

OPERATING BUDGET SUMMARY: ALL FUNDS

BUDGET SUMMARY BY FUND

FUND SUMMARY

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

OPERATING BUDGET SUMMARY: ALL FUNDS

BUDGET SUMMARY BY FUND

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

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

BUDGET SUMMARY - EXPENDITURES

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

BUDGET SUMMARY - EXPENDITURES

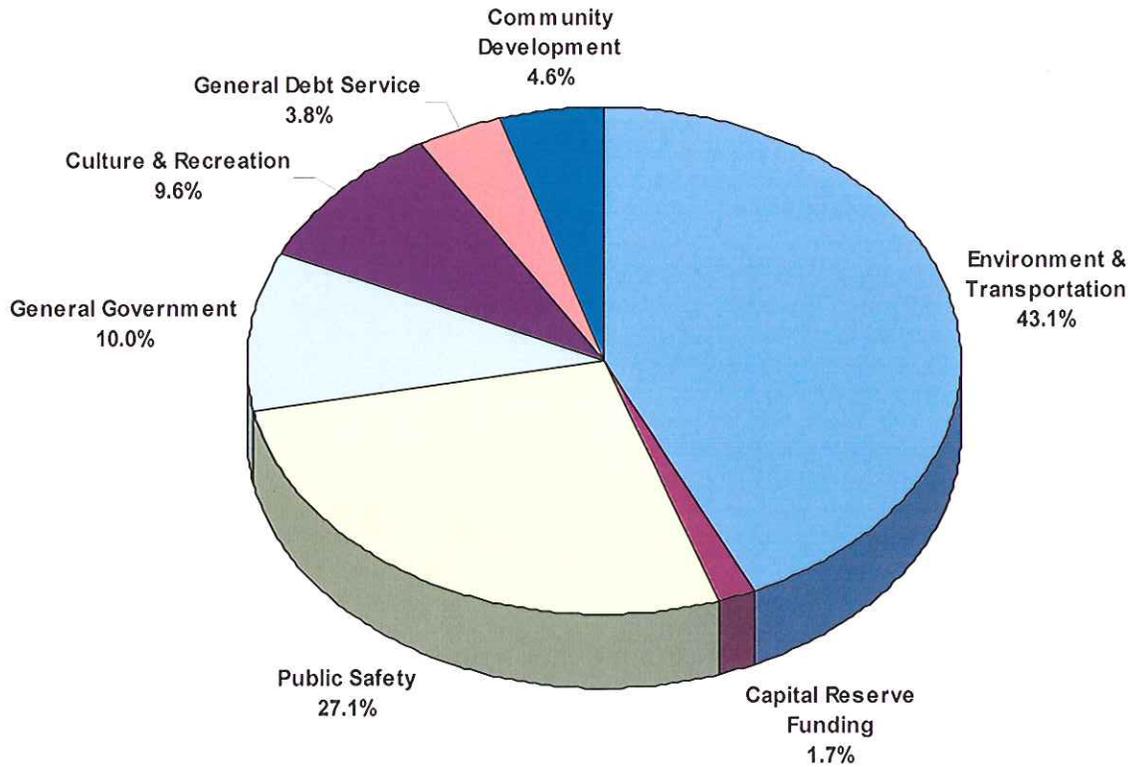
<i>Expenditures by Category</i>	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Salaries & Wages	48,183,920	52,247,513	52,972,998	51,227,808
Fringe Benefits	15,775,166	17,324,479	18,552,707	21,109,968
Operating Costs	36,387,796	36,984,679	40,845,422	40,423,591
Debt Service	11,629,868	13,471,496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

