
THE CITY OF ASHEVILLE
FY
23
24
Proposed Budget

Presentation Overview

- Overview of the budget development process
- Budget summary
- Key elements of the FY 2023-24 Manager's Recommended Budget:
  - Ongoing investments in Council Priorities
  - Compensation recommendations
  - Additional investments in services
  - Capital Improvement Program (CIP) highlights
- Next Steps

THE CITY OF ASHEVILLE

Key Takeaways

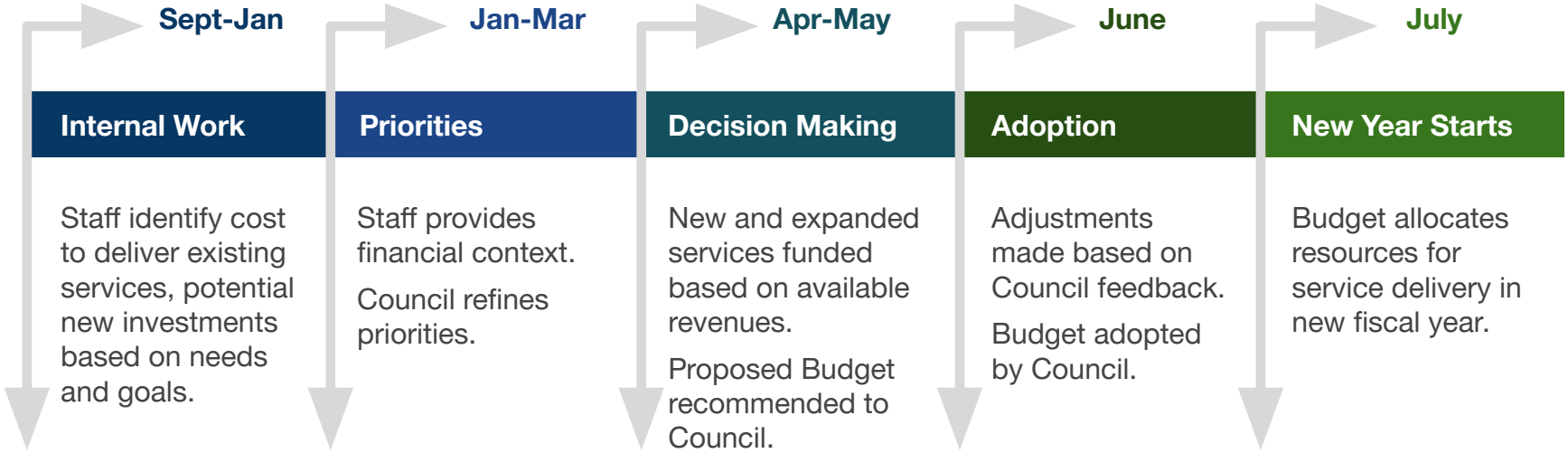
- While revenue growth continues (especially sales taxes), identified needs and departmental budget requests exceed available funding capacity.
- Without a property tax increase, balancing the FY24 Proposed Budget requires unconventional use of fund balance.
- Strategic one-time investments are prioritized.
- Other new investments principally respond to increasing operating costs, infrastructure essential to service delivery, staff retention and recruitment, Council Priorities and community safety needs.

THE CITY OF ASHEVILLE

Fiscal Year 2023-24 (FY24): Budget Process & Proposed Budget Overview

THE CITY OF ASHEVILLE

Budget Development Process



THE CITY OF ASHEVILLE

Budget Process Summary

December 13 Work Session
- Overview of capital planning and update on capital projects.

February 28 Public Comment on Budget Priorities
- Public comment on budget and online survey.

March 3 Council Retreat
- Economic trends and job market pressures.

March 14 Work Session
- Competitive employee compensation package is key to service delivery.
- Potential options and funding for McCormick Field renovation.

March 28 Work Session; Fees & Charges
- Preview of compensation recommendations.
- Update on capital planning and comprehensive facility assessment.

April 11 Work Session
- Revenue update and fund balance information.
- Investments in Council priorities.
- Water Resources Fund fees and needed investments.

