83,025
Operating Costs	305,502	294,327	145,185	146,055
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	651,871	662,950	519,991	464,505
FTE Positions	5.00	5.00	4.50	4.50

## BUDGET HIGHLIGHTS

- During FY 2009-10, the Civic Center Director and Economic Development Director positions were combined, which resulted in an overall savings of approximately \$73,000 between the General Fund and the Civic Center Fund. The 0.5 FTE reduction in FY 2009-10 reflects the fact that this position is now split with the Civic Center Fund.

## DEPARTMENTAL GOALS

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

# CITY ATTORNEY'S OFFICE

Bob Oast, 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

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Expenditures:</b>				
Salaries & Wages	379,362	429,811	411,037	406,222
Fringe Benefits	98,579	118,568	117,129	131,755
Operating Costs	98,798	70,429	69,436	69,436
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	576,739	618,808	597,602	607,413
FTE Positions	6.00	6.00	5.50	5.50

## BUDGET HIGHLIGHTS

- The FY 2010-11 budget represents a continuation of existing programs and services.

## DEPARTMENTAL GOALS

- Handle all lawsuits (motions, etc.) in a timely fashion.
- 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.
- Pursue legislative agenda.

## KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2008/09</u> <u>Actual</u>	<u>2009/10</u> <u>Estimated</u>	<u>2010/11</u> <u>Target</u>
• Respond to pleadings and motions by court or legally mandated deadlines.	N/A	100%	100%
• Complete reviews and edits within 10 days (30 days for conditional zoning permits.)	N/A	90%	90%
• Complete review and response on routine contracts & agreements within 2 weeks of receipt.	N/A	N/A	80%

# FINANCE

John Smith, Interim Director

**MISSION:** The mission of the Finance Department is to preserve and promote the City's financial condition and to deliver support and other services effectively and efficiently.

## DEPARTMENT SUMMARY

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Expenditures:</b>				
Salaries & Wages	1,423,510	1,686,766	1,685,650	989,215
Fringe Benefits	442,896	532,174	564,562	411,052
Operating Costs	604,436	339,007	509,203	323,531
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	2,470,842	2,557,947	2,759,415	1,723,798
FTE Positions	33.00	32.00	33.00	21.00

## BUDGET HIGHLIGHTS

- As a part of a series of reorganizations during FY 2009-10, the following divisions were moved from the Finance Department to the Administrative Services Department: purchasing, central stores, risk management, and budget. The FY 2010-11 adopted budgets for each of these divisions is presented under the Administrative Services Department; prior year information for these divisions is presented under the Finance Department.
- The vacant Assistant Chief Financial Officer position is being converted to an Internal Auditor position. This reengineering will produce approximately \$20,000 in savings while allowing the City to bolster its review of policies, procedures, and internal controls. In addition, one position in Accounting is targeted to be held vacant in FY 2010-11, which will produce a total salary and benefits savings of \$85,000.
- In order to help balance the FY 2010-11 budget, the Finance Department operating budget was reduced by approximately \$40,000.
- With the conversion to a new financial software system on January 1, 2010, the disbursement services area of accounting experienced a significant backlog in vendor billing/accounts payable. In order to provide the necessary staffing to address this backlog, a temporary Accountant position was upgraded to permanent, and approval was granted to hire a temporary Account Clerk. Funding for the temporary position will be absorbed and paid for with the Finance Department's part-time seasonal line item. In addition, due to MUNIS implementation, several of the larger city departments have experienced decreased data entry workloads on vendor billing. As result, Human Resources in coordination with Administrative Services/Budget Office is reviewing the possibility of transferring one additional FTE position to the disbursement services area.

## FINANCE

DIVISION SUMMARY	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<u>Administration</u>	266,965	348,833	358,869	352,624
FTE Positions	3.00	3.00	3.00	3.00

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

<u>Accounting</u>	1,315,166	1,239,824	1,422,369	1,371,174
FTE Positions	17.00	16.00	18.00	18.00

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.

The divisions below were moved to the Administrative Services Department during FY 2009-10. Their FY 2010-11 Adopted Budgets are presented under the Administrative Services Department.

<u>Purchasing</u>	285,665	392,623	346,326	0
FTE Positions	5.00	5.00	4.00	0.00

<u>Central Stores</u>	141,317	138,786	158,315	0
FTE Positions	2.00	2.00	2.00	0.00

<u>Risk Management Admin</u>	262,338	244,862	250,500	0
FTE Positions	3.00	3.00	3.00	0.00

<u>Budget &amp; Research</u>	199,391	223,015	223,036	0
FTE Positions	3.00	3.00	3.00	0.00

# FINANCE

## DEPARTMENTAL GOALS

- Provide high quality financial management services to facilitate sound business decisions.
- Provide great customer service with a high level of professionalism and responsiveness.
- Continuously improve the efficiency of its key business processes through automation and other re-engineering initiatives.
- Establish the department as a learning and growth organization by promoting growth opportunities for all employees.

## KEY PERFORMANCE OBJECTIVES & MEASURES

- Maintain general fund balance at a minimum of 15% of general fund expenditures.
- Receive an unqualified audit opinion, as well as the GFOA Excellence in Financial Reporting Award.
- Receive a score of 80% or higher on internal customer service satisfaction survey.
- Establish a culture of continuous learning and professional growth in the Finance Department.

# INFORMATION TECHNOLOGY SERVICES

Jonathan Feldman, Director

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

## DEPARTMENT SUMMARY

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Expenditures:</b>				
Salaries & Wages	1,003,892	1,129,133	1,192,397	1,123,668
Fringe Benefits	270,049	303,761	346,565	406,353
Operating Costs	1,257,064	1,128,849	1,432,718	1,308,946
Capital Outlay	115,523	49,423	28,000	28,000
Cost Transfers	<u>-373,715</u>	<u>-293,910</u>	<u>-362,622</u>	<u>-425,235</u>
Total	2,272,813	2,317,256	2,637,058	2,441,732
FTE Positions	17.00	17.00	19.50	19.50

## BUDGET HIGHLIGHTS

- The Information Technology Services (ITS) Department identified over \$220,000 in savings to help balance the FY 2010-11 adopted budget. Reductions were made in various areas including re-engineering maintenance, contracted services and temporary-seasonal labor.
- In addition, through re-organization of the department, one FTE position in ITS is targeted to be held vacant in FY 2010-11, which will produce a total salary and benefits savings of approximately \$95,000.
- The total savings contribution from the ITS budget is \$315,000, a 12% reduction from the previous fiscal year.

## INFORMATION TECHNOLOGY SERVICES

DIVISION SUMMARY	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<u>Information Services</u>	2,272,813	92,163	0	0
FTE Positions	17.00	0.00	0.00	0.00

Beginning in FY2008-09, the Information Services Department is accounted for in the following divisions:

<u>Administration</u>	0	181,641	184,802	348,532
FTE Positions	0.00	2.00	3.50	3.50

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

<u>GIS &amp; Application Services</u>	0	405,213	637,281	523,922
FTE Positions	0.00	4.00	5.00	5.00

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.

<u>IT Support Services</u>	0	555,200	664,299	614,416
FTE Positions	0.00	5.00	6.00	6.00

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

<u>Technical Services</u>	0	1,083,040	1,150,676	954,862
FTE Positions	0.00	6.00	5.00	5.00

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

# INFORMATION TECHNOLOGY SERVICES

## DEPARTMENTAL GOALS

- Ensure that technology services are aligned with business requirements of City staff and citizens; follow on successes like mapAsheville to save labor and improve efficiency.
- Pursue organizational development strategy, including staff industry certifications and industry accreditation.
- Significantly improve security and reliability by modernizing data center & data handling practices.
- Utilize test environment and automated deployment system 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

	<i>2008/09 <u>Actual</u></i>	<i>2009/10 <u>Estimated</u></i>	<i>2010/11 <u>Target</u></i>
• <i>Percentage of good and excellent Customer Service Survey results</i>	96.75%	93%	90%
• <i>IT Services budget, as a percentage of all City operating funds</i>	1.80%	1.67%	1.48%
• <i>Network &amp; system percentage uptime</i>	99.86%	99.80%	99.9%
• <i>Percentage of infrastructure replaced per year</i>	8.00%	16.18%	5.00%
• <i>Percentage of correlation between GIS and enterprise software</i>	94.19%	94%	95%
• <i>Percentage of normal priority calls resolved within 24 hours</i>	65.51%	66.30%	60.00%

# HUMAN RESOURCES

Jeff Richardson, Interim Director

**MISSION:** It is the mission of the Human Resources Department to provide a full range of customer-friendly services which foster a competitive, representative, healthy and fair work environment and to provide for the personal and professional development of employees.

## DEPARTMENT SUMMARY

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Expenditures:</b>				
Salaries & Wages	724,400	882,155	874,495	862,506
Fringe Benefits	193,589	237,423	254,704	369,447
Operating Costs	435,403	370,078	496,105	362,362
Capital Outlay	3,490	0	0	0
Cost Transfers	<u>-35,310</u>	<u>-33,356</u>	<u>-37,407</u>	<u>-37,407</u>
Total	1,321,572	1,456,300	1,587,897	1,556,908
FTE Positions	15.76	15.76	15.63	15.63

## BUDGET HIGHLIGHTS

- The Human Resources Department achieved approximately \$111,000 in savings for the FY 2010-11 budget by reducing various operating accounts, including contracted services, advertising, and tuition reimbursement.
- The Human Resources Department will manage its current vacancies in order to achieve \$80,000 in salary savings in FY 2010-11.

## HUMAN RESOURCES

DIVISION SUMMARY	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<u>Administration</u>	933,609	993,205	1,080,310	1,163,653
FTE Positions	10.50	10.50	12.50	12.50

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

<u>Organization &amp; Development</u>	154,962	152,508	230,764	163,124
FTE Positions	2.00	2.00	1.00	1.00

The Organization & Development Division develops, analyzes, and maintains the City's pay and classification plan, and fringe benefit and retirement plans. This division focuses on creating a cost-effective total rewards system that allows the City to attract and retain a highly qualified, high-performing, and diversified workforce.

<u>Health Services</u>	232,860	310,180	276,823	230,131
FTE Positions	2.26	2.26	2.13	2.13

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.

### DEPARTMENTAL GOALS

- To provide diversity strategies that will enable the organization to mirror our community.
- To provide succession planning strategies that will allow the organization to grow and prosper in the future.
- To provide enhanced compensation and benefit packages that will attract and retain highly qualified candidates and employees.
- To provide proactive recruiting strategies that attract well qualified, high performing, and diversified candidates.

### KEY PERFORMANCE OBJECTIVES & MEASURES

- Increase the percentage of qualified minorities who apply and are successful in obtaining employment and promotions within all departments.
- Study all jobs within the City and have them appropriately slotted into a new market-based broad-band compensation plan.
- Increase participation in the City's disease management programs and look for areas to expand into new disease types.
- Continue to improve recruitment processes and cycles.

# NONDEPARTMENTAL GENERAL GOVERNMENT

## BUDGET SUMMARY

Expenditures:	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Buncombe County Tax Collections	650,885	675,765	700,000	700,000
Board of Elections	159,416	0	160,000	0
Unemployment	33,272	64,540	65,179	110,000
Group Disability	47,560	51,140	60,165	70,330
URTV	31,250	68,021	60,000	0
Education Channel	0	7,976	18,000	18,000
Employee Transit Passes	7,235	9,975	7,521	7,542
City Stormwater Costs	133,497	125,070	139,001	139,001
Other	<u>217,796</u>	<u>102,704</u>	<u>131,389</u>	<u>131,389</u>
Total	1,280,911	1,105,191	1,341,255	1,176,262

## BUDGET HIGHLIGHTS

- The budget for URTV funding has been moved to the Administrative Services Department.
- The payment to the Board of Elections for City Council elections occurs every other year.
- Otherwise, the budget reflects a continuation of existing programs and services.



# PUBLIC SAFETY

~~Public Safety Summary~~

Police

Fire

Nondepartmental

# POLICE

William Hogan, 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

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Expenditures:</b>				
Salaries & Wages	11,369,587	12,221,547	12,182,314	11,674,028
Fringe Benefits	3,982,271	4,320,089	4,549,565	5,200,836
Operating Costs	3,038,323	2,943,918	3,318,177	3,256,790
Capital Outlay	<u>179,080</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	18,569,261	19,485,554	20,050,056	20,131,654
FTE Positions	261.00	261.00	258.00	258.00

## BUDGET HIGHLIGHTS

- The Police Department adopted budget includes approximately \$54,000 in reductions to various operating accounts.
- The Police Department Adopted budget also includes a \$215,000 reduction in the patrol division overtime budget. During the current fiscal year, the department reorganized and created a downtown patrol unit which has reduced the need for overtime funds for downtown policing.

## POLICE

<b>DIVISION SUMMARY</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Adopted</b>
<b><u>Administration</u></b>	1,874,597	1,865,045	1,918,851	2,002,695
FTE Positions	12.00	12.00	12.00	12.00

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.

<b><u>Criminal Investigations</u></b>	2,525,091	2,900,131	2,728,475	2,751,282
FTE Positions	38.00	38.00	41.00	41.00

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.

<b><u>Support Bureau</u></b>	3,151,558	3,391,537	3,784,958	3,794,382
FTE Positions	41.00	41.00	39.00	39.00

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.

<b><u>Patrol Bureau</u></b>	11,018,015	11,328,842	11,617,772	11,583,295
FTE Positions	170.00	170.00	166.00	166.00

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.

# POLICE

## 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.
- Maintain a unit designated to educate employees and the public about local gangs to include Gang Resistance Education and Training (GREAT) and track the criminal activity associated with each gang member.

## KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2008/09</u> <u>Actual</u>	<u>2009/10</u> <u>Estimated</u>	<u>2010/11</u> <u>Target</u>
• <i>Clear, as defined by UCR* Standards, 25% of assigned Part I Cases.</i>	28%	27%	25%
• <i>Enhance APD operations by securing \$100,000 of grant funds, thus reducing dependence on the City's general fund.</i>	\$313,826	\$470,643	\$100,000
• <i>Improve public acceptance within the community by increasing minority representation within the department's workforce through the hiring of eight protected class employees.</i>	8	5	8
• <i>Implement a traffic safety program focused on safer streets and sidewalks by increasing public awareness campaigns and conducting monthly traffic Checking Stations in targeted traffic accident reduction locations.</i>	48% accident reduction in targeted areas	- 25% target area accident reduction	38% Target Area Accident reduction
• <i>Increase the applicant pool by actively pursuing and participating in 15 job fairs, targeting protected class candidates.</i>	15	17	15

\* Uniform Crime Reporting (UCR) Part I Crimes are: criminal homicide, forcible rape, robbery, aggravated assault, burglary, motor vehicle theft and arson.

# POLICE

## KEY PERFORMANCE OBJECTIVES & MEASURES (Cont.)

	<u>2008/09</u> <u>Actual</u>	<u>2009/10</u> <u>Estimated</u>	<u>2010/11</u> <u>Target</u>
<ul style="list-style-type: none"> <li>• <i>Improve quality of life for residents in targeted neighborhoods by conducting monthly drug enforcement activities, to include undercover operations and community awareness events.</i></li> </ul>	<p>51 Under Cover Buy operations; 50 other UC operations</p>	<p>30 UC buy operations; 36 other UC operations;</p>	<p>24 UC Buys; 24 UC other operations</p>
<ul style="list-style-type: none"> <li>• <i>Increase youth participation awareness and interaction with the Police by recruiting and maintaining involvement in the Explorer Post. Conduct quarterly community awareness events to raise awareness levels.</i></li> </ul>	<p>Winterfest Comp. New Uniforms 8 Reg. Meetings</p>	<p>Winterfest Competition Lawenville, GA Compt. Incr'd meetings to 20 Bele Chere Christmas Parade</p>	<p>Winterfest Comp. Lawrenceville Comp. 4 Community Events 1 Jr. Police Academy PSA's with Explorers Bele Chere Christmas Parade</p>

# 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

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Expenditures:</b>				
Salaries & Wages	11,153,517	11,796,227	11,874,036	11,634,093
Fringe Benefits	2,922,385	3,166,582	3,505,955	4,079,414
Operating Costs	2,211,116	1,990,183	2,530,463	2,091,041
Capital Outlay	<u>139,287</u>	<u>61,229</u>	<u>81,050</u>	<u>45,000</u>
Total	16,426,305	17,014,221	17,991,504	17,849,548
FTE Positions	227.00	233.00	239.00	239.00

## BUDGET HIGHLIGHTS

- The Fire Department adopted budget includes approximately \$480,000 in reductions to various operating accounts. \$192,000 of this savings came from annexation contracts with rural fire departments that are expiring in FY 2010-11. Also, due to the timely replacement of fire apparatus in recent budget years, the department has had a decline in high dollar fleet repairs, which allowed the department to reduce its fleet maintenance account by \$75,000. The department has also reduced its supply account by \$95,000.
- The FY 2009-10 adopted Fire Department budget also includes a \$150,000 reduction to the department's overtime in anticipation of savings from the vacation deferral program that the department recently implemented. Prior to implementing the vacation deferral program, the average overtime cost per firefighter per shift was \$557. Under the vacation deferral program, a \$150 payment will be made to a firefighter to incentivize voluntary deferral of their annual leave, and thus reduce the need to pay another firefighter overtime.

