

OPERATING BUDGET SUMMARY: ALL FUNDS

BUDGET SUMMARY BY FUND

FUND SUMMARY

	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Adopted
<u>Revenues:</u>				
General Fund	79,802,856	86,335,365	90,306,292	88,945,552
Water Resources Fund	24,409,889	31,437,503	30,349,390	35,371,109
Transit Services Fund	3,794,840	4,637,865	4,969,837	5,395,260
Civic Center Fund	1,919,559	2,052,530	1,958,698	2,103,414
Parking Services Fund	2,473,601	2,927,021	3,594,000	3,099,700
Golf Fund	915,852	896,252	1,041,500	1,164,701
Stormwater Utility Fund	2,569,404	3,073,936	3,033,404	3,304,383
Festivals Fund	<u>997,195</u>	<u>887,044</u>	<u>1,192,928</u>	<u>1,107,681</u>
Total	116,883,193	132,247,516	136,446,049	140,491,800
Less Interfund Transactions	(4,108,948)	(4,406,566)	(4,961,148)	(5,005,043)
Net Revenue	<u>112,774,245</u>	<u>127,840,950</u>	<u>131,484,901</u>	<u>135,486,757</u>
<u>Expenditures:</u>				
General Fund	74,905,581	81,735,181	90,306,292	88,945,552
Water Resources Fund	22,177,805	30,089,287	30,349,390	35,371,109
Transit Services Fund	3,836,715	4,289,875	4,969,837	5,395,260
Civic Center Fund	1,919,559	1,972,880	1,958,698	2,103,414
Parking Services Fund	1,559,927	1,893,523	3,594,000	3,099,700
Golf Fund	877,010	953,622	1,041,500	1,164,701
Stormwater Utility Fund	2,025,708	2,269,157	3,033,404	3,304,383
Festivals Fund	<u>1,188,846</u>	<u>1,310,166</u>	<u>1,192,928</u>	<u>1,107,681</u>
Total	108,491,151	124,513,691	136,446,049	140,491,800
Less Interfund Transactions	(4,108,948)	(4,406,566)	(4,961,148)	(5,005,043)
Net Expenditure	<u>104,382,203</u>	<u>120,107,125</u>	<u>131,484,901</u>	<u>135,486,757</u>

OPERATING BUDGET SUMMARY: ALL FUNDS

BUDGET SUMMARY BY FUND

	General Fund	Water Resources	Transit Services	Civic Center	Stormwater Utility	Parking Services	Festivals	Golf	All Funds
<u>Sources of Funds:</u>									
Property Tax	43,437,175	0	0	0	0	0	0	0	43,437,175
Charges For Service	10,413,281	30,974,000	796,755	1,580,025	2,707,383	0	929,306	1,089,000	48,489,750
Intergovernmental	10,829,149	0	2,350,652	0	0	0	0	0	13,179,801
Local Option Sales Tax	17,592,167	0	0	0	0	0	0	0	17,592,167
Other Taxes	330,000	0	0	0	0	0	0	0	330,000
Licenses & Permits	5,026,280	0	333,540	0	287,000	0	0	0	5,646,820
Investment Earnings	1,014,000	800,000	0	55,000	30,000	50,000	700	0	1,949,700
Miscellaneous	303,500	39,550	0	70,400	0	3,049,700	0	0	3,463,150
Other	0	0	348,116	0	280,000	0	15,000	0	643,116
General Fund Subsidy	0	0	1,566,197	397,989	0	0	162,675	75,701	2,202,562
Appropriated Fund Balance	0	3,557,559	0	0	0	0	0	0	3,557,559
Total Revenue	88,945,552	35,371,109	5,395,260	2,103,414	3,304,383	3,099,700	1,107,681	1,164,701	140,491,800
Less: Interfund Transactions									(5,005,043)
Net Revenue									135,486,757

	General Fund	Water Resources	Transit Services	Civic Center	Stormwater Utility	Parking Services	Festivals	Golf	All Funds
<u>Uses of Funds:</u>									
Salaries & Wages	42,242,338	5,849,869	131,149	900,444	1,464,339	614,840	124,491	507,274	51,834,744
Fringe Benefits	13,734,183	2,115,495	41,050	294,843	467,744	213,742	39,420	174,127	17,080,604
Operating Costs	21,704,484	8,765,701	5,223,061	908,127	867,000	869,779	943,770	483,300	39,765,082
Interfund Transfers	2,802,562	0	0	0	0	248,116	0	0	3,050,678
Debt Service	5,709,822	7,648,970	0	0	150,000	500,000	0	0	14,008,792
Capital Outlay	2,752,163	10,991,074	0	0	355,300	653,223	0	0	14,751,760
Total Expenditure	88,945,552	35,371,109	5,395,260	2,103,414	3,304,383	3,099,700	1,107,681	1,164,701	140,491,800
Less: Interfund Transactions									(5,005,043)
Net Expenditure									135,486,757