THE CITY OF ASHEVILLE

Guiding Principles

Essential service delivery
Ensuring departments have the resources required to meet service delivery expectations.

Enhancing customer value
Ensuring efficient service delivery that improves the customer experience.

Strategic alignment
Aligning resources (new and existing) to achieve community, Council and staff goals.

THE CITY OF ASHEVILLE

Public Input Summary

- Increase investment in Community Safety & Emergency Response
  - Emphasis on police recruitment, retention, and presence
  - Emphasis on downtown
- Increase investment in Water Production & Distribution
  - Emphasis on maintenance and avoiding major failures
- Prioritize core infrastructure for the next five years of capital investment
  - Emphasis on Roads, Sidewalks, and Housing

THE CITY OF ASHEVILLE

Council Priorities

- Equitable & Affordable Housing & Stability
- Houselessness Strategies
- Improve & Expand Core Services
- Neighborhood & Climate Resilience
- Reimagining Public Safety
- Reparations

THE CITY OF ASHEVILLE

Proposed FY 2023-24 Budget

Proposed Budget: Fund Summary

	FY23	FY24	Change
General Fund	$ 159.1M	$ 172.4M	$ 13.3M
Water	$ 40.3M	$ 44.0M	$ 3.7M
Transit	$ 12.7M	$ 14.0M	$ 1.3M
Stormwater	$ 7.5M	$ 9.0M	$ 1.4M
Parking	$ 5.7M	$ 7.2M	$ 1.5M
HCCA	$ 4.9M	$ 5.5M	$ 0.6M
Street Cut	$ 2.0M	$ 2.4M	$ 0.3M
FY24 Net Total, All Funds:		**$ 240M**	

THE CITY OF ASHEVILLE

General Fund Summary

Revenues: ***total growth of $5.4M***

- Normal property tax revenue growth.
- Continued sales tax revenue growth.
- Additional revenue from Council-approved fee increases.

