



Quarterly Financial Report

First Quarter of 2012-13

November 27, 2012

The financial information in this report reflects the City's overall financial position for the fiscal year through September 2012.

EXECUTIVE SUMMARY

Amendments. The General Fund budget presented in this first quarter report reflects the adopted budget of \$89,922,437; along with five budget amendments approved by Council during the first quarter that totaled \$566,527. A summary of the five amendments is presented below. None of the amendments involved an appropriation from fund balance. The \$63,000 for the firing range mitigation project was appropriated from unexpended capital funds that were being held in reserve.

Adopted Budget	89,922,437
Budget Amendments:	
NC Arts Council Grassroots Arts Grant	50,431
Linamar Economic Development Incentive	200,000
Firing Range Mitigation Project	63,000
Public Housing Police Unit Partnership	217,000
RENCI Grove Arcade Lease	<u>36,096</u>
9/30/2012 Budget	<u>\$90,488,964</u>

Revenues. Through September 30, 2012, the City has collected \$13,953,147 in General Fund revenue, which represents approximately 15.4% of the total General Fund revenue budget. Property tax revenue came in slightly under budget in FY 2011-12, and staff is projecting that trend of slower than anticipated growth to continue in FY 2012-13. Sales tax revenue is up 2.9% compared to the same period last fiscal year. The budget contemplated 5.0% growth in sales taxes, so year-end projections currently show a slight shortfall in this revenue. Staff is also projecting that state utility tax revenue will fall short of budget. On a positive note, revenue from electronic gaming operations has exceeded budget estimates to date. In total, ***FY 2012-13 General Fund revenue is currently projected to come in \$227,000 or 0.25% in under budget.***

Expenditures. General Fund expenditures through September 30, 2012 total \$18,083,399 or 20.0% of the budget, which is typical for this point in the fiscal year. Personnel expenses, the largest component of the General Fund budget, are running at the budget through the first quarter. Expenditures for fuel and fleet maintenance were running slightly over budget through the first quarter. Staff will continue to closely monitor these expenses throughout the fiscal year. ***Based on expenditure patterns in the previous fiscal year and the trends noted above, staff is projecting that expenditures will finish the year approximately \$550,000 under budget, which will more than offset the expected revenue shortfall.***

Fund Balance. The City ended FY 2011-12 with available fund balance of \$13.63 million, which equated to 15.9% of FY 2011-12 expenditures. At the November 13th meeting, Council approved the use of \$650,000 in fund balance for one-time employee salary bonuses. ***Factoring in this fund balance usage along with***

current revenue and revenue projections for FY 2012-13, staff estimates that available fund balance at June 30, 2013 will be \$13.3 million or 15.0% of estimated expenditures.

GENERAL FUND

	Revised Budget	9/30/2012 Actuals	Year-End Estimate	Pos./ (Neg.) Bud. Variance
Revenues:				
Property Taxes	47,575,063	4,323,466	47,400,063	(175,000)
Sales & Other Taxes	16,990,325	1,620,526	16,793,000	(197,325)
Intergovernmental	11,485,660	3,241,445	11,523,671	38,011
Licenses & Permits	5,344,000	2,635,120	5,202,000	(142,000)
Sales & Services	4,080,656	1,203,397	4,354,207	273,551
Investment Earnings	225,000	29,073	150,000	(75,000)
Miscellaneous	1,100,563	202,309	1,150,563	50,000
Other Financing Sources	<u>3,687,697</u>	<u>697,811</u>	<u>3,687,697</u>	<u>0</u>
Total Revenue	<u>90,488,964</u>	<u>13,953,147</u>	<u>90,261,202</u>	<u>(227,762)</u>
Expenditures:				
Administration	1,286,663	241,286	1,260,930	25,733
Legal Services	650,544	134,698	644,039	6,505
Finance & Management	3,229,995	712,734	3,165,395	64,600
Human Resources	1,321,559	261,856	1,295,128	26,431
Information Tech. Srv	2,642,090	681,567	2,589,248	52,842
Nondepartmental	12,051,197	1,005,761	11,990,941	60,256
Economic Development	547,005	245,043	536,065	10,940
Fire	18,413,612	4,588,703	18,376,785	36,827
Police	21,177,817	4,339,726	21,114,284	63,533
Building Safety	4,143,458	873,906	4,102,023	41,435
Transportation	1,015,080	199,762	1,004,929	10,151
Public Works	12,517,166	1,993,441	12,429,546	87,620
Planning	1,803,481	346,689	1,785,446	18,035
Parks & Recreation	<u>9,689,297</u>	<u>2,458,225</u>	<u>9,640,851</u>	<u>48,446</u>
Total Expenditure	<u>90,488,964</u>	<u>18,083,399</u>	<u>89,935,609</u>	<u>553,355</u>
Rev. (Under) Exp.	<u>0</u>	<u>(4,130,253)</u>	<u>325,593</u>	
Other Financing Sources (Uses):				
Fund Bal. Change	<u>0</u>		<u>325,593</u>	
Beginning Fund Balance	<u>13,626,000</u>		<u>13,626,000</u>	
App Fund Balance	==		<u>(650,000)</u>	
Ending Fund Balance	<u>13,626,000</u>		<u>13,299,213</u>	
Fund Balance Percentage	<u>15.1%</u>		<u>15.0%</u>	