BUDGET SUMMARY - EXPENDITURES

<u>Service Area</u>	2005-06	2006-07	2007-08	2008-09
Departments	Actual	Actual	Budget	Adopted
<u>General Government</u>				
Finance	4,681,643	5,717,640	2,531,916	2,642,397
Information Technology	2,580,204	1,788,627	2,229,306	2,302,182
General Administration	1,481,262	1,780,402	2,217,765	1,886,512
Legal Services	569,597	502,051	595,718	624,864
Human Resources	923,511	1,028,830	1,501,499	1,545,062
Health Care Tran. (Employee Share)	**	**	2,425,000	2,800,000
Nondepartmental	909,373	1,511,482	1,392,397	1,140,580
Total General Government	11,145,590	12,329,032	12,893,601	12,941,597
<u>Public Safety</u>				
Police	14,804,354	16,251,889	17,917,119	19,712,616
Fire & Rescue	13,102,709	14,450,624	15,407,781	16,613,560
Nondepartmental	475,233	314,213	342,749	376,629
Total Public Safety	28,382,296	31,016,726	33,667,649	36,702,805
<u>Environment & Transportation</u>				
Water Resources Fund	22,177,805	30,089,287	30,349,390	35,371,109
Public Works	9,953,850	10,202,154	11,421,816	12,078,348
Engineering	1,781,234	1,814,662	2,158,712	1,600,030
Transit Services Fund	3,836,715	4,289,875	4,969,837	5,395,260
Parking Services Fund	1,559,927	1,893,523	3,594,000	3,099,700
Stormwater Utility Fund	2,025,708	2,269,157	3,033,404	3,304,383
Interfund Transfers	2,069,438	2,238,896	2,267,865	2,518,497
Total Environ. & Transportation	43,404,677	52,797,554	57,795,024	63,367,327
<u>Culture & Recreation</u>				
Parks, Rec. & Cultural Affairs	7,926,607	8,337,829	9,176,288	9,857,088
Civic Center Fund	1,919,559	1,972,880	1,958,698	2,103,414
Golf Fund	877,010	953,622	1,041,500	1,164,701
Festivals Fund	1,188,846	1,310,166	1,192,928	1,107,681
Interfund Transfers	548,137	413,340	685,120	636,365
Nondepartmental	493,106	316,295	17,500	17,500
Total Culture & Recreation	12,953,265	13,304,132	14,072,034	14,886,749
<u>Community Development</u>				
Building Safety	1,911,813	2,084,331	2,828,101	2,595,832
Planning & Development	1,306,992	1,509,865	1,804,830	1,880,068
Housing Trust Fund	600,000	600,000	600,000	600,000
Nondepartmental	247,277	176,575	293,195	279,100
Total Community Development	4,066,082	4,370,771	5,526,126	5,355,000
Capital Reserve Funding	3,777,926	5,174,287	6,285,135	1,528,500
General Debt Service	4,761,315	5,521,189	6,206,480	5,709,822
TOTAL BUDGET	108,491,151	124,513,691	136,446,049	140,491,800
Less: Interfund Transactions	(4,108,948)	(4,406,566)	(4,961,148)	(5,005,043)
NET BUDGET	<u>104,382,203</u>	<u>120,107,125</u>	<u>131,484,901</u>	<u>135,486,757</u>

** Accounted for in the Finance Department prior to FY 2007-08.

BUDGET SUMMARY - EXPENDITURES

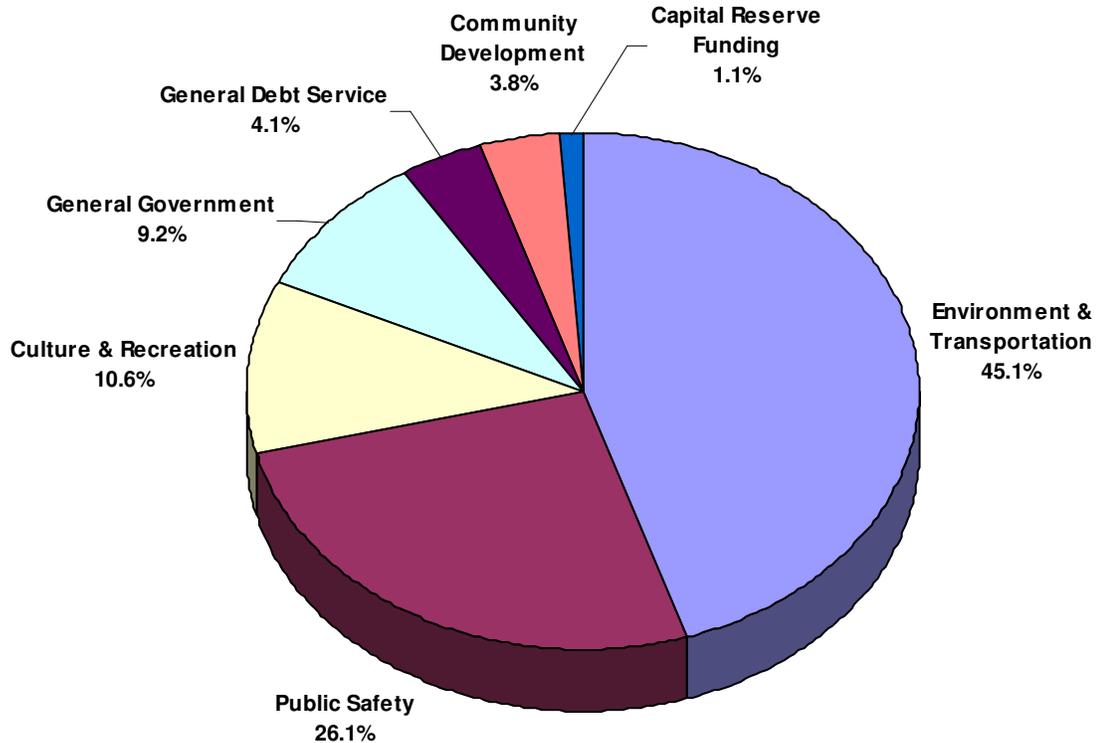
<i>Expenditures by Category</i>	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Adopted
Salaries & Wages	40,361,567	43,476,117	48,457,434	51,834,744
Fringe Benefits	12,613,208	13,430,104	15,036,866	17,080,604
Operating Costs	31,970,814	34,937,062	39,743,291	37,810,857
Debt Service	9,262,107	11,130,407	12,293,123	14,008,792
Capital Outlay	<u>10,174,507</u>	<u>17,133,705</u>	<u>15,954,187</u>	<u>14,751,760</u>
NET BUDGET	<u>104,382,203</u>	<u>120,107,125</u>	<u>131,484,901</u>	<u>135,486,757</u>

