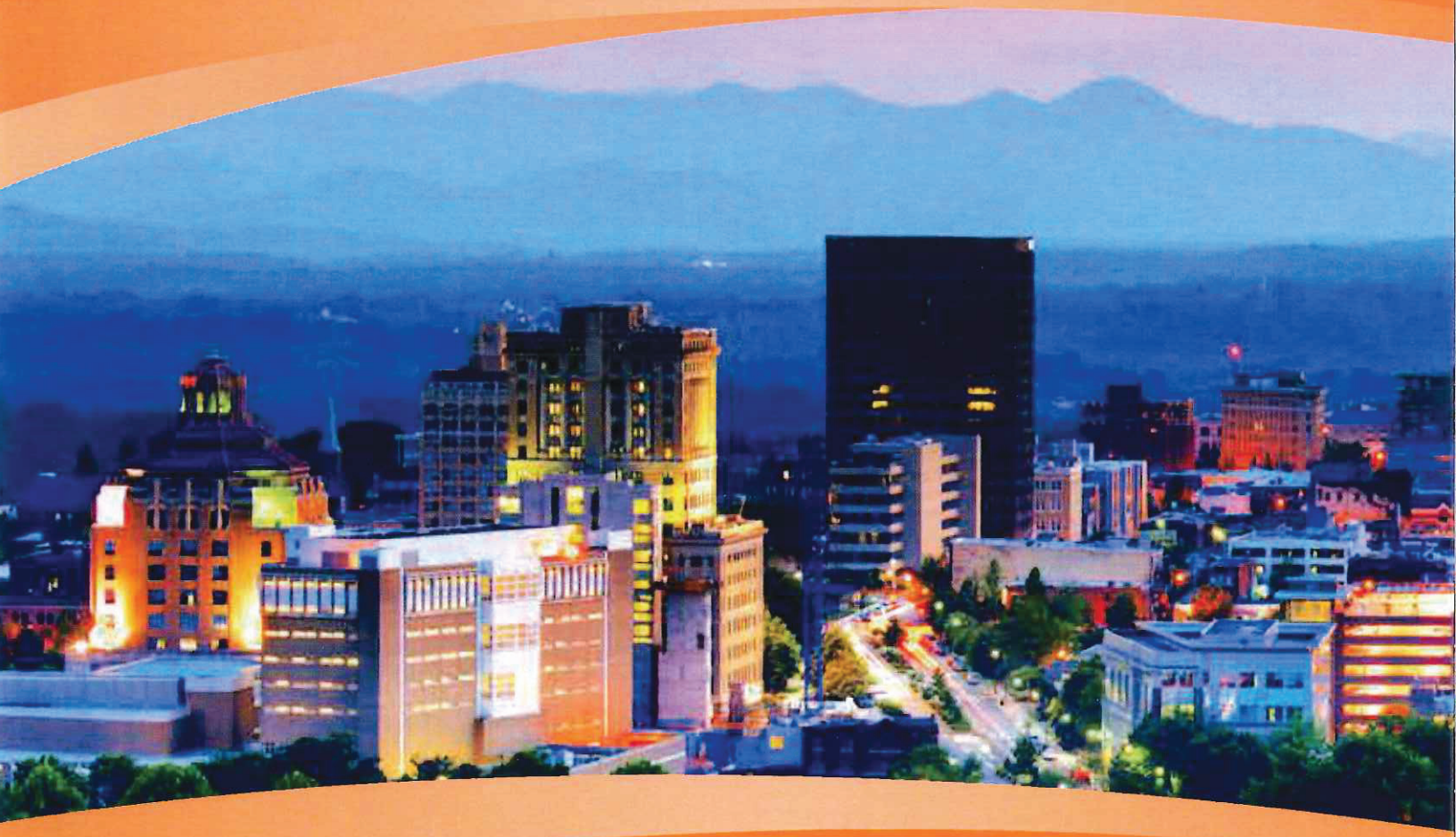
AshevilleNC.gov

CITY OF ASHEVILLE
North Carolina



ADOPTED BUDGET
2015-16

CITY OF ASHEVILLE
NORTH CAROLINA

Adopted Annual Budget
Fiscal Year 2015-16

Esther Manheimer
Mayor

Marc Hunt
Vice Mayor

Chris Pelly
Councilmember

Cecil Bothwell
Councilmember

Gordon Smith
Councilmember

Jan B. Davis
Councilmember

Gwen Wisler
Councilmember

Gary W. Jackson
City Manager

Paul Fetherston
Assistant City Manager

Barbara Whitehorn
Chief Financial Officer

TABLE OF CONTENTS

Page

City Manager's Transmittal Letter

Introduction

Organizational Structure 1
Budget Process. 2
FY 2015-16 Budget Schedule 4
Financial Policies. 5

Total Budget Summary

Operating Budget Summary - All Funds 13
Budget Summary - Expenditures 14
Budget Summary - Revenues. 16
Budget Summary - Staffing. 17
General Fund
Summary 19
General Fund Expenditures. 20

General Government

Finance and Management Services 23
Administrative Services 26
General Services 28
Economic Development 29
City Attorney's Office 30
Information Technology Services 31
Human Resources 33
Nondepartmental 35

Public Safety

Police 37
Fire & Rescue 39
Nondepartmental 41

Environment & Transportation

Water Resources Fund 43
Muilti-Modal Transportation and Capital Projects 46
Public Works 47
Stormwater Fund. 50
Street Cut Utility Fund. 51
Transportation 52
Transit Services Fund 54
Parking Services Fund. 55
Nondepartmental. 56

TABLE OF CONTENTS

Page

Culture & Recreation

Parks, Recreation & Cultural Affairs 57
US Cellular Center Fund 61
Nondepartmental 62

Community Development

Planning & Urban Design 63
Housing Trust Fund 65
Building Safety 66
Development Services 67
Nondepartmental 68

Capital Improvements Program/Debt Management

General Capital Fund 69
Water Resources Capital Fund 85
Parking Services Capital Fund 88

May 26, 2015

Honorable Mayor Manheimer and City Council Members:

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

Economic Improvements and Constraints

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

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

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

Though Asheville successfully weathered the economic storm of the Great Recession, costs of supporting existing city services continue to outpace growth in revenues. One consequence of a recovering economy is an increasing cost of materials and labor. These increases are good for

Asheville's economy as a whole, but make managing costs for the City more challenging. This ongoing structural gap is a phenomenon familiar to cities, particularly to those cities that are long-established and have infrastructures dating back a hundred years or more, which adds pressure to operating and capital budgets already stretched to cover rising costs. Over the past few years, Asheville has addressed this gap by reducing expenditures, primarily through freezing salaries, reducing staffing levels through hiring freezes, and deferring capital improvements. Unfortunately, while these tactics allowed the City to weather the economic storm, they did not come without consequences. The City fell behind in capital maintenance and investment, employee compensation fell behind market, and current staffing levels are inadequate to maintain a high level of service.

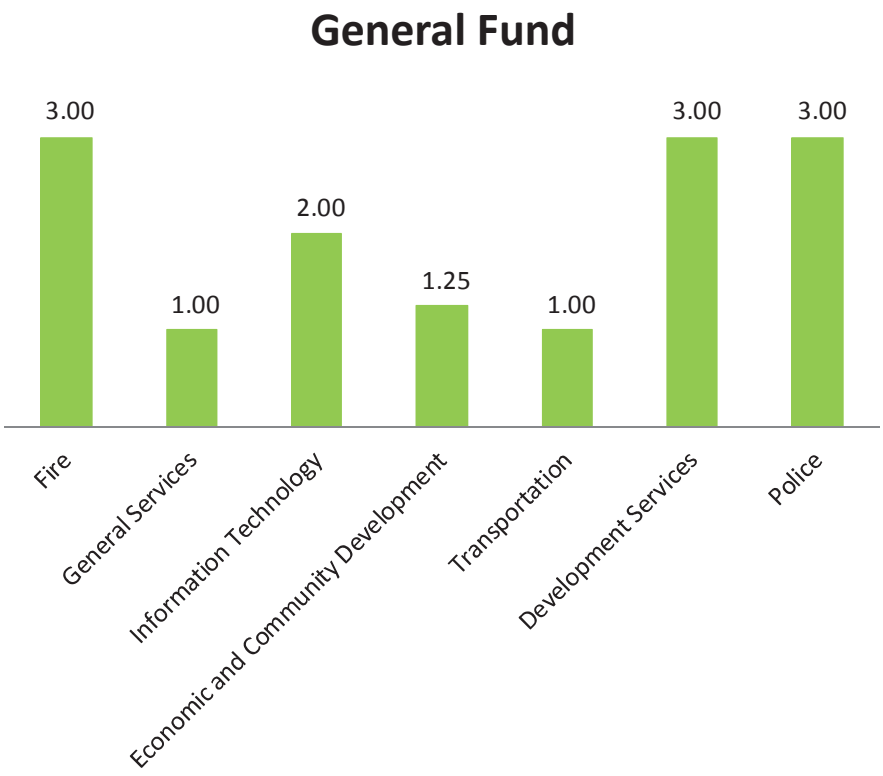
In addition to challenges facing cities throughout the United States, the North Carolina General Assembly passed HB 1050 in the 2014 Short Session, eliminating cities' ability to charge a local privilege license fee as of July 1, 2015. This bill has had a significant impact on North Carolina cities.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

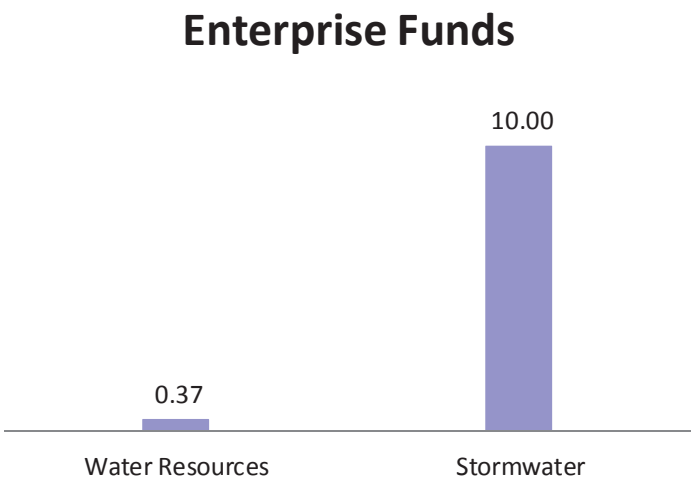
Management Initiatives, Compensation and Staffing

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

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

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





Right Size, Right Staff

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

a five-day schedule for the Development Services office. The Stormwater Fund will have an additional ten positions, including a crew of six maintenance workers, with a goal of reducing capital costs over the long term by increasing the amount of current maintenance work that can be completed. Fractions of positions above indicate the conversion of a part-time position to full-time. In addition, based on Council direction to more closely regulate short-term rental properties, a full-time inspector position, with offsetting fee revenue, will be incorporated by the conclusion of the budget process.

