



# Quarterly Financial Report

## *First Quarter of 2013-14*

**December 10, 2013**

The financial information in this report reflects the City's overall financial position for the fiscal year through September 2013.

### **EXECUTIVE SUMMARY**

**Amendments.** The General Fund budget presented in this first quarter report reflects the adopted budget of \$95,861,764 along with three budget amendments approved by Council during the first quarter. Two of the three first quarter budget amendments were technical amendments that moved budgets from the General Fund to other City funds. The overall net impact of the amendments in the first quarter lowered the General Fund budget by \$379,218. A summary of the three amendments is presented below. None of the amendments involved an appropriation from fund balance.

Adopted Budget	95,861,764
Budget Amendments:	
Technical: Move Changing Together to Grant Fund	(79,060)
Technical: Move Computer Purch. to Capital Fund	(350,000)
Add School Resource Officer	<u>49,842</u>
9/30/2013 Budget	<u>\$95,482,546</u>

**Revenues.** Through September 30, 2013, the City has collected \$15,040,749 in General Fund revenue, which represents approximately 15.8% of the total General Fund revenue budget. As Council is aware, the Town of Biltmore Forest cancelled its fire protection contract with the City of Asheville, which will result in a revenue loss of approximately \$600,000 in the current fiscal year. Also, based on early sales tax trends, staff is projecting a \$335,000 budget shortfall in this revenue. On a positive note, revenues from Development Service fees and the new sanitation fee are trending higher than anticipated. Overall, staff is currently projecting that ***FY 2013-14 General Fund revenue will come in under budget by \$409,000 or 0.43%.***

**Expenditures.** General Fund expenditures through September 30, 2013 total \$17,159,239 or 18.0% of the budget, which is typical for this point in the fiscal year. Personnel expenses, the largest component of the General Fund budget, are on budget through the first quarter. Expenditures for fuel and fleet maintenance and other operating costs are running slightly under budget through the first quarter. ***Based on the trends noted above, staff is conservatively projecting that expenditures will finish the year under budget by \$760,000 (99% of budget) which will more than offset the expected revenue shortfall.***

**Fund Balance.** The City ended FY 2012-13 with available fund balance of \$15.4 million, which equated to 17.6% of FY 2012-13 expenditures. Based on ***current revenue and expenditure projections for FY 2013-14, staff estimates that available fund balance at June 30, 2014 will be \$15.8 million or 16.7% of estimated expenditures.***

**GENERAL FUND**

	Revised Budget	9/30/2013 Actuals	Year-End Estimate	Pos./ (Neg.) Bud. Variance
<b>Revenues:</b>				
Property Taxes	51,867,389	5,173,654	51,867,389	0
Sales & Other Taxes	18,084,277	1,688,994	17,749,277	(335,000)
Intergovernmental	11,221,442	3,161,470	11,261,442	40,000
Licenses & Permits	4,706,690	2,270,686	4,892,690	186,000
Sales & Services	8,228,905	2,353,315	7,828,905	(400,000)
Investment Earnings	150,000	30,984	100,000	(50,000)
Miscellaneous	1,180,063	352,089	1,330,063	150,000
Other Financing Sources	<u>43,780</u>	<u>9,557</u>	<u>43,780</u>	<u>0</u>
Total Revenue	<u>95,482,546</u>	<u>15,040,749</u>	<u>95,073,546</u>	<u>(409,000)</u>
<b>Expenditures:</b>				
Administration	2,669,083	558,086	2,642,392	26,691
Legal Services	665,063	179,197	651,762	13,301
Finance & Management	1,715,917	328,500	1,681,599	34,318
Human Resources	1,276,285	232,915	1,250,759	25,526
Information Tech. Srv	2,518,637	469,300	2,468,264	50,373
Nondepartmental	14,028,980	1,032,025	13,958,835	70,145
Economic Development	438,457	114,849	429,688	8,769
Fire	19,579,293	4,205,007	19,579,293	0
Police	22,667,143	4,181,888	22,440,472	226,671
Building Safety	4,797,860	807,266	4,701,903	95,957
Transportation	1,196,052	215,016	1,172,131	23,921
Public Works	13,209,371	2,383,004	13,143,324	66,047
Planning	1,344,308	255,486	1,317,422	26,886
Parks & Recreation	<u>9,376,097</u>	<u>2,196,701</u>	<u>9,282,336</u>	<u>93,761</u>
Total Expenditure	<u>95,482,546</u>	<u>17,159,239</u>	<u>94,720,179</u>	<u>762,367</u>
Rev. (Under) Exp.	<u>0</u>	<u>(2,118,490)</u>	<u>353,367</u>	
<b>Unassigned Fund Balance:</b>				
Fund Bal. Change	<u>0</u>		353,367	
Beginning Fund Balance	<u>15,485,434</u>		<u>15,485,434</u>	
Ending Fund Balance	<u>15,485,434</u>		<u>15,838,801</u>	
Fund Balance Percentage	<u>16.2%</u>		<u>16.7%</u>	