BUDGET HIGHLIGHTS

- The personnel budget includes a 3% average merit pay increase for City employees and funding for the third year of the market-based compensation plan. The personnel budget also includes approximately \$800,000 to provide a full-year's funding for new positions that were only funded for a partial year in FY 2007-08. The fringe benefit budget includes a \$1.5 million increase in the City's contribution to the health care fund.
- Citywide operating costs show a decrease of 4.9% in FY 2008-09. A portion of this decrease is due to the removal of one-time costs in the FY 2007-08 Budget; however, the majority of this decrease is the result of reductions required to balance the General Fund budget. Reductions were made to training & travel, professional services, and a number of other operating budget items. This overall decrease in operating costs was achieved despite significant inflation in a number of key areas, such as fuel and materials cost for asphalt and concrete. For example, fuel costs are currently 54% higher than at this point in the prior fiscal year. One way the City is managing this increase in fleet costs is by "right-sizing" our fleet and eliminating under-utilized vehicles.
- Overall, capital funding shows a decrease of 7.5% in FY 2008-09. In the General Fund, capital funding is approximately \$4.9 million less than in FY 2007-08, partly due to the removal of one-time funding and partly due to an overall reduction in the pay-as-you-go contribution to the general capital reserve fund. Capital funding in the Water Resources Fund shows an increase of \$2.4 million, due to the appropriation of \$3.5 million in fund balance for the Brevard Road NCDOT project.
- Annual debt service requirements for FY 2008-09 total \$14.0 million, which represents an increase of 14% over FY 2007-08. The increase in debt service is due to the recent issuance of \$40 million in revenue bonds for capital improvements in the Water Fund. In the General Fund, debt service shows a decrease of approximately \$500,000. In the Parking fund, debt service on the existing decks is being paid off in FY 2007-08. The FY 2008-09 budget includes \$500,000 to pay what is expected to be a half-year's debt service payment on a new \$18.5 million Biltmore Avenue parking deck, which is budgeted in the Parking Fund's Capital Improvement Program (CIP). The deck will be financed with a combination of tax exempt and taxable bonds.