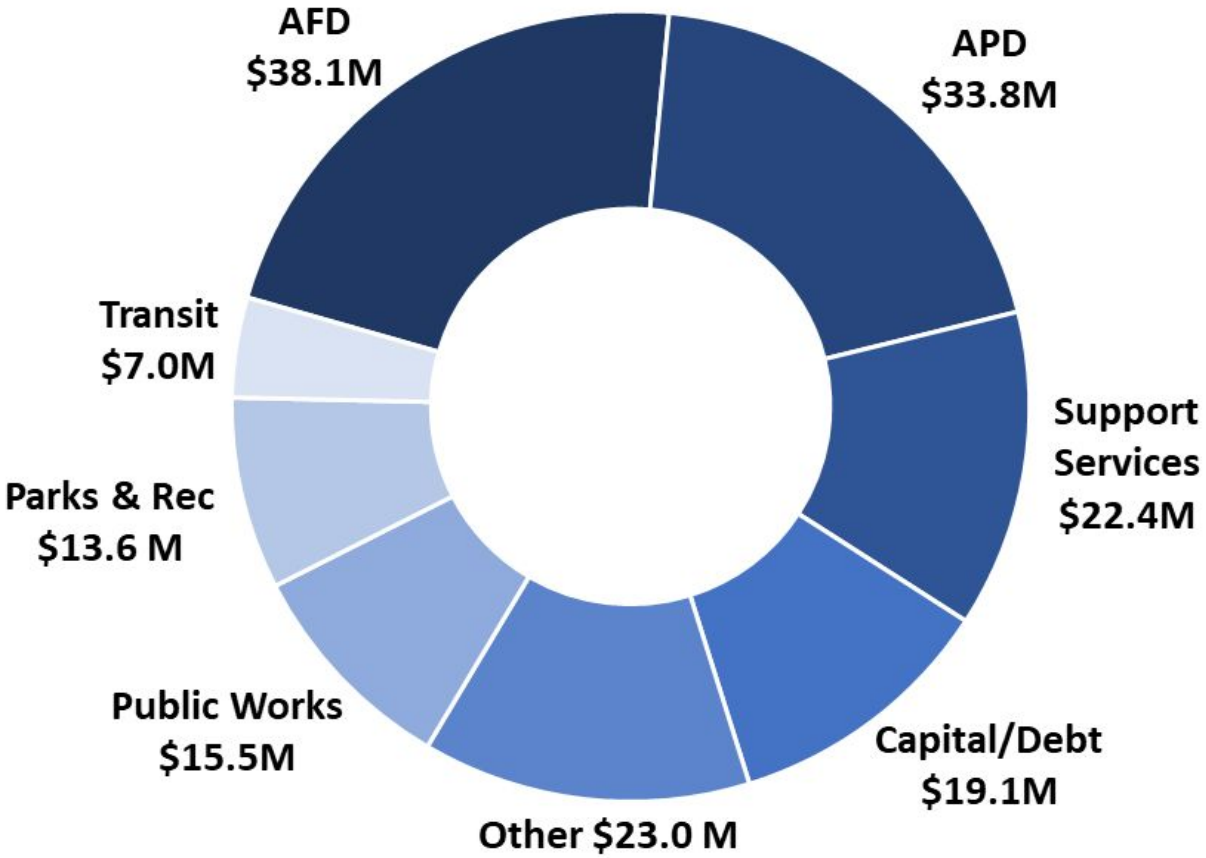
Expenses: ***total growth of $13.3M***

- Growth in personnel costs.
- Adjustments to compensation and benefits.
- Inflation and price volatility in operating costs.
- Additional investments.

Balancing requires **$7.9M fund balance** appropriation.

THE CITY OF ASHEVILLE

General Fund Overview



FY23 to FY 24 Increase	
AFD	$ 2.0M
APD	$ 3.7M
Parks & Rec	$ 0.9M
Public Works	$ 1.4M

THE CITY OF ASHEVILLE

Proposed FY 2023-24 Budget: Examples of Ongoing Investments

THE CITY OF ASHEVILLE

Equitable & Affordable Housing & Stability

- Continuation of joint City/County Property Tax Mitigation Program
- Housing Trust Fund
- Land Use Incentive Grants
- Development Fee Rebates
- Federal HOME and HOME-ARP program management
- Improved housing funding coordination with County

THE CITY OF ASHEVILLE

Homelessness Strategies

- Continuum of Care lead agency
- Developing shelter plan with partners
- Homeward Bound Street Outreach contract
- Homeless Strategy Division
- Code Purple & Winter Sheltering

THE CITY OF ASHEVILLE

Neighborhood & Climate Resilience

- Parks maintenance relocation
- Neighborhood Matching Grants
- Food Scrap Drop-Off
- Weatherization Program

THE CITY OF ASHEVILLE

Improve & Expand Core Services

- Capital funding to maintain city infrastructure
- Enhanced maintenance in high-use parks
- Inclusive and accessible government (ARPA)
- Litter and cleanliness program (ARPA)
- Downtown restrooms modernization and upgrades (ARPA)
- Human Resources Information System software

THE CITY OF ASHEVILLE

Reimagining Public Safety

- 911 consolidated operations
- APD recruitment efforts
- Additional APD training
- Body worn & vehicle cameras
- Shift of noise ordinance & animal control enforcement to Development Services
- Expansion of Office of Data & Performance

THE CITY OF ASHEVILLE

Reparations

- $2.1 million reserved for reparations
- $500,000 annual reparations allocation
- Continued staff support of the Community Reparations Commission

THE CITY OF ASHEVILLE

Proposed FY 2023-24 Budget: Compensation & Benefits Recommendations

THE CITY OF ASHEVILLE

Compensation & Benefits Overview

- Recommending a variety of adjustments to recruit and retain employees, especially for APD and other hard to fill positions.
- Recommendations will meet Just Economics “Pledged” Living Wage.

Total Compensation & Benefits

- 12.85% State retirement contribution (14.1% for sworn).
- 5% 401(k) retirement contribution.
- Health and dental insurance (~$10,000 per employee).
- Vacation and sick leave, paid parental and family care, 13 city holidays.