## FIRE & RESCUE

DIVISION SUMMARY	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<u>Accountability/Administration</u>	1,964,681	1,819,830	2,232,734	1,902,447
FTE Positions	5.00	5.00	4.00	4.00

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

<u>Emergency Response</u>	13,587,036	14,222,588	14,846,288	14,924,427
FTE Positions	210.00	216.00	224.00	224.00

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

<u>Fire Marshal's Office</u>	874,588	971,803	912,482	1,022,674
FTE Positions	12.00	12.00	11.00	11.00

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

The Fire and Rescue Department has established a formal Strategic Operating Plan (SOP), consistent with the City SOP and approved by City Council. The SOP focuses on continuous improvement and development of people, infrastructure, and services. A representative sampling of goals related to performance measurement includes:

- Meet or exceed the current (2004) standard of response coverage as Adopted by the Asheville City Council.
- Meet or exceed the standard of coverage minimum requirements for accredited, urban fire and rescue departments.
- Benchmark with industry standards for emergency response and staffing.

## KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2008/09</u> <u>Actual</u>	<u>2009/10</u> <u>Estimated</u>	<u>2010/11</u> <u>Target</u>
• <i>Percentage of emergency responses in metro/urban fire management zones meeting CFAI 1<sup>st</sup> unit travel time requirements</i>	90%	88%	90%
• <i>Percentage of emergency responses in metro/urban fire management zones meeting CFAI total effective response force travel time requirements</i>	95%	93%	90%
• <i>Reliability percentage of first in units to first due fire management zones</i>	87%	92%	90%
• <i>Percentage of compliance with state fire code inspection schedule</i>	72%	78%	90%
• <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>	46%	85%	90%
• <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>	99%	95%	90%
• <i>Percentage of emergency response companies that are staffed in accordance with industry standard</i>	60%	47%	53%

## NONDEPARTMENTAL PUBLIC SAFETY

Intergovernmental services and nondepartmental public safety appropriations for FY 2010-11 include the following:

### BUDGET SUMMARY

Expenditures:	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Police ID Bureau	307,648	409,848	350,980	359,374
Crime Stoppers	33,549	41,641	40,108	40,796
Transfer to Grant/Capital Fund	<u>259,945</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	601,142	451,489	391,088	400,170

### BUDGET HIGHLIGHTS

- Continuation of existing programs and services.

# ENVIRONMENT & TRANSPORTATION

~~Environment & Transportation Summary~~

Water Resources Fund

Public Works

~~Transportation & Engineering~~

Transit Services Fund

Parking Services Fund

Stormwater Fund *← Street Cut Utility Fund*

Nondepartmental

# WATER RESOURCES FUND

Steve Shoaf, Director

**MISSION:** The Water Resources Department will be the innovative leader in the water industry. Using the concept of continuous improvement, we accept the challenge of providing our regional customers with water to enhance their quality of life; being stewards over the most vital of all natural resources; and empowering our employees to meet our customer needs by providing the finest drinking water in the United States in an efficient and cost effective manner.

## DEPARTMENT SUMMARY

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Expenditures:</b>				
Salaries & Wages	5,208,778	5,858,865	6,040,760	6,222,321
Fringe Benefits	1,965,106	2,236,883	2,363,180	2,692,587
Operating Costs	7,752,775	9,662,934	10,128,355	9,944,416
Debt Service	6,100,586	7,401,240	7,637,399	7,772,305
Capital Outlay	<u>9,933,222</u>	<u>9,920,089</u>	<u>6,979,935</u>	<u>6,518,000</u>
Total	30,960,467	35,080,011	33,149,629	33,011,200
FTE Positions	152.00	153.00	152.00	146.00
<b>Revenues:</b>				
Charges For Service	31,132,542	30,797,176	32,576,439	32,678,500
Investment Earnings	1,427,717	608,295	550,000	310,000
Miscellaneous	<u>67,400</u>	<u>37,124</u>	<u>23,190</u>	<u>22,700</u>
Total	32,627,659	31,442,595	33,149,629	33,011,200

## BUDGET HIGHLIGHTS

- The FY 2010-11 budget includes a 5% increase in water rates and the capital improvement fee. The 5% increase in water rates will allow the fund to continue current operations, meet debt service obligations, and provide a 1% Sullivan Act Transfer to the General Fund for water-related capital infrastructure improvements.
- Even with the rate increase, water revenues are essentially flat compared to the current year budget. This is due to the fact that there has been a 9% decrease in water consumption as customers have conserved more water and water usage for irrigation has declined as a result of the wet weather. This trend is expected to continue into next fiscal year. There has also been a 47% decrease in tap/connection fees because of the recession. Revenue has also been impacted due to the loss of the City of Hendersonville as a wholesale water customer.
- The capital outlay category includes \$5.6 million for water capital improvement projects, \$352,000 for rolling stock replacement, and \$200,000 for small capital equipment. The capital outlay category also includes the \$341,000 Sullivan Act transfer to the General Fund that is mentioned above. This \$341,000 will be coupled with money transferred in the prior fiscal year will provide \$1.9 million for infrastructure improvements along Azalea Road and Ridge Avenue.
- Six FTE positions in the water maintenance division that were responsible for repairing street cuts made by the Water Department will be moved to the new Street Cut Utility Fund.

## WATER RESOURCES FUND

DIVISION SUMMARY	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b><u>Administration</u></b>	871,163	733,703	672,941	700,109
FTE Positions	7.00	8.00	7.00	7.00

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

<b><u>Meter Services</u></b>	1,408,973	1,069,561	1,614,878	1,289,849
FTE Positions	17.00	17.00	17.00	17.00

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

<b><u>Water Education</u></b>	69,541	20,442	16,650	16,900
FTE Positions	1.00	0.00	0.00	0.00

The Water Education Division promotes customer education and directs and coordinates programs to make more efficient use of our existing water supplies. Water education programs are conducted for all members of the community with a special emphasis on school children.

<b><u>Construction Crew</u></b>	485,088	485,817	527,563	596,428
FTE Positions	7.00	7.00	7.00	7.00

The Construction Crew Division is responsible for performing small water distribution system improvement projects.

<b><u>Water Maintenance</u></b>	3,915,833	4,184,513	4,476,142	4,576,799
FTE Positions	49.00	49.00	49.00	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.

<b><u>Water Production</u></b>	4,074,282	4,756,293	5,636,350	5,522,120
FTE Positions	41.00	41.00	41.00	41.00

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.

## WATER RESOURCES FUND

DIVISION SUMMARY	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<u><b>Department-Wide Expenses</b></u>	17,218,004	20,932,807	17,661,366	17,993,630

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

<u><b>Water Operating Equipment</b></u>	1,570,085	167,160	701,000	352,000
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There is a five-year replacement plan in place to ensure that capital equipment is replaced in a timely and cost effective manner. This plan is based on a comprehensive evaluation of all capital equipment, including rolling stock.

<u><b>Customer Service</b></u>	962,454	1,163,535	1,210,466	1,308,491
FTE Positions	22.00	22.00	22.00	22.00

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

<u><b>Engineering Services</b></u>	385,044	610,726	632,273	654,874
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, 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>2008/09</u> <u>Actual</u>	<u>2009/10</u> <u>Estimated</u>	<u>2010/11</u> <u>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</i>	41	71	60
• <i>Reduce energy usage (Green and Sustainable)</i>	n/a	n/a	10%
• <i>Repair or replace water lines discovered contributing to leakage and improve service to customers</i>	100%	100%	100%
• <i>Maintain the percentage of engineering plan reviews and maintenance work orders responded to within 10 days</i>	100%	100%	100%
• <i>Continue to fund capital improvement to refurbish and replace aging infrastructure and to meet future regulations</i>	\$9,604,173	\$5,597,735	\$5,625,000
• <i>Answer incoming Customer Service calls as soon as possible. Meet or exceed Call Center Best Practices for abandoned calls</i>	2.5 minutes	2.5 minutes	Less than 2.5 minutes

# PUBLIC WORKS

Cathy Ball, Director

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

## DEPARTMENT SUMMARY

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Expenditures:</b>				
Salaries & Wages	3,854,989	3,931,674	4,098,920	3,847,333
Fringe Benefits	1,702,478	1,645,243	1,772,403	1,993,697
Operating Costs	8,816,662	8,913,208	10,279,922	10,297,283
Capital Outlay	107,008	56,501	85,800	42,402
Cost Transfer	<u>-3,014,706</u>	<u>-2,526,291</u>	<u>-3,231,590</u>	<u>-3,231,590</u>
Total	11,466,431	12,020,335	13,005,455	12,949,125
FTE Positions	116.75	111.75	109.00	102.50

## BUDGET HIGHLIGHTS

- As a part of a series of reorganizations during FY 2009-10, the signs and markings division was moved from the Public Works Department to the Transportation (formerly Transportation & Engineering) Department, and the engineering division was moved from Transportation to Public Works. Prior year financial information for these divisions is presented under their previous departments.
- The Public Works Department anticipates having its crews work on a number of capital and grant-funded projects during FY 2010-11. Public Works staff time spent on these projects will be tracked and reimbursed from the grant and capital funds. Revenue of \$340,000 is included in the FY 2010-11 adopted general fund budget for reimbursements from these funds.
- Two existing street & sidewalk division crews will devote half their time in FY 2010-11 to the new utility cut repair program which is being accounted for in a separate enterprise fund. This change will result in a reduction in the general fund street & sidewalk division of 6.5 FTE positions, and a savings to the general fund of approximately \$150,000.
- The Public Works Department will re-engineer the residential brush collection program in FY 2010-11 which will result in the reduction of 3.0 FTE positions. The Department plans to initially reduce collection from twice per month to once per month, and then later in the year move toward a program of on-demand collection. This re-engineering effort will save approximately \$250,000.

## PUBLIC WORKS

DIVISION SUMMARY	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<u>Administration</u>	1,076,412	1,090,282	1,132,989	997,701
FTE Positions	4.75	4.75	4.00	4.00

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.

<u>Signs &amp; Markings</u>	258,743	260,176	277,303	0
FTE Positions	4.00	4.00	4.00	0.00

The Signs & Markings Division was moved to the Transportation Department during FY 2009-10.

<u>Street Lighting</u>	1,564,128	1,783,604	1,788,172	1,788,122
FTE Positions	0.00	0.00	0.00	0.00

The Public Works Department is responsible for overseeing the City's street lighting. The budget above represents the cost for street lighting in the City of Asheville.

<u>Streets &amp; Sidewalks</u>	3,341,155	3,252,141	3,452,021	3,443,415
FTE Positions	57.00	52.00	52.00	45.50

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

<u>Sanitation</u>	3,337,415	3,707,882	4,127,200	4,831,115
FTE Positions	37.00	37.00	35.00	32.00

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

<u>Recycling</u>	666,137	820,474	965,376	0
FTE Positions	0.00	0.00	0.00	0.00

Beginning with FY 2010-11, the Recycling Division will be accounted for as a part of the Sanitation Division.

## PUBLIC WORKS

DIVISION SUMMARY	2007-08	2008-09	2009-10	2010-11
	Actual	Actual	Budget	Adopted
<u><i>Fleet Management</i></u>	1,222,441	1,105,775	1,262,394	1,282,394
FTE Positions	14.00	14.00	14.00	14.00

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

<u><i>Engineering Services</i></u>	606,378
FTE Positions	7.00

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

### DEPARTMENTAL GOALS

- Provide collection of municipal solid waste, yard waste collection, large item collection, special needs collection and increase diversion (recycling).
- To provide streets asphalt resurfacing program at a competitive rate.
- Increase the collection of silts and other debris to prevent sedimentation.
- Increase use of Compressed Natural Gas (CNG); internally/externally and increase external gasoline and diesel sales.
- Implement projects as funded by the American Recovery and Reinvestment Act (ARRA).

### KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2008/09</u> <u>Actual</u>	<u>2009/10</u> <u>Estimated</u>	<u>2010/11</u> <u>Target</u>
• <i>Divert 47% of waste from landfill through recycling and waste reduction</i>	40.7%	47%	47%
• <i>Collect 1,050 tons of solids from entering Asheville waterways through good storm water housekeeping programs</i>	1,401 tons	950 tons	1,050 tons

# PUBLIC WORKS

## KEY PERFORMANCE OBJECTIVES & MEASURES (Cont.)

	<u>2008/09</u> <u>Actual</u>	<u>2009/10</u> <u>Estimated</u>	<u>2010/11</u> <u>Target</u>
• Complete one mile of new sidewalk linkages with realigned construction crew in Engineering Division	N/A	N/A	1 mile
• Complete 80% of vehicle preventative maintenance checks on time	50%	55%	80%
• Sidewalk Cleaning with Nuisance Court labor	N/A	22.66 miles	247 miles

# TRANSPORTATION

Ken Putnam, Director

**MISSION:** The mission of the Transportation Department is to provide a high quality transportation experience for the citizens of and visitors to the City of Asheville.

## DEPARTMENT SUMMARY

	2007-08	2008-09	2009-10	2010-11
	Actual	Actual	Budget	Adopted
<b>Expenditures:</b>				
Salaries & Wages	1,109,679	1,033,950	970,955	614,165
Fringe Benefits	354,443	302,498	309,012	239,833
Operating Costs	386,646	244,247	289,220	278,840
Capital Outlay	<u>7,894</u>	<u>6,541</u>	<u>2,000</u>	<u>16,500</u>
Total	1,858,662	1,587,236	1,571,187	1,149,338
FTE Positions	20.63	19.63	16.63	13.63

## BUDGET HIGHLIGHTS

- As a part of a series of reorganizations during FY 2009-10, the signs and markings division was moved from the Public Works Department to the Transportation (formerly Transportation & Engineering) Department, and the engineering division was moved from Transportation to Public Works. Prior year financial information for these divisions is presented under their previous departments.
- In order to help balance the FY 2010-11 adopted budget, the Transportation Department's operating budget is reduced by approximately \$45,000.
- In addition, the Assistant Transportation Director position will be held vacant during FY 2010-11, which will produce salary savings of \$85,000.
- The total savings represents a 10% reduction from the current original budget.

# TRANSPORTATION

DIVISION SUMMARY	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<u>City Engineering</u>	1,134,711	975,860	869,171	0
FTE Positions	11.00	11.00	10.00	0.00

The City Engineering Division moved to the Public Works Department during FY 2009-10.

<u>Traffic Engineering</u>	229,647	231,198	250,183	193,222
FTE Positions	4.00	3.00	2.00	2.00

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

<u>Traffic Signal Maintenance</u>	190,279	168,279	222,143	213,222
FTE Positions	2.00	2.00	2.00	2.00

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

<u>Transportation Planning</u>	304,025	133,239	146,858	154,293
FTE Positions	3.63	3.63	1.63	1.63

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

<u>Transportation Demand Management</u>	0	78,660	82,832 1.00	99,979 1.00
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The Transportation Demand Management Division seeks to alter the demand for roadway capacity and increase transportation system efficiency by moving more people in fewer vehicles. A series of strategies are used to decrease the use of the single occupancy vehicle (SOV) and encourage the use of alternatives such as transit, carpooling, vanpooling, bicycling, walking, teleworking and alternative work schedules.

<u>Signs and Markings</u>				276,503
FTE Positions				4.00

The Traffic Operations 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 time, and careful planning. This division was previously accounted for in the Public Works Department.