**REVENUES:**

At this point in the fiscal year, staff is projecting FY 2013-14 General Fund revenue will be \$95,073,546 which is \$409,000 or 0.43% below the revised budget. Major revenues to report on for the 1st quarter include:

**Property taxes.** Property tax revenue projections are based on assessed valuation estimates provided by Buncombe County in May of this year. The next update on assessed valuation will come in early January when the City receives its official FY 2013-14 tax base data from Buncombe County. Property tax revenue projections will be refined at that time and reported to City Council in the second quarter financial report.

**Sales taxes.** Sales tax revenue in the prior fiscal year increased by \$800,000 or 5.2%. In the current fiscal year, the City has received three months of sales tax revenue from the State, and collections are down 1.3% compared to the same time last year. Current year results, however, are skewed by the fact that a large number of refunds occurred in the first quarter this year compared to last year when those refunds were not processed until the second quarter. Even after adjusting for this inconsistency in reporting from the State, staff is projecting that sales tax revenue will fall short of budget by approximately \$335,000.

**Intergovernmental.** The City has received the first of its two annual payments from Powell Bill funds, and revenue this year is up 1.6% over last year. Powell Bill revenue will exceed budget projections by approximately \$40,000. The City has also received the first quarter state utility tax payment from the State, and revenue was flat compared to FY 2012-13. Based on this result and trends from last fiscal year, staff is projecting that state utility tax revenue will come in on budget.

**Other Revenues.** As Council is aware, the Town of Biltmore Forest cancelled its fire protection contract with the City of Asheville in June, which will result in a revenue loss of approximately \$600,000 in the current fiscal year. This loss is reflected in the year end estimate for the Sales and Services revenue category. On a positive note, revenues in the Development Services Department (DSD) were already at 39% of budget through the first quarter. This uptick in DSD revenue continues a trend that began late last fiscal year. Based on these results and other potential projects in the pipeline, staff is projecting that DSD revenue will exceed budget by \$280,000. Staff is also seeing positive trends in the collection of the new solid waste fee that indicate that it will likely exceed budget estimates. Finally, based on last year's collections, staff anticipates that ABC revenue will also exceed budget.

**EXPENDITURES:**

**Salaries.** During the first quarter, there were 5.36 payroll cycles charged against the FY 2013-14 budget, which represents 21% of the total payroll cycles that will occur during this fiscal year. Actual salary expenses in the first quarter were also at 21% of budget. In order to balance the FY 2013-14 General Fund budget, several positions in the General Fund were targeted to be frozen, with a goal of achieving \$500,000 in salary savings. First quarter results indicate that the General Fund salary expenses are on target to reach this savings goal and end the year on budget.

**Fuel & Fleet Maintenance.** The General Fund FY 2013-14 budget for fuel and fleet maintenance expenses totals \$3.3 million. First quarter results show expenditures at 22% of budget, which reflects positive trends in both fuel and maintenance costs compared to one year ago. Staff will continue to monitor and report on fuel and fleet maintenance budgets throughout the year.