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

Capital Improvement Program

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

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

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

Details of the capital budget begin on page 69.

Summary

2014-2015 has shown steady growth in revenues, with notable growth in local development permitting revenue and sales tax, as previously mentioned. Permitting activity has increased precipitously in the last two years; 2013-2014 revenue increased almost 32% over the previous year, and 2014-2015 is anticipated to increase another 6%. As a leading indicator of the

economic health of the City of Asheville, increases in permit activity will translate over time into additional ad valorem taxable value. The turnaround for projects from permit to completion is usually 12-24 months, so the City should start to see the impact of the increased activity as early as fiscal year 2015-2016.

Legislative Climate

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

- **Disposition of the City of Asheville's Municipal Water System:** On June 9, 2014, Judge Manning issued a Memorandum of Decision and Order RE: Summary Judgement. In the Decision, Judge Manning ruled that HB 488 violates Article II, Section 24 of the North Carolina Constitution (prohibiting local acts related to health and sanitation), Article I, Section 19 of the N.C. Constitution (prohibiting the taking of a proprietary asset with no rational basis), and Article I, Section 19 and 35 of the N.C. Constitution (because the taking results in no change in use and is not a valid exercise of the legislative power to condemn). Judge Manning ruled further, if it were determined that HB 488 was a valid exercise of the sovereign power of the State of North Carolina, then the City would be entitled to just compensation for its water system. The State of North Carolina filed a Notice of Appeal from Judge Manning's Memorandum of Decision and Order RE: Summary Judgement to the North Carolina Court of Appeals on July 8, 2014. Allowing time for preparation of the Record on Appeal and briefing of the issues, it is anticipated the North Carolina Court of Appeals may issue a decision in the case in the next few months. It is unlikely that the Appeals Court would overturn the decision of Judge Manning.

- **Senate Bill 369, Sales Tax Fairness Act; Senate Bill 608, Simple and Fair Formula for Sales Tax Distribution:** These two bills convert the local sales and use tax authorized under Articles 39, 40 and 42 of the North Carolina General Statutes to a State sales and use tax. Both bills redistribute this state revenue to counties on a per capita basis; the key difference is that SB 608 begins with a base level of revenue that will not be reallocated. Proposed reallocation would negatively impact all of the State's economic engines and redistribute tax from sales in areas of economic growth to rural counties. Cities like Asheville, experiencing economic growth including increasing sales tax, would be hardest hit. Using information provided by the State and the North Carolina League of Municipalities, the revenue loss to the City of Asheville is estimated to be between $250,000 and $4.1 million in budget year 2015-2016 were one of the bills to pass. These bills not only directly impact the financial health of cities, they redefine the tax itself as a State tax, no longer controlled by cities or counties, which could be redefined, reallocated, or removed from cities' revenue altogether. While it does not appear that there is enough support in the General Assembly for one of these bills to pass, the devastating effect that they could have on the fiscal health of the City cannot be understated.

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

Government-wide Highlights

City Council budget goals 2015-2016

Classification and Compensation Study, Managed Savings

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

Asheville Police Department Management Goals and Strategic Plan

- Chief William Anderson retired in December 2014. Chief Steve Belcher, a well-known police consultant, has filled the chief's role since February 2015. Chief Belcher has worked to identify challenges within the Asheville Police Department (APD) and develop management strategies for improvement in line with the strategic plan to improve service delivery, employee retention, and resolve structural issues within the department. The 2015-2016 budget funds several changes within the civilian support structure of the APD, including the addition of an Administrative Services Manager, as well as assigning a Human Resources Consultant and a Financial Analyst who will work with the APD but will report to Human Resources and Finance, respectively. This structure is intended to increase communications and cross-departmental cooperation. The classification and compensation study performed in 2014-2015 evaluated issues of compensation in the police department, including salary compression, which will be addressed with the implementation of the plan in fiscal year 2015-2016.

- The replacement of the aging APD vehicle fleet will continue to be funded in fiscal year 2015-2016, working toward the eventual goal of replacing patrol vehicles on a five-year asset life schedule. APD management is evaluating the department's take-home vehicle policy to determine the most efficient and effective method to manage such a program so that it benefits not only the employees, but the community with the visibility of take-home vehicles in neighborhoods.

Reducing Taxpayer Subsidy of Programs

- An ongoing area of focus is examining programs and services that the City provides that are taxpayer subsidized, some of which might be more appropriately funded through user fees and other sources of revenue. The Solid Waste Collections fee will increase in 2015-2016 according to the plan developed by staff in 2011 to move the program toward full-cost recovery. Additionally, the City contracted a comprehensive Parks and Recreation fee study in fiscal year 2014-2015, which helped staff identify which programs are most heavily subsidized. Identified among these were the Aston Park Tennis Center, which was 80% taxpayer subsidized, and the Western North Carolina

Nature Center, which was 65% taxpayer subsidized. Council expressed a desire to reduce the subsidy at the Tennis Center. New fees adopted in March accomplish this by shifting costs to the users, while still maintaining a facility that is significantly less expensive to use than other comparable clay-court facilities in the region. The Council goal for the Nature Center is to reduce the taxpayer subsidy to more accurately reflect the use of the facility by City of Asheville residents. Residents make up about 25% of the visitors to the Center annually. Staff developed a three-year plan to reduce the subsidy. Key components of the plan include increase financial support from the Friends of the Western North Carolina Nature Center and raising gate admission rates, which have not been increased since 2007. The new rates will remain below the national average for similar facilities. City of Asheville residents will continue to receive a discounted rate for gate admission.

Continuing Sound Financial Management by Addressing Long-Term Liabilities

- The City contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing defined benefit pension plan administered by the State of North Carolina. No increase is required in fiscal year 2015-2016.

- In December 2011, the City of Asheville created an irrevocable trust and fully funded the City's net obligation for Other Post-Employment Benefits (OPEB), which consists of retiree health care benefits. The City invested its assets with the State of North Carolina State Treasurer's OPEB Investment Fund, which mirrors investments used for statewide pension funds. Concurrent with establishing the trust, the City also adopted a five-year step up plan to fully fund the annual required contribution to meet the ongoing OPEB obligation. The proposed FY 2014-2015 budget includes an annual contribution in the amount of $800,000. It should be noted that the City suspended offering the retiree health care benefit to new employees hired after June 30, 2012, which will limit future growth of the OPEB obligation. These actions show that Asheville is taking deliberate steps to ensure retiree health care benefits are sustainable and affordable over the long term.

General Fund Highlights

Revenue Highlights:

- The property tax is the single largest source of revenue for the City. Based on projections received from the Buncombe County Tax Office, staff is assuming a 1.8% increase in the City's property tax base in FY 2015-16. The proposed FY 2015-16 budget also includes a 1.5 cent increase in the City's property tax rate to offset the loss of revenue from the business privilege license fees which were eliminated by state legislation. If staff's proposal is approved by City Council, the City's tax rate for FY 2015-16 will be 47.5 cents per $100 of assessed valuation.

- Based on statewide projections from the North Carolina League of Municipalities and local trend data, staff is projecting a 7.5% increase in sales tax revenue in the current fiscal year and a 4.0% increase in FY 2015-16.

- Revenue from licenses and permits in the General Fund shows a 12.0% decrease due to the loss in revenue from business privilege licenses. Part of the loss in this category is offset by continued strong performance from development services (DSD) permit

revenue. Based on current year trends, DSD revenue shows a budget-to-budget increase of 35% or approximately $900,000.

- Intergovernmental revenue in the General Fund, which includes state-shared utility taxes as well as Powell Bill funding, is budgeted to increase 5.4% in FY 2015-16 mostly as a result of an increase in utility tax revenue due to changes in the distribution method for the electricity sales tax. It should be noted that intergovernmental revenue is negatively impacted by the expiration of the COPs grant.

- The FY 2015-16 proposed General Fund budget includes no fund balance appropriation, which is shown in the table below under Other Financing Sources.

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

Expenditure Highlights:

- The FY 2015-16 proposed budget includes General Fund expenditures that are 3.6% more than the FY 2014-15 adopted budget.