<u>Transportation Administration</u>				212,119
				3.00

# 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.

## KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2008/09</u> <u>Actual</u>	<u>2009/10</u> <u>Estimated</u>	<u>2010/11</u> <u>Target</u>
• <i>Respond to customer complaints &amp; concerns in a timely, professional, &amp; 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 curb cuts for UDO compliance</i>	100%	100%	100%
• <i>Number of miles of bicycle lanes</i>	5	10	2
• <i>Number of miles of new sidewalk</i>	N/A	2.6	2
• <i>Increase bicycle ridership (Baseline = 900 riders)</i>	N/A	0%	5%
• <i>Increase number of pedestrian crosswalks</i>	N/A	0	5
• <i>Increase number of carpoolers</i>	0	12	20
• <i>Increase number of vanpoolers</i>	0	1	2
• <i>Number of Passport participants</i>	5	5	6
• <i>Number of Emergency Ride Home participants</i>	165	200	250

## 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

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Expenditures:</b>				
Salaries & Wages	58,704	151,090	142,091	145,588
Fringe Benefits	17,619	44,130	44,601	54,056
Operating Costs	4,666,134	4,918,155	4,932,588	4,983,452
Operating Pass Through	73,416	98,088	540,000	553,500
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	4,815,873	5,211,463	5,659,280	5,736,596
FTE Positions	3.00	3.00	3.00	3.00
<b>Revenues:</b>				
Operating Revenue	870,860	832,117	911,000	831,000
Miscellaneous	943	0	0	0
Federal/State Grants	2,374,658	2,455,523	2,777,333	2,909,700
Operating Pass Through	0	98,088	540,000	553,500
General Fund Subsidy	1,275,565	1,066,197	872,831	642,196
Parking Fund Subsidy	248,116	248,116	248,116	484,000
Transfer from Capital Fund	0	100,000	0	0
Motor Vehicle License Fee	<u>307,352</u>	<u>309,175</u>	<u>310,000</u>	<u>316,200</u>
Total	4,777,881	5,109,216	5,659,280	5,736,596

### BUDGET HIGHLIGHTS

- In FY 2010-11, the City will continue to receive the same level of federal operating support (\$484,000) for transit that it has over the last several years. However, given the City's current Census classification, there is no guarantee that the City will receive this level of federal support in future budget years.
- The parking fund subsidy is being increased by approximately \$234,000. \$125,000 of this amount represents an ongoing adjustment to the transfer to cover increased expenses in the Transit Fund. The other \$109,000 is a one-time increase to provide funding that will allow for the continuation of all existing transit evening routes.
- Staff is proposing in the budget that the gap between day and evening service be eliminated and that evening service end at 10:30 pm. This schedule adjustment, which was recommended in the Transit Master Plan, will reduce costs by approximately \$65,000.
- With the increase in the parking fund subsidy and the savings from the schedule adjustment above, staff was able to reduce the general fund subsidy to transit by approximately \$230,000.

## TRANSIT SERVICES FUND

DIVISION SUMMARY	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<u>Administration</u>	212,151	403,700	351,373	354,579
FTE Positions	3.00	3.00	3.00	3.0

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

<u>Transit Operations</u>	4,603,722	4,807,763	5,307,907	5,382,017
FTE Positions	0.00	0.00	0.00	0.00

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

### KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2008/09</u> <u>Actual</u>	<u>2009/10</u> <u>Estimated</u>	<u>2010/11</u> <u>Target</u>
• <i>Unlinked passenger trips</i>	1.6	1.5	1.6
• <i>Operating cost per hour</i>	\$75	\$75	\$75
• <i>On-time performance</i>	77%	77%	80%

## PARKING SERVICES FUND

**MISSION:** The Parking Services Fund is responsible for the operation, maintenance and parking enforcement of City-owned public parking, including parking garages and City employee parking lots. There are three garages with a total of 1,050 spaces, over 700 on-street spaces and more than 200 lot spaces.

### FUND SUMMARY

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Expenditures:</b>				
Salaries & Wages	471,383	527,036	702,566	709,849
Fringe Benefits	170,218	201,296	271,152	293,868
Operating Costs	873,481	1,072,705	1,013,626	913,783
Debt Service	588,590	0	500,000	500,000
Transfer to Transit Fund	248,116	248,116	248,116	484,000
Capital Outlay	<u>7,011</u>	<u>1,405,489</u>	<u>104,240</u>	<u>10,000</u>
Total	2,358,799	3,454,642	2,839,700	2,911,500
FTE Positions	19.00	19.00	19.00	19.00
<b>Revenues:</b>				
Garage Revenues	1,226,593	1,136,838	1,115,000	1,090,000
Parking Meters	992,344	986,648	925,000	940,000
Parking Violations	617,131	574,936	644,700	596,000
Parking Lots & Peripheral	172,231	148,731	105,000	140,000
Appropriated Fund Balance	--	--	--	109,000
Other	<u>87,355</u>	<u>43,257</u>	<u>50,000</u>	<u>36,500</u>
Total	3,095,654	2,890,410	2,839,700	2,911,500

### BUDGET HIGHLIGHTS

- The FY 2010-11 budget includes \$500,000 for a possible debt service payment on the Biltmore Avenue parking deck. If no debt service payment is needed, this funding will flow back into the Parking Fund's fund balance.
- The transfer from the Parking Fund to the Transit Services Fund is being increased by approximately \$234,000. \$125,000 of this amount represents an ongoing adjustment to the transfer to cover increased expenses in the Transit Fund. The other \$109,000 is a one-time increase to provide funding that will allow for the continuation of all existing transit evening routes. In order to fund this one-year increase in the transfer, \$109,000 is being appropriated from the Parking Fund fund balance. This level of appropriation will allow the Parking Fund to maintain adequate reserves in anticipation of future parking garage construction.

## PARKING SERVICES FUND

DIVISION SUMMARY	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<u>Parking Garages</u>	1,551,418	1,653,690	1,774,933	2,006,885
FTE Positions	9.50	9.50	9.50	9.50

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

<u>Parking Services</u>	807,381	1,800,952	1,064,767	904,615
FTE Positions	9.50	9.50	9.50	9.50

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

### KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2008/09 Actual</u>	<u>2009/10 Estimated</u>	<u>2010/11 Target</u>
<ul style="list-style-type: none"> <li>• <i>Increase the number of on-street, metered parking spaces in the CBD (Baseline = 744 metered parking spaces)</i></li> </ul>	0%	0%	5%
<ul style="list-style-type: none"> <li>• <i>Increase parking meter revenue by increased meter maintenance to minimize parking meter downtime.</i></li> </ul>	0%	0%	2%
<ul style="list-style-type: none"> <li>• <i>Increase monthly parking customers in the parking garages</i></li> </ul>	0%	0%	5%

# STORMWATER FUND

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

## FUND SUMMARY

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Expenditures:</b>				
Salaries & Wages	1,055,120	1,489,571	1,470,589	1,328,262
Fringe Benefits	369,910	471,396	504,294	572,718
Operating Costs	869,568	831,105	864,558	906,105
Debt Service	101,900	73,928	50,000	240,000
Capital Outlay	<u>182,822</u>	<u>367,809</u>	<u>9,777</u>	<u>48,133</u>
Total	2,579,320	3,233,775	2,899,218	3,095,218
FTE Positions	38.00	38.00	37.00	35.00
<b>Revenues:</b>				
Charges For Service	2,744,219	2,680,540	2,665,218	2,665,218
Licenses & Permits	305,430	186,666	204,000	200,000
Transfer from Other Funds	0	0	0	200,000
Miscellaneous	264	38,064	0	0
Investment Earnings	<u>56,029</u>	<u>23,876</u>	<u>30,000</u>	<u>30,000</u>
Total	3,105,942	2,929,146	2,899,218	3,095,218

## BUDGET HIGHLIGHTS

- An MEO position and a Labor Crew Supervisor position are eliminated from the budget, resulting in a decrease of 2.0 FTE positions.
- The Stormwater Fund will be issuing debt in FY 2010-11 in order to fund \$2.3 million in major capital projects. The total estimated debt service on this issuance is \$190,000. This amount is included in the operating budget for next fiscal year.
- A portion of the debt funding will be transferred to the operating fund to reimburse for staff time spent on those projects. A similar reimbursement mechanism will be used for staff time spent on Recovery Act projects. In total, staff is estimating that \$200,000 in reimbursements from capital and grant funds will be received in FY 2010-11. This reimbursement is included as a revenue in the Stormwater operating budget.

# STREET CUT UTILITY FUND

## FUND SUMMARY

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Expenditures:</b>				
Salaries & Wages				561,708
Fringe Benefits				240,732
Operating Costs				562,197
Capital Outlay				<u>213,643</u>
Total				1,578,280
FTE Positions				18.50
<b>Revenues:</b>				
Charges For Service				631,312
Internal Charges				946,968
Total				1,578,280

## BUDGET HIGHLIGHTS

- Historically, public utility companies, such as the Metropolitan Sewerage District (MSD), and Public Service Natural Gas (PSNC) have obtained permits from the City for street cuts and then contracted with private companies to repair the cuts. The City of Asheville Water Department also obtained permits and then used their own crews to repair the cuts. The utility companies have expressed concern over the current street cut process. Based on these concerns, the City is proposing to create an internal city function in the Public Works Department specifically to repair street cuts and charge the utilities companies for the street cut repair work.
- The Water Department crew that previously handled street cut repair will be transferred to this new Street Cut enterprise fund. The Water Department will then be billed for their street cut repair work as the private utility companies are billed.
- Two existing General Fund street crews will devote half their time to this new utility cut repair program. This will result in a savings to the General Fund of approximately \$150,000.
- In order to ensure that staffing is adequate to meet demand, six additional FTE positions that were not previously a part of the budget will be added in FY 2010-11.

# NONDEPARTMENTAL ENVIRONMENT & TRANSPORTATION

## BUDGET SUMMARY

Expenditures:	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Transfer to Transit Fund	1,275,565	1,066,197	872,831	642,196
Transfer to Transit Capital	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,375,565	1,066,197	872,831	642,196

## BUDGET HIGHLIGHTS

- As discussed elsewhere in the budget, the transfer from the General Fund to the Transit Services Fund is reduced by \$230,000.

# CULTURE & RECREATION

~~Culture & Recreation Summary~~

Parks, Recreation & Cultural Affairs ~~Affairs~~ *ARTS*

Civic Center Fund

Festivals Fund

Nondepartmental

CULTURE &  
RECREATION

# PARKS, RECREATION & CULTURAL ARTS

Roderick Simmons, Director

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

## DEPARTMENT SUMMARY

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Expenditures:</b>				
Salaries & Wages	4,914,819	5,394,536	5,417,831	4,353,782
Fringe Benefits	1,567,869	1,819,732	1,931,841	1,908,112
Operating Costs	2,548,616	2,651,392	3,446,911	3,049,974
Capital Outlay	33,195	12,709	0	6,944
Cost Transfers	<u>-120,229</u>	<u>-87,094</u>	<u>-135,000</u>	<u>0</u>
Total	8,944,270	9,791,275	10,661,583	9,318,812
FTE Positions	124.77	123.65	122.02	103.26

## BUDGET HIGHLIGHTS

- As a part of a series of reorganizations during FY 2009-10, the building maintenance and City Hall operations divisions were moved out of the Parks and Recreation Department and placed in other departments. The FY 2010-11 adopted budgets for each of these divisions is presented under their new departments; prior year information for these divisions is presented under the Parks and Recreation Department.
- Two positions in the Parks and Recreation Department – the Sponsorship Coordinator and the Superintendent of Recreation – are targeted to be held vacant in FY 2010-11. This will produce \$128,000 in salary savings.
- The adopted budget includes a reduction in programming hours at community centers which will save approximately \$345,000 in seasonal and part-time labor. Core programming at the community centers will not be impacted.
- The adopted budget also includes \$40,000 in savings from combining two licensed childcare sites into one site.

## PARKS, RECREATION & CULTURAL ARTS

DIVISION SUMMARY	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<u>Administration</u>	868,250	369,996	356,785	425,843
FTE Positions	9.00	2.00	2.00	2.00

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

<u>Recreation Programs</u>	2,274,786	2,259,213	2,521,718	2,834,946
FTE Positions	32.76	30.39	25.76	32.26

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

<u>Athletics</u>	697,167	583,978	645,745	0
FTE Positions	5.00	4.00	4.00	0.00

The Athletics Division is accounted for in the Recreation Division in FY 2010-11.

<u>After School Program</u>	294,270	317,889	294,547	0
FTE Positions	5.26	4.76	5.26	0.00

The After School Program budget is accounted for in the Recreation Division in FY 2010-11.

<u>Cultural Arts</u>	128,867	382,486	377,309	245,009
FTE Positions	1.00	4.75	3.00	3.00

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

<u>Park Maintenance</u>	2,342,008	2,220,380	2,564,681	2,949,678
FTE Positions	39.00	35.00	38.75	38.75

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

<u>Business Services</u>	0	434,172	626,088	745,513
FTE Positions	0.00	5.00	9.50	9.50

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

## PARKS, RECREATION & CULTURAL ARTS

DIVISION SUMMARY	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<u>Planning</u>	0	188,191	191,025	198,183
FTE Positions	0.00	2.00	2.00	2.00

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

<u>City Hall Operations</u>	174,167	180,992	234,819	0
FTE Positions	5.00	5.00	6.00	0.00

The City Hall Operations division was moved to the Administrative Services Department during FY 2009-10.

<u>Building Maintenance</u>	519,446	599,288	656,425	0
FTE Positions	8.00	8.00	10.00	0.00

The Building Maintenance Division was moved to the Building Safety Department during FY 2009-10.

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

<u>Nature Center</u>	964,068	1,099,040	1,118,559	1,090,333
FTE Positions	14.75	14.75	12.75	12.75

<u>Aston Park</u>	210,598	234,412	233,353	260,554
FTE Positions	2.00	2.00	2.00	2.00

<u>Swimming Pools</u>	0	177,821	255,076	256,006
FTE Positions	0.00	0.00	0.00	0.00

<u>McCormick Field</u>	175,988	192,783	228,397	178,090
FTE Positions	1.00	1.00	0.00	0.00

<u>Food Lion Skate Park</u>	0	87,632	109,154	106,829
FTE Positions	0.00	1.00	1.00	1.00

<u>Riverside Cemetery</u>	199,746	247,740	146,480	27,828
FTE Positions	2.00	2.00	0.00	0.00

<u>Specialized Facilities</u>	0	214,163	80,077	0
FTE Positions	0.00	2.00	0.00	0.00

<u>Recreation Park</u>	81,770	1,099	0	0
FTE Positions	0.00	0.00	0.00	0.00

# PARKS, RECREATION & CULTURAL ARTS

## DEPARTMENTAL GOALS

- Improving the conditions of aging community facilities.
- Increase the amount of linear feet of paved greenways in the city.
- Improve the maintenance condition of the Urban Trail.
- Provide quality community-based park planning, including open space preservation.
- Provide quality recreation programs, especially for our youths and children, while encouraging innovation and creativity.
- Encourage an open dialogue with our citizens in order to make sure that we are striving to meet their needs.

## KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2008/09</u> <u>Actual</u>	<u>2009/10</u> <u>Estimated</u>	<u>2010/11</u> <u>Target</u>
• <i>Complete the development of the French Broad River Corridor Connector by linking 0.6 miles of existing trails to the west and 0.35 miles of existing trails to the east, which will increase the number of paved trail miles by 1.</i>	0 mile	1 mile	*
• <i>Complete the development of the Hominy Creek Greenway which will increase the number of paved trail miles by 1.6.</i>	0 mile	1.6 miles	*
• <i>Complete the development of the Reed Creek Greenway Phase II which will increase the number of paved trail by 1.</i>	0 mile	0 mile	*
• <i>Percent of Maintenance Assessment Plan accomplished</i>	50%	100%	*
• <i>Percent of capital spending plan accomplished.</i>	77%	41% **	*
• <i>Percent of in-house managed projects completed within approved budget.</i>	75%	100%	*
• <i>Percent of in-house managed projects within approved timeline.</i>	75%	100%	*
• <i>Number of preserved open space acres per 1,000 population.</i>	---	.60	*
• <i>The percentage of survey respondents rating the preservation of open space by the City as good or excellent.</i>	---	---	*

# PARKS, RECREATION & CULTURAL ARTS

## KEY PERFORMANCE OBJECTIVES & MEASURES (cont.)

• <i>Number of tracts of land under option for purchase or acquired for parkland.</i>	4	1	*
• <i>Number of community-based park planning projects.</i>	1	4	*
• <i>The percentage of survey respondents rating department programming and their environment as good or excellent.</i>	---	---	*
• <i>Number of community programs offered by the department.</i>	175	170	*
• <i>Fiscal year number of program hours.</i>	24,500	22,300	*
• <i>Total number of program participation.</i>	678,500	676,200	*

\* Parks, Recreation & Cultural Arts Department is designing new performance measures as part of its department strategic planning process. The measures listed here will not be tracked beyond FY 09/10.