BUDGET HIGHLIGHTS

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

BUDGET SUMMARY - EXPENDITURES

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



Budget-to-Budget Expenditure Comparison

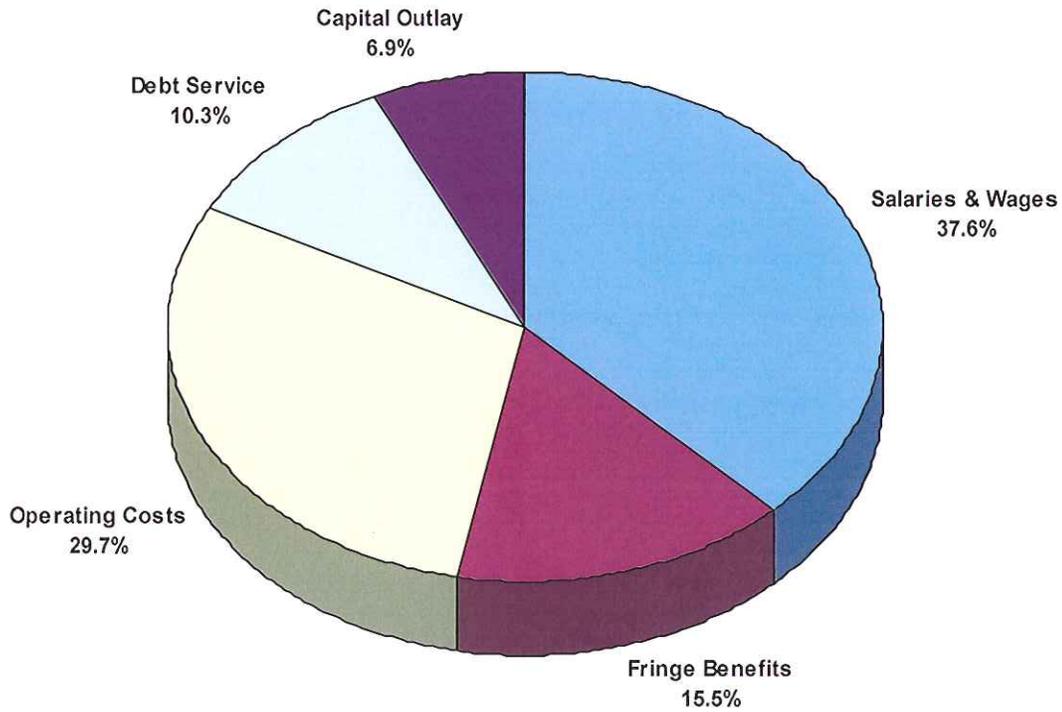
Service Areas:	2009-10	2010-11	Change From Prior Year	
	Budget	Adopted	in \$	in %
Environment & Transportation	59,997,300	61,073,453	1,076,153	1.8%
Public Safety	38,432,648	38,381,372	(51,276)	-0.1%
Culture & Recreation	15,105,882	13,618,496	(1,487,386)	-9.8%
General Government	13,588,191	14,195,299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

Notes:

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

BUDGET SUMMARY - EXPENDITURES

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



Budget-to-Budget Expenditure Comparison

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

BUDGET SUMMARY - REVENUES

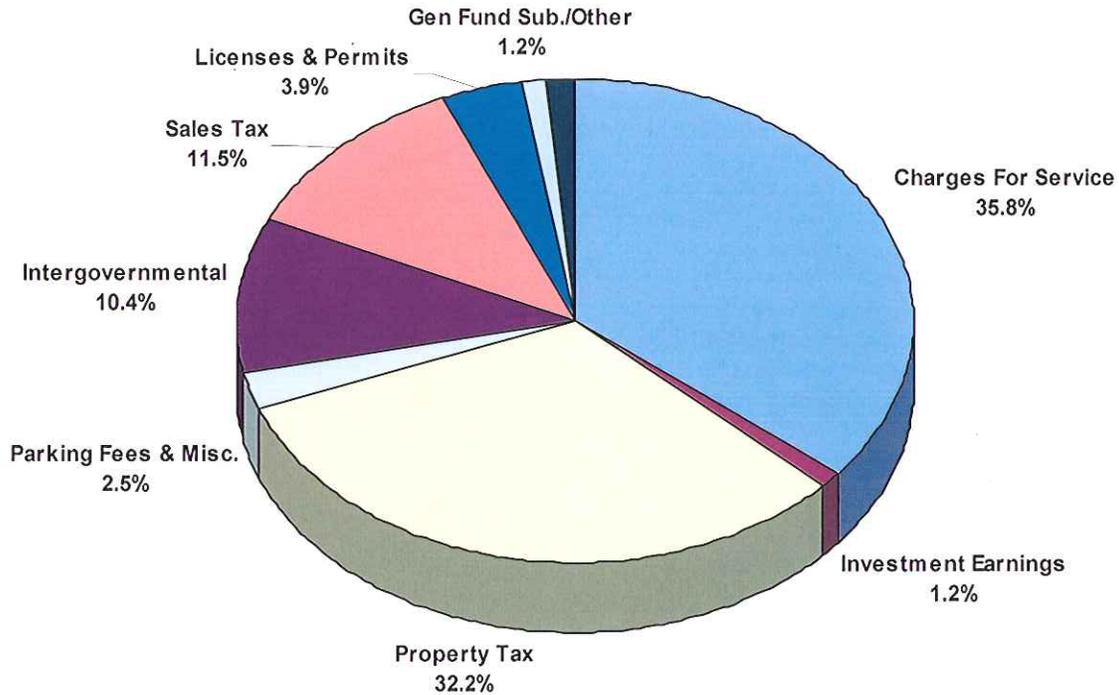
<u>Revenue Sources:</u>	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Adopted
Property Tax	42,137,549	43,839,812	45,413,548	46,055,271
Charges For Service	48,140,866	47,821,733	50,460,692	52,792,294
Intergovernmental	13,010,051	14,441,114	14,710,464	14,869,802
Local Option Sales Tax	16,548,425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