REVENUES:

At this point in the fiscal year, staff is projecting FY 2012-13 General Fund revenue will be \$90,261,202 which is \$227,000 or 0.25% below the revised budget. FY 2012-13 revenue results are expected to be very similar to FY 2011-12 where revenues came in 0.41% over budget. Major revenues to report on for the 1st quarter include:

Property taxes. Property tax revenue in the prior fiscal year grew by only 0.7%, which was the slowest growth in at least ten years. As a result, property tax revenue came in slightly under budget in FY 2011-12, and staff is projecting that trend of slower than anticipated growth to continue in FY 2012-13. The City will receive its official FY 2012-13 tax base data from Buncombe County in early January. Property tax estimates will be refined at that time and reported to City Council at the second quarter financial report.

Sales taxes. Sales tax revenue in the prior fiscal year increased by \$1.1 million or 7.6%, which was the largest annual increase since the onset of the recession. As discussed with Council during the budget process, staff revised its FY 2011-12 growth estimate to 8.0%, so final results for last year came in slightly less than projected. For the current fiscal year, the budget assumed that sales tax revenue would grow another 5.0% over last year's results. Through the first three months of the fiscal year, however, revenues are only up 2.9%. As a result of this slower than anticipated growth in the first quarter, staff is currently projecting that sales tax revenue will fall short of budget by approximately \$200,000.

Intergovernmental. Intergovernmental revenue through the first quarter reflects a mixed bag. On a positive note, the City received a \$277,000 unbudgeted payment from the State to reimburse expenses related to the Pack Square Park project. The City closed this project in a previous fiscal year and used General Fund proceeds to balance the project. In another positive development, initial Powell Bill allocations show that revenue coming in approximately \$85,000 over budget for the year. First quarter state utility tax revenue, however, was down 6.5% compared to the first quarter of FY 2011-12. Staff was already projecting state utility tax revenue to fall short of budget based on results from FY 2011-12. Those initial projections have now been revised lower to show state utility tax revenue coming in under budget by approximately \$300,000. Overall, staff is estimating that intergovernmental revenue will finish the year very close to budget.

Other Revenues. Through the first quarter, revenues in the Development Services department were at 22.8% of budget, which is very similar to where they were one year ago. Revenue from business privilege license renewals was also very similar to the first quarter of FY 2011-12. During the first quarter, the City received \$491,000 in revenue from electronic gaming licenses, which well exceeded the budget estimate of \$205,000.

EXPENDITURES:

Salaries. During the first quarter, there were 5.5 payroll cycles charged against the FY 2012-13 budget, which represents 21.1% of the total payroll cycles that will occur during this fiscal year. Actual salary expenses in the first quarter were at 21.3% of budget, which indicates that the General Fund salary expenses are on target to end the year on budget.