\*\* \$300,000 allocated for golf course irrigation phase II installation contract was not approved at the City Council level.

## CIVIC CENTER FUND

Sam Powers, Director

**MISSION:** The mission of the Asheville Civic Center is to foster exceptional experiences for patrons and promoters in the heart of Asheville.

### DEPARTMENT SUMMARY

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Expenditures:</b>				
Salaries & Wages	819,944	907,175	916,867	915,955
Fringe Benefits	228,327	292,496	299,296	343,012
Operating Costs	967,378	929,820	860,952	853,577
Capital Outlay	<u>0</u>	<u>7,135</u>	<u>7,000</u>	<u>2,000</u>
Total	2,015,649	2,136,626	2,084,115	2,114,544
FTE Positions	17.51	17.51	16.25	16.25
<b>Revenues:</b>				
Food & Beverage Sales	587,776	798,918	607,300	632,800
Rent	567,305	491,265	530,750	530,750
Admissions & Other Sales	442,774	358,849	410,350	414,000
Capital Maintenance Fee	70,946	77,092	70,900	70,900
Investment Earnings	105,245	49,069	70,000	70,000
Other	<u>2,022</u>	<u>4,329</u>	<u>3,500</u>	<u>3,500</u>
Subtotal Operations	1,776,068	1,779,522	1,692,800	1,721,950
General Fund Subsidy	431,198	397,989	391,315	392,594
Total	2,207,266	2,177,511	2,084,115	2,114,544

### BUDGET HIGHLIGHTS

- During FY 2009-10, the Civic Center Director and Economic Development Director positions were combined, which resulted in an overall savings of approximately \$73,000 between the General Fund and the Civic Center Fund.
- With operating expenses and revenues expected to remain nearly flat in FY 2010-11, the General Fund subsidy required to balance the Civic Center Fund budget will also remain essentially unchanged in FY 2010-11.

# CIVIC CENTER FUND

## DEPARTMENTAL GOALS

### *"Exceptional Experiences Through Superior Service"*

- Continue to operate the Civic 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

	<i>2008/09</i> <u>Actual</u>	<i>2009/10</i> <u>Estimated</u>	<i>2010/11</i> <u>Target</u>
• <i>General Fund subsidy as a % of total Civic Center Fund revenue</i>	18.3%	18.8%	18.6%

## FESTIVALS FUND

**MISSION:** The mission of the Festivals Fund is to produce quality celebrations which highlight cultural diversity, enhance community pride, foster tourism, and contribute to the long-term economic benefit of the Asheville area.

### FUND SUMMARY

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<b>Expenditures:</b>				
Salaries & Wages	164,959	112,274	133,526	124,841
Fringe Benefits	58,406	37,712	42,849	49,685
Operating Costs	956,394	932,458	602,768	535,368
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,179,759	1,082,444	779,143	709,894
FTE Positions	4.75	4.75	2.75	2.75
<b>Revenues:</b>				
Sponsorships	269,179	270,325	273,917	243,917
Beverages	208,512	229,906	156,500	161,500
Vendor Fees & Booths	191,064	165,126	112,000	121,125
Souvenirs	34,421	32,190	21,300	20,000
Tickets/Events	80,588	6,866	30,000	0
Other	<u>24,923</u>	<u>79,861</u>	<u>700</u>	<u>700</u>
Subtotal Operations	808,687	784,274	594,417	547,242
General Fund Subsidy	253,922	162,675	184,726	162,652
Total	1,062,609	946,949	779,143	709,894

### BUDGET HIGHLIGHTS

- Based on staff's recommendation, which was endorsed by the Planning and Economic Development Committee, the Film Festival will not be held during 2010. During this one-year hiatus, staff will explore the possibility of privatizing future productions of the Film Festival.
- With the elimination of the Film Festival from the budget, and no increase projected for operating expenses for the other festivals, staff is able to reduce the general fund subsidy by approximately \$22,000.

<b>FESTIVALS FUND</b>
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DIVISION SUMMARY	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<u>Administration</u>	223,365	152,745	185,289	183,440
FTE Positions	4.75	4.75	2.75	2.75
 <u>Bele Chere</u>	 824,673	 850,629	 500,054	 500,054
 <u>First Night</u>	 4,345	 0	 0	 0
 <u>4th of July</u>	 35,413	 6,805	 26,400	 26,400
 <u>Film Festival</u>	 91,963	 72,265	 67,400	 0

# GOLF FUND

## FUND SUMMARY

	2007-08	2008-09	2009-10	2010-11
	Actual	Actual	Budget	Adopted
<b>Expenditures:</b>				
Salaries & Wages	450,692	468,434	443,137	382,524
Fringe Benefits	135,875	166,452	146,423	169,082
Operating Costs	418,929	414,302	410,440	368,394
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,005,496	1,049,188	1,000,000	920,000
FTE Positions	14.00	14.00	11.00	11.00
<b>Revenues:</b>				
Pro Shop Sales	42,319	27,644	30,000	10,000
Membership Fees	191,482	170,379	180,000	180,000
Snack Bar	73,543	57,029	80,000	40,000
Equipment Rental	272,775	246,604	275,000	255,000
Green Fees	381,270	359,344	435,000	435,000
Other	<u>5,172</u>	<u>8,242</u>	<u>0</u>	<u>0</u>
Subtotal Operations	966,561	869,241	1,000,000	920,000
General Fund Subsidy	0	75,701	0	<u>0</u>
Total	966,561	944,942	1,000,000	920,000

## BUDGET HIGHLIGHTS

- The Golf Fund budget is adjusted downward by 8.0% in order to match expenditures with expected revenues. No General Fund subsidy is budgeted in FY 2010-11.

## NONDEPARTMENTAL CULTURE & RECREATION

Outside agency and nondepartmental culture & recreation funding for FY 2010-11 includes the following:

### BUDGET SUMMARY

Expenditures:	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Asheville Area Arts Council	9,375	15,625	0	0
Transfer to Festivals Fund	253,922	162,675	184,726	162,652
Transfer to Civic Center Fund	431,198	397,989	391,315	392,594
Transfer to Golf Fund	0	75,701	0	0
Asheville Art Museum	5,000	5,000	5,000	0
Pritchard Park	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>0</u>
Total	699,495	666,990	581,041	555,246

### BUDGET HIGHLIGHTS

- Continuation of existing programs and services.



# COMMUNITY DEVELOPMENT

~~Community Development Summary~~  
Planning & Development  
Community Development & HOME Funds  
Housing Trust Revolving Fund  
Building Safety  
Nondepartmental

COMMUNITY  
DEVELOPMENT

COMMUNITY DEVELOPMENT  
MANAGEMENT INFORMATION

# PLANNING & DEVELOPMENT

Judy Daniel, Director

**MISSION:** The mission of the Asheville Planning & Development Department is to encourage sound physical and economic development through community involvement and valuing our resources (historic, natural, housing, etc.) and by providing quality service, information and assistance.

## DEPARTMENT SUMMARY

	2007-08	2008-09	2009-10	2010-11
	Actual	Actual	Budget	Adopted
<b>Expenditures:</b>				
Salaries & Wages	1,155,639	1,211,644	1,255,235	1,204,241
Fringe Benefits	351,551	378,138	396,166	443,857
Operating Costs	236,900	138,199	187,863	142,175
Capital Outlay	<u>1,242</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,745,332	1,727,981	1,839,264	1,790,273
FTE Positions	26.00	26.00	22.75	22.75

## BUDGET HIGHLIGHTS

- In order to help balance the FY 2010-11 adopted budget, the Planning & Development Department's operating budget is reduced by approximately \$44,000.
- Otherwise, the budget represents a continuation of existing programs & services.

## PLANNING & DEVELOPMENT

DIVISION SUMMARY	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<u>Planning Services</u>	1,614,507	1,520,202	1,604,503	1,554,217
FTE Positions	24.00	23.00	19.75	19.75

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 city regulations adopted by the City Council; and for revising the City development guidelines as necessary according to policy guidelines from the City Council and sound planning principles. This division is also responsible for all comprehensive and small area plans and regulated matters. This division provides assistance to the Planning and Zoning Commission, the Board of Adjustment, the River District Design Review Board, and the Technical Review Committee. The primary focus of the code enforcement section is to enforce City of Asheville codes, policies, & procedure which relate to land development and land use. These activities include flood plain, zoning, sign, and other ordinances. This section is also involved in enforcement of the junked car ordinance and the noise ordinance.

<u>Historic Resources</u>	89,045	137,964	150,748	151,558
FTE Positions	1.00	2.00	2.00	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.

<u>Homeless Program</u>	41,780	69,815	84,013	84,498
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 and enforce sound standards for development.
- Preserve the natural and built environment of the City of Asheville while accommodating new growth and development.
- Provide timely and accurate review and permitting of land development projects.
- Provide thorough, effective, and timely code enforcement services and assistance.
- Promote a range of housing options for residents of Asheville by providing opportunities for the development of different housing types.
- Improve the economic climate through support of community and economic development activities.
- Encourage sustainable development and promote redevelopment in accordance with the City's Smart Growth Policies.
- Preserve and protect the historic, cultural and architectural resources of the City and help educate the community about the importance of preservation to the planning process.
- Improve collection, coordination and dissemination of data in order to end homelessness in Asheville and Buncombe County.

# PLANNING & DEVELOPMENT

## KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2008/09</u> <u>Actual</u>	<u>2009/10</u> <u>Estimate</u>	<u>2010/11</u> <u>Target</u>
<b>Planning Services</b>			
• <i>Improve customer access to accurate information – perform monthly updates</i>	75%	80%	80%
• <i>Develop, present and complete 100% of key UDO amendments in FY 07/09 and FY 09/10</i>	80%	80%	90%
• <i>Maintain timeliness of reviews – number of applications reviewed within the specified time period</i>	90%	95%	95%
<b>Growth Management</b>			
• <i>Maintain Annexation Program – maintain previous year's growth</i>	100%	100%	100%
• <i>Develop, update, adopt neighborhood plans and small area plans</i>	1-adopted 1-initiated	1-adopted 1-initiated	1-adopted 1-initiated
<b>Zoning Code Enforcement</b>			
• <i>Complaints investigated within 24 hours</i>	70%	80%	80%
• <i>Cases closed within 30 days</i>	75%	85%	85%
<b>Historic Resources</b>			
• <i>Extend protection of resources – Local landmarks designated</i>	0	2	1
<i>National Register properties reviewed</i>	0	1	1
<i>Certificates of Appropriateness issued</i>	166	176	175

## COMMUNITY DEVELOPMENT & HOME FUNDS

**MISSION:** The mission of the Community Development Division is to improve the City's housing and economic environment, especially for low income residents. The sections of the Community Development Division include several types of federal program funds, the City's Housing Trust Fund, and the City's Homeless Initiative.

### BUDGET SUMMARY

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Community Development Fund	1,699,390	1,833,434	1,503,557	1,625,853
HOME Fund	1,252,848	1,267,018	1,462,387	1,454,984
FHAP Federal Grant	48,100	43,940	100,000	100,000
Section 108 Loan Repayments	<u>85,941</u>	<u>68,304</u>	<u>67,150</u>	<u>65,594</u>
Total	3,086,279	3,212,696	3,133,094	3,246,431
FTE Positions	6.00	6.00	6.00	6.00

### BUDGET HIGHLIGHTS

- The Community Development Division is responsible for:
  - Administration of the following federal grant programs: Community Development Block Grant (CDBG), Home Investments Partnership Act Program (HOME), American Dream Downpayment Initiative (ADDI), Fair Housing Assistance Program (FHAP), and one federally guaranteed Section 108 Loans;
  - Administration of the City's Housing Trust Fund;
  - Administration of the City's Fee Rebate program for affordable housing;
  - Oversight of the City's Homeless Initiative (since FY 2008)
  - Planning, resource development and technical assistance for other housing and community development programs;
- This summary of the Community Development Fund is included for information purposes only. The Community Development Fund is a continuing balance fund and is not part of the City's annual operating budget.
- CDBG funds can be used for a wide range of activities within the City of Asheville, including housing rehabilitation, economic development, public improvements and social services. No more than 20% of the budget may be spent on administrative costs.
- HOME funds must be used to develop or preserve affordable housing and may be used anywhere within the area covered by the Asheville Regional Housing Consortium, that is Buncombe, Henderson, Madison and Transylvania Counties. No more than 10% of grant funds may be used for administration.
- ADDI funds are HOME funds that must be used only for down-payment assistance for low-income homebuyers.
- FHAP funds are used to provide education and outreach on Fair Housing issues and to investigate complaints of unlawful discrimination.

# COMMUNITY DEVELOPMENT FUND

## COMMUNITY DEVELOPMENT GOALS

- Maximize federal funding for programs
- Implement the 2010-2015 Strategic Plan, the Ten Year Plan to End Homelessness and the City's Strategic Operating Plan as it related to affordable housing and sustainable development issues
- End chronic homelessness and reduce all types of homelessness by investing resources in a coordinated, sustained effort that addresses the underlying causes of homelessness
- Administer grants in compliance with regulations
- Increase production of housing for low and moderate income households
- Provide support to other effective programs in the community that serve low-income residents

## KEY PERFORMANCE OBJECTIVES & MEASURES

	<i>2008/09</i>	<i>2009-10</i>	<i>2010-11</i>
	<u>Actual</u>	<u>Estimate</u>	<u>Target</u>
• <i>Number of applications submitted for federal or state grant funds.</i>	3	5	5
• <i>Percent of original target</i>	50%	120%	
• <i>Number of housing units produced with assistance from:</i>			
○ <i>CDBG</i>	61	93	105
○ <i>HOME</i>	142	110	166
○ <i>Fee Rebates only</i>	129	73	75
<i>Unduplicated Total:</i>	232	266	346
• <i>Percent of original target</i>	94%	76%	
• <i>The number of people experiencing chronic homelessness will decrease. (Point in Time Count/HMIS) (measure # of people)*</i>	115	111	107
• <i>Percent of original target</i>	100%	86%	

*\*In prior years, the PIT count (although not very accurate) was the only data available, but now a more accurate measurement can be made because all agencies are using the HMIS system.*

## HOUSING TRUST REVOLVING FUND

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

<b>BUDGET SUMMARY</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Adopted</b>
<b>Expenditures:</b>				
General Fund Contribution	600,000	600,000	300,000	300,000

### BUDGET HIGHLIGHTS

- Due to budget constraints, the general fund contribution to the Housing Trust Fund was reduced to \$300,000 in FY 2009-10. The FY 2010-11 Adopted budget continues the contribution at the \$300,000 level.

# BUILDING SAFETY

Robert Griffin, Director

**MISSION:** The mission of the Asheville Building Safety Department is to protect lives, health, and property in Asheville, and to support economic development by providing building and development permitting services and enforcing the North Carolina State Building Code, Asheville's Minimum Housing Code, and related environmental codes.

## DEPARTMENT SUMMARY

	2007-08	2008-09	2009-10	2010-11
	Actual	Actual	Budget	Adopted
<b>Expenditures:</b>				
Salaries & Wages	1,693,701	1,812,893	1,906,954	1,982,161
Fringe Benefits	519,709	554,231	609,192	826,491
Operating Costs	582,219	176,633	232,675	860,477
Capital Outlay	<u>0</u>	<u>0</u>	<u>7,800</u>	<u>7,800</u>
Total	2,795,629	2,543,757	2,756,621	3,676,929
FTE Positions	39.00	39.00	40.00	50.00

## BUDGET HIGHLIGHTS

- As a part of a series of reorganizations during FY 2009-10, the building maintenance division was moved from the Parks and Recreation Department to the Building Safety Department. The FY 2010-11 adopted budget for building maintenance is presented under the Building Safety Department; prior year information is presented under the Parks and Recreation Department.
- With the continued slowdown in construction due to the recession, the Building Safety Department will hold four permitting and inspection positions vacant in FY 2010-11, which will produce a savings of \$217,000.
- In addition, the department will hold vacant the Superintendent of Facilities position in the building maintenance division, which will produce savings of \$73,000.