- Public Safety is the largest General Fund service area, accounting for 45% of all general fund expenditures. Public Safety expenditures show a $1.0 million increase in FY 2015-16. A portion of this increase is the result of the salary adjustments discussed early in the budget document. In addition, the Police Department proposed budget includes funding to begin implementation of the Strategic Operating Plan & Organizational Assessment. Specific items funded in the budget include the addition of a Deputy Chief, an Administrative Services Manager, a Financial Analyst, and Property & Evidence Technicians, along with additional funding for management training and development. A portion of the cost of these enhancements will be offset through the reallocation and freezing of existing vacant positions along with some reductions in the overtime budget. The new impact of the changes is approximately $157,000. The Fire Department budget includes funding to add three positions to enhance the fire inspection program. The cost of the three positions will be fully offset by additional revenue from the inspections that they perform.

- Environment & Transportation represents 15% of the FY 2015-16 General Fund budget. This service area shows an increase of approximately $354,000, which is primarily the result of the salary adjustments discussed early in the budget document, as well as the

addition of one greenway position in the Transportation Department and the shifting of the mowing program from the Parks and Recreation Department to the Public Works Department.

- The increase in General Government expenses is due to several factors including: 1) a $538,000 increase in economic incentive payments; 2) the inclusion in the budget of every-other-year City Council election costs and; 3) mid-year FY 2014-15 staffing additions in the Human Resources Department and the Communication & Public Engagement Division.

- The budgetary change most directly impacting the Culture and Recreation service area is the proposal to begin paying all temporary/seasonal staff a salary that meets the living wage guidelines for Buncombe County. This change has the biggest effect in Parks & Recreation and at the US Cellular Center, which are both large users of non-benefitted labor. In Parks & Recreation, the estimated impact is $150,000 and at the US Cellular Center it is $90,000.

- The slight increase in the Community Development service area is primarily the result of the addition of 2 FTE positions to help meet increased workload in the Development Services Department.

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

Unassigned Fund Balance Analysis

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

Highlights from Other Funds

Water Resources Fund

- In April, City Council approved minor rate adjustments for the 2015-16 fiscal year based on the Raftelis financial model. These rate adjustments are expected to generate approximately $465,000 in additional revenue.

- The FY 2015-16 proposed budget includes $11.98 million in pay-as-you-go funding for water capital improvement projects and $335,000 to fund the routine replacement of vehicles and equipment. The capital budget is partially funded with a $1.89 million appropriation from Water fund balance.

- Operating costs show an increase due to $750,000 budgeted in Professional Services for on-call professional engineering contracts. On-call contracts will allow the department to expedite project design, bidding, and construction

- City staff is currently in the process of completing a refunding of water debt that was issued in 2005 and 2007. This refunding will result in substantial debt service savings over the life of the repayment. Since the transaction has not closed yet (scheduled for June 11), staff has not adjusted the debt service budget for FY 2015-16.

Stormwater Fund

- Based on the financial model developed in the previous fiscal year, staff submitted and City Council approved in April a 5% increase in Stormwater fees for FY 2015-16. This rate adjustment is expected to generate approximately $240,000 in additional revenue for the fund.

- The proposed budget includes funding for an additional crew of 6 FTE to enhance the stormwater maintenance program. The crew will be utilized to perform additional preventative maintenance services including performing ditching activities and replacing failed drainage systems.

- In addition to the crew noted above, there were several other position changes during FY 2014-15 including the addition of a utility locater, a project manager, and a customer service representative. Half of the salary of an engineering technician position formerly charged to the General Fund is now also being charged to Stormwater.

Transit Fund

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

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

Parking Services Fund

- Revenues in the current fiscal year are performing better than budget, and this trend is expected to continue next fiscal year. There are no rate changes included in the FY 2015-16 proposed budget.

- The proposed budget includes a $300,000 appropriation from Parking fund balance for capital projects including: 1) elevator rehabilitation in the three older garages, and 2) structural maintenance in the Civic Center Garage.

- The proposed budget also includes funding to hire a consultant to prepare a comprehensive parking study from a "big picture" vantage point in order to develop the appropriate strategic framework and philosophy to help formulate policy decisions to ensure that resources are used efficiently during the next 10 to 15 years.

- A half-time account clerk position was added to the budget during FY 2014-15.

US Cellular Center Fund

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

- The proposed US Cellular Center budget includes funding to pay all temporary/seasonal employees a living wage beginning in FY 2015-16.

- The General Fund transfer shows a slight decrease due to a reduction in the Center's charge for indirect costs.

Street Cut Utility Fund

- The FY 2015-16 proposed budget includes $240,000 for equipment/vehicle replacement in the Street Cut Fund. Debt proceeds will fund these purchases.

- Otherwise, the FY 2015-16 proposed budget for the Street Cut Fund reflects a continuation of existing programs and services.

Conclusion

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

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

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

Sincerely,

Gary W. Jackson
City Manager

ORGANIZATIONAL STRUCTURE

Fund Accounting

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

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

General Fund

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

Enterprise Funds

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

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

Capital & Special Revenue Funds

Capital Funds are used to account for capital replacements and improvements, and Special Revenue Funds are used to account for specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. Funding is provided from operations, federal or state grants, or long-term financing and may be annual appropriations or project appropriations. Appropriations are approved through the Capital Improvement Plan process. Capital & Special Revenue Funds include:

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

How Funds Interact

City funds interact in a variety of ways. Expenses that occur in one fund are frequently incurred to benefit another fund. When this occurs, the benefiting fund may reimburse the fund providing the goods and services. Examples of such transactions include general government services provided by the General Fund to the Water Resources Fund. Interfund transfers may also result from the exchange of resources between funds to cover operating and capital expenses. For example, the FY 2015-16 budget includes a transfer from the General Fund to the US Cellular Center Fund to support operations. Transfers between funds result in the budgeting of dollars in both participating funds.

Departments & Divisions

Departments are organizational units that provide a major type of public service, such as fire or police protection. Departments are usually subdivided into one or more divisions. For instance, the police department consists of three divisions: administration, criminal investigations, and patrol. Often within each division there are smaller units responsible for performing specific activities. For example, within the police patrol division is the K-9 patrol team and the anti-crime team.

BUDGET PROCESS

Budget Preparation Overview

Budget preparation affords departments the opportunity to reassess their goals and objectives and the strategies for accomplishing them. Even though the budget may be heard by City Council in May and adopted in June, its preparation begins at least six months prior with projections of City reserves, revenues, and financial capacity. It is against this backdrop that departmental expenditure requests are formulated and reviewed. The FY 2015-16 Budget Calendar is displayed on page 4.

Financial Forecasting

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

City Council Strategic Planning

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

Departmental Budget Development

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

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

In addition to the budget worksheets and expansion request forms, departments are required to submit the following information to the Budget & Research Office:

- *Low Priority Services.* Each department is required to submit a list of existing programs and services that could be eliminated or reduced. These services can be used as possible "program trade-offs," allowing departments to shift resources from low priority services to new or enhanced services in order to maximize budget target allowances.

- *New or Increased Fees*. Proposals for new or increased user fees are also submitted with the departmental budget request packages. Some or all additional revenue generated from new or enhanced fees may also be used as a way to maximize departmental target allowances.

- *Performance Objectives & Measures.* Performance measures are used to report on the achievements, impacts and outcomes of key City programs. Departments submit an update of their performance objectives and measures during the budget process. Departments report on prior year performance, update current year estimates, and set targets for the upcoming fiscal year. Departments are also encouraged to continually evaluate and refine their performance indicators to ensure that they accurately reflect the organization's mission and priorities.

BUDGET PROCESS

City Manager Review

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

Budget Adoption

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

Budget Amendments & Revisions

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

Budget revisions are transfers within a fund which do not change the total fund appropriation. Budget revisions do not require City Council approval.

Basis of Budgeting

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

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

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

FY 2015-16 BUDGET CALENDAR

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

FINANCIAL POLICIES

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

A. Operating Budget Policy

1. Current operating revenues will be sufficient to support current operating expenditures. Fund balance appropriations shall be limited to non-recurring expenditures.

2. Debt proceeds or non-recurring revenues will not be used to finance recurring operating and recurring capital expenditures.

3. The City will integrate performance measures and productivity indicators with the annual budget.

4. The City will prepare a five-year operating budget projection which will include projections of annual growth plus allowances for operating costs of new capital facilities.

5. It is the City's policy that the operating budget be prepared in accordance with Generally Accepted Accounting Principles.

B. Reserves

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

2. For all other operating funds, the City shall seek to maintain a minimum fund balance as follows:

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

C. Interfund Transfers

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

D. Revenue Policy

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

2. The City will conduct an annual review of specific programs and services which have been identified as potential opportunities for user fees and for which user fees are charged. Where appropriate, user fees will be set at a level sufficient to recover the full costs of the program or service.

3. Regulatory fees shall be set at a level that strives to recover full costs (direct and indirect costs, such as depreciation or usage costs associated with capital assets) of providing the service, unless statutory restrictions limit the fee amount.

4. Non-regulatory fees are charged for a wide variety of services with the primary purpose for non-regulatory fees being to: 1) influence the use of the service and 2) increase equity.

5. Non-regulatory fees shall be set at a level that is competitive in the marketplace and strives to recover full costs (direct and indirect costs, such as depreciation or usage costs associated with capital assets) except when:
    - free or subsidized service provides a significant public benefit;
    - the City has determined that it should influence personal choice to achieve community-wide public benefits;
    - full cost recovery would result in reduced use of the service or limit access to intended users thereby not achieving community-wide public benefits;
    - the cost of collecting the user fees would be excessively high;
    - ensuring the users pay the fees would require extreme measures.