BUDGET SUMMARY - EXPENDITURES

CITY OF ASHEVILLE FY 2008-09 EXPENDITURES BY SERVICE AREA NET TOTAL \$135,486,757



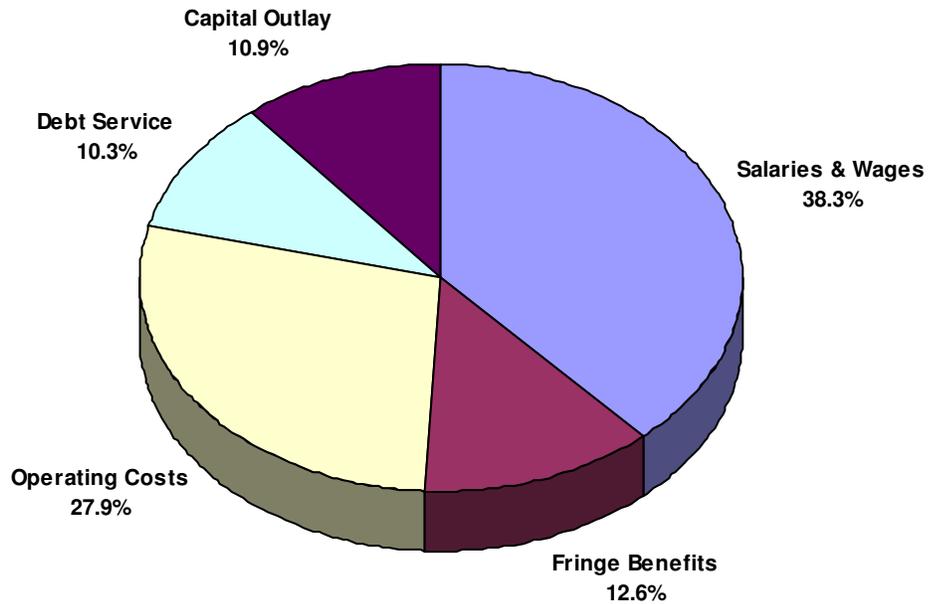
Budget-to-Budget Expenditure Comparison

<u>Service Areas:</u>	2007-08	2008-09	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Environment & Transportation	57,795,024	63,367,327	5,572,303	9.6%
Public Safety	33,667,649	36,702,805	3,035,156	9.0%
Culture & Recreation	14,072,034	14,886,749	814,715	5.8%
General Government	12,893,601	12,941,597	47,996	0.4%
General Debt Service	6,206,480	5,709,822	(496,658)	-8.0%
Community Development	5,526,126	5,355,000	(171,126)	-3.1%
Capital Reserve Funding	6,285,135	1,528,500	(4,756,635)	-75.7%
Total Expenditures	136,446,049	140,491,800	4,045,751	3.0%
Less: Interfund Transfers	(4,961,148)	(5,005,043)	(43,895)	0.9%
Net Expenditures	<u>131,484,901</u>	<u>135,486,757</u>	<u>4,001,856</u>	<u>3.0%</u>

Note: 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.

BUDGET SUMMARY - EXPENDITURES

CITY OF ASHEVILLE FY 2008-09 EXPENDITURES BY CATEGORY NET TOTAL \$135,486,757



Budget-to-Budget Expenditure Comparison

<u>Expense Category:</u>	<u>2007-08</u>	<u>2008-09</u>	<u>Change From Prior Year</u>	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Salaries & Wages	48,457,434	51,834,744	3,377,310	7.0%
Fringe Benefits	15,036,866	17,080,604	2,043,738	13.6%
Operating Costs	39,743,291	37,810,857	(1,932,434)	-4.9%
Debt Service	12,293,123	14,008,792	1,715,669	14.0%
Capital Outlay	15,954,187	14,751,760	(1,202,427)	-7.5%
Net Expenditures	<u>131,484,901</u>	<u>135,486,757</u>	<u>4,001,856</u>	<u>3.0%</u>

BUDGET SUMMARY - REVENUES

<i>Revenue Sources:</i>	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Adopted
Property Tax	36,874,015	41,265,168	42,308,832	43,437,175
Charges For Service	39,339,239	46,874,315	46,110,725	48,489,750
Intergovernmental	10,849,612	11,816,509	12,734,525	13,179,801
Local Option Sales Tax	16,106,644	17,399,164	17,116,370	17,592,167
Other Taxes	308,368	320,916	300,000	330,000
Licenses & Permits	5,128,655	6,425,813	4,855,166	5,646,820
Investment Earnings	2,277,925	2,779,911	1,295,500	1,949,700
Miscellaneous/Parking Fees	4,422,018	3,651,381	3,422,300	3,463,150
Other/Interfund Subsidy	1,576,717	1,714,338	2,830,701	2,845,678
Appropriated Fund Bal.	--	--	<u>5,471,930</u>	<u>3,557,559</u>
Total Revenue	116,883,193	132,247,516	136,446,049	140,491,800
Less: Interfund Transactions	(4,108,948)	(4,406,566)	(4,961,148)	(5,005,043)
Net Revenue	<u>112,774,245</u>	<u>127,840,950</u>	<u>131,484,901</u>	<u>135,486,757</u>

BUDGET HIGHLIGHTS

- Property tax revenue is the City's single largest revenue source. Based on estimates from the Buncombe County Tax Assessor, staff has budgeted a 2.5% growth in assessed value for FY 2008-09. In addition, the City will receive an estimated \$80,000 in property tax revenue from a recently resolved annexation challenge. Total growth in property tax revenue is budgeted at 2.7%.
- Revenue from charges for services shows a 5.2% increase. Part of this growth is due to a 4% increase in water rates which will generate approximately \$800,000 in revenue in the Water Resources Fund. Also, based on prior year collections, staff is budgeting \$300,000 more in collections from the Stormwater utility charge. Based on recent trends, staff is budgeting \$375,000 more in employee contributions into the health care program. This revenue will be collected in the General Fund and transferred to the Insurance Fund. The budget also includes \$230,000 in additional revenue from changes to the fire inspection fees.
- The City has seen its sales tax growth slow in FY 2007-08 as a result of the sluggish economy. Sales taxes growth through the first seven months of FY 2007-08 was only 1.9%, and as a result, sales tax revenue is expected to come in under budget by \$300,000 in FY 2007-08. For FY 2008-09, the North Carolina League of Municipalities has forecasted that statewide sales tax growth will be 1-2%. Staff is projecting that local conditions will be slightly better than the statewide forecast, and has therefore budgeted a 2.8% increase in sales taxes for FY 2008-09.
- Intergovernmental revenue shows an increase of 3.5% in 2008-09, primarily due to an increase in revenue from state utility taxes.
- License & permit revenue shows a 16% increase primarily due to the inclusion of \$200,000 from the new technology fee which Council approved in April. Revenue from this fee will be transferred to the capital budget to provide funding for technology improvements which will enhance the development review process for our customers.
- The only fund balance appropriation is in the Water Resources Fund where \$3.5 million in reserves is being used to fund a portion of the cost of the Brevard Road NCDOT project.