**Landslides.** Below is an update on repairs from the landslides that occurred in July. Staff is currently working with FEMA to obtain reimbursement for expenditures associated with the slides.

- Spooks Branch slide – Construction 100% Complete
- Skyview/Sunset Drive slide – Construction 100% Complete
- Bent Tree Road slide – Retaining Wall plans 90% Complete
- Sunset Road slide- Retaining Wall Plans 90% complete
- Finalee Ave. slide- Retaining Wall Plans 80% complete
- 23 various small slides completed by City crews- 100% complete

**FUND BALANCE ANALYSIS:**

The City ended FY 2012-13 with available fund balance of \$15.4 million, which equated to 17.6% of FY 2012-13 expenditures. Based on current revenue and expenditure projections for FY 2013-14, staff estimates that available fund balance at June 30, 2014 will be \$15.8 million or 16.7% of estimated expenditures. The City’s Financial Management Policy recommends that the City maintain a fund balance equal to 15% of the current-year budget expenditures.

**ENTERPRISE FUNDS**

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

**US Cellular Center Fund**

	Adopted Budget	9/30/2013 Actuals	Year-End Estimate	Pos./ (Neg.) Bud. Variance
Operating Revenue*	1,992,506	228,566	1,992,506	0
Expenditure	2,878,433	408,151	2,778,433	100,000
Rev. Over/(Under) Exp.	(885,927)	(179,586)	(785,927)	--

\* Represents operating revenue before general fund subsidy

First quarter highlights in FY 2013-14 included the annual Craft Fair of the Southern Highlands which saw an attendance of 8,600. The U.S. Cellular Center hosted the Children’s area for the final BeleChere festival and sold out crowds for Wait Wait Don’t Tell Me! and the Asheville Wine & Food Show in August. September saw the return of the concert season with three concerts and the Asheville Symphony’s opening night. The U.S. Cellular Center hosted seven additional event bookings compared to the first quarter of FY2012-13. Actual revenues are up \$61,820 compared to the same point last year, with expenses up only \$40,867. Looking forward, 2nd quarter arena bookings include 4 additional concert dates compared to 2nd quarter FY 2012-13 and quarters 3 and 4 have numerous tentative dates which may translate into 2 additional arena concert dates compared to quarters 3 and 4 of FY 2012-13. Year-end estimates for revenues and expenses reflect trends from the previous fiscal year.

**Water Fund**

	Revised Budget	9/30/2013 Actuals	Year-End Estimate	Pos./(Neg.) Bud. Variance
Revenue*	33,961,959	8,721,169	33,613,771	(348,188)
Expenditure	42,304,346	11,829,165	41,434,919	869,427
Rev. Over/(Under) Exp.	(8,342,387)	(3,107,996)	(7,821,148)	--

\* Does not include fund balance appropriation

Water operating revenues are projected to be \$348,188 under budget due primarily to a reduction in revenue from Delinquent Fees and Fire Line Charges. Water expenditures are now projected to be \$869,427 under budget due to a variety of factors. Water Resources held a number of positions vacant in the first quarter to reduce Salaries and Benefits expenses. Due to the passing of House Bill 252, the department does not have to transfer the budgeted \$1.3 million Sullivan Act funds. Part of the \$1.3 million will be used to cover legal expenses associated with the water lawsuit. The remaining funds will be redirected to other projects to align the goals in City Council’s Strategic Operating Plan. Projects that are currently underway include: (1) the Azalea Road / Lake Craig 8-inch water line, (2) a contract with the Mills River Partnership, and (3) a new sodium hypochlorite tank at the William DeBruhl Water Treatment Plant.

It should be noted that the Water Fund adopted budget included an \$8.3 million appropriation from fund balance for capital improvements. Based on current revenue and expenditure results, it does not appear that this full fund balance appropriation will be needed.