## BUILDING SAFETY

DIVISION SUMMARY	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
<u>Permitting &amp; Inspections</u>	2,795,629	2,543,757	2,756,621	2,621,043
FTE Positions	39.00	39.00	40.00	40.00

The purpose of the Permitting and Inspections Division is to provide for a One Stop Permit Center, the enforcement of the State Building Code, City Housing Code and related environmental/safety codes. The division processes permits, conducts plan reviews, and inspects structures under renovation, construction, or change of occupancy. Upon the completion of final inspections, either certificates of occupancy confirming compliance with the state codes, or housing certificates confirming compliance with the local housing code are issued.

<u>Building Maintenance</u>	1,055,886
FTE Positions	10.00

The Building Maintenance Division is committed to maintaining all City facilities in such a manner that will minimize the impact of facility operations and equipment on the scheduled day-to-day operations. This division was moved to the Building Safety Department during FY 2009-10.

### DEPARTMENTAL GOALS

- To provide effective and timely NC State Building Code enforcement through inspection of new construction, repairs, remodels, or rehabilitation.
- To provide a one-stop development and permit information center to assist the public in the permitting and approval of all development and construction projects.
- To provide effective and timely plan review services through the review of plans submitted for permitting.
- To provide continuing education opportunities for code enforcement officers, contractors, designers, and realtors.
- To provide fee rebates supporting environmental and sustainable construction.
- To provide all building code enforcement, plan review, and development services center activities through user fees and charges for building permits, inspections, and plan reviews.

### KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2008/09</u> <u>Actual</u>	<u>2009/10</u> <u>Estimated</u>	<u>2010/11</u> <u>Target</u>
• Complete 100% of inspections within 24 hours of request	98%	99%	100%

## BUILDING SAFETY

### KEY PERFORMANCE OBJECTIVES & MEASURES (cont.)

	<u>2008/09</u> <u>Actual</u>	<u>2009/10</u> <u>Estimated</u>	<u>2010/11</u> <u>Target</u>
• <i>Reduce inspection disapprovals to 10% of completed inspections</i>	12%	12%	10%
• <i>Eliminate substandard structures in the City through demolition</i>	10	6	6
• <i>Presentations to realtors, developers, and homeowner associations on the Minimum Housing Code</i>	8		
• <i>Deliver 12 education session for code enforcement officers, contractors, and designers on building codes</i>	12	14	12
• <i>Complete application processing in Development Service Center within 1 working day</i>	1.5	1.5	1.0
• <i>Complete initial review of single family home plans within 5 days</i>	7.5	5.0	5.0

## NONDEPARTMENTAL COMMUNITY DEVELOPMENT

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

### BUDGET SUMMARY

Expenditures:	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Community Relations Council	50,000	50,000	50,000	50,000
Visitors Center	50,000	0	0	0
One Youth at a Time	7,000	7,000	7,000	5,600
YWCA	10,000	12,500	10,000	8,000
Education Coalition	7,500	0	0	0
Kids Voting	500	1,500	1,000	0
Children First	24,736	22,500	22,500	17,800
United Way 211	2,500	6,250	5,000	0
Economic Incentives	6,500	60,018	506,250	606,250
AHOPE	24,160	20,000	20,000	20,000
Partners Unlimited	5,000	0	0	0
Asheville Greenworks	10,000	10,000	10,000	8,000
Economic Development Coalition	0	50,000	50,000	40,000
Media Arts Project	1,500	0	0	0
Meet the Geeks	3,000	1,500	3,000	0
Youthful Hand	5,000	1,250	5,000	4,000
Shiloh Community Association	6,095	0	0	0
Each One Reach One	0	8,673	0	0
Center for Diversity Education	0	0	1,200	0
Child Abuse Prevention Services	0	0	6,000	5,000
Asheville Design Center	0	0	5,000	4,000
YMI Utilities	0	0	0	24,000
Hall Fletcher PTO	0	0	5,000	0
Other	<u>0</u>	<u>0</u>	<u>5,300</u>	<u>17,500</u>
Total	213,491	251,191	712,250	810,150

### BUDGET HIGHLIGHTS

- The budget for YMI utilities is moved from the Parks and Recreation Department to a nondepartmental account.
- The adopted budget includes \$100,000 in support of the UNC School of Pharmacy under the economic incentives account.
- The budget includes \$17,500 to continue the nuisance court which began in FY 2009-10.
- Outside agency funding is reduced by 20% which produces a savings of approximately \$40,000.

# CAPITAL IMPROVEMENTS & DEBT MANAGEMENT

*Narrative & Overview*

*General Capital Reserve Fund*

*Civic Center Capital Fund*

*Water Resources Capital Fund*

~~*Transit Services Capital Fund*~~

*Debt Management*

# **CAPITAL IMPROVEMENT PROGRAM**

## **2010/11 TO 2014/15**

### **Capital Budget Process**

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

The CIP is updated annually based on input from City Council, the public and City staff. The FY 2010-11 CIP is influenced by a number of other planning processes, including the City's long-range Strategic Operating Plan, the Unified Development Ordinance, the Parks & Recreation Master Plan, the Pedestrian Thoroughfare Plan, and the Parking Study.

The annual capital budget process begins in the fall before departments begin work on their operating budgets. Departments submit a list of CIP requests to the Budget & Research Office. Budget & Research then reviews all requests, including projects that had been tentatively scheduled in previous years' CIPs, and makes recommendations to the City Manager and the management team. Following the City Manager's review, the CIP is then submitted to the City Council for approval along with the City's annual operating budget. Approval of the CIP commits the City to the first year of capital projects.

In order to be included in the CIP, a capital item or construction project must have a useful life of more than one year and an initial cost of at least \$25,000. All capital items not meeting these criteria are included in the annual operating budget as capital outlay. The one exception to this rule is vehicles. All vehicle purchases, regardless of price, are included in the CIP.

### **General Capital Reserve Fund**

The General Capital Reserve Fund provides funding for all general government capital needs. FY 2010-11 funding is provided by a \$7,867,222 pay-as-you-go contribution from the General Fund, \$1,200,000 in debt proceeds, and \$609,000 from other revenue sources. Major departmental itemized requests are displayed as approved.

### **Civic Center Capital Fund**

The Civic Center Capital Fund includes a \$250,000 transfer from the General fund to fund building maintenance and improvement projects.

### **Water Resources Fund**

CIP items and projects in the Water Resources Operating & Capital Improvement Funds are funded with utility revenues generated by the Water Resources Operating Fund and the capital improvements fee. The FY 2010-11 budget includes \$5.6 million in capital improvement projects. In addition, \$352,000 is budgeted in FY 2010-11 to replace capital equipment.

# CAPITAL IMPROVEMENT PROGRAM 2010/11 TO 2014/15

## SUMMARY OF MAJOR GENERAL CAPITAL PROJECTS

- All of the funding for this year's general capital improvement program will come from pay-as-you-go funding except for the \$1.2 million allocated for the replacement of the fire aerial ladder truck.
- The adopted CIP includes \$1.7 million to fund the replacement of vehicles in the Fire, Police and Public Works Departments. As noted above, \$1.2 million will go toward the replacement of a fire aerial ladder truck that has reached the end of its useful life. The City will borrow money to fund the cost of this purchase. It is estimated that annual debt service costs on this financing will be \$230,000. From the remaining funds designated for vehicle replacement, \$300,000 will be allocated to the Police Department and \$205,000 will go to the Public Works Department.
- The Parks & Recreation CIP includes \$535,000 in funding. \$35,000 will go to meet the City's contractual obligation to provide annual funding for McCormick Stadium maintenance and repairs. The remaining \$500,000 is allocated to high priorities identified in the Parks, Recreation, Cultural Arts Master plan adopted by City Council in 2009. Specific projects for FY 2010-11 include:
  - 1) \$225,000 for the replacement and upgrade of park/facility amenities such as fencing, gates, signage, water fountains, trash receptacles, benches, picnic tables, grills, landscaping, surfacing for playgrounds, etc;
  - 2) \$100,000 to address deferred maintenance at recreation centers;
  - 3) \$100,000 to begin funding improvements at the Nature Center;
  - 4) \$75,000 for land/easement acquisitions along greenway corridors identified in the Greenway Master Plan.
- Due to budget constraints, capital funding for the Civic Center was reduced from \$400,000 to \$250,000 in FY 2009-10. The FY 2010-11 adopted budget continues funding at the \$250,000 level. From this allocation, \$200,000 will go toward improvements in the Civic Center's locker and dressing rooms; \$30,000 will be used for upgrades to the facility lighting and controls; and \$20,000 will go toward renovations in the banquet hall.
- The CIP includes an ongoing contribution of \$952,300 to the Street & Sidewalk Fund for maintenance & repair of existing streets & sidewalks. In addition, the FY 2010-11 adopted CIP continues the \$35,000 annual appropriation for traffic safety projects. The CIP also includes \$143,000 in sidewalk funding from fee-in-lieu-of-sidewalk proceeds that have been collected but not previously budgeted. Also, the City has received notice from NCDOT that steel support beams on the Deaverview Road Bridge are in need of repair and replacement. The adopted CIP includes \$158,000 to fund this project.
- In FY 2009-10, the City received authorization from the State General Assembly to begin transferring up to 5% of Water Fund revenues to the general capital improvement program to fund water-related infrastructure projects. The City transferred the full 5% in FY 2009-10, which provided \$1.66 million in funding. Based on Council direction, 1% of Water Fund revenue will be transferred in FY 2010-11. This 1% transfer will provide an additional \$341,000 in funding, which will be combined with the money transferred in FY 2009-10 to provide total available funding of \$1.9 million which will be used to fund infrastructure improvements along Azalea Road (including widening the road, and installing and replacing the drainage system) and Ridge Avenue.
- The City expects to receive \$125,000 in funding next fiscal year from the technology fee that Council approved at the beginning of FY 2008-09. This fee is applied to all development review permits. Proceeds from this fee are earmarked to fund technology improvements that aid the development review process.

# CAPITAL IMPROVEMENT PROGRAM 2010/11 TO 2014/15

## RELATIONSHIP TO THE ANNUAL OPERATING BUDGET

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

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

The estimated impact of the capital improvement budget on the annual operating budget in FY 2010-11 is \$22.69 million, including debt service costs incurred from the long-term financing of capital projects approved this year and in prior years, and pay-as-you-go financing of current year projects. None of the capital projects approved in the FY 2010-11 budget are expected to add costs to the City's operating budget in future years. The table below summarizes the total impact of the capital budget on the FY 2010-11 operating budget.

<b>Total Impact of Capital Budget on FY 2010-11 Operating Budget</b>	
General Fund CIP Transfer	7,867,222
Water Resources Fund CIP Transfer	5,977,000
Water Resources Fund Debt Service	7,772,305
Water Resources Fund Sullivan Act	341,000
Stormwater Fund Debt Service	240,000
Parking Services Fund Debt Service	<u>500,000</u>
<b>Total</b>	<b>22,697,527</b>

# CAPITAL IMPROVEMENT PROGRAM 2010/11 TO 2014/15

## GENERAL CAPITAL RESERVE FUND SUMMARY

	BUDGET	ADOPTED	PLANNING YEARS			
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<b><i>Revenue Sources:</i></b>						
General Fund Transfer	8,367,222	7,867,222	8,050,034	8,171,059	8,301,067	8,352,868
Development Srv. Tech. Fee*	--	125,000	125,000	125,000	125,000	125,000
Debt Proceeds**	3,168,018	1,200,000	1,000,000	1,000,000	1,000,000	1,000,000
Water Fund Sullivan Act Funds	87,440	1,820,000	785,000	475,000	1,570,000	340,000
Fee-In-Lieu of Sidewalks	0	143,000	0	0	0	0
Grants & Donations	737,982	0	0	0	0	0
Sewer Project Savings	534,000	0	0	0	0	0
<b>Total Available Funds</b>	<b>12,894,662</b>	<b>11,155,222</b>	<b>9,960,034</b>	<b>9,771,059</b>	<b>10,996,067</b>	<b>9,817,868</b>

	BUDGET	ADOPTED	PLANNING YEARS			
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<b><i>Use of Funds:</i></b>						
General Debt Service	5,429,922	5,434,922	4,302,734	4,112,059	2,852,067	2,834,868
Fleet Replacement	752,000	1,705,000	1,527,000	1,441,000	1,631,000	1,910,000
Facility & Equipment Maintenance	568,000	0	208,000	383,000	283,000	258,000
Technology Improvements	335,000	125,000	275,000	300,000	325,000	240,000
Parks & Recreation	2,365,000	535,000	575,000	625,000	675,000	550,000
Land Purchases	250,000	0	0	0	0	0
Civic Center	250,000	250,000	300,000	400,000	400,000	400,000
Street & Sidewalks/Traffic Imp.	987,300	1,288,300	987,300	1,035,000	1,060,000	1,085,000
Sullivan Act Projects	87,440	1,820,000	785,000	475,000	1,570,000	340,000
Annexation Sewer Projects	1,870,000	0	0	0	0	0
Contribution to Capital Reserve	0	0	1,000,000	1,000,000	2,200,000	2,200,000
<b>Total Use of Funds</b>	<b>12,894,662</b>	<b>11,155,222</b>	<b>9,960,034</b>	<b>9,771,059</b>	<b>10,996,067</b>	<b>9,817,868</b>

\* Prior to FY 2010-11, the development services technology fee was collected in the General Fund and included in the General Fund transfer amount.

\*\* Debt proceeds of \$1.2 million in FY 2010-11 will be used to finance the replacement of a fire aerial ladder.

# CAPITAL IMPROVEMENT PROGRAM 2010/11 TO 2014/15

## GENERAL CAPITAL RESERVE FUND PROJECT DETAIL

<u>PROJECTS</u>	ADOPTED	PLANNING YEARS			
	2010/11	2011/12	2012/13	2013/14	2014/15
<b><u>Fleet Replacement</u></b>					
Police	300,000	350,000	400,000	500,000	525,000
Police Armored Response Vehicle				215,000	
Public Works	205,000	350,000	281,000	631,000	600,000
Building Safety		52,000	60,000	60,000	60,000
Parks & Recreation		75,000	100,000	100,000	125,000
Fire*	1,200,000	700,000	600,000	125,000	600,000
<b>Subtotal Fleet Replacement</b>	<b>1,705,000</b>	<b>1,527,000</b>	<b>1,441,000</b>	<b>1,631,000</b>	<b>1,910,000</b>

<b><u>Facility &amp; Equipment Maintenance</u></b>					
Police Facility Needs Assessment		150,000			
Municipal Building Repairs			150,000		
Building Security Enhancements			75,000	100,000	75,000
Police In Car Video Cameras				125,000	125,000
Station 1 Maintenance & Repairs			100,000		
Building Maintenance		58,000	58,000	58,000	58,000
<b>Subtotal Facilities/Equipment</b>	<b>0</b>	<b>208,000</b>	<b>383,000</b>	<b>283,000</b>	<b>258,000</b>

<b><u>Technology Improvements</u></b>					
Data Security		110,000	30,000	50,000	25,000
Development Review Improvements	125,000	125,000	125,000	125,000	125,000
Data Center Infrastructure		40,000	45,000		
Radio Replacements			100,000	150,000	90,000
<b>Subtotal Technology</b>	<b>125,000</b>	<b>275,000</b>	<b>300,000</b>	<b>325,000</b>	<b>240,000</b>

\* Debt proceeds of \$1.2 million in FY 2010-11 will be used to finance the replacement of a fire aerial ladder. The annual debt service on this amount is estimated to \$230,000.