BUDGET SUMMARY - REVENUES

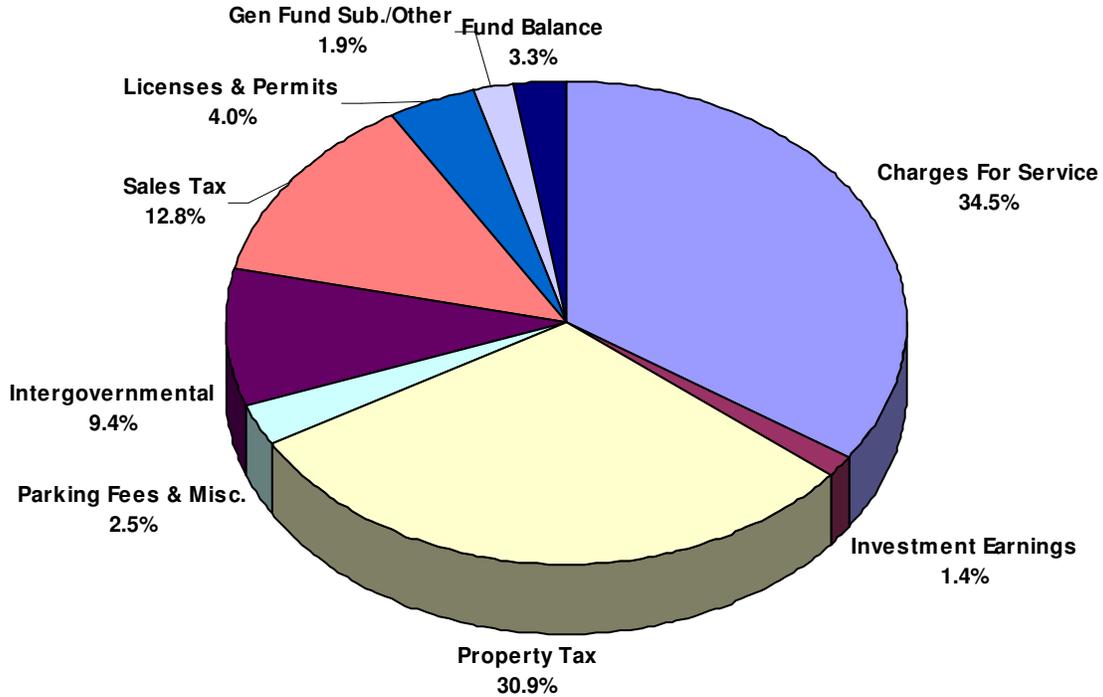
<u>Summary of City Funds</u>	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Adopted
<u>General Fund</u>				
Property Tax	36,874,015	41,265,168	42,308,832	43,437,175
Intergovernmental	8,780,411	9,441,851	10,406,624	10,829,149
Local Option Sales Tax	16,106,644	17,399,164	17,116,370	17,592,167
Other Taxes	308,368	320,916	300,000	330,000
Charges For Service	9,192,295	9,775,592	9,394,820	10,413,281
Licenses & Permits	4,948,489	5,877,789	4,344,166	5,026,280
Investment Earnings	1,776,420	1,660,801	1,014,000	1,014,000
Miscellaneous	1,816,211	594,084	269,550	303,500
Appropriated Fund Bal.	-	-	5,151,930	0
Total General Fund	<u>79,802,856</u>	<u>86,335,365</u>	<u>90,306,292</u>	<u>88,945,552</u>
<u>Water Resources Fund</u>				
Charges For Service	23,881,117	30,406,152	30,119,840	30,974,000
Investment Earnings	388,859	940,606	195,000	800,000
Appropriated Fund Bal.	0	0	0	3,557,559
Miscellaneous	<u>139,913</u>	<u>90,745</u>	<u>34,550</u>	<u>39,550</u>
Total Water Resources Fund	<u>24,409,889</u>	<u>31,437,503</u>	<u>30,349,390</u>	<u>35,371,109</u>
<u>Transit Services Fund</u>				
Intergovernmental	2,069,201	2,374,658	2,327,901	2,350,652
General Fund Subsidy	813,485	1,046,596	1,275,565	1,566,197
Parking Fund Subsidy	0	248,116	248,116	248,116
Licenses & Permits	180,166	308,638	327,000	333,540
Charges For Service	729,448	658,914	791,255	796,755
Other	<u>2,540</u>	<u>943</u>	0	<u>100,000</u>
Total Transit Services Fund	<u>3,794,840</u>	<u>4,637,865</u>	<u>4,969,837</u>	<u>5,395,260</u>
<u>Parking Services Fund</u>				
Miscellaneous	2,383,270	2,866,774	3,034,000	3,049,700
Investment Earnings	90,331	60,247	60,000	50,000
Debt Proceeds	0	0	500,000	0
Total Parking Services Fund	<u>2,473,601</u>	<u>2,927,021</u>	<u>3,594,000</u>	<u>3,099,700</u>