**Parking Fund**

	Adopted Budget	9/30/2013 Actuals	Year-End Estimate	Pos./(Neg.) Bud. Variance
Revenue	3,856,700	1,152,813	3,970,254	113,554
Expenditure	3,856,700	588,966	3,779,566	77,134
Rev. Over/(Under) Exp.	0	563,847	190,688	--

Most categories of parking revenues are in line, or exceeding, expectations for FY 2014, especially special event parking and transient (hourly) parking in the garages which have been strong in the first quarter. The opening of the Aloft Hotel and the Biltmore Avenue Parking Garage has improved garage revenues as well; as this facility continues to grow in popularity and usage. Re-purposing parking in Lot 17 (AT&T) from an hourly emphasis to primarily monthly parking has significantly increased revenues from that facility at minimal expenditures. Revenues for parking citation penalties and late fees are trending slightly below expectations due to unexpected employee turnover and the transition to a new parking citation management system. This situation should be rectified in the second quarter as new Parking Enforcement Officers are hired, trained, and deployed. Expenditures are expected to come in slightly below budget, barring some unforeseen event.

**Transit Fund**

	Adopted Budget	9/30/2013 Actuals	Year-End Estimate	Pos./ (Neg.) Bud. Variance
Revenue	5,769,288	820,147	5,769,288	0
Expenditure	5,769,288	1,200,066	5,769,288	0
Rev. Over/(Under) Exp.	0	(379,918)	0	--

Expenses are on target for the first quarter. Fare revenue, however, is 1.3% below the expected revenue for this quarter but other revenues, such as motor vehicle licenses are on target. Ridership has increased 5% - 375,476 - compared with the same period in FY2013, which demonstrates a recovery after the system changes in FY2012. Ridership trends will continue to be monitored to determine if the recovery is maintained the rest of the year. The fund shows a deficit at the end of the 1st quarter due to the timing of federal and state grant draw downs.

**Stormwater Fund**

	Revised Budget	9/30/2013 Actuals	Year-End Estimate	Pos./ (Neg.) Bud. Variance
Revenue*	3,218,723	381,644	3,320,294	101,571
Expenditure	3,700,534	762,782	3,589,518	111,016
Rev. Over/(Under) Exp.	(481,811)	(381,139)	(269,224)	--

\* Does not include fund balance appropriation

The Stormwater Fund budget includes a \$481,811 appropriation from fund balance for capital improvements. Based on prior year-end revenue and expenditure results, it does not appear that this full fund balance appropriation will be needed.

As a result of the July storm events, the stormwater construction crew installed 340 ft. of pipe on Pinecroft Road, installed 80 ft. of pipe on Brookwood Road, and also installed 40 ft. of pipe on Spooks Branch. The stormwater maintenance crew completed 55 work orders in this time period: 2 for structure maintenance, 15 ditch line and road shoulder repair, 10 reset or replace lid or grate, 1 trench drain installation, 2 pipe maintenance and install, 14 sinkhole repairs and 11 rain day drain cleaning. The stormwater maintenance crews also swept 1,173 miles of roadways and cleaned 828 catch basins and inspected an additional 895 catch basins, which resulted in the removal of 292 tons of material and debris.

**Street Cut Utility Fund**

	Adopted Budget	9/30/2013 Actuals	Year-End Estimate	Pos./ (Neg.) Bud. Variance
Revenue	1,493,808	0	1,393,808	(100,000)
Expenditure	1,493,808	246,056	1,393,808	100,000
Rev. Over/(Under) Exp.	0	(246,056)	0	--

The Utility Patch Crews have patched 226 asphalt, 2 concrete cuts for the Water Department, 45 asphalt, 0 concrete cuts for PSNC, 99 asphalt, 1 concrete cuts for MSD, and 12 asphalt cuts for the Stormwater Division since July1 for a total of 385 cuts. The total square footage for asphalt cuts is 19,548.44. The total square footage for concrete cuts is 409.84. An additional 123 dirt cuts were inspected. Payment for services rendered in the first quarter will be received during the second quarter.

**CAPITAL PROJECT UPDATE**

As a part of the annual year-end closing and audit process, staff completed a review of existing capital projects to determine if there were projects that were completed and ready to be closed. Any savings from completed projects were moved to the General Capital Projects Fund’s reserve. As of the end of September, the total amount available in the capital reserve account was \$130,000. Staff recommends that the funds in the capital reserve be allocated for the FY 2014-14 CIP as part of the upcoming budget process.