BUDGET HIGHLIGHTS

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

BUDGET SUMMARY - REVENUES

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



Budget-to-Budget Revenue Comparison

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

BUDGET SUMMARY - STAFFING

FULL-TIME EQUIVALENT POSITIONS BY FUND

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

BUDGET HIGHLIGHTS

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

BUDGET SUMMARY - STAFFING

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

BUDGET SUMMARY - STAFFING

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

BUDGET SUMMARY - STAFFING

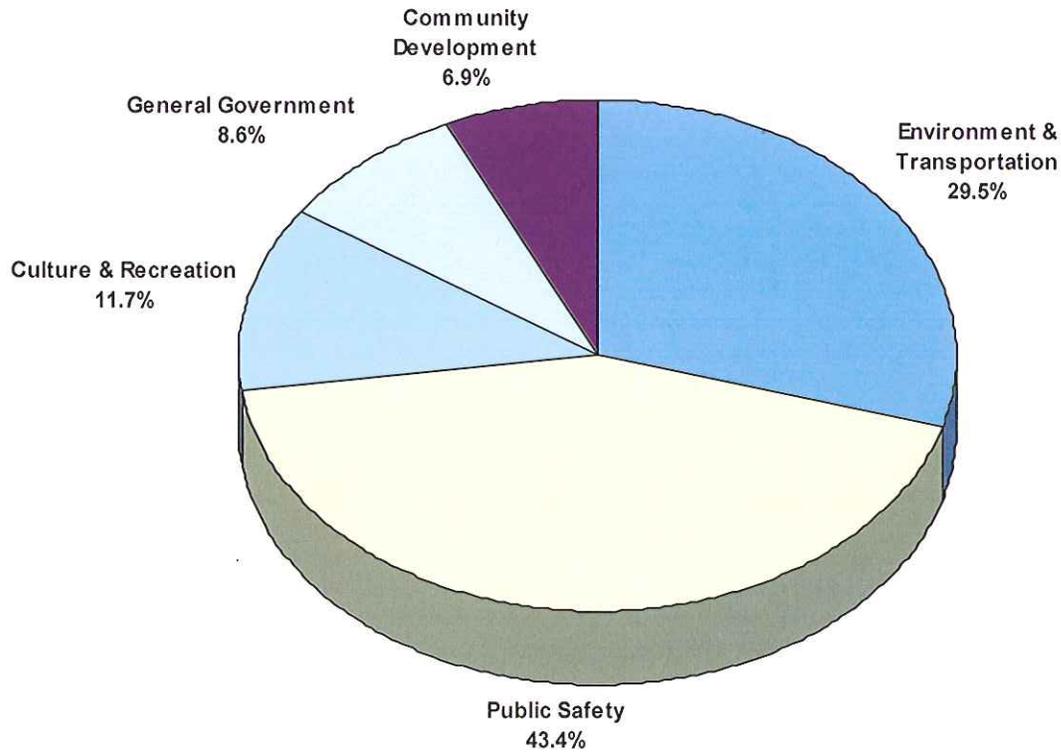
<u>SERVICE AREAS</u>	2007-08	2008-09	2009-10	2010-11
Departments & Divisions	Actual	Actual	Budget	Adopted
<u>Environment & Transportation</u>				
Water Resources Fund				
Administration	7.00	8.00	7.00	7.00
Meter Services	17.00	17.00	17.00	17.00
Water Education	1.00	1.00	--	--
Water Maintenance	49.00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

BUDGET SUMMARY - STAFFING

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

BUDGET SUMMARY - STAFFING

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



Budget-to-Budget Staffing Comparison

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

Notes:

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

ANALYSIS OF FUND BALANCE

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

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

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

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

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

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

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

ANALYSIS OF FUND BALANCE

- The availability of resources in other funds as well as the potential drain upon general fund resources from other funds may require a higher level of unreserved fund balance.
- Designations by management to compensate for any portion of the fund balance already designated for a specific purpose.
- Liquidity - a disparity between when financial resources actually become available to make payments and the average maturity of the related liabilities may require a higher level of resources be maintained. One measure of a city's financial strength is the level of its available fund balances. In general, fund balance is excess or surplus money. At the end of a fiscal year, unreserved fund balance is that portion of a municipality's money that can be appropriated in the new fiscal year to cover expenditures. Fund balance that is unappropriated after budget adoption serves as a general operating reserve for the city. This operating reserve is identified as unreserved fund balance in the chart above.

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

Enterprise Funds

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

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