Fuel & Fleet Maintenance. The General Fund FY 2012-13 budget for fuel and fleet maintenance expenses totals \$3.2 million, which matches the actual level of expenses from the prior fiscal year; an indication that there is little flexibility in this year's budget for fuel and fleet maintenance expenses. First quarter results reflect this tight budget situation – expenditures were at 28% of budget as of the end of the first quarter. The average price of B5 biodiesel fuel was 15 cents per gallon higher during the first quarter of this fiscal year compared to FY 2011-12, and the cost of E10 fuel was 8 cents higher. Staff will continue to monitor and report on fuel and fleet maintenance budgets throughout the year.

Utilities/Landfill Tip Fees. The General Fund FY 2012-13 budget for electricity and natural gas is approximately \$985,000. During the previous fiscal year, in which the area experienced a very mild winter, expenses for electricity and natural gas totaled \$856,000. By way of comparison, in the two fiscal years prior to that, natural gas and electricity expenses in the General Fund averaged \$970,000. Based on this data, staff is not currently projecting any significant savings in the General Fund utility budgets in FY 2012-13. It should also be noted that the monthly expense for streetlighting (which is not included in the expenses mentioned above) is currently running about \$10,000 to \$15,000 below where it was one year ago as a result of the LED retrofit program. The savings from this program are being used to pay the debt service on the LED retrofits and to fund other sustainability initiatives.

With the expansion in the recycling program, the City also continues to see a positive financial impact on tip fees expenses at the County landfill. In the first quarter of this fiscal year, there was a net recycling increase of 39.33% or 449.95 tons and a net decrease in solid waste of 7.57% or 453.27 tons. This decrease in tonnage saved the City approximately \$20,000 in tip fees in the first quarter.

LIVING WAGE STATUS REPORT:

During the first quarter, the City entered into seven general service contracts that fell within the threshold of \$30,000 to \$200,000 and were applicable to living wage requirements. The additional costs associated with these contracts were anticipated and fully covered in the existing FY 2012-13 budget.

FUND BALANCE ANALYSIS:

The City ended FY 2011-12 with available fund balance of \$13.63 million, which equated to 15.9% of FY 2011-12 expenditures. At the November 13th meeting, Council approved the use of \$650,000 in fund balance for one-time employee salary bonuses. Factoring in this fund balance usage along with current revenue and revenue projections for FY 2012-13, staff estimates that available fund balance at June 30, 2013 will be \$13.3 million or 15.0% of estimated expenditures. The City's Financial Management Policy recommends that the City maintain a fund balance equal to 15% of the current-year budget expenditures.

ENTERPRISE FUNDS

The following information summarizes year-to-date and year-end projections for the City's seven enterprise funds.

Water Fund

	Revised Budget	9/30/2012 Actuals	Year-End Estimate	Pos./ (Neg.) Bud. Variance
Revenue	33,598,752	9,158,267	34,013,725	414,973
Expenditure	33,598,752	9,783,454	32,164,418	1,434,334
Rev. Over/(Under) Exp.	0	(625,186)	1,849,307	--

Water operating revenues are projected to be \$414,973 over budget due primarily to revenues received from the sale of old meters associated with the Automated Meter Reading (AMR) project. The AMR project is expected to be completed by Summer 2013, which means that the revenue received from the sale of old meters will reduce significantly by July 2013 and should not be factored into next FY’s budget planning process.

Water expenditures are now projected to be \$1,434,334 under budget due to a variety of factors. Water Resources is working with Raftelis Financial Consultants to update the Water Rate Model, which includes a detailed analysis of FY 2012 Actuals. Last fiscal year, expenditures were well below the estimated budget due to: (1) the department holding a number of positions vacant and reduced overtime expenses due to a mild winter; and (2) a reduction in multiple operating expense line items, including Materials (mild winter with less waterline breaks), Bank Fees, and Bad Debts. Once FY 2012 Actuals were available, Water Resources used those figures as a baseline to review and modify the current FY’s budget and estimate the projections to be used in the updated Rate Model. The department intends to redirect cost savings to capital projects to align the goals in City Council’s Strategic Operating Plan.