E. Capital Improvement Policy

1. The City will update and readopt annually a five-year capital improvement program which details each capital project, the estimated cost, description and funding source.

2. The capital improvements plan should be tied to the City's comprehensive growth plan, "City Plan 2025," as well as the City's other adopted Master Plans, to ensure that the capital items requested meet the future growth needs and long-term vision for the City.

3. The City shall appropriate all funds for Capital Projects with a Capital Projects ordinance in accordance with State statutes.

4. Operating expenses for all capital projects will be estimated and accounted for in the Capital Improvements Program and incorporated into the annual operating budget.

5. Capital expenditures included in the CIP as a project will cost at least $50,000 and have a useful life of at least five years. Equipment purchases are considered operating expenses and will not be included in the CIP.

6. Capital facilities to be financed with bond-indebtedness must adhere to the debt policies of the City including maintenance of adopted debt ratios.

F. Accounting Policy

1. The City will establish and maintain the accounting systems according to the North Carolina Local Budget and Fiscal Control Act, Generally Acepted Accounting Principal (GAAP) and standards established by the Govermental Accounting Stansdards Board (GASB).

2. Full disclosure will be provided in the financial statements and bond representations.

3. Financial system will be maintained to monitor expenditures and revenues on a monthly basis.

4. All revenue collections will be consolidated under the Director of Finance and be audited at least annually.

5. The City's Fiscal Procedures Manual will be maintained as a central reference point and handbook for all activities which have a fiscal impact within the City and will serve as the City's authoritative source for fiscal procedures.

G. Audit Policy

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

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

H. Water Utility Policy

1. Setting Water Rates & Charges: Charges for the water users shall be set at the level to provide sufficient revenues to cover all annual operating and debt services expenditures, to accumulate funds for the acquisition and replacement of capital equipment and facilities, and to finance the long-term Capital Improvement Plan. As the Water Fund relies solely on user fees, the City of Asheville will continue to be guided by cost-of-service principles with regard to rates, fees and charge, and will operate the water system at the lowest rates consistent with the obligation to provide proper and efficient services, now and in the future. Rate increases will be evaluated annually and implemented with a maximum level of predictability, consistency and affordability.

2. Debt Service Coverage: Utility debt service coverage ratios shall maintained at a level of 1.25 to 1.5 times coverage or greater (as measured by net revenues, excluding capital contributions, available for debt service divided by total debt service requirements).

3. Debt to Net Plant: Utility system debt shall not exceed 70%- 75% (as measured by total long-term debt divided by total net assets).

4. Cash Financing of Capital: Annual revenues and cash reserves shall provide not less than 30% of CIP funding.

5. Service Affordability: The most commonly used and most cited measure of water service affordability of "percent MHI' – that is, calculating what a year's worth of water bills for an average level of consumption (e.g. 5000 gallons/month) is compared to the median household income (MHI) in the community served by the utility. This indicator is easy to calculate by simply using the calculated bill amount and the U.S. Census Bureau's median household income date from their latest 5-year American Community Survey estimated. The City of Asheville's percent MHI. The average annual residential bill divided by real median household income, shall be $\leq$ 1.5%.

I. Internal Services Fund Policy

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

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

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

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

   b. Health Fund Reserve Requierment

      The health fund shall maintain reserves designed to offset normal variances in claims cost from year to year, unforeseen catastrophic claims beyond and reinsurance, large than expected medical inflation trends, incurred but not reported claims liability and the impact of future health care legislative mandates.

      1. 100% of the incurred but not reported claims liability with the lag factor based on the prior 12-month average, and

      2. 100% of reported and not yet paid claims computed as two weeks of annual claims benefits costs, and

      3. 30% of the aggregate of 1 and 2 above

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

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

FINANCIAL POLICIES

J. Debt Management

1. Capital projects financed through the issuance of bonds shall be financed for a period not to exceed the expected useful life of the project.

2. The general obligation debt of the City of Asheville will not exceed 8% of the assessed valuation of the taxable property of the City.

3. Total debt service on tax-supported debt of the City will not exceed 15% of total general government operating revenue.

4. Payout of aggregate principal outstanding shall be no less than 50% repaid within 10 years.

5. The City will maintain its financial condition so as to maintain a minimum AA bond rating.

6. The City's Water Resources Utility will maintain its financial condition so as to maintain a AA bond rating.

7. The City's Debt Policy will be comprehensive and the City will not knowingly enter into any contracts creating significant unfunded liabilities.

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

Investment Policy

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

Governance

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

Purpose and Scope

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

Investment Policy (Cont)

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

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

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

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

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

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

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

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

Investment Policy (Cont)

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

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

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

ASHEVILLE

OPERATING BUDGET SUMMARY: ALL FUNDS

BUDGET SUMMARY BY FUND

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

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

BUDGET SUMMARY - EXPENDITURES

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

BUDGET SUMMARY - EXPENDITURES

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

BUDGET HIGHLIGHTS

- Overall, the City's FY 2015-16 adopted budget shows a 4.6% increase compared to the FY 2014-15 budget.

- The FY 2015-16 adopted budget for personnel costs (salaries & wages and fringe benefits) includes funding to implement the recommendations from the Segal Waters compensation study and provide all employees with a 1% salary increase on July 1. Citywide, the budget impact of these pay adjustments is approximately $2.0 million. The personnel budget is also impacted by positions that were added during the current fiscal year, and by positions that are being adopted as part of the FY 2015-16 budget. Also, the adopted budget includes funding to begin paying all temporary/seasonal staff a salary that meets the living wage guidelines for Buncombe County. Finally, the FY 2015-16 fringe benefit budget includes a $200,000 increase in the City's Other Post Employment Benefits (OPEB) contribution as part of the five-year step up plan to fully fund the City's annual required contribution.

- Citywide operating costs show only a slight increase of 1.4% for FY 2015-16, which reflects departmental efforts during the budget process to hold the line or reduce operating costs where possible through managed savings. It also reflects the fact that the FY 2015-16 adopted budget is primarily a continuation budget with essentially no new services or program expansions.

- The City's FY 2015-16 debt service budget totals $12.7 million, which is essentially flat compared to the current fiscal year.

- Capital outlay includes small capital purchases in departmental operating budgets as well as transfers to the City's various capital project funds. For FY 2015-16, the capital outlay budget totals $16.8 million, which represents a $1.9 million increase over the current fiscal year. Much of this increase is in the Water Resources Fund where pay-as-you-go capital funding is increased from $10.1 million to $11.9 million. In addition, the Parking Services Fund includes a $300,000 increase for elevator rehabilitation in the three older garages and structural maintenance in the Civic Center Garage. The General Fund capital outlay budget is remaining essentially flat at $3.7 million.

BUDGET SUMMARY - REVENUES

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

BUDGET HIGHLIGHTS

- The property tax is the single largest source of revenue for the City. Based on projections received from the Buncombe County Tax Office, staff is assuming a 1.8% increase in the City's property tax base in FY 2015-16. The adopted FY 2015-16 budget also includes a 1.5 cent increase in the City's property tax rate to offset the loss of revenue from the business privilege license fees which were eliminated by state legislation. The City's tax rate for FY 2015-16 will be 47.5 cents per $100 of assessed valuation.

- Most of the revenue in the charges for services category, approximately $35.3 million, comes from water utility charges. In April, City Council approved minor rate adjustments for the 2015-16 fiscal year based on the Raftelis financial model. These rate adjustments are expected to generate approximately $465,000 in additional revenue in the Water Fund. The FY 2015-16 charges for services budget also includes $1.1 million in additional revenue from the $3.50 increase in the City's monthly solid waste fee.

- Based on statewide projections from the North Carolina League of Municipalities and local trend data, staff is projecting a 7.5% increase in sales tax revenue in the current fiscal year and a 4.0% increase in FY 2015-16.

- Intergovernmental revenue, which includes state-shared utility taxes as well as Powell Bill funding, is budgeted to increase 5.9% in FY 2015-16 mostly as a result of an increase in utility tax revenue due to changes in the distribution method for the electricity sales tax. It should be noted that intergovernmental revenue is negatively impacted by the expiration of the COPs grant in the General Fund.

- Revenue from licenses and permits shows a 10.0% decrease in FY 2015-16 due to the loss in revenue from business privilege licenses. Part of the loss in this category is offset by continued strong performance from development services (DSD) permit revenue. Based on current year trends, DSD revenue shows a budget-to-budget increase of 35% or approximately $900,000.

- Revenue from parking fees is budgeted to increase by approximately $300,000 or 7.3%, which reflects collection trends in the current fiscal year.

- The other financing sources budget includes items such as interfund transfers and fund balance appropriations. The FY 2015-16 adopted General Fund budget includes no appropriation from fund balance. The Water Resources and Parking Services adopted budgets include fund balance appropriations for capital expenditures, which are consistent with the City's fund balance policies and multi-year forecasts for both funds.

BUDGET SUMMARY - STAFFING

FULL-TIME EQUIVALENT POSITIONS BY FUND

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

BUDGET HIGHLIGHTS

- The FTE position count shows an increase of 36.12 between the adopted FY 2014-15 budget and the adopted FY 2015-16 budget. This increase includes all positions that have been added during FY 2014-15 as well as new positions adopted for FY 2015-16.