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

**Integrated Document Management System**

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

The system is up and running with multiple departments actively adding documents (e.g. APD, AFR, Legal). The conversion of the legacy Keyfile database was originally completed in June 2013 but staff identified significant errors and the vendor is redoing the conversion with more stringent quality control measures in place. The final conversion, pending internal testing and acceptance, is scheduled to be completed in early November 2013.

**Radio Infrastructure**

Budget	Expenditures & Encumbrances	Avail. Budget
6,142,000	123,400	6,018,600

Trott Communications Group was contracted within this quarter, and the project was kicked off with site visits, equipment assessment, radio frequency measurements, and interviews to determine business needs of city departments, chiefly the Asheville Police and Fire departments, including the 911 dispatch function. Trott also interviewed partners such as Buncombe County IT, Buncombe County EMS, and Buncombe County Sheriff to determine partnership possibilities and interoperability requirements. Initial analysis indicates that additional radio coverage and associated equipment will be needed, as well as additional end of life equipment that interfaces with the radio system, notably the dispatch system audio logging system and the fire station alerting system. Even with these additional items, based on projects of similar size and scope, Trott has expressed confidence that the project will still fit into the allocated budget.

**Development Services Permitting System (4% Technology Fee Funds)**

Budget	Expenditures & Encumbrances	Avail. Budget
650,000	569,282	80,718

System configuration was completed in early September 2013 for the new permitting software, Accela. User acceptance testing, training, and legacy system conversion have continued through September and October 2013. The system went live as of November 4, 2013. Legacy system support has been discontinued. Highlights of the new system include contractor ability to apply for, pay for, and issue permits online. Contractors are also able to schedule inspections online and review the overall status of projects.

**US Cellular Center Renovations**

Budget	Expenditures & Encumbrances	Avail. Budget
11,199,358	10,376,924	822,434

Work on the most recent phase of renovations at the USCC began in March of 2013 and is slated for completion in early November of 2013. Work includes updates to the main entrance, plaza, ticket office, storage areas, ramp improvements, new marquee and all arena restrooms. Also included in the renovation was a public art piece in the lobby area terrazzo flooring. USCC staff has been working diligently with the contractor as all venues have remained open for the booking of events throughout this phase of the project. At the November 12, 2013 meeting, City Council approved a contract amendment in the amount of \$485,794 to fund renovating the Mezzanine level meeting room spaces into a hospitality suite and updating the other meeting spaces for expanded usage of the facility.

**Beaucatcher Greenway**

Budget	Expenditures & Encumbrances	Avail. Budget
1,261,781	326,955	934,826

Work initiated at the end of April with a walking tour of the site, and there have been other site visits by the team subsequently. This includes teams for surveying, master planning, and assessing alternative routes. The consultant has also been developing design and trail alignment drawings along with associated costs. The construction drawings are set for a February 2014 completion timeframe.

**TIGER Grant II for Clingman Forest and Town Branch Greenways**

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

Work initiated at the end of April with two walking tours to address each greenway and numerous site visits have occurred since that time to assess route alternatives, meet with property owners and perform selective surveying and site clearing. Numerous public meetings have also been held with the community and target groups. The consultant has also conducted some environmental research and testing within the corridors. Currently the consultant is developing more detailed engineering drawing of the corridors. The construction drawings are set for a December 2013 completion timeframe.

**Greenway Land Acquisition**

Budget	Expenditures & Encumbrances	Avail. Budget
217,315	129,322	87,993

The Beaucatcher Greenway homeowner’s property by Wind in the Oaks for City land exchange was completed. Staff continues to work on the other greenways with substantial work being completed on two parcels along the Waller Tract. Other efforts are also being applied to the Town Branch, Clingman Forest and French Broad River Greenways.