Civic Center Fund

	Adopted Budget	9/30/2012 Actuals	Year-End Estimate	Pos./ (Neg.) Bud. Variance
Operating Revenue*	1,812,393	166,746	1,950,000	137,607
Expenditure	2,508,078	367,284	2,408,078	100,000
Rev. Over/(Under) Exp.	(695,685)	(200,538)	(458,078)	--

* Represents operating revenue before general fund subsidy

In FY 2011-12, revenues came in under budget in the Civic Center due to the cancellation of a few major events and less event bookings due to renovations occurring in the arena. As a result, available fund balance in the Civic Center Fund dropped below the 16% policy target amount. In the current fiscal year, staff anticipates that the trend toward fewer arena bookings will continue, especially with the next phase of the renovation project set to begin later in the year. Staff is currently in the process of adjusting the current year Civic Center budget based on FY 2011-12 actuals in order to improve financial results. The receipt of a \$500,000 signing bonus from Ticketmaster will be used to help balance the FY 2011-12 operating budget and begin restoring fund balance closer to the 16% target amount.

Parking Fund

	Adopted Budget	9/30/2012 Actuals	Year-End Estimate	Pos./ (Neg.) Bud. Variance
Revenue	3,546,354	938,054	3,496,354	(50,000)
Expenditure	3,546,354	552,561	3,350,000	196,354
Rev. Over/(Under) Exp.	0	385,493	146,354	--

Most categories of parking revenues are in line with expectations for FY 2013, especially special event parking which has been strong the first quarter. The notable exception is monthly permit sales on the streets. This is indicative of the continuing soft economy, which has resulted in a lower demand for long term parking. The opening of the Aloft Hotel and the Biltmore Avenue Parking Garage will improve garage monthly revenues as well as special event revenues. Revenues for parking citation penalties and late fees are trending slightly below expectations due to unexpected employee retirements and workplace injuries. This situation should be rectified in the second quarter as new Parking Enforcement Officers are hired, trained, and deployed. Expenditures are expected to come in slightly budget. Some salary savings will offset by potentially major repairs needed in the Wall Street Parking Garage elevator, which could cost between \$35,000 and \$40,000.

Transit Fund

	Adopted Budget	9/30/2012 Actuals	Year-End Estimate	Pos./ (Neg.) Bud. Variance
Revenue	5,739,989	784,306	5,682,589	(57,400)
Expenditure	5,739,989	1,188,212	5,682,589	57,400
Rev. Over/(Under) Exp.	0	(403,906)	0	--

Expenses are on target for the first quarter. Fare revenue, however, is 5% below the expected revenue for this quarter but other revenues, such as motor vehicle licenses are on target. Ridership has decreased 7% (356,552) compared with the same period in FY2012, which is a natural trend after a big system change; literature indicates that it takes between 6 months to 2 years to see the effects of the changes in ridership. Ridership trends will continue to be monitored to determine if there will be an impact on revenue. The fund shows a deficit at the end of the 1st quarter due to the timing of federal and state grant draw downs.

Golf Fund

	Adopted Budget	9/30/2012 Actuals	Year-End Estimate	Pos./ (Neg.) Bud. Variance
Revenue	784,554	246,533	N/A	(170,000)
Expenditure	924,554	191,070	N/A	30,000
Rev. Over/(Under) Exp.	(140,000)	55,463	N/A	--

Staff contracted out the operation of the Municipal Golf Course to Pope Golf effective October 1, 2012. There will likely be financial transactions that continue to be recorded in the Golf Fund during the second and perhaps the third quarter of the fiscal year. Staff will, however, be discontinuing use of the Golf Fund at the end of the current fiscal year. All future transactions, including the annual lease payment from Pope, will be recorded in the General Fund. The annual lease payment from Pope will be \$72,000 for the first three years of the agreement.

Stormwater Fund

	Revised Budget	9/30/2012 Actuals	Year-End Estimate	Pos./ (Neg.) Bud. Variance
Revenue*	3,000,723	380,490	3,100,000	99,277
Expenditure	3,413,802	613,959	3,113,079	300,723
Rev. Over/(Under) Exp.	(413,079)	(233,469)	(13,079)	--

* Does not include fund balance appropriation

The Stormwater Fund budget includes a \$413,079 appropriation from fund balance for capital improvements on Michigan Avenue and Blair Street. Based on prior year-end revenue and expenditure results, it does not appear that this full fund balance appropriation will be needed.