THE CITY OF ASHEVILLE

Compensation Recommendations

- Salary increase of 5% (6% for sworn APD positions).
- Increase night shift differential ($0.75 to $2.00 per hour).
- Increase on-call pay ($20 to $30 per day).
- Intermediate law enforcement certification (APD).
- Critical staffing supplement.

THE CITY OF ASHEVILLE

Benefits Recommendations

- Additional 1% 401(k) match.
- APD Wellness incentive.
- Actuarial study for post-employment medical benefits.

Proposed FY 2023-24 Budget: Additional New Investments

THE CITY OF ASHEVILLE

Community Safety & Emergency Response

Additional investments to prevent and reduce crime, ensure a physically safe and welcoming environment, foster community resilience; and to respond to requests for assistance during emergencies.

- Upgrade cameras for APD vehicles to more current model, lowering future licensing fees (one time).
- Upgrade APD uniforms to more technical fabric for durability and comfort (one time).
- Replace worn out furniture at fire stations (one time).

THECITYOF ASHEVILLE

Community Engagement & Public Information

Additional investments to provide information about the city, and work collaboratively with community members and through groups to inform decision making.

Upgrade constituent services position to full-time to increase capacity in responding to inquiries.

Management software for Boards & Commissions to eliminate manual management of appointment process and membership.

THE CITY OF ASHEVILLE

Trash & Recycling Collection

Additional investments to collect, dispose of and recycle waste.

- Solid Waste Master Plan to develop long-term business and financial plan for solid waste management (one time).
- Collection staff to support additional route needed to service residential growth (offset by additional revenue).
- Initiative to engage and inform community on transition from single use plastics (one time).

THE CITY OF ASHEVILLE

Entertainment Programming

Additional investments to provide entertainment and education through events including artistic performances, athletic competitions, meetings and conventions.

- Animal care position at WNC Nature Center to support new exhibit (partially offset by revenue).
- Events Manager to oversee and support events at the Civic Center (HCCA Fund).
- McCormick Field renovation and upgrades (capital).

Administration & Financial Management

Additional investments to manage and lead staff in carrying out the functions of the City; and to manage financial resources.

- Purchasing position to support water maintenance warehouse (partially funded by Water Fund).
- Administrative support for City Attorney's Office.
- Fleet management software to better inform maintenance, replacement and fuel usage.

THE CITY OF ASHEVILLE

Parks & Facilities Maintenance & Construction

Additional investments to preserve, improve and build city-owned buildings and publicly accessible spaces for recreation.

- Janitorial position to support new building and improved service.
- Work order/asset management system to improve park maintenance.
- Staffing for facility maintenance and event production support at the Civic Center (HCCA Fund).
- Funding to complete basic repairs to the Municipal Building (capital).

THE CITY OF ASHEVILLE

Sidewalk & Roadway Maintenance

Additional investments to preserve, improve and build the pedestrian and road networks.

- Work order/asset management system to improve traffic signal, sign and marking maintenance.
- I-26 Aesthetics Committee recommendations (capital).

THE CITY OF ASHEVILLE

Code Enforcement & Urban Planning

Additional investments to plan, design and regulate how physical space (land) is used.

- Design review guidelines to support development of new streetscape plans (one time).
- Land development software replacement (funded with permit technology fee revenue).
- Urban Forestry Master Plan to inventory tree canopy and recommend preservation and reforestation strategies (one time).

THE CITY OF ASHEVILLE

Water Production & Distribution System

Additional investments to process and treat water to ensure that it is clean and safe for use by customers, and to deliver water to customers.

Approved fee increases will fund:

- Crew to support distribution system maintenance and repairs.
- Staffing to enhance night coverage at water treatment plants.
- Staffing to improve critical communication and customer engagement.
- Customer service staff to support meter project transition.
- Continue to recover lost revenue from capital fee.
- ***Adjustments to rates and rate structure will be considered midyear once results of study are finalized.***

Stormwater Drainage System

Additional investments to process and treat water to ensure that it is clean and safe for use by customers, and to deliver water to customers.

Approved fee increases will fund:

- Staffing to enhance inspections of constructed stormwater devices.
- System mapping to improve asset management.
- Vehicle and equipment purchases.

THE CITY