**WNC Nature Center – Playground and Red Wolf Project**

Budget	Expenditures & Encumbrances	Avail. Budget
349,058	257,648	91,409

The project construction is virtually complete with simply the punch list and project close out to be finished in November.

**WNC Nature Center – New Entrance & Animal Exhibits Project**

Budget	Expenditures & Encumbrances	Avail. Budget
92,630	90,252	2,378

The consultant is developing the construction documents for the structures and landscape. This process is delayed as the locations of previously unknown storm water and water lines are being determined. The plans should be complete in November of 2013.

**Parks & Recreation Maintenance**

Budget	Expenditures & Encumbrances	Avail. Budget
504,185	260,477	243,708

To date, expenditures have been made on the following projects: 1) A \$130,000 contract for the Montford gym floor replacement has been executed and the project is under construction. 2) a \$13,900 contract for painting at the Montford gym has been executed and the work has been complete. 3) \$15,000 has been expended for LED lights for the Montford gym.

**Public Art Acquisition**

Budget	Expenditures & Encumbrances	Avail. Budget
143,421	0	143,421

**US Cellular Center Terrazzo Floor**

The terrazzo floor artwork titled "Rhyme of Time" was installed in the main lobby of the US Cellular Center at the entrance of the Thomas Wolfe Auditorium. Design by Joan Weissman, fabrication by Asheville Tile. Expenditures will be captured in the project in the second quarter.

**Public Art Project 51 Biltmore**

Call for artist was issued for artwork on the north exterior wall of the public parking garage located next to the Aloft Hotel at 51 Biltmore Avenue. Over 100 artists responded to the call. The project will integrate public feedback as part of the final selection process. Completion date is targeted for spring 2014.

**CBD Traffic Signal Poles**

Budget	Expenditures & Encumbrances	Avail. Budget
131,131	105,490	25,641

All work at the intersection of College Street and North Market Street was completed on July 31, 2013. The remaining funds in the project will be used for design work on an additional intersection. The intersection currently being considered for design is Haywood Street and Page Avenue/Flint Street across from the US Cellular Center. The availability of construction funds for the next replacement will depend on future Capital Improvement Budgets.

**Sidewalk Maintenance & Construction**

Budget – various projects

The in-house concrete crew completed 473 linear feet of sidewalk repairs during this first quarter.

**Street Resurfacing (FY13 Contract)**

Budget	Expenditures & Encumbrances	Avail. Budget
1,100,000	1,100,000	0

This project is currently underway and should be complete by mid December. It is on schedule and on budget at this point

**Haywood Rd Multi-Modal Improvements**

Budget	Expenditures & Encumbrances	Avail. Budget
220,000	0	220,000

This project is in the easement acquisition stage. Once those have been obtained, a construction easement will be requested, and the final design will go back to City Council prior to project letting.

**Hendersonville Rd Sidewalk**

Budget	Expenditures & Encumbrances	Avail. Budget
4,125,000	0	4,125,000

This project is in the surveying, design and environmental planning stage. Staff is working with NCDOT, as well the Department of Interior, to complete the various planning and design documents to prepare for the letting of the contract in FY 15.

**Cedar St Bridge Repairs**

Budget	Expenditures & Encumbrances	Avail. Budget
500,000	0	500,000

Staff is targeting the spring of 2014 to award a professional services contract to design the necessary repairs to this bridge.

**Cherokee/Sunset Wall**

Budget	Expenditures & Encumbrances	Avail. Budget
475,468	466,422	9,046

Cherokee/Sunset Wall is complete.

**Wild Cherry Bridge**

Budget	Expenditures & Encumbrances	Avail. Budget
706,597	613,709	92,888

Wild Cherry Bridge is complete.

**Victoria Road Storm Drainage**

Budget	Expenditures & Encumbrances	Avail. Budget
700,000	104,426	595,574

City crews have installed new storm water conveyance systems along Victoria Road. The project also consists of stabilization of the bank along Victoria Road where storm water had flowed over. The design is in progress for this stabilization; construction is anticipated this fiscal year.