# CAPITAL IMPROVEMENT PROGRAM 2010/11 TO 2014/15

## GENERAL CAPITAL RESERVE FUND PROJECT DETAIL

PROJECTS	ADOPTED	PLANNING YEARS			
	2010/11	2011/12	2012/13	2013/14	2014/15
<b><u>Civic Center</u></b>					
Renovate banquet Hall	20,000			65,000	30,000
General Improve.-Painting, Floor Care			25,000	60,000	120,000
Additional Electrical for the Arena					
Facility Improve. - Locker, Dressing Rooms	200,000	150,000			
Seating Replacement and Repairs				100,000	100,000
Upgrade Facility Lighting and Controls	30,000		150,000		
Facility Improvements - VIP Area		50,000		50,000	
Facility Improvements -Meeting Rooms		100,000	150,000		
Replace Elevator Control System					100,000
Replace Sound System			75,000	125,000	
Replace Basketball Portable Goals					50,000
<b>Subtotal Civic Center</b>	<b>250,000</b>	<b>300,000</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>

<b><u>Streets &amp; Sidewalks/Traffic</u></b>					
Annual Paving/Maintenance Program	752,300	752,300	795,000	815,000	835,000
Annual Sidewalk Program	200,000	200,000	200,000	200,000	200,000
Deaverview Bridge Repairs	158,000	0	0	0	0
Fee-In-Lieu of Sidewalk Projects	143,000	0	0	0	0
Traffic Safety Projects	35,000	35,000	40,000	45,000	50,000
<b>Subtotal Streets/Sidewalks</b>	<b>1,288,300</b>	<b>987,300</b>	<b>1,035,000</b>	<b>1,060,000</b>	<b>1,085,000</b>

<b><u>Parks &amp; Recreation</u></b>					
Urban Trail		50,000		50,000	
Public Art		25,000		25,000	
McCormick Field	35,000	35,000	35,000	35,000	35,000
Recreation Centers Improvments	100,000	100,000	125,000	165,000	100,000
Parks/Facilities Improvement	225,000	200,000	265,000	200,000	215,000
Land Acquisition Parks&Greenways	75,000	25,000	100,000	100,000	100,000
Turf Replacement		25,000	100,000	100,000	100,000
Nature Center Improvements	100,000	115,000			
<b>Subtotal Parks &amp; Recreation</b>	<b>535,000</b>	<b>575,000</b>	<b>625,000</b>	<b>675,000</b>	<b>550,000</b>

# CAPITAL IMPROVEMENT PROGRAM 2010/11 TO 2014/15

## GENERAL CAPITAL RESERVE FUND PROJECT DETAIL

PROJECTS	ADOPTED	PLANNING YEARS			
	2010/11	2011/12	2012/13	2013/14	2014/15
<u>Sullivan Act Projects</u>					
Azalea Road Improvements	1,710,000				
Ridge Avenue	110,000				
Melrose Avenue		335,000			
Norwood/Woodcrest/Innsbrook/Maplewood			225,000		
Old Haw Creek Road		450,000			
Craig Circle			250,000		
South Malvern Hills Area				90,000	
Horizon Hill Road				1,150,000	
King Street				330,000	
Culvern Street					180,000
Iris Street					145,000
South Grove Street					15,000
	<b>1,820,000</b>	<b>785,000</b>	<b>475,000</b>	<b>1,570,000</b>	<b>340,000</b>

# CAPITAL IMPROVEMENT PROGRAM 2010/11 TO 2014/15

## WATER RESOURCES CAPITAL EQUIPMENT SUMMARY

DESCRIPTION	ADOPTED	PLANNING YEARS			
	2010/11	2011/12	2012/13	2013/14	2014/15
1995 DITCH WITCH TRENCHER	85,000				
1984 SINGLE AXLE TRAILER	65,000				
2002 SKID STEER LOADER	85,000				
2002 CHEVY SUBURBAN	25,000				
1999 FORD PICKUP TRUCK	23,000				
2004 CHEVY COLORADO	23,000				
2004 CHEVY COLORADO	23,000				
2003 S10 PICKUP	23,000				
1984 TRENCHER		66,000			
1995 FORD TRUCK PRO PAT		90,000			
1969 BUTLER TANK TRAILER		50,000			
1987 515 FORD TRACTOR		50,000			
2003 DODGE DURANGO		25,000			
1995 FORD TRACTOR 4WD		60,000			
2002 INTERNATIONAL TANDEM		120,000			
1999 NEW HOLLAND TRACTOR		27,500			
2000 CHEVY PICKUP		22,000			
1998 AIR COMPRESSOR		15,000			
2003 S10 PICKUP		21,000			
2003 CHEVY MALIBU		20,000			
2002 JOHN DEER BACK HOE		80,000			
2002 LEEBOY ROLLER			22,000		
2004 JEEP LIBERTY			22,000		
2005 JEEP LIBERTY			22,000		
2003 CHEVY MALIBU			22,000		
2005 JEEP LIBERTY			22,000		
2004 JEEP LIBERTY			22,000		
2005 JEEP LIBERTY			22,000		
2004 BOBCAT SKID STEER			38,500		
2004 CHEVY SERVICE BODY			35,000		
2005 6X12 TRAILER			10,000		
2005 JEEP LIBERTY			22,000		
2004 CHEVY SERVICE BODY			35,000		
2003 DODGE DURANGO			26,000		
2005 FORD TRUCK F350			35,000		
2005 CHEV. PICKUP S-10			22,000		
2005 JEEP LIBERTY			22,000		
2005 JEEP LIBERTY			22,000		
2005 WSTR TANDEM			122,000		
2005 WESTERN STAR TANDEM			105,000		
2005 FORD TRUCK RANGER				22,000	
1999 FORKLIFT MILLS RIVER				24,200	

# CAPITAL IMPROVEMENT PROGRAM 2010/11 TO 2014/15

## WATER RESOURCES CAPITAL EQUIPMENT SUMMARY

DESCRIPTION	ADOPTED	PLANNING YEARS			
	2010/11	2011/12	2012/13	2013/14	2014/15
2005 FREIGHTLINER PATCH T				176,000	
2007 CUSTOM 20TN TRAILER				16,000	
2004 410G BACKHOE				80,000	
2005 CHEV. TRUCK 1-TON				35,000	
2004 FORD F750 SGL DUMP				70,000	
2004 STERLING LT9500				115,000	
2004 STERLING LT9500				110,000	
2007 CUSTOM 20TN TRAILER					16,000
2005 CHEV. TRUCK 3/4-TON					35,000
2006 HOMESTEADER TRAILER					10,000
2005 FORD TRUCK F350					35,000
2006 CHEVY 2500HD CNG					35,000
2006 INTERNATIONAL 7600 T					105,000
2004 CASE MODEL C60 TRENCHER					13,000
2005 DITCH WITCH TRENCHER					8,100
2005 6X10 TRAILER					10,000
2006 CHEVY 2500HD CNG					38,000
2006 CAROLINA 22TN TRA					15,000
2006 CAROLINA 22TN TRA					15,000
2007 AIR COMPRESSOR					15,000
2006 CAROLINA 22TN TRA					15,000
2006 5X10 TRAILER					10,000
2006 CAROLINA 22TN TRA					15,000
2007 CAROLINA TLR 22 TON					15,000
2007 POLARIS 500 6X6					7,000
2006 FORD F350 SUPERCAB 4X4					35,000
2006 CHEVY COLORADO					21,800
2006 FORD F350 SUPERCAB 4X4					35,000
2006 FORD EXPLORER					32,000
2006 CHEV. PICKUP TRUCK					29,700
2006 FORD F350 SUPERCAB 4X4					35,000
2006 CHEVY COLORADO					22,500
2006 FORD F350 SUPERCAB 4X4					26,400
<b>TOTAL</b>	<b>352,000</b>	<b>646,500</b>	<b>648,500</b>	<b>648,200</b>	<b>649,500</b>

# CAPITAL IMPROVEMENT PROGRAM 2010/11 TO 2014/15

## WATER RESOURCES CAPITAL IMPROVEMENT FUND SUMMARY

**Use of Funds:**

**NC DOT Projects:**

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Long Shoals I-26 to 191					569,250
Brevard Rd (Parkway to Long Shoals)					711,489
Brevard Rd (Long Shoals to NC 280)					950,000
I-26 Widening Project	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000

**Distribution Systems Projects:**

Mills River WTP SCADA System	100,000				
Maximo Upgrade	350,000				
Walnut Cove Pump Replacement	200,000	200,000			
Automated Meter Reading (AMR)	1,600,000	1,400,000	1,300,000		
Merrimon Avenue Main Replacement			700,000	700,000	
New Mills Gap Pump Station				800,000	
Additional Water Treatment Plant Capacity				1,000,000	500,000
Distribution System Refurb. & Replacement	500,000	685,000	1,300,000	1,185,000	1,070,000
Affordable Housing Infill Development Incentive	20,000	500,000	500,000	500,000	500,000
Water Storage Tank Maintenance	100,000				
Goodson Cove Reservoir	400,000				

**Management Tools / Equipment:**

Rate Study	50,000				
Water Quality Treatment Study	55,000				
Meter Testing	250,000				
New Maintenance Facility		750,000			

***Total Use of Funds***

<b>5,625,000</b>	<b>5,535,000</b>	<b>5,800,000</b>	<b>6,185,000</b>	<b>6,300,739</b>
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## GENERAL FUND DEBT SERVICE

Debt service expenditures in the general fund for FY 2010-11 are as follows:

<b>BUDGET SUMMARY</b>	<b>Adopted 2010/11</b>
<b><u>General Obligation Bonds:</u></b>	
1993 Street and Sidewalk Series A	108,720
1993 Street and Sidewalk Series B	45,430
1999 Refunding Bonds	196,384
G/O Refunding 2000	<u>150,750</u>
<b>Total General Obligation Bonds</b>	<b>501,284</b>
<b><u>Installment Financings:</u></b>	
2006 Fire Station 6 & 11	551,231
1997A Municipal Bldg	1,125,845
1997B Refunding Public Works	435,958
1997C Grove Arcade	151,600
2009 & 2010 CIP Projects**	<u>654,035</u>
<b>Total Installment Financings</b>	<b>2,918,669</b>
<b><u>Other Debt:</u></b>	
MSD	<u>38,000</u>
<b>Total Other Debt Service</b>	<b>38,000</b>
<b><u>Equipment Lease-Purchases:</u></b>	
2003 Fire Trucks	165,279
2006 Radio Equip/Fire & PW Vehicles	512,554
2007 & 2008 Equipment Purchases	1,069,136
2011 Fire Aerial Ladder*	<u>230,000</u>
<b>Total Equipment Lease-Purchases</b>	<b>1,976,969</b>
<b>TOTAL GENERAL FUND DEBT SERVICE</b>	<b><u>5,434,922</u></b>

\*\* Estimates

### BUDGET HIGHLIGHTS

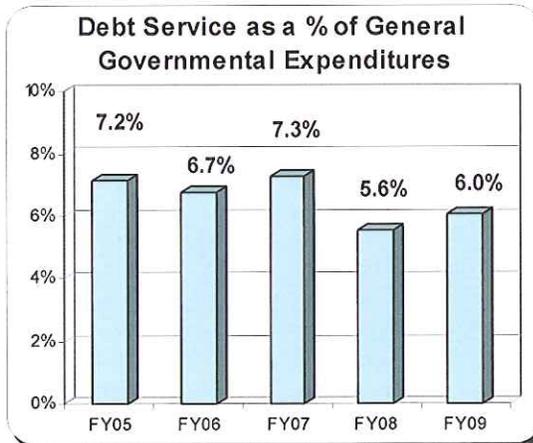
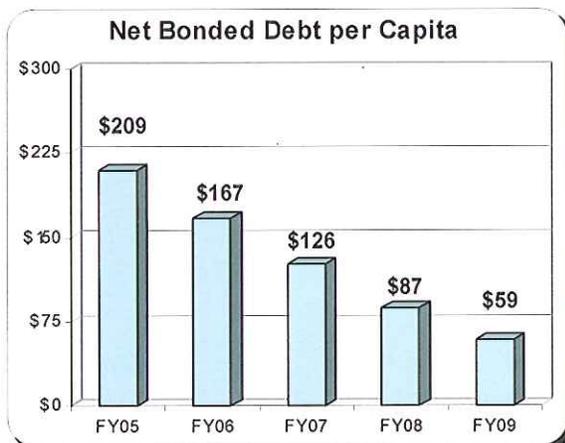
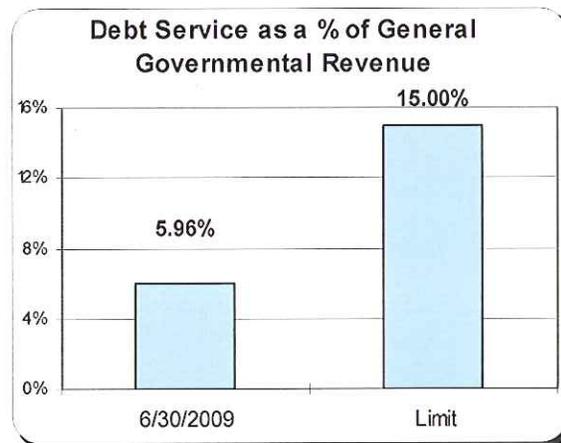
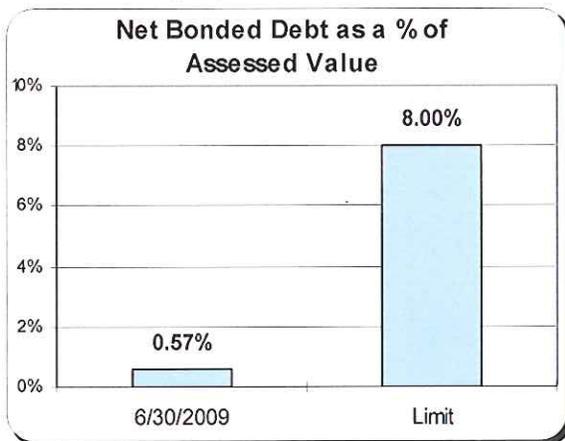
- The FY 2009-10 CIP projects financings include the following: Livingston Street Center construction, annexation sewer projects, Walton Street pool improvements, as well as the purchase of two fire trucks and a garbage truck.
- For FY 2010-11, the only item slated for financing is the replacement of a \$1.2 million fire aerial ladder.