BUDGET SUMMARY - REVENUES

<u>Summary of City Funds</u>	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Adopted
<u>Civic Center Fund</u>				
Charges For Service	1,457,522	1,479,132	1,439,000	1,580,025
General Fund Subsidy	374,423	413,340	431,198	397,989
Other	95	0	0	0
Miscellaneous	66,687	76,335	68,500	70,400
Investment Earnings	<u>20,832</u>	<u>83,723</u>	<u>20,000</u>	<u>55,000</u>
Total Civic Center Fund	<u>1,919,559</u>	<u>2,052,530</u>	<u>1,958,698</u>	<u>2,103,414</u>
<u>Festivals Fund</u>				
Charges For Service	882,784	864,543	923,306	929,306
General Fund Subsidy	100,000	0	253,922	162,675
Investment Earnings	0	0	0	700
Other	<u>14,411</u>	<u>22,501</u>	<u>15,700</u>	<u>15,000</u>
Total Festivals Fund	<u>997,195</u>	<u>887,044</u>	<u>1,192,928</u>	<u>1,107,681</u>
<u>Stormwater Utility Fund</u>				
Charges for Service	2,356,828	2,795,945	2,402,504	2,707,383
Licenses & Permits	0	239,386	184,000	287,000
Debt Proceeds	215,000	6,286	121,900	280,000
Investment Earnings	<u>(2,424)</u>	32,319	5,000	30,000
Appropriated Fund Bal.	--	--	<u>320,000</u>	<u>0</u>
Total Stormwater Utility Fund	<u>2,569,404</u>	<u>3,073,936</u>	<u>3,033,404</u>	<u>3,304,383</u>
<u>Golf Fund</u>				
Charges for Service	839,245	894,037	1,040,000	1,089,000
Investment Earnings	2,893	2,215	1,500	0
General Fund Subsidy	<u>73,714</u>	<u>0</u>	<u>0</u>	<u>75,701</u>
Total Golf Fund	<u>915,852</u>	<u>896,252</u>	<u>1,041,500</u>	<u>1,164,701</u>

BUDGET SUMMARY - REVENUES

CITY OF ASHEVILLE FY 2008-09 BUDGET BY REVENUE SOURCE NET TOTAL \$135,486,757



Budget-to-Budget Revenue Comparison

<u>Revenue Sources:</u>	2007-08	2008-09	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Property Tax	42,308,832	43,437,175	1,128,343	2.7%
Charges For Service	46,110,725	48,489,750	2,379,025	5.2%
Intergovernmental	12,734,525	13,179,801	445,276	3.5%
Local Option Sales Tax	17,116,370	17,592,167	475,797	2.8%
Other Taxes	300,000	330,000	30,000	10.0%
Licenses & Permits	4,855,166	5,646,820	791,654	16.3%
Investment Earnings	1,295,500	1,949,700	654,200	50.5%
Miscellaneous	3,422,300	3,463,150	40,850	1.2%
Other	2,830,701	2,845,678	14,997	0.5%
Appropriated Fund Bal.	5,471,930	3,557,559	(1,914,371)	-35.0%
Total Revenue	136,446,049	140,491,800	4,045,751	3.0%
Less: Interfund Transactions	(4,961,148)	(5,005,043)	(43,895)	0.9%
Net Revenue	131,484,901	135,406,757	3,921,856	3.0%

BUDGET SUMMARY - STAFFING

FULL-TIME EQUIVALENT POSITIONS BY FUND

	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Adopted	2008-09 Change
General Fund	859.67	870.67	912.91	907.91	-5.00
Enterprise Funds	192.50	218.50	242.26	242.26	0.00
Grant Funds	8.75	7.00	7.00	9.00	+2.00
TOTAL CITY WIDE	1,060.92	1,096.17	1,162.17	1,159.17	-3.00

BUDGET HIGHLIGHTS

- The FY 2008-09 budget includes the elimination of 10 FTE positions. The following vacant positions were eliminated to help balance the General Fund budget:
 - Assistant Traffic Engineer
 - General Administration Secretary
 - Deputy City Clerk
 - Internal Auditor
 - Training Director
 - 5 Concrete Crew positions

- The adopted budget includes six additional firefighter positions which will allow the department to reduce the amount that is spent on overtime.

- The Fundraising Specialist in Parks & Recreation, which was previously funded out of the General Fund, is being moved to a Grant Fund for FY 2008-09. This move reflects the philosophy that this position must "pay for itself" through the grants and sponsorships that it generates.

- The City has received various donations and grants for the CAYLA program that will allow the City to retain the current part-time temporary Program Coordinator as a full-time (FTE) position.