- The adopted Stormwater Fund budget includes funding for an additional crew of 6 FTE to enhance the stormwater maintenance program. The crew will be utilized to perform additional preventative maintenance services including performing ditching activities and replacing failed drainage systems. In addition to the new crew, there were several other position changes in the Stormwater Fund during FY 2014-15 including the addition of a utility locater position, a project manager, and a customer service representative. Half of the salary of an engineering technician position formerly charged to the General Fund is now also being charged to Stormwater

- The Police Department adopted budget includes funding to begin implementation of the Strategic Operating Plan & Organizational Assessment including the addition of a Deputy Chief, an Administrative Services Manager, a Financial Analyst, and Property & Evidence Technicians. A portion of the cost of these enhancements will be offset through the reallocation and freezing of existing vacant positions along with some reductions in the overtime budget. The net impact is the addition of 3 FTE.

- The Fire Department budget includes funding to add 3 FTE to enhance the fire inspection program. The cost of the three positions will be fully offset by additional revenue from the inspections that they perform.

- It should be noted that 5 of the additional FTE positions represent the conversion of contract or temporary positions to permanent City employees. These conversions will little to no net financial impact on the budget.

- The chart on the following page shows the changes in FTE positions by service area and department for each of the last four fiscal years.

BUDGET SUMMARY - STAFFING

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

GENERAL FUND SUMMARY

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

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

GENERAL FUND EXPENDITURES

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

BUDGET HIGHLIGHTS

- The FY 2015-16 adopted budget includes General Fund expenditures that are 3.6% more than the FY 2014-15 adopted budget.

- Public Safety is the largest General Fund service area, accounting for 45% of all General Fund expenditures. Public Safety expenditures show a $1.0 million increase in FY 2015-16. A portion of this increase is the result of the salary adjustments discussed early in the budget document. In addition, the Police Department adopted budget includes funding to begin implementation of the Strategic Operating Plan & Organizational Assessment. Specific items funded in the budget include the addition of a Deputy Chief, an Administrative Services Manager, a Financial Analyst, and Property & Evidence Technicians, along with additional funding for management training and development. A portion of the cost of these enhancements will be offset through the reallocation and freezing of existing vacant positions along with some reductions in the overtime budget. The new impact of the changes is approximately $157,000. The Fire Department budget includes funding to add three positions to enhance the fire inspection program. The cost of the three positions will be fully offset by additional revenue from the inspections that they perform.

- Environment & Transportation represents 15% of the FY 2015-16 General Fund budget. This service area shows an increase of approximately $354,000, which is primarily the result of the salary adjustments discussed early in the budget document, as well as the addition of one greenway position in the Transportation Department and the shifting of the mowing program from the Parks and Recreation Department to the Public Works Department.

- The increase in General Government expenses is due to several factors including: 1) a $538,000 increase in economic incentive payments; 2) the inclusion in the budget of every-other-year City Council election costs and; 3) mid-year FY 2014-15 staffing additions in the Human Resources Department and the Communication & Public Engagement Division.

- The budgetary change most directly impacting the Culture & Recreation service area is the proposal to begin paying all temporary/seasonal staff a salary that meets the living wage guidelines for Buncombe County. This change has the biggest effect in Parks & Recreation and at the US Cellular Center, which are both large users of non-benefitted labor. In Parks & Recreation, the estimated impact is $150,000 and at the US Cellular Center it is $90,000.

- The slight increase in the Community Development service area is primarily the result of the addition of 2 FTE positions to help meet increased workload in the Development Services Department.

GENERAL FUND EXPENDITURES

GENERAL FUND EXPENDITURES BY EXPENSE CATEGORY

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

BUDGET HIGHLIGHTS

- Personnel costs, including both salaries and wages and fringe benefits, make up 65% of the adopted FY 2015-16 General Fund budget. As noted earlier in the budget document, the personnel budget includes funding to implement the recommendations from the Segal Waters compensation study and provide all employees with a 1% salary increase on July 1, which has a budget impact of approximately $1.6 million in the General Fund. The personnel budget in the General Fund is also impacted by staffing additions and the inclusion of funding to pay all temporary/seasonal staff a living wage. The living wage adjustment has the biggest budgetary impact in the Parks & Recreation Department, where it is estimated to increase personnel costs by approximately $150,000.

- Operating costs in the General Fund are budgeted to remain essentially flat in FY 2015-16.

- Interfund transfers to the Transit Services Fund and the US Cellular Center Fund are budgeted to increase by approximately $100,000, primarily due to an increase in the Transit transfer to fund a full year of Sunday bus service.

- In accordance with the City's multi-year debt service and capital improvement financial model, the General Fund debt service budget is maintained at the FY 2014-15 budget level.

- The FY 2015-16 capital outlay budget reflects the transfer of the full $3.3 million from the FY 2013-14 tax rate increase into the City's debt service and capital improvement program, along with additional pay-go capital maintenance funding and departmental capital outlay.

ASHEVILLE

FINANCE AND MANAGEMENT SERVICES

Barbara Whitehorn, Finance Director

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

DEPARTMENT SUMMARY

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

BUDGET HIGHLIGHTS

- The FTE count in the Finance & Management Services Department shows a slight increase due to the conversion of a part-time position to full-time during FY 2014-15, and the addition of an accounting specialist position for the purchase program. A vacant payroll position is being transferred to the Public Works Department and converted into a mowing position.
- The summaries on the next two pages reflect changes in the divisional structure for FY 2015-16.
- Otherwise, the Finance & Management Services Department budget represents a continuation of existing programs and services.

FINANCE AND MANAGEMENT SERVICES

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

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

Purchasing	282,588	248,606	334,570	**318,565**
FTE Positions	4.00	4.00	4.00	**4.00**

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

Central Stores	140,674	140,073	164,840	**154,625**
FTE Positions	2.00	2.00	2.00	**2.00**

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

Risk Management Admin	144,237	180,795	323,525	**319,520**
FTE Positions	3.00	3.00	4.00	**4.00**

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

Budget & Research	175,023	200,918	191,978	**
FTE Positions	2.00	3.00	3.00	**

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

FINANCE AND MANAGEMENT SERVICES

DIVISION SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Accounting	1,114,202	1,118,717	1,326,372	**
FTE Positions	16.00	15.75	15.75	**

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

New Divisions:

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

Divisions that are no longer part of the Department:

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

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

Sustainability	170.034	*	*	*
FTE Positions	2.75	*	*	*

The Sustainability Division coordinates the City's efforts to achieve the goal of reducing its carbon footprint by 4% each year for the next five years. The Sustainability Division budget was moved to another department during FY 2013-14.

ADMINISTRATIVE SERVICES

Paul Fetherston, Assistant City Manager

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

DEPARTMENT SUMMARY

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

BUDGET HIGHLIGHTS

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

ADMINISTRATIVE SERVICES

DIVISION SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Governing Body	197,872	233,763	226,716	**225,780**
FTE Positions	0.00	0.00	0.00	**0.00**

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

City Clerk	115,749	116,952	119,464	**120,417**
FTE Positions	1.00	1.00	1.00	**1.00**

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

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

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

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

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

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

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

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

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

GENERAL SERVICES

James Ayers, Director

DEPARTMENT SUMMARY

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

BUDGET HIGHLIGHTS

- The General Services Department coordinates the City's following functions: fleet maintenance, building maintenance, and City Hall operations.
- The General Services budget includes the conversion of one temporary position to a full time FTE. This change has no net financial impact on the budget.

ECONOMIC DEVELOPMENT

Sam Powers, Director

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

DEPARTMENT SUMMARY

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

BUDGET HIGHLIGHTS

- Beginning in FY 2014-15, the budget for economic incentive payments was moved from a non-departmental account to the Economic Development (ED) Department budget. For FY 2015-16, the budget for incentive payments is increasing by approximately $538,000 as new payments are expected to be due to New Belgium and Linamar (Phase 3).

- A position formerly funded in the Community Development Fund is now being funded at 75% through the General Fund ED Department budget. In addition a position formerly split with the US Cellular Center Fund is now fully funded in the General Fund ED Department budget.

CITY ATTORNEY

Robin Currin, City Attorney

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

DEPARTMENT SUMMARY

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

BUDGET HIGHLIGHTS

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

INFORMATION TECHNOLOGY SERVICES

Jonathan Feldman, Director/CIO

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

DEPARTMENT SUMMARY

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

BUDGET HIGHLIGHTS

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

INFORMATION TECHNOLOGY SERVICES

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

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

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

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

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

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

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

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

HUMAN RESOURCES

Kelley Dickens, Director

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

DEPARTMENT SUMMARY

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

BUDGET HIGHLIGHTS

- The FY 2015-16 Human Resources budget reflects the addition of 3 FTE positions that were approved after the start of FY 2014-15, as well as some minor changes to the staffing composition (benefitted vs. temporary) at the Health Services Clinic.
- Otherwise, the Human Resources budget reflects a continuation of existing programs and services.

HUMAN RESOURCES

DIVISION SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Administration	1,083,482	1,090,452	1,235,844	**1.461,409**
FTE Positions	11.60	12.00	12.00	**15.00**

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

CAYLA	148,914	154,455	183,857	**186,326**
FTE Positions	1.00	1.00	1.00	**1.00**

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

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

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

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

NONDEPARTMENTAL GENERAL GOVERNMENT

BUDGET SUMMARY

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

BUDGET HIGHLIGHTS

- The FY 2015-16 budget includes $230,000 for the payment to the Buncombe County Board of Elections for this fall's City Council elections.

ASHEVILLE

POLICE

Steve Belcher, Interim Chief of Police

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

DEPARTMENT SUMMARY

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

BUDGET HIGHLIGHTS

- The Police Department adopted budget includes funding to begin implementation of the Strategic Operating Plan & Organizational Assessment including the addition of a Deputy Chief, an Administrative Services Manager, a Financial Analyst, and Property & Evidence Technicians, along with additional funding for management training and development. A portion of the cost of these enhancements will be offset through the reallocation and freezing of existing vacant positions along with some reductions in the overtime budget. The net impact of the changes is approximately $157,000.

- In addition to the position changes mentioned above, it should be noted that 3 FTE positions were moved into the Police Department from other departments after the start of FY 2014-15.

- Four Police positions that are part of the DWI Task Force are budgeted in the City's Grant Fund. The City's contribution toward their salaries increases each year of the grant. For FY 2015-16, this amount will be $80,197. The 4 FTE are included in the position total above.

- Five Police officer positions that were formerly funded through a federal COPs grant are 100% funded in the General Fund beginning in FY 2015-16.

POLICE

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

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

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

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

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

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

Support Bureau	3,768,777	*	*	*
FTE Positions	45.00	*	*	*

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

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

FIRE & RESCUE

Scott Burnette, Fire Chief

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

DEPARTMENT SUMMARY

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

BUDGET HIGHLIGHTS

- The Fire Department budget includes funding to add 3 FTE to enhance the fire inspection program. The cost of the three positions will be fully offset by additional revenue from the inspections that they perform.

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

The Fire/Rescue Accountability and Administration Division is responsible for ensuring that our citizens and taxpayers are receiving the level and quality of fire and emergency services that they 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.

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

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

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

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

NONDEPARTMENTAL PUBLIC SAFETY

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

BUDGET SUMMARY

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

BUDGET HIGHLIGHTS

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

ASHEVILLE

WATER RESOURCES FUND

Steve Shoaf, Director

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

DEPARTMENT SUMMARY

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

BUDGET HIGHLIGHTS

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

WATER RESOURCES FUND

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

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

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

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

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

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

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

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

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

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

Department-Wide Expenses	17,855,959	27,972,198	20,359,724	**22,124,885**

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

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

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

Customer Service	1,337,657	1,270,150	1,385,022	**1,418,471**
FTE Positions	23.00	23.00	23.00	**23.00**

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

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

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

MULTI-MODAL TRANSPORTATION & CAPITAL PROJECTS

Cathy Ball, Director

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

The Capital Projects Management Division provides professional engineering, surveying and other technical services to all City departments. These services include the design and administration of capital improvement projects, all storm drainage design, street paving, right-of-way research, and flood plain management.

Sustainability	*	*	170,655	**165,014**
FTE Positions	*	*	2.00	**2.00**

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

PUBLIC WORKS

Greg Shuler, Director

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

DEPARTMENT SUMMARY

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

BUDGET HIGHLIGHTS

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

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

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

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

The budget above represents the cost for street lighting in the City of Asheville. Annual savings in the street lighting budget from the installation of LED lights is used to help fund the City's green sustainability initiatives. Beginning in FY 2014-15, the Transportation Department will be responsible for overseeing the City's street lighting program.

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

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

Sanitation	4,654,707	4,524,506	4,988,421	**5,008,481**
FTE Positions	32.00	32.00	32.00	**32.00**

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

Engineering Services	442,813	837,176	**	**
FTE Positions	12.00	12.00	**	**

The Engineering Services Division provides professional engineering, surveying and other technical services to all City departments. These services include the design and administration of capital improvement projects, all storm drainage design, street paving, right-of-way research, and flood plain management. This division is now reported under the Multi-Modal Transportation and Capital Projects section of the Budget Document.

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

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

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

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

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

BUDGET HIGHLIGHTS

- Based on the financial model developed in the previous fiscal year, staff submitted and City Council approved in April a 5% increase in Stormwater fees for FY 2015-16. This rate adjustment is expected to generate approximately $240,000 in additional revenue for the fund.

- The adopted budget includes funding for an additional crew of 6 FTE to enhance the stormwater maintenance program. The crew will be utilized to perform additional preventative maintenance services including performing ditching activities and replacing failed drainage systems.

- In addition to the crew noted above, there were several other position changes during FY 2014-15 including the addition of a utility locater, a project manager, and a customer service representative. Half of the salary of an engineering technician position formerly charged to the General Fund is now also being charged to Stormwater.

STREET CUT UTILITY FUND

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

FUND SUMMARY

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

BUDGET HIGHLIGHTS

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

TRANSPORTATION

Ken Putnam, Director

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

DEPARTMENT SUMMARY

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

BUDGET HIGHLIGHTS

- The FY 2015-16 budget for the Transportation Department includes continued funding in the amount of $100,000 for traffic calming projects and $35,000 for traffic safety projects.
- The budget for the streetlighting program was moved from Public Works to the Transportation Department at the start of FY 2014-15. This change is reflected as an increase in operating costs after FY 2013-14
- The FY 2015-16 budget includes the addition of one FTE position to support greenway development activities.

TRANSPORTATION

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

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

Traffic Engineering	206,931	212,824	203,817	**204,790**
FTE Positions	2.00	2.00	2.00	**2.00**

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

Traffic Signal Maintenance	188,298	181,271	213,406	**222,915**
FTE Positions	2.00	2.00	2.00	**2.00**

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

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

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

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

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

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

TRANSIT SERVICES FUND

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

FUND SUMMARY

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

BUDGET HIGHLIGHTS

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

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

PARKING SERVICES FUND

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

FUND SUMMARY

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

BUDGET HIGHLIGHTS

- Revenues in the current fiscal year are performing better than budget, and this trend is expected to continue next fiscal year. There are no rate changes included in the FY 2015-16 adopted budget.
- The adopted budget includes a $300,000 appropriation from Parking fund balance for capital projects including: 1) elevator rehabilitation in the three older garages, and 2) structural maintenance in the Civic Center Garage.
- The adopted budget also includes funding to hire a consultant to prepare a comprehensive parking study from a “big picture” vantage point in order to develop the appropriate strategic framework and philosophy to help formulate policy decisions to ensure that resources are used efficiently during the next 10 to 15 years.
- A half-time account clerk position was added to the budget during FY 2014-15.

NONDEPARTMENTAL ENVIRONMENT & TRANSPORTATION

BUDGET SUMMARY

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

BUDGET HIGHLIGHTS

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

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

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

BUDGET HIGHLIGHTS

- The Parks & Recreation Department FTE count shows a reduction of three due to positions being moved to other departments during FY 2014-15.
- The adopted Parks budget includes funding to pay all temporary/seasonal employees a living wage beginning in FY 2015-16.

PARKS, RECREATION & CULTURAL ARTS

DIVISION SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Administration	345,863	406,789	409,664	**393,556**
FTE Positions	2.00	2.00	2.00	**2.00**

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

Business Services	966,884	889,897	1,046,290	**1,019,910**
FTE Positions	7.00	4.00	4.00	**4.00**

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

Cultural Arts	1,233,502	553,779	0	**0**
FTE Positions	4.63	0.00	0.00	**0.00**

With the elimination of the Bele Chere festival, the Cultural Arts Division was re-engineered, and a new Community Programs division was created.

Park Maintenance	2,741,525	2,807,355	3,567,543	**3,559,288**
FTE Positions	33.75	35.38	35.38	**33.38**

The Park Maintenance Division oversees maintenance of all City of Asheville Parks and Public Facilities.

Planning	148,134	212,933	213,075	**214,218**
FTE Positions	2.00	2.00	2.00	**2.00**

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

Recreation Programs	2,229,420	2,278,245	2,401,943	**2,704,544**
FTE Positions	32.50	29.50	29.50	**29.50**

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

DIVISION SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Community Programs	0	171,862	574,842	**587,513**
FTE Positions	0.00	6.00	6.00	**6.00**

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

Riverside Cemetery	35,190	27,470	29,763	**28,376**
FTE Positions	0.00	0.00	0.00	**0.00**
Nature Center	906,228	908,278	905,265	**974,264**
FTE Positions	11.75	11.75	11.75	**11.75**
McCormick Field	86,822	0	0	**0**
FTE Positions	0.00	0.00	0.00	**0.00**
Aston Park	205,683	208,187	221,019	**221,403**
FTE Positions	2.00	2.00	2.00	**2.00**
Food Lion Skate Park	85,327	95,317	95,094	**13,763**
FTE Positions	1.00	1.00	1.00	**0.00**
Swimming Pools	154,077	150,652	189,039	**189,039**
FTE Positions	0.00	0.00	0.00	**0.00**

GOLF FUND

FUND SUMMARY

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
Expenditures:				
Salaries & Wages	177,901	*	*	*
Fringe Benefits	52,745	*	*	*
Operating Costs	108,068	*	*	*
Capital Outlay	305	*	*	*
Total	339,019	*	*	*
FTE Positions	0.00	*	*	*
Revenues:				
Pro Shop Sales	7,024	*	*	*
Snack Bar	14,464	*	*	*
Equipment Rental	85,967	*	*	*
Green Fees	130,475	*	*	*
Other	17,867	*	*	*
Subtotal Operations	255,797	*	*	*
General Fund Subsidy	619,052	*	*	*
Total	874,849	*	*	*

BUDGET HIGHLIGHTS

- The City contracted out operation of the Municipal Golf Course during FY 2012-13. A lease payment from the contractor of $75,000 is included as revenue in the FY 2015-16 General Fund Parks & Recreation Department budget.

US CELLULAR CENTER FUND

Sam Powers, Director

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

DEPARTMENT SUMMARY

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

BUDGET HIGHLIGHTS

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

NONDEPARTMENTAL CULTURE & RECREATION

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

BUDGET SUMMARY

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

BUDGET HIGHLIGHTS

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

PLANNING & URBAN DESIGN

Alan Glines, Interim Director

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

DEPARTMENT SUMMARY

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

BUDGET HIGHLIGHTS

- The FY 2015-16 budget for operating costs shows a decrease due to the removal of one-time funding of $100,000 for the River District form based code project.
- The Planning & Urban Design FTE count shows a slight decrease due to the fact that a position partially charged to the department is now being charged to the Economic Development Department.
- Otherwise, the Planning & Urban Design budget reflects a continuation of existing programs and services.