# DEBT MANAGEMENT

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

## Policy Statements:

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



# DEBT MANAGEMENT

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2009**  
*(amounts expressed in thousands)*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: County Subtotal, overlapping debt	\$ 76,465	0.04%	\$ 28
City of Asheville direct debt	4,680	100.00%	4,680
Total direct and overlapping debt	\$ 81,145		\$ 4,708

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

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

# DEBT MANAGEMENT

## OUTSTANDING GENERAL OBLIGATION BONDS AS OF JUNE 30, 2009

The City has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities related to both general and proprietary activities. All general obligation bonds are backed by the full faith, credit and taxing power of the City. Principal and interest requirements are appropriated when due. General obligation bonds outstanding at June 30, 2009 are as follows:

	<u>Interest rates</u>	<u>Date issued</u>	<u>Date series matures</u>	<u>Amount of original issue</u>	<u>Balance outstanding June 30, 2009</u>
<b>General Fund:</b>					
Street, sidewalk and storm drainage, Series 1993A	5.50-5.25%	7/1/1993	2/1/2013	1,300,000	355,000
Street, sidewalk and storm drainage, Series 1993B	5.00-5.25	7/1/1993	2/1/2013	500,000	145,000
General Obligation refunding bonds, Series 1999	4.00-4.20	2/9/1999	6/1/2012	4,952,360	608,590
General Obligation refunding bonds, Series 2000	4.75-5.00	12/01/2000	12/01/2020	1,970,000	<u>1,170,000</u>
<b>Total General Fund</b>					<b>2,278,590</b>
<b>Enterprise Fund:</b>					
Water - 1995	5.40-6.40	6/1/1995	6/1/2011	3,000,000	900,000
Water - 1999	4.00-4.20	2/9/1999	6/1/2012	12,217,640	<u>1,501,410</u>
<b>Total Enterprise Fund</b>					<b>2,401,410</b>
<b>Total General Obligation Bonds</b>					<b>4,680,000</b>
<b>Premium on Bonds</b>					<b>9,631</b>
<b>Total GO Bonds &amp; Premium</b>					<b><u>\$4,689,631</u></b>

## ANNUAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

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

Fiscal Year Ending June 30,	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 626,593	\$ 106,594	\$ 1,403,407	\$ 107,554
2011	422,480	78,804	937,520	46,191
2012	269,517	59,145	60,483	2,540
2013	190,000	45,675	-	-
2014	100,000	36,000	-	-
2015-2019	500,000	105,000	-	-
2020-2022	170,000	7,750	-	-
<b>Total</b>	<b><u>\$ 2,278,590</u></b>	<b><u>\$ 438,968</u></b>	<b><u>\$ 2,401,410</u></b>	<b><u>\$ 156,285</u></b>

# DEBT MANAGEMENT

## INSTALLMENT FINANCING CONTRACTS

The City has entered into various installment financing contracts with the Asheville Public Financing Corporation, a blended component unit, for renovation and construction of municipal facilities. These contracts were funded by the execution and delivery of Certificates of Participation and certain lease contracts. The outstanding contracts at June 30, 2009 are as follows:

	<u>Interest rates</u>	<u>Date issued</u>	<u>Date series matures</u>	<u>Amount of original issue</u>	<u>Balance outstanding June 30, 2009</u>
<b>General Fund:</b>					
Municipal Building Series 1997-A	4.00-5.13	11/01/1997	6/01/2018	14,045,000	7,975,000
Refunding Series 1997-B	4.00-5.00	11/01/1997	6/01/2011	3,480,000	810,000
Taxable 1997-C	Variable	11/13/1997	6/01/2018	5,515,000	1,720,000
Fire Stations & Equip. Series 2006	3.92	6/28/2006	6/28/2021	8,030,300	<u>5,523,040</u>
					16,203,793
<b>Enterprise Fund:</b>					
Stormwater Series 2006	3.92	6/28/2006	6/28/2011	215,000	<u>86,000</u>
<b>Total Installment Financing</b>					<b><u>\$16,114,040</u></b>

## ANNUAL DEBT SERVICE REQUIREMENTS – INSTALLMENT FINANCING CONTRACTS

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Fiscal Year Ending June 30,				
2010	\$ 2,080,753	\$ 898,373	\$ 43,000	\$ 3,302
2011	2,145,753	799,939	43,000	1,652
2012	1,330,153	697,506	-	-
2013	1,380,153	631,903	-	-
2014	1,435,153	563,596	-	-
2015-2019	6,885,767	1,554,858	-	-
2020-2022	770,308	45,294	-	-
<b>Total</b>	<b>\$ 16,028,040</b>	<b>\$ 5,191,469</b>	<b>\$ 86,000</b>	<b>\$ 4,954</b>

# DEBT MANAGEMENT

## INSTALLMENT PURCHASE CONTRACTS

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

	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Date Series Mature</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding at June 30, 2009</u>
Trucks and cans	5.12%	12/9/1999	12/9/2009	\$359,230	\$12,333
Fire Trucks	3.06%	11/29/2002	11/15/2012	1,546,308	541,208
Fire and Sanitation trucks	2.49%	6/25/2008	6/1/2013	5,000,000	4,046,561
<b>Total</b>					<b>\$4,600,102</b>

## ANNUAL DEBT SERVICE REQUIREMENTS – INSTALLMENT PURCHASE CONTRACTS

Annual maturities on all installment purchase contracts are as follows:

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Fiscal Year Ending June 30,		
2010	\$ 1,141,368	\$ 110,426
2011	1,153,449	80,963
2012	1,178,474	51,207
2013	1,126,811	20,821
Total	\$ 4,600,102	\$ 263,417

# SUPPLEMENTAL INFORMATION

Asheville Community Profile  
Glossary of Budget Terms *Budget Ordinance.*

# ASHEVILLE COMMUNITY PROFILE

## Community Description

The City of Asheville, with a population of 78,313, comprises an area of approximately 45.2 square miles in Western North Carolina. Asheville is the regional center for manufacturing, transportation, health care, banking, professional services, and shopping. The City is the county seat of Buncombe County, the largest city in Western North Carolina, and the eleventh largest city in the State. 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 19<sup>th</sup> 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, which was incorporated in 1797, 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 1,000-person 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.

## Statistical Information

### Year Established

Asheville	1883
Buncombe County	1792

### Size (square miles)

Asheville	45.2
Buncombe County	660

### 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	4
Number of Police Personnel	259
Number of Patrol Districts	3
Number of:	
Calls for Service Dispatched	114,112
UCR Part I Crimes Reported	5,091
UCR Part I Crimes Cases Cleared	1,293
Traffic Accidents Investigated	3,290

### Utilities

Miles of Streets	379.38
Number of Street Lights	9,809
Number of City-Maintained Intersections	62
Miles of Water Mains	1,643
Treatment Plants	3
Water Service Connections	51,776
Fire Hydrants	3,345
Daily Avg. Consumption of Water (gal)	20.9 million
Max. Daily Capacity of Treat. Plants (gal)	44 million

### Fire Protection

Number of Stations	11
Number of Fire Personnel	239
Number of Calls Answered	13,442
Number of Inspections Conducted	2,381

### Culture & Recreation

Community Centers	11
Parks & Playgrounds	73
Park Acreage	937
Swimming Pools	3
Tennis Courts	30

# ASHEVILLE COMMUNITY PROFILE

## Demographic Information

*(Source: U.S. Census Bureau, American Factfinder 2007; Geographic Area: City of Asheville, unless otherwise indicated. The Asheville Metropolitan Statistical Area includes the following counties: Buncombe, Haywood, Henderson, & Madison.)*

### Population (State Est. as of 7/08)

City of Asheville	78,313
Buncombe County	227,875
Asheville Metro. Stat. Area	408,436

### Population Growth 2000-2007

City of Asheville	13.6%
Buncombe County	10.5%

<u>Age</u>	<u>Number</u>	<u>Percent</u>
Under 5 years	4,068	5.3%
5-9	3,685	4.8%
10-14	3,992	5.2%
15-19	4,683	6.1%
20-24	6,218	8.1%
25-34	11,438	14.9%
35-44	10,210	13.3%
45-54	10,286	13.4%
55-59	5,143	6.7%
60-64	4,222	5.5%
65-74	5,373	7.0%
75-84	5,143	6.7%
85+ years	2,303	3.0%
Median Age	39.5	

<u>Households</u>	<u>Number</u>	<u>Percent</u>
Total	33,725	
Family Households	17,207	51.0%
Non-Family Households	16,518	49.0%
Average Household Size	2.14	
Average Family Size	2.89	

<u>Housing Occupancy</u>	<u>Number</u>	<u>Percent</u>
Total Housing Units	38,101	
Occupied Housing Units	33,725	88.5%
Vacant Housing Units	4,376	11.5%
Homeowner Vacancy Rate	1.6%	
Rental Vacancy Rate	5.1%	

<u>Race</u>	<u>Number</u>	<u>Percent</u>
White	62,971	82.0%
Black or African American	11,317	14.7%
Other	2,476	3.2%
Hispanic or Latino (any race)	3,218	4.2%

<u>Housing Tenure</u>	<u>Number</u>	<u>Percent</u>
Occupied Housing Units	33,725	
Owner-Occupied Housing Units	18,527	54.9%
Renter-Occupied Housing Units	15,198	45.1%

<u>Sex</u>	<u>Number</u>	<u>Percent</u>
Male	35,388	46.1%
Female	41,376	53.9%

## Other Demographic Information

*(Source: Asheville Area Chamber of Commerce)*

### Public Schools

Number of Elementary Schools	6
Number of Middle/High Schools	2/1
Total Student Enrollment	3,826

### Area Colleges & Universities

	<u>Enrollment</u>
University of North Carolina-Asheville	3,520
Western Carolina University	9,060
Mars Hill College	1,160
Warren Wilson College	900
Montreat College	1,030
Asheville-Bunc. Tech/Comm College	6,250

### Medical

Hospitals/Beds	3/1,668
Doctors	808
Dentists	142

### Housing

Avg. Price of Area Homes Sold (2/10)	\$186,800
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# ASHEVILLE COMMUNITY PROFILE

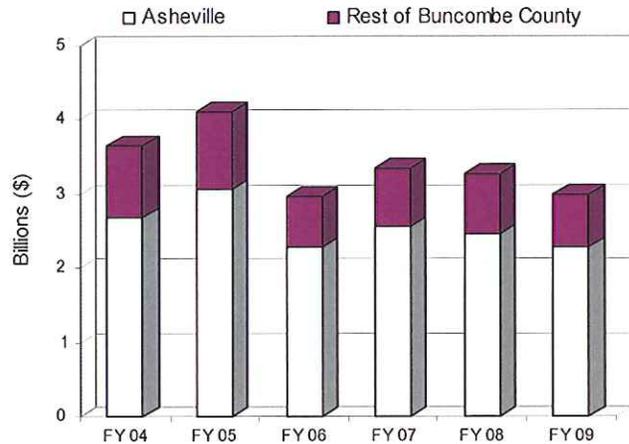
## Economic Indicators

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 (Source: N.C. Department of Revenue)

#### Buncombe County Retail Sales

		<u>% Growth</u>
FY 98-99	3,211,541,498	4.24%
FY 99-00	3,244,933,551	1.04%
FY 00-01	3,385,178,057	4.32%
FY 01-02	3,431,308,897	1.36%
FY 02-03	3,443,728,087	0.41%
FY 03-04	3,652,735,132	6.07%
FY 04-05	4,052,113,042	10.93%
FY 05-06	3,002,061,125	NA
FY 06-07	3,336,213,094	11.13%
FY 07-08	3,283,356,807	-1.58%
FY 08-09	2,995,665,910	-8.76%

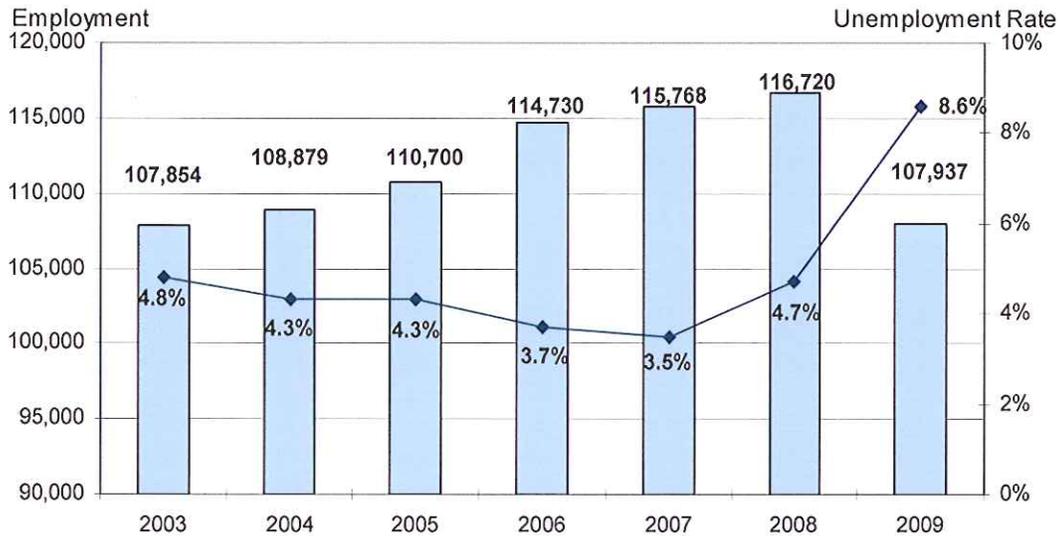


In addition to being an important indicator of overall local economic health, Buncombe County retail sales activity also directly impacts the City's general fund budget through sales tax receipts. The economic recession and its lingering effects caused retail sales growth to slow substantially in FY 07-08 and FY 08-09, with sales falling over 10% during this time period. Note: Due to a change in the way the state calculates retail sales, data since FY 04-05 is not comparable to prior years.

Of the \$2.99 billion in retail sales recorded in Buncombe County during FY 2008-09, \$2.3 billion or 76% of those sales occurred 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.

# ASHEVILLE COMMUNITY PROFILE

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



### **Buncombe County Workforce**

<b>Largest Employment Sectors (NAICS)</b>	<b>% of Employment</b>	<b>Employment Growth</b>		
		<b>Year</b>	<b>Avg. Employment</b>	<b>% Change</b>
Health Services & Private Education	16.9%	2000	104,617	1.64%
Government (federal, state and local)	14.7%	2001	104,738	0.12%
Leisure & Hospitality	13.8%	2002	102,665	-1.98%
Retail Trade	12.8%	2003	107,854	5.05%
Manufacturing	11.2%	2004	108,879	0.95%
Professional & Business Services	9.8%	2005	110,700	1.67%
Construction	6.7%	2006	114,730	3.64%
Financial Activities	3.4%	2007	115,768	0.90%
Wholesale	2.9%	2008	116,720	0.82%
Transportation & Utilities	2.5%	2009	107,937	-7.52%
Information	1.3%			

The unemployment rate is a critical indicator of relative strength in the local economy. As the effects of the recession began to be felt in Buncombe County, the average unemployment climbed to 8.6% in 2009. The local employment data have improved slightly in 2010, and as of May, the county's unemployment rate stood at 8.0%. Local unemployment rates are below both the statewide rate (9.9%) and the national rate (9.3%).

Between 2000 and 2008, the total employment in Buncombe County increased by 12,108 jobs or 11.6%. With the onset of the recession, average employment in 2009 was 7.5% below the 2008 levels.

The County's leading industry in terms of employment is health care & private education. Other leading industry sectors include government, leisure & hospitality, and retail trade. Together these four sectors account for approximately 58% of all Buncombe County jobs. Despite the fact that it remains the fifth largest industry sector in Buncombe County, the manufacturing sector has experienced a significant decline in recent years.

According to the latest data provided by the U.S. Bureau of Labor Statistics, the average annual wage in the Asheville Metropolitan Statistical Area (MSA) in 2008 was \$35,050. Asheville's MSA average annual wages were below both the state (\$38,230) and national (\$42,270) averages.

# ASHEVILLE COMMUNITY PROFILE

## Labor Market Trends (Sources: Asheville Area Chamber of Commerce & N.C. Department of Commerce)

### Major Buncombe County Employers

Employer	Employment	Employer	Employment
Mission Health & Hospitals	3,000+	VA Medical Center	1,000-2,999
Buncombe County Public Schools	3,000+	The Biltmore Company	1,000-2,999
Ingles Markets, Inc.	3,000+	The Grove Park Inn Resort & Spa	1,000-2,999
Buncombe County	1,000-2,999	BorgWarner Turbo & Emissions Systems	750-999
City of Asheville	1,000-2,999	CarePartners	750-999

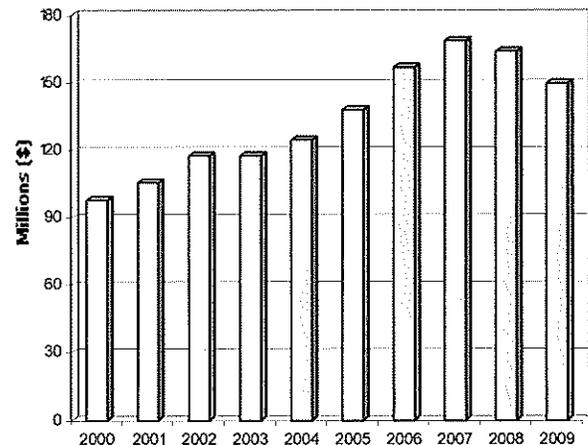
### ACCRA Cost of Living Index (3rd Quarter 2009)

Cities	All Items	Food	Housing
Asheville	101.3	102.9	99.6
Raleigh	102.4	114.6	89.2
Charlotte	94.5	96.4	80.4
Winston-Salem	92.0	99.2	82.4

(100 = The Composite National Average)

### 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>
2000	98,176,768	4.9%
2001	105,942,408	7.9%
2002	117,411,941	10.8%
2003	117,444,465	0.0%
2004	124,767,177	6.2%
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%



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 \$711.04 million in 2008. Buncombe County ranks 5<sup>th</sup> in travel impact among the state's 100 counties. Over 9,200 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 current recessions began being felt in 2008 and hotel/motel sales fell that year and again in 2009.