- 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>	2005-06	2006-07	2007-08	2008-09
Departments & Divisions	Actual	Actual	Budget	Adopted
<u>Public Safety</u>				
Police				
Administration	11.00	12.00	12.00	12.00
Criminal Investigations	37.00	33.00	38.00	38.00
Support Bureau	36.00	37.00	41.00	41.00
Patrol Bureau	156.00	160.00	170.00	170.00
Subtotal Police	240.00	242.00	261.00	261.00
Police				
Grant Funded Positions	1.00	0.00	0.00	0.00
Fire & Rescue				
Technical Services	5.00	5.00	5.00	5.00
Emergency Response	189.00	210.00	210.00	216.00
Fire Marshal's Office	16.00	13.00	12.00	12.00
Subtotal Fire	210.00	228.00	227.00	233.00
<u>Total Public Safety</u>	<u>451.00</u>	<u>470.00</u>	<u>488.00</u>	<u>494.00</u>
<u>Culture & Recreation</u>				
Parks, Recreation & Cultural Affairs				
Administration	6.75	8.00	9.00	8.00
Recreation Programs	29.65	33.02	32.76	32.76
Athletics	5.00	5.00	5.00	5.00
Riverside Cemetery	2.00	2.00	2.00	2.00
After School Program	5.63	5.26	5.26	5.26
Cultural Affairs	2.00	1.00	1.00	1.00
Aston Park	2.00	2.00	2.00	2.00
Nature Center	15.75	15.00	14.75	14.75
McCormick Field	1.00	1.00	1.00	1.00
Park Maintenance	36.00	36.00	39.00	39.00
Building Maintenance	8.00	8.00	8.00	8.00
City Hall Operations	4.63	4.63	5.00	5.00
Subtotal Parks & Recreation	118.41	120.91	124.77	123.77
Parks & Recreation				
Grant Funded Positions	0.00	1.00	1.00	2.00
Festivals Fund	5.00	4.50	4.75	4.75
Golf Fund	13.75	14.00	14.00	14.00
Civic Center Fund	17.75	17.00	17.51	17.51
<u>Total Culture & Recreation</u>	<u>154.91</u>	<u>157.41</u>	<u>162.03</u>	<u>162.03</u>

BUDGET SUMMARY - STAFFING

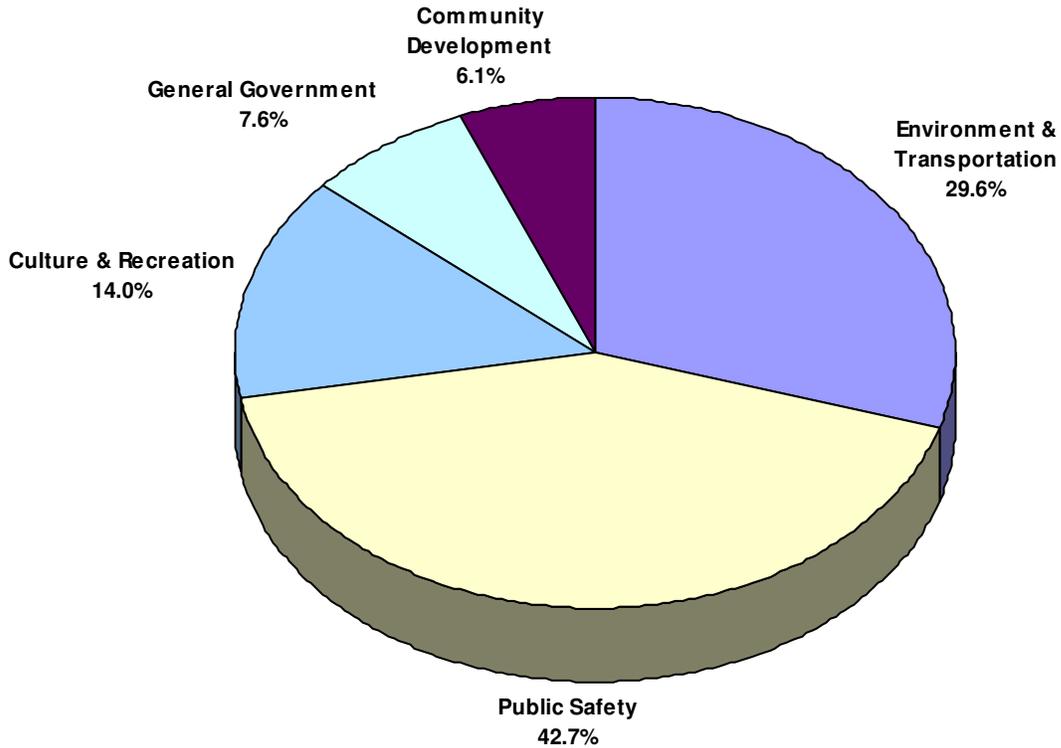
<u>SERVICE AREAS</u>	2005-06	2006-07	2007-08	2008-09
Departments & Divisions	Actual	Actual	Budget	Adopted
<u>Community Development</u>				
Planning & Development				
Planning Services	21.00	24.00	24.00	23.00
Homeless Program	0.00	0.00	1.00	1.00
Historic Resources	1.00	1.00	1.00	2.00
Subtotal Planning & Development	22.00	25.00	26.00	26.00
Building Safety	32.00	37.00	39.00	39.00
Community Development Fund	7.75	6.00	6.00	6.00
Total Community Development	<u>61.75</u>	<u>68.00</u>	<u>71.00</u>	<u>71.00</u>
<u>General Government</u>				
General Administration				
City Clerk	1.00	1.00	2.00	1.00
City Manager	5.00	5.00	6.00	5.00
Community Affairs	3.00	5.00	7.00	7.00
Economic Development	5.00	5.00	5.00	5.00
Subtotal General Administration	14.00	16.00	20.00	18.00
Finance				
Administration	3.00	3.00	3.00	3.00
Accounting	16.00	16.00	17.00	16.00
Purchasing	4.00	4.00	5.00	5.00
Budget & Research	3.00	3.00	3.00	3.00
Risk Management Admin	3.00	3.00	3.00	3.00
Print Shop	2.00	0.00	0.00	0.00
Central Stores	2.00	2.00	2.00	2.00
Customer Service	16.00	0.00	0.00	0.00
Subtotal Finance	49.00	31.00	33.00	32.00
Information Technology				
Administration				2.00
GIS & Application Services				4.00
IT Support Services	16.00	16.00	17.00	5.00
Technical Services				6.00
Subtotal Information Services	16.00	16.00	17.00	17.00
Human Resources				
Administration	5.00	9.50	11.50	10.50
Organization & Development	3.00	1.00	2.00	2.00
City Employment	1.00	0.00	0.00	0.00
Health Services	2.26	2.26	2.26	2.26
Grant Funded (CAYLA)	0.00	0.00	0.00	1.00
Subtotal Human Resources	11.26	12.76	15.76	15.76
City Attorney	5.00	5.00	6.00	6.00
Total General Government	<u>95.26</u>	<u>80.76</u>	<u>91.76</u>	<u>88.76</u>