PLANNING & URBAN DESIGN

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

The Planning Services Division conducts current and long-range planning. Planners are responsible for reviewing plans for development and redevelopment in the City's jurisdiction to ensure conformance with sound planning principles and City regulations, and for revising the City development guidelines as necessary. This division is also responsible for all comprehensive and small area plans and related matters. This division provides assistance to the Planning and Zoning Commission, the Board of Adjustment, the River District Design Review Board, and the Technical Review Committee.

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

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

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

HOUSING TRUST FUND

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

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

BUDGET HIGHLIGHTS

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

BUILDING SAFETY

DEPARTMENT SUMMARY

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

BUDGET HIGHLIGHTS

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

DEVELOPMENT SERVICES

Shannon Tuch, Director

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

DEPARTMENT SUMMARY

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

BUDGET HIGHLIGHTS

- The FY 2015-16 budget includes the addition of 2 FTE positions to help meet increased workload in Development Services.

NONDEPARTMENTAL COMMUNITY DEVELOPMENT

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

BUDGET SUMMARY

Expenditures:	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Adopted
One Youth at a Time	5,480	1,360	4,400	**5.000**
YWCA	12,000	6,000	0	**12,000**
AHOPE	25,000	15,000	25,000	**28,400**
United Way 211	2,500	1,875	2,500	**0**
Children First	15,740	15,000	20,000	**20,000**
Asheville Greenworks	8,000	4,000	10,000	**15,350**
Youthful Hand	4,000	0	0	**0**
Child Abuse Prevention Services	5,832	3,335	5,000	**0**
Asheville Design Center	0	7,000	4,000	**4,000**
Green Opportunities	25,000	18,000	10,000	**17,150**
Kids Voting	0	0	0	**0**
Governor's Western Residence	0	0	0	**0**
App. Sustainable Agr. Project	0	0	5,000	**0**
Asheville Area Arts Council	0	0	10,000	**5,000**
Partners Unlimited	0	0	2,500	**5,000**
Project Lighten Up	0	0	0	**3,500**
Read to Succeed	0	0	0	**4,000**
Blue Ridge Food Ventures	0	0	0	**25,000**
Pisgah Legal Services	0	0	0	**9,000**
Economic Incentives	1,264,518	440,000	0	**0**
Economic Development Coalition	60,000	0	0	**0**
A/B Sports Commission	45,000	0	0	**0**
Community Relations Council	43,295	26,540	0	**0**
YMI Utilities	24,000	24,000	24,000	**24,000**
Total	1,540,365	562,110	122,400	**172,400**

BUDGET HIGHLIGHTS

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

CAPITAL IMPROVEMENT PROGRAM
2015/16 TO 2019/20

General Capital Project Summary

As discussed with City Council at its May 12, 2015 budget work session, staff has worked with its financial advisors to develop a multi-year debt management and capital improvement program utilizing additional revenue that was generated by the 3-cent property tax rate increase that City Council approved in June 2013. The total five-year capital improvement program (CIP) includes project expenses totaling $142,197,272.

Projects will be funded with a mix of internal City resources and external resources such as grants and partnerships. Approximately $107,589,378 in funding will come from City resources through the use of pay-as-you-go general fund operating contributions and the issuance of municipal debt. Projects were selected based a number of criteria including: public safety, economic growth and sustainability, affordable housing & community development, quality of life, availability of outside funding sources, and potential return on investment.

The charts beginning on page 70 show a summary of the projects and their anticipated cash flows between the current fiscal year and FY 2019-20. At the end of the summary is a list of project budgets that will be included in the FY 2015-16 budget ordinance, which includes projects that will either 1) incur actual cash expenses during FY 2015-16, or 2) require budget authorization for contract approval in FY 2015-16 with actual cash expenses occurring after June 30, 2016.

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

CAPITAL IMPROVEMENT PROGRAM
2015/16 TO 2019/20

FIVE–YEAR GENERAL CAPITAL PROJECT SUMMARY (Cash Flow)

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

CAPITAL IMPROVEMENT PROGRAM
2015/16 TO 2019/20

FIVE–YEAR GENERAL CAPITAL PROJECT SUMMARY (Cash Flow)

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

CAPITAL IMPROVEMENT PROGRAM
2015/16 TO 2019/20

FIVE–YEAR GENERAL CAPITAL PROJECT SUMMARY (Cash Flow)

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

Capital Improvement Program, Project Descriptions

Affordable Housing

Affordable Housing

This is not an individual project, but rather a commitment of funds by the City to affordable housing projects.

Total Cash Flow Amount	$5,000,000
Offsets	
Total City Funds	$5,000,000

Southside Neighborhood Improvements

Southside neighborhood improvements, while not funded in the next five years of the City's CIP, are important for long-term affordable housing and livability goals. Specific projects are not yet identified.

Eagle Market Place

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

Total Cash Flow Amount	$3,949,500
Offsets	
Total City Funds	$3,949,500

Parks Maintenance Relocation

The Budget for this project includes the cost of relocating the Parks Maintenance Division from the Aston/Hilliard location. The disposition of the site will be determined according to Council's affordable housing goals.

Total Cash Flow Amount	$919,287
Offsets	
Total City Funds	$919,287

Public Safety

Radio Infrastructure

System-wide replacement of equipment and infrastructure originally installed in 1988.

Total Cash Flow Amount	$5,922,394
Offsets	
Total City Funds	$5,922,394

Fire Station # 14

The land for a potential Fire Station 14 was purchased in fiscal year 2014. Budget includes design and build and an engine for the new station.

- Fire Station # 14 - Land

Total Cash Flow Amount	$529,976
Offsets	
Total City Funds	$529,976

- Fire Station # 14 - Design/ Build

Total Cash Flow Amount	$2,853,424
Offsets	
Total City Funds	$2,853,424

- Fire Station # 14 - Engine

Total Cash Flow Amount	$600,000
Offsets	
Total City Funds	$600,000

SCBA replacement

Replacement of the Self Contained Breathing Apparatus (SCBA) - the air tanks used by firefighters when responding to a fire.

Total Cash Flow Amount	$1,000,000
Offsets- *Possible Grant*	($590,130)
Total City Funds	$409,870

Replacement ladder truck

One Asheville Fire Department ladder truck will require replacement in fiscal year 2017.

Total Cash Flow Amount	$1,000,000
Offsets	
Total City Funds	$1,000,000

Replacement Engine

One Asheville Fire Department engine will require replacement in fiscal year 2019.

Total Cash Flow Amount	$600,000
Offsets	
Total City Funds	$600,000

Multi-Modal Transportation

Chunn's Cove Bridge Rehabilitation

Structural rehabilitation to the Chunn's Cove Road Bridge.

Total Cash Flow Amount	$500,000
Offsets	
Total City Funds	$500,000

Cedar Street Bridge Repair

Structural repair to the Cedar Street Bridge.

Total Cash Flow Amount	$200,000
Offsets	
Total City Funds	$200,000

Broadway Vaulted Sidewalk

The vaulted sidewalk on Broadway north of Tingle Alley will be rebuilt.

Total Cash Flow Amount	$250,000
Offsets	
Total City Funds	$250,000

Craven Street Bridge

The Craven Street Bridge project is currently conceptual, with funding for design of $400,000 starting fiscal year 2016. This bridge, when completed, will add greenway connections and bicycle lanes to the existing bridge. The two bridges (new and existing) will have opposing direction traffic flow.

Greenway Connectors

Linkages designed to allow users to easily move from one greenway to another with the network. Partially grant funded, STPDA.

Total Cash Flow Amount	$120,000
Offsets - Grant	($96,000)
Total City Funds	$24,000

Charlotte Street Improvements

Improvements in the Charlotte Street Innovation District. This project is conceptual; project plans will be developed as funding is identified. The current five-year plan includes $1.25 million for design, right of way and construction. Additional funding will be required in years 2021 and later.

Total Cash Flow Amount	$1,250,000
Offsets	
Total City Funds	$1,250,000

Hendersonville Road Sidewalks

Partnership project with the Department of Transportation to add sidewalks to Hendersonville Road.

Total Cash Flow Amount	$4,191,429
Offsets -Grant	($2,904,613)
Total City Funds	$1,286,816

New Leicester Highway Sidewalks

Partnership project with the Department of Transportation to add sidewalks to New Leicester Highway.

Total Cash Flow Amount	$3,630,000
Offsets- Grant	($2,904,000)
Total City Funds	$726,000

Hazel Mill Road Sidewalk

Providing pedestrian linkage to mass transit from proposed apartment complex development that includes affordable housing units.

Total Cash Flow Amount	$417,000
Offsets	
Total City Funds	$417,000

Neighborhood Sidewalk Program

Investment in critical sidewalk linkages throughout the City.

Total Cash Flow Amount	$1,660,000
Offsets	
Total City Funds	$1,660,000

Economic Development

Craven Street

Complete street project in the River Arts District that includes bike lanes, sidewalks and parking. Partially grant funded, multiple sources.

Total Cash Flow Amount	$7,750,500
Offsets- Enterprise Fund & Grants	($2,497,604)
Total City Funds	$5,252,946

Thomas Wolfe Renovations

Renovations of the Thomas Wolfe auditorium. Design is expected to cost $800,000. The current capital budget includes $400,000 in fiscal year 2016 and $100,000 in fiscal year 2017. The funding gap is anticipated to be covered by the sale of City-owned real estate.