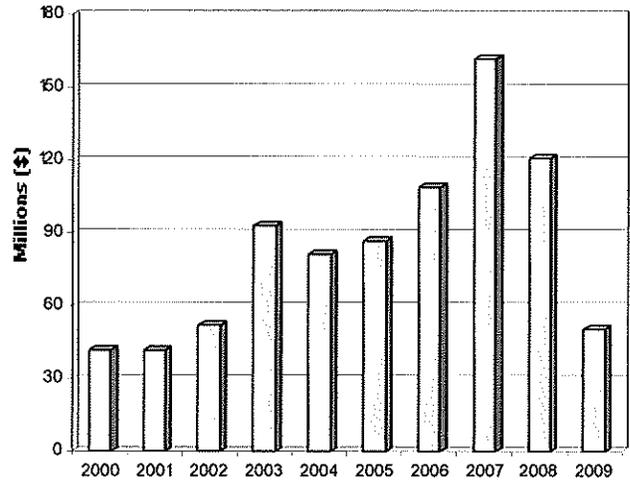
# ASHEVILLE COMMUNITY PROFILE

## Construction Trends (Source: City of Asheville Building Safety Department)

### Residential Permit Valuation

#### Residential Permit Valuation

		<u>% Change</u>
2000	41,708,329	11.90%
2001	41,897,612	0.45%
2002	52,343,315	24.93%
2003	93,330,295	78.30%
2004	81,642,524	-12.52%
2005	87,098,910	6.68%
2006	108,985,834	25.13%
2007	161,644,733	48.32%
2008	120,947,414	-25.16%
2009	50,209,155	-58.49%

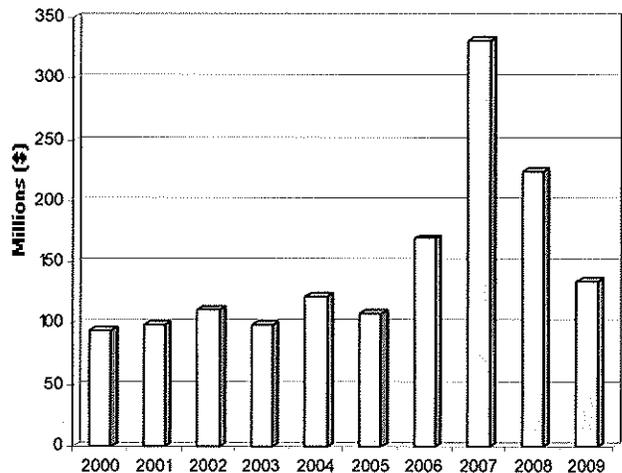


Residential property is the single largest component of the City's tax base comprising 50% of the City's total assessed valuation. Trends in residential construction are therefore an important indicator of overall growth in the City's financial capacity. In addition, residential development generally costs more to service than other types of development. Explosive growth in residential construction can thus lead to more demand for services and higher operating costs for City departments. Residential construction peaked between 2006 and 2008, but has fallen dramatically since the onset of the recession.

### Commercial Permit Valuation

#### Commercial Permit Valuation

		<u>% Change</u>
2000	93,723,352	-10.41%
2001	98,982,460	5.61%
2002	111,985,132	13.14%
2003	98,748,514	-11.82%
2004	122,571,901	24.13%
2005	109,124,425	-10.97%
2006	169,568,937	55.39%
2007	331,721,367	95.63%
2008	229,910,119	-30.69%
2009	134,042,534	-41.17%



Commercial property is the second largest component of the City's tax base comprising 33% of the City's total assessed valuation. Growth in commercial construction is important for the City's financial capacity and for the overall health of the local economy. Commercial construction activity reached a new high in 2007 before decreasing by 30.69% in 2008. It should be noted that even with the decline in 2008, commercial construction activity remained strong in Asheville during the early part of the current recession. Major commercial construction projects permitted in 2008 included the Biltmore Town Square, Country Inn & Suites Hotel, the Hotel Indigo, and the Fitzgerald Project at the Grove Park Inn. In 2009 as the recession lingered, the impact on commercial construction became more acute and permit valuation fell by 41.17%.

ORDINANCE NO. 3882

AN ORDINANCE ADOPTING THE ANNUAL BUDGET AND FIXING THE TAX RATE FOR THE CITY OF ASHEVILLE FOR THE FISCAL YEAR 2010-11

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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 2010-11 fiscal year;

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

Section 1. The following amounts are hereby appropriated for operating City government for the fiscal year beginning July 1, 2010 and ending June 30, 2011, according to the following schedules:

**GENERAL FUND**

Revenues:

Property Taxes	\$46,055,271	
Intergovernmental Revenue	11,382,602	
Local Option Sales Tax	14,834,688	
Other Taxes	310,000	
Charges For Service	12,251,921	
Licenses & Permits	5,088,537	
Investment Earnings	1,014,000	
Miscellaneous Revenue	310,943	
Transfer from Other Funds	<u>388,000</u>	
Total Revenues		<u>\$91,635,962</u>

Appropriations:

Departmental Operations	<u>\$91,635,962</u>
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**WATER RESOURCES FUND**

Revenues:

Charges For Service	\$32,678,500	
Investment Earnings	310,000	
Miscellaneous Revenue	<u>22,700</u>	
Total Revenues		<u>\$33,011,200</u>

Appropriations:

Water Resources Operations	<u>\$33,011,200</u>
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**PARKING SERVICES FUND**

Revenues:

Miscellaneous Revenue	\$2,782,500	
Investment Earnings	20,000	
Appropriated Fund Balance	<u>109,000</u>	
Total Revenues		<u>\$2,911,500</u>

Appropriations:

Parking Services Operations		<u>\$2,911,500</u>
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**STORMWATER FUND**

Revenues:

Charges For Service	\$2,665,218	
Licenses & Permits	200,000	
Transfer from Other Funds	200,000	
Investment Earnings	<u>30,000</u>	
Total Revenues		<u>\$3,095,218</u>

Appropriations:

Stormwater Utility Operations		<u>\$3,095,218</u>
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**FESTIVALS FUND**

Revenues:

Charges for Service	\$546,542	
Miscellaneous Revenue	700	
General Fund Transfer	<u>162,652</u>	
Total Revenues		<u>\$709,894</u>

Appropriations:

Festivals Operations		<u>\$709,894</u>
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**TRANSIT SERVICES FUND**

Revenues:

Intergovernmental Revenue	\$3,463,200	
Charges For Service	831,000	
Licenses & Permits	316,200	
Parking Fund Transfer	484,000	
General Fund Transfer	<u>642,196</u>	
Total Revenues		<u>\$5,736,596</u>

Appropriations:

Transit Services Operations		<u>\$5,736,596</u>
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**CIVIC CENTER FUND**

Revenues:

Charges For Service	\$1,648,450	
General Fund Subsidy	392,594	
Miscellaneous Revenue	3,500	
Investment Earnings	<u>70,000</u>	
Total Revenues		<u>\$2,114,544</u>

Appropriations:

Civic Center Operations		<u>\$2,114,544</u>
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**GOLF FUND**

Revenues:

Charges For Service	\$920,000	
Total Revenues		<u>\$920,000</u>

Appropriations:

Golf Operations		<u>\$920,000</u>
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**STREET CUT UTILITY FUND**

Revenues:

Charges For Service	\$1,578,280	
Total Revenues		<u>\$1,578,280</u>

Appropriations:

Street Cut Operations		<u>\$1,578,280</u>
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**WATER MAJOR CAPITAL IMPROVEMENT FUND**

Revenues:

Contribution from Water Resources Fund		<u>\$5,625,000</u>
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Appropriations:

I-26 Widening Project	\$2,000,000	
Mills River WTP SCADA System	100,000	
Maximo Upgrade	350,000	
Walnut Cove Pump Replacement	200,000	
Automated Meter Reading (AMR)	1,600,000	
Distribution System Refurb. & Replacement	500,000	
Affordable Housing Infill Development Incentive	20,000	
Water Storage Tank Maintenance	100,000	
Goodson Cove Reservoir	400,000	
Rate Study	50,000	
Water Quality Treatment Study	55,000	
Meter Testing	<u>250,000</u>	
Total Appropriations		<u>\$5,625,000</u>

**COMMUNITY DEVELOPMENT FUND**

<u>Revenues:</u>		
HUD Grant – 36 <sup>th</sup> Year CDBG Entitlement	\$1,335,278	
Program Income	<u>290,575</u>	
Total Revenues		<u>\$1,625,853</u>
<u>Appropriations:</u>		
Fiscal 2010-11 CDBG Program		<u>\$1,625,853</u>

**HOME INVESTMENT TRUST FUND**

<u>Revenues:</u>		
HUD Grant – 19 <sup>th</sup> Year HOME Entitlement	\$1,454,360	
Program Income	<u>624</u>	
Total Revenues		<u>\$1,454,984</u>
<u>Appropriations:</u>		
Fiscal 2009-10 HOME Program		<u>\$1,454,984</u>

**SECTION 108 REHAB FUND**

<u>Revenues:</u>		
Program Income		<u>\$65,594</u>
<u>Appropriations:</u>		
Section 108 Debt Service		<u>\$65,594</u>

**FAIR HOUSING ASSISTANCE PROGRAM**

<u>Revenues:</u>		
HUD FHAP Grant		<u>\$100,000</u>
<u>Appropriations:</u>		
Fiscal 2010-11 FHAP Program		<u>\$100,000</u>

**GENERAL CAPITAL RESERVE FUND**

<u>Revenues:</u>		
Contribution from General Fund	\$2,435,300	
Debt Proceeds	<u>1,200,000</u>	
Total Revenues		<u>\$3,635,300</u>
<u>Appropriations:</u>		
Departmental Operations		<u>\$3,635,300</u>

**DEBT SERVICE FUND**

<u>Revenues:</u>	
Transfer from General Fund	<u>\$5,434,922</u>
<u>Appropriations:</u>	
General Debt Service	<u>\$5,434,922</u>

**HOUSING TRUST REVOLVING FUND**

<u>Revenues:</u>	
Transfer from General Fund	<u>\$300,000</u>
<u>Appropriations:</u>	
Housing Trust Fund Operations	<u>\$300,000</u>

**CIVIC CENTER CAPITAL FUND**

<u>Revenues:</u>	
Transfer from General Capital Reserve Fund	<u>\$250,000</u>
<u>Appropriations:</u>	
Banquet Hall Renovations	\$20,000
Facility Improvements	200,000
Lighting & Controls	<u>30,000</u>
Total Revenues	<u>\$250,000</u>

**GENERAL CAPITAL PROJECTS FUND – DEVELOPMENT REVIEW TECHNOLOGY**

<u>Revenues:</u>	
Licenses & Permits	<u>\$125,000</u>
<u>Appropriations:</u>	
Improvements	<u>\$125,000</u>

**GENERAL CAPITAL PROJECTS FUND – RECREATION CENTER IMPROVEMENTS**

<u>Revenues:</u>	
Transfer from General Capital Reserve Fund	<u>\$100,000</u>
<u>Appropriations:</u>	
Improvements	<u>\$100,000</u>

**GENERAL CAPITAL PROJECTS FUND – PARKS/FACILITIES IMPROVEMENTS**

<u>Revenues:</u>	
Transfer from General Capital Reserve Fund	<u>\$225,000</u>
<u>Appropriations:</u>	
Improvements	<u>\$225,000</u>

**GENERAL CAPITAL PROJECTS FUND – LAND ACQUISITION**

<u>Revenues:</u>	
Transfer from General Capital Reserve Fund	<u>\$75,000</u>
<u>Appropriations:</u>	
Improvements	<u>\$75,000</u>

**GENERAL CAPITAL PROJECTS FUND – NATURE CENTER IMPROVEMENTS**

<u>Revenues:</u>	
Transfer from General Capital Reserve Fund	<u>\$100,000</u>
<u>Appropriations:</u>	
Improvements	<u>\$100,000</u>

**GENERAL CAPITAL PROJECTS FUND – AZALEA ROAD IMPROVEMENTS**

<u>Revenues:</u>	
Transfer from Water Fund (Sullivan Act Funds)	<u>\$1,710,000</u>
<u>Appropriations:</u>	
Improvements	<u>\$1,710,000</u>

**GENERAL CAPITAL PROJECTS FUND – RIDGE AVENUE**

<u>Revenues:</u>	
Transfer from Water Fund (Sullivan Act Funds)	<u>\$110,000</u>
<u>Appropriations:</u>	
Improvements	<u>\$110,000</u>

**GENERAL CAPITAL PROJECTS FUND – MCCORMICK FIELD**

<u>Revenues:</u>	
Transfer from General Capital Reserve Fund	<u>\$35,000</u>
<u>Appropriations:</u>	
Improvements	<u>\$35,000</u>

**GENERAL CAPITAL PROJECTS FUND - STREET PAVING PROGRAM 10-11**

<u>Revenues:</u>	
Transfer from General Capital Reserve Fund	<u>\$752,300</u>
<u>Appropriations:</u>	
Street Paving 10-11	<u>\$752,300</u>

**GENERAL CAPITAL PROJECTS FUND - SIDEWALK PROGRAM 10-11**

<u>Revenues:</u>	
Transfer from General Capital Reserve Fund	<u>\$200,000</u>
<u>Appropriations:</u>	
Sidewalk Program 10-11	<u>\$200,000</u>

**GENERAL CAPITAL PROJECTS FUND – TRAFFIC SAFETY**

<u>Revenues:</u>	
Transfer from General Capital Reserve Fund	<u>\$35,000</u>
<u>Appropriations:</u>	
Improvements	<u>\$35,000</u>

**GENERAL CAPITAL PROJECTS FUND – DEAVERVIEW BRIDGE**

<u>Revenues:</u>	
Transfer from General Capital Reserve Fund	<u>\$158,000</u>
<u>Appropriations:</u>	
Improvements	<u>\$158,000</u>

**GENERAL CAPITAL PROJECTS FUND – FEE-IN-LIEU-OF-SIDEWALK**

<u>Revenues:</u>	
Fee-In-Lieu-Of-Sidewalks	<u>\$143,000</u>
<u>Appropriations:</u>	
Improvements	<u>\$143,000</u>

**INSURANCE FUND**

<u>Revenues:</u>	
Transfer from Other Funds	\$13,076,152
Charges For Service	3,553,000
Miscellaneous Revenue	286,500
Investment Earnings	<u>10,000</u>
Total Revenues	<u>\$16,925,652</u>
<u>Appropriations:</u>	
Insurance Fund Operations	<u>\$16,925,652</u>

Section 2. 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 13, 2010 in ordinance number 3843 and amended by City Council thereafter, shall be set forth in a Fees and Charges Manual to be kept on file in the Office of the City Clerk.

Section 3. There is hereby levied for the fiscal year ending June 30, 2011, the following tax on each \$100 assessed valuation of taxable property as listed on January 1, 2010 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 \$0.4200

Such rate of tax is based on an estimated total assessed value of property for the purposes of taxation of \$10,443,296,297 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 \$2,232,045.

Section 4. 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 5. 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.

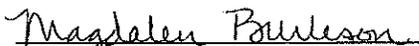
Section 6. The reserve for encumbrances at June 30, 2010 and carry-over appropriations, representing prior commitments as of that date shall be reappropriated pursuant to North Carolina General Statute 159-13, to the departments within various funds, under which expenditures may be made during fiscal year 2010-11 as the previous commitments are satisfied.

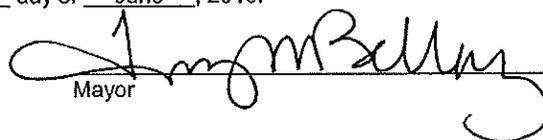
Section 7. Copies of this ordinance shall be furnished to the City Manager, Director of Finance and City Accountant, to be kept on file by them for their direction in the collection of revenues and expenditures of amounts appropriated.

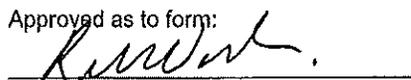
Section 8. Should any section, paragraph, sentence, clause or phrase of this ordinance be declared unconstitutional or invalid for any reason, the remainder of said ordinance shall not be affected thereby.

Section 9. That this ordinance shall be in full force and effect upon date of final passage.

Read, approved and adopted this 22nd day of June, 2010.

  
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.

**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.

## GLOSSARY OF TERMS

**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.

**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.

## GLOSSARY OF TERMS

**General Obligation Bonds** - Bonds issued by City government, usually requiring voter approval, that are backed by the 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 enterprise fund or 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.

**PEG Fee:** Fee paid by the local cable television company in support of the public, educational, and governmental access channels.

**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.

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

**Target-Based Budgeting** - A budget process in which departments are provided with a maximum level for their budget requests based on expected revenues and City Council priorities. The Budget & Research office requires separate justification for proposed spending levels that exceed the target.

## GLOSSARY OF TERMS

**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 \$0.42 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.