The stormwater construction crew installed 440 ft of pipe and reestablished approximately 1100 ft. of ditchline on Victoria Rd. They also installed 115 ft. of pipe on Crestview Rd. in the Oakley Area. The stormwater maintenance crew completed 60 work orders in this time period: 15 for structure maintenance, 14 ditchline and road shoulder repair, 12 reset or replace lid, 1 culvert repair, 1 spillway repair, 6 sinkhole repairs, 10 rainday drain cleaning and 1 creek bank repair. The stormwater maintenance crews also swept 1161 miles of roadways and cleaned 3067 catch basins which removed 214.86 tons of material.

Street Cut Utility Fund

	Adopted Budget	9/30/2012 Actuals	Year-End Estimate	Pos./(Neg.) Bud. Variance
Revenue	1,834,923	0	1,734,923	(100,000)
Expenditure	1,834,923	317,511	1,734,923	100,000
Rev. Over/(Under) Exp.	0	(317,511)	0	--

The Utility Patch Crews have patched 131 asphalt, 11 concrete cuts for the Water Department, 22 asphalt, 3 concrete cuts for PSNC, 81 asphalt, 3 concrete cuts for MSD, and 16 asphalt cuts for the Stormwater Division since July1 for a total of 267 cuts. The total square footage for asphalt cuts is 18507.72. The total square footage for concrete cuts is 868.90. An additional 129 dirt cuts were inspected. Payment for services rendered in the first quarter will be received during the second quarter.

CAPITAL PROJECT UPDATE

As a part of the annual year-end closing and audit process, staff completed a review of existing capital projects to determine if there were projects that were completed and ready to be closed. Any savings from completed projects were moved to the General Capital Projects Fund’s reserve. As of the end of September, the total amount available in the capital reserve account was \$337,000. Staff recommends that the funds in the capital reserve be allocated for the FY 2013-14 CIP as part of the upcoming budget process.

The remainder of this section provides an update on the status of some of the City’s active major capital projects.

Integrated Document Management System

Budget	Expenditures & Encumbrances	Avail. Budget
107,600	93,551	14,049

A contract was executed with the vendor, Sire Technologies, in September 2012. The first phase of the system implementation (Building Safety, Police, City Manager's Office) will begin the last week of November 2012 and is expected to be complete by the end of February 2013. The document management project will provides secure, long-term digital storage and retrieval of critical documents throughout the organization, including the conversion of more than 2 million existing documents.

Beaucatcher Greenway

Budget	Expenditures & Encumbrances	Avail. Budget
1,261,781	16,955	1,244,826

A professional consultant was selected via RFQ process and the contract goes before City Council on November 27th. The scope of work will take about 10 months to complete.

TIGER Grant II for Clingman Forest and Town Branch Greenways

Budget	Expenditures & Encumbrances	Avail. Budget
280,000	0	280,000

A professional consultant was selected via RFQ process, and the contract goes before City Council in December 2012. The scope of work will take about 10 months to be completed.

Greenway Land Acquisition

Budget	Expenditures & Encumbrances	Avail. Budget
217,315	93,983	123,332

All of the following are in progress: 1)Festiva and Beaucatcher Reservoir land exchange; 2) Town Branch Greenway – private residence for acquisition; 3) Clingman Greenway – one private property for acquisition; 4) Beaucatcher Greenway – homeowner’s property by Wind in the Oaks for land exchange; 5) French Broad River Greenway –Cauble and Burris properties to be acquired; and 6) Hominy Creek Greenway –two private easements to be secured.

WNC Nature Center – Playground and Red Wolf Project

Budget	Expenditures & Encumbrances	Avail. Budget
238,969	70,290	168,679

Construction drawings were bid out and awarded, and the contract goes before City Council on November 27th.

WNC Nature Center – New Entrance & Animal Exhibits Project

Budget	Expenditures & Encumbrances	Avail. Budget
92,630	88,972	3,658

Professional services via RFQ have been secured and the consultant in process of planning. The project design and planning management deadline was December 13, 2012 but unforeseen planning issues will extend this deadline.

Parks & Recreation Maintenance

Budget	Expenditures & Encumbrances	Avail. Budget
400,000	24,822	375,178

To date, expenditures have been made on the following projects: 1) Velodrome Exploratory Borings--\$3,600; 2) Malvern Hills Pool Cover--\$16,750; and 3) Brinson Sign--\$4,472. The bid is pending on the Aston Park Tennis Court Lifts, and a \$50,000 contract is pending to perform an Accessibility Audit and Transition Plan.

Public Art Acquisition

Budget	Expenditures & Encumbrances	Avail. Budget
95,614	0	95,614

Current acquisition projects include 1) 51 Biltmore – Aloft: staff is working on RFQ call for artist with installation expected to occur in February 2014; and 2) US Cellular Center/Civic Center Lobby: staff is working on RFQ call for artist installation to occur in January of 2013.

CBD Traffic Signal Poles

Budget	Expenditures & Encumbrances	Avail. Budget
121,131	30,064	91,067

A second contract is out for bids at one of the three intersections. The first contract was rejected because the low bid came in higher than the engineer's estimate and only one contractor submitted a bid. It is anticipated that the project will be let during the month of December.

New Sidewalk Construction (Debt Funded)

Budget	Expenditures & Encumbrances	Avail. Budget
1,312,254	863,018	449,236

The Kenilworth Knoll sidewalk project has been completed. Both the Tunnel Road and Patton Avenue sidewalk projects have been completed, and staff is currently going through the final payment processes with the contractors. The Overlook Road sidewalk project is nearing completion of the easement process as well as the construction document preparation; staff hopes to advertise this project for construction in the near future. The Lakeshore Drive second phase sidewalk project is still in the design phase.

Sardis Road Sewer

Budget	Expenditures & Encumbrances	Avail. Budget
1,809,158	1,026,842	782,316

This project is under construction with an expected completion date of December 15, 2012. Project estimates indicate that it will come in under budget by \$700,000 due to a decrease in construction costs since budget estimates were initially made.

Airport Road Sewer (Projects #1 & #2)

Budget	Expenditures & Encumbrances	Avail. Budget
432,356	16,991	415,365

The Airport Road sewer projects are currently being advertised for construction. It is expected that construction will be completed by late spring 2013.

East Oakview Bridge

Budget	Expenditures & Encumbrances	Avail. Budget
1,688,000	1,578,529	109,471

This project is complete, and staff is currently coordinating final reimbursement with NCDOT.

Cherokee/Sunset Wall

Budget	Expenditures & Encumbrances	Avail. Budget
300,000	75,468	224,532

This project is currently out for bid with construction expected to begin in the spring. The delay on the project was due to an easement issue that has since been resolved.

Montford Street Rebuild

Budget	Expenditures & Encumbrances	Avail. Budget
295,762	249,204	46,558

This project is complete.

Wild Cherry Bridge

Budget	Expenditures & Encumbrances	Avail. Budget
706,597	679,244	27,353

The contract has been awarded for this project and construction is currently underway.

Victoria Road Storm Drainage

Budget	Expenditures & Encumbrances	Avail. Budget
700,000	0	700,000

City crews have installed new storm water conveyance systems along Victoria Road. The project also consists of stabilization of the bank along Victoria Road where storm water had flowed over. This stabilization work should begin late winter or early spring.

Lake Craig/Azalea Road Improvements

Budget	Expenditures & Encumbrances	Avail. Budget
4,163,209	1,141,698	3,021,511

The design of the project is continuing to move forward. Coordination with the Army Corps of Engineers and other regulatory agencies continues. Three public meetings have been held, in which the public has provided feedback on the designs. Construction is anticipated to begin in spring.