Total Cash Flow Amount	$800,000
Offsets- *possible land sale*	($300,000)
Total City Funds	$500,000

14 Riverside Drive

Renovation of 14 Riverside Drive to include restroom and space for organizations to be determined. Grant funded.

Total Cash Flow Amount	$450,000
Offsets- Grant	($450,000)
Total City Funds	$0

Jean Webb Boat Ramp

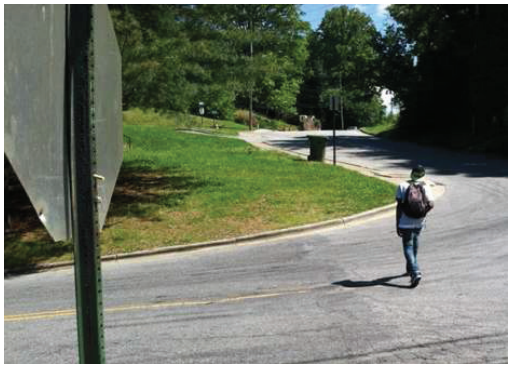
Addition of a boat ramp on the French Broad River on the edge of Jean Webb Park in partnership with the North Carolina Wildlife Resources Commission. Grant funded.

Total Cash Flow Amount	$56,500
Offsets- Grant	($50,000)
Total City Funds	$6,500

Town Branch Greenway

Connection between the riverfront, the Southside neighborhood and the South Slope of downtown. Will provide multimodal access to Lee Walker Heights, Livingston Heights and Erkine-Walton neighborhoods. Partially grant funded, Tiger VI.

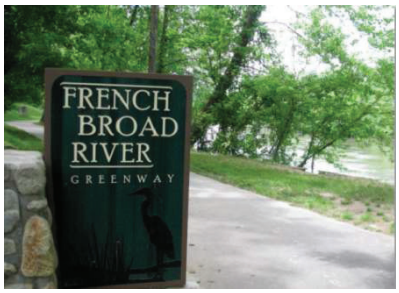
Total Cash Flow Amount	$1,799,616
Offsets-Grants	($1,050,000)
Total City Funds	$749,616



Livingston Street

Complete Street project on Livingston Street adding bike lanes and sidewalks. Partially grant funded, Tiger VI.

Total Cash Flow Amount	$2,199,066
Offsets-Grant	($750,000)
Total City Funds	$1,449,066



French Broad River West Greenway

Connects the French Broad River park system with New Belgium Brewery and links the riverfront with city-wide greenway network. Partially grant funded, Tiger VI.

Total Cash Flow Amount	$1,820,448
Offsets-Grant	($692,742)
Total City Funds	$1,127,706

Five-Points Roundabout

Reconfiguration of the five-points intersection at Clingman, Roberts, Lyman and Depot Streets. Partially grant funded, Tiger VI.

Total Cash Flow Amount	$1,399,288
Offsets-Grant	($350,000)
Total City Funds	$1,049,288

Clingman Forest Greenway

Multimodal trail connecting the riverfront area and downtown. Partially grant funded, Tiger VI and TPDF.

Total Cash Flow Amount	$2,379,152
Offsets-Grants	($1,252,500)
Total City Funds	$1,129,152

Craven Street Kiosk

Visitor information and way-finding kiosk. Grant funded.

Total Cash Flow Amount	$150,000
Offsets-Grant	($150,000)
Total City Funds	$0

River Arts District Transportation Improvement Plan (RADTIP)

Addition of 12,000 linear feet of sidewalk, bike lanes, greenway, on-street parking, roadway and stormwater improvements. Partially grant funded, multiple sources.

Total Cash Flow Amount	$33,917,889
Offsets-Grants	($16,792,259)
Total City Funds	$17,125,630

I-26 Connector

The City has committed $2 million to this project; $1 million is included in the current five-year plan.

Total Cash Flow Amount	$1,000,000
Offsets	
Total City Funds	$1,000,000

Quality of Life

Swimming Pools

Rehabilitation of pools and associated infrastructure.

Total Cash Flow Amount	$2,250,000
Offsets	
Total City Funds	$2,250,000

Velodrome Safety

Rebuild of the velodrome from the subsurface to address safety issues with cracking pavement. This project total cost is $1.25 million; $500,000 is included in the capital budget. A grant application is being submitted to the Tourism Product Development Foundation, and there is potential for some private and individual donations to the project.

Total Cash Flow Amount	$1,000,000
Offsets- *Possible Grant*	($500,000)
Total City Funds	$500,000

Carrier Park Improvements

Resurfacing of the in-line skating area at the velodrome.

Total Cash Flow Amount	$250,000
Offsets- *Possible Grant*	($125,000)
Total City Funds	$125,000

Soccer and Other Playing Fields

Replacement of the artificial turf at the playing fields around the City.

Total Cash Flow Amount	$3,000,000
Offsets	
Total City Funds	$3,000,000

McCormick Field

Improvements to McCormick Field committed to as part of the contract between the City and the Asheville Tourists.

Total Cash Flow Amount	$418,865
Offsets	
Total City Funds	$418,865

Park Facilities

Ongoing capital maintenance of Parks and Recreation Department facilities, restrooms and buildings.

Total Cash Flow Amount	$3,100,000
Offsets	
Total City Funds	$3,100,000

Pack Place Capital Improvement

Investing in building systems and related improvements.

Total Cash Flow Amount	$2,000,000
Offsets	
Total City Funds	$2,000,000

Infrastructure and Maintenance

General Capital Maintenance

- Computer Replacement

Total Cash Flow Amount	$1,459,910
Offsets	
Total City Funds	$1,459,910

- Roof Replacements

Total Cash Flow Amount	$750,000
Offsets	
Total City Funds	$750,000

- City Hall A/C Controls

Total Cash Flow Amount	$74,740
Offsets	
Total City Funds	$74,740

- Various facility upgrades

Total Cash Flow Amount	$1,500,000
Offsets	
Total City Funds	$1,500,000

Fleet Replacement

Ongoing replacement of aging City fleet vehicles.

Total Cash Flow Amount	$18,021,449
Offsets	
Total City Funds	$18,021,449

Underground Fuel Tank Removal

Repair of aging underground fuel tank at the City fueling station.

Total Cash Flow Amount	$90,000
Offsets	
Total City Funds	$90,000

Streets and Sidewalks Program

Maintenance of existing streets and sidewalks.

Total Cash Flow Amount	$10,350,000
Offsets	
Total City Funds	$10,350,000

CAPITAL IMPROVEMENT PROGRAM
2015/16 TO 2019/20

WATER RESOURCES CAPITAL IMPROVEMENT FUND SUMMARY

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

CAPITAL IMPROVEMENT PROGRAM
2015/16 TO 2019/20

WATER RESOURCES CAPITAL IMPROVEMENT FUND SUMMARY (Cont.)

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Neighborhood Water Line Replace. Proj.:					
Barnard Avenue & Sevier Street		142,000			
Beacon Village				2,000,000	
Biltmore Avenue		300,000			
Blue Ridge Rd, BR Assemb. Dr. & Maney Ln.			640,000		
College Circle	850,000				
Conestee St & Conestee Place	121,000				
Daniel/Starnes Cove Roads, Pisgah View Ct.	242,000				
Deanwood Cir, Forest St, & Ardmore St			168,000		
Dogwood Court (East)	105,000				
Frederick Street	30,000				
Gashes Creek Rd & Gabrielle Lane				350,000	
Gatehouse, Parkridge, & Creekside Court	122,000				
Glenn Bridge Road SE	200,000				
Joyner Avenue				224,000	
Kenilworth side rds., Ravenna St., Finalee Ave.	542,000				
Knauth Road		100,000			
Lindsey Road	140,000				
Long Shoals Road			250,000		
Mt. Carmel Subdivision and Erwin Hills Road	1,190,000				
Muirfield Subdivision		909,500			
Old Bee Tree / Rainbow Ridge / Halcyon Hill, etc. Roads		350,000			
Patton Avenue			550,000		
Piney Mountain Church Rd	160,000				
Pisgah View Apartments			450,000		
Plateau & Hilltopia Roads			88,000		
Sherwood Road			38,000		
Smokey Park Highway & Old 19/23		2,500,000	2,500,000		
South Grove Street & Morgan Avenue			180,000		
South Lexington Avenue			60,000		
South Malvern Hills Subdivision	552,500				
Springdale Avenue			110,000		

CAPITAL IMPROVEMENT PROGRAM
2015/16 TO 2019/20

WATER RESOURCES CAPITAL IMPROVEMENT FUND SUMMARY (Cont.)

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Sunset Drive				206,000	
Sweeten Creek Road	850,000				
Valley View Road			64,000		
Waynesville Ave, Tremont & Short Tremont St	536,000				
FY2020 Projects TBD					2,000,000
Water System Master Plan Projects:					
Beaucatcher Rd from Buckstone to Kenilworth				807,500	
Candler School Rd / Old Candler Town Rd			172,500	977,500	
Enka Lake Rd from Sand Hill to Ironwood				977,500	
Fairmont Rd from Old 19/23 to Justice Ridge Rd			550,000	685,000	
Swannanoa River Rd from Caledonia to Bryson		280,000			
Tunnel Rd from Overbrook and Crockett		240,000			
Total Use of Funds	***11,985,500***	***20,981,500***	***50,525,500***	***10,432,500***	***9,770,000***

CAPITAL IMPROVEMENT PROGRAM
2015/16 TO 2019/20

PARKING SERVICES CAPITAL IMPROVEMENT FUND SUMMARY

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

ASHEVILLE