BUDGET SUMMARY - STAFFING

<u>SERVICE AREAS</u>	2005-06	2006-07	2007-08	2008-09
Departments & Divisions	Actual	Actual	Budget	Adopted
<u>Environment & Transportation</u>				
Water Resources Fund				
Administration	8.00	7.00	7.00	7.00
Meter Services	17.00	17.00	17.00	17.00
Water Education	1.00	1.00	1.00	1.00
Water Maintenance	52.00	50.00	49.00	49.00
Water Production	31.00	32.00	41.00	41.00
Customer Service	0.00	20.00	22.00	22.00
Construction Crew	7.00	7.00	7.00	7.00
Water Engineering Services	0.00	0.00	8.00	8.00
Subtotal Water Resources Fund	116.00	134.00	152.00	152.00
Public Works				
Administration	4.00	4.00	4.75	4.75
Signs & Markings	4.00	4.00	4.00	4.00
Street Maintenance	58.00	52.00	57.00	52.00
Fleet Maintenance	14.00	14.00	14.00	14.00
Sanitation	35.00	35.00	37.00	37.00
Subtotal Public Works	115.00	109.00	116.75	111.75
Transportation & Engineering				
City Engineering	17.00	18.00	17.00	17.00
Transportation Services	3.00	3.00	4.00	3.00
Traffic Signal Maintenance	3.00	3.00	2.00	2.00
Transportation Planning	4.00	4.00	3.63	3.63
Subtotal Engineering	27.00	28.00	26.63	25.63
Stormwater Utility Fund	23.00	30.00	32.00	32.00
Transit Services Fund	2.00	2.00	3.00	3.00
Parking Services Fund	15.00	17.00	19.00	19.00
<u>Total Environment & Transportation</u>	<u>298.00</u>	<u>320.00</u>	<u>349.38</u>	<u>343.38</u>
TOTAL CITY WIDE FTE POSITIONS	1060.92	1096.17	1162.17	1159.17

BUDGET SUMMARY - STAFFING

CITY OF ASHEVILLE FY 2008-09 FTE POSITIONS BY SERVICE AREA TOTAL: 1,159.17



Budget-to-Budget Staffing Comparison

<u>Service Areas:</u>	2007-08	2008-09	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in #</u>	<u>in %</u>
Environment & Transportation	349.38	343.38	(6.00)	-1.7%
Public Safety	488.00	494.00	6.00	1.2%
Culture & Recreation	162.03	162.03	0.00	0.0%
General Government	91.76	88.76	(3.00)	-3.0%
Community Development	<u>71.00</u>	<u>71.00</u>	<u>0.00</u>	<u>0.0%</u>
Total Citywide FTE Positions	<u>1,162.17</u>	<u>1,159.17</u>	<u>(3.00)</u>	<u>-0.3%</u>

ANALYSIS OF FUND BALANCE

<u>GENERAL FUND</u>	2007-08 Budget*	2007-08 Estimate	2008-09 Adopted
Total Revenues	85,681,039	86,105,039	88,945,552
Total Expenditures	92,022,266	91,507,266	88,945,552
Revenues Over (Under) Expenditures	(6,341,227)	(5,402,227)	0
Unreserved Fund Balance:			
Beginning	21,851,811	21,851,811	17,449,584
Transit Loan Repayment	--	1,000,000	--
Ending	16,699,881	17,449,584	17,449,584
Ending Unreserved Fund Balance as a % of Total Expenditures	18.1%	19.1%	19.6%

* Budget as of the 3rd quarter FY 2007-08 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.
- 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.

ANALYSIS OF 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 \$17.4 million at the end of fiscal year 2007-08, which will equal 19.1% of total estimated FY 2007-08 General Fund expenditures. The year-end fund balance estimate for FY 2007-08 is adjusted to reflect the fact that approximately \$1.0 million, which was held in reserve on June 30, 2007 due to the delayed Transit grant draw downs, will be released into the unreserved fund balance. The FY 2008-09 adopted budget does not include any General Fund appropriation from fund balance. Budget staff estimates that fund balance available for appropriation at the end of FY 2008-09 will equal 19.6% of General Fund expenditures.