**Lake Craig/Azalea Road Improvements**

Budget	Expenditures & Encumbrances	Avail. Budget
5,709,847	1,555,885	4,153,962

The design of the project was finalized and Council awarded the construction contract to Young and McQueen at the October 22, 2013 meeting. Construction is expected to begin by December of this year and last approximately twelve months. City staff continues to coordinate with the Army Corps of Engineers and other regulatory agencies as needed.

**Craven Street Improvements**

Budget	Expenditures & Encumbrances	Avail. Budget
852,604	852,524	1,920

The design of improvements along Craven Street continues to move forward. This project consists of improvements to the roadway, storm water system, installation of regional water quality improvements, a low impact parking area and a greenway. It is anticipated construction will begin late winter. Coordination with other agencies and utility companies is continuing in order to acquire necessary permits for the project.

**Michigan Avenue Stormwater Improvements**

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

City crews plan to install a storm water system along a section of Michigan Avenue. It is anticipated that construction will begin this construction season.

**City Hall Repairs**

Budget	Expenditures & Encumbrances	Avail. Budget
6,001,833	4,291,866	1,709,967

The project is approximately 68 % complete. Brick replacement is commencing on the 7th floor. Gutter repair work has begun and samples of windows and terra cotta are due to be here for test fitting during November. Work is progressing ahead of schedule.

**National Guard Armory Repairs**

Budget	Expenditures & Encumbrances	Avail. Budget
60,000	44,104	14,896

Work continues to the exterior to allow additional space utilization by APD and Facility Maintenance.

**410A HVAC Conversion**

Budget	Expenditures & Encumbrances	Avail. Budget
370,000	164,552	205,448

Work continues as Facility Maintenance identifies these units to be replaced to allow the least interruption to the building occupants. To date we are approximately 48% complete.

**FY13 and FY14 Roof Replacements**

Budget	Expenditures & Encumbrances	Avail. Budget
364,000	86,841	277,159

West Asheville Park has had one of the two shelters roofs replaced with the other slated for November. Additional roofs have been identified for replacement and bids have been received, however due to winter weather setting in these will be replaced in March 2014. Several prospective roofs have been evaluated to be replaced with FY14 funding; however these are on hold at this time pending weather.

**City Hall Elevator Automation**

<u>Budget</u>	<u>Expenditures &amp; Encumbrances</u>	<u>Avail. Budget</u>
200,000	0	200,000

Project scope has been identified with OTIS Elevator and NCDOL has been onsite to determine the compliance aspect of the project. Contractor is working to develop action plan for submittal to Inspections department as well as review by the Fire Marshall.

**McCormick Field Clubhouse**

<u>Budget</u>	<u>Expenditures &amp; Encumbrances</u>	<u>Avail. Budget</u>
100,000	0	100,000

Scope of the project has been identified with Tourist General Manager and quotes have been collected. Anticipated start date is January 15th, 2014.

**Police Evidence Room Ventilation System**

<u>Budget</u>	<u>Expenditures &amp; Encumbrances</u>	<u>Avail. Budget</u>
100,000	94,767	5,233

Contract has been executed; construction has commenced and is currently 45% completed.

**INVESTMENT REPORT**

The total cash and investments for the City of Asheville as of September 30, 2013 were \$93,415,767. These investments represent cash and cash equivalents and do not reflect budgeted contractual commitments against these funds. These investments comply with North Carolina General Statutes, the City’s investment policies and the City’s bond restrictions. The average rate of return for all investments is 0.57%. Shown below are the total investments as of September 30, 2013, reduced by contractual commitments and the funds that are restricted by bond order.

<b>Total Cash &amp; Investments as of 9/30/13</b>		<b>\$93,415,767</b>
<b>Less:</b>		
Budgeted Commitments:		
Outstanding Encumbrances	(20,490,604)	
Bond Restricted Funds:		
Bond Service (Funds held by trustee)	(999,174)	
Bond Proceeds to Be Drawn Down	<u>(6,404,431)</u>	
		<u>(26,994,209)</u>
<b>Net Amount</b>		<b>\$66,421,558</b>

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

**SUMMARY**

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