Craven Street Improvements

Budget	Expenditures & Encumbrances	Avail. Budget
565,643	514,221	51,422

The design of improvements along Craven Street continues to move forward. This project consists of improvements to the roadway, storm water system, installation of regional water quality improvements, a low impact parking area and a greenway. It is anticipated construction will take place beginning in the summer of 2013.

Michigan Avenue Stormwater Improvements

Budget	Expenditures & Encumbrances	Avail. Budget
290,000	0	290,000

City crews plan to install a storm water system along a section of Michigan Avenue. The work should begin in the spring.

Blair Street Stormwater Improvements

Budget	Expenditures & Encumbrances	Avail. Budget
155,720	0	155,720

Blair street storm water improvements continue. City staff expects to complete the installation of a drainage system by the end of the year.

City Hall Repairs

Budget	Expenditures & Encumbrances	Avail. Budget
6,001,833	3,906,861	2,094,972

The work conducted to this point includes identifying a company to supply bricks (for color and size match) and mortar/sand mix (for color and texture match) for the areas to be replaced. Sample areas of brick and mortar joints have been installed, reviewed, and approved by the Historic Resource Commission in selected areas of the building. This process will be mimicked in areas with different colored brick than the locations approved to this point. Western Water Proofing has worked with structural engineers to identify how to install scaffolding on the 2nd floor roof. These plans have been approved by the SKA Engineer who designed the repairs and is overseeing the job on behalf of the City. Scaffolding is being erected on all but the front of the building. Terra Cotta tiles are being inspected to determine the ones that can be repaired and the ones that will need to be replaced. Those needing replacement will be removed, measured, photographed, and replaced. The lead time to make new matching terra cotta tiles is 8-12 months. Other work conducted to this point includes identifying cleaning agents to remove the tar/black substance on many of the bricks located on the upper floors. The process of cleaning cannot change the color of the brick or damage it during cleaning or after cleaning is finished.

National Guard Armory Repairs

Budget	Expenditures & Encumbrances	Avail. Budget
60,000	36,720	23,280

The lead abatement portion of the project is completed. Animal services has moved into the building. Building maintenance staff is working with APD and Fire on a few other issues, including repair of a roof leak.

McCormick Field Resurfacing

Budget	Expenditures & Encumbrances	Avail. Budget
300,000	226,428	73,572

This project, which is nearly complete, included the replacement of the turf, and the restoration and repair of the irrigation and drainage systems to McCormick Baseball Field. The work involved removing the existing turf and inert subsoil exposing the drainage and irrigation systems. Repairs and some additional sprinkler heads were added, new golf green sand was applied as the subsoil, the areas was leveled to achieve a natural drainage to improve the drainage system efficiency, new turf installed, infield repairs completed, additional/replacement of warning track areas completed, and fertilizer applied.

FY13 Roof Replacements

Budget	Expenditures & Encumbrances	Avail. Budget
214,000	0	214,000

Staff is currently obtaining quotes and roof material options for bids. Roof replacements are planned for Hunt Hill, Burton Street, and Fire Stations 3 and 5, if funding is sufficient.

INVESTMENT REPORT

The total cash and investments for the City of Asheville as of September 30, 2012 were \$95,462,984. These investments represent cash and cash equivalents and do not reflect budgeted contractual commitments against these funds. These investments comply with North Carolina General Statutes, the City’s investment policies and the City’s bond restrictions. The average rate of return for all investments is 0.600%. Shown below are the total investments as of September 30, 2012, reduced by contractual commitments and the funds that are restricted by bond order.

Total Cash & Investments as of 9/30/12		\$95,462,984
Less:		
Budgeted Commitments:		
Outstanding Encumbrances	(28,341,215)	
Bond Restricted Funds:		
Bond Service (Funds held by trustee):	(11,368,367)	
Funds in Principal & Interest Accounts	(18)	
Bond Proceeds to Be Drawn Down	<u>(0)</u>	
		<u>(39,709,600)</u>
Net Amount		\$55,753,384,

Attached to this report are a graph and a table that provide greater detail on the allocation of funds within the City’s investment portfolio.

SUMMARY

For more information. This summary is based on detailed information produced by the City's financial management system. If you would like additional information, or have any questions about the report, please call the Budget Office at 259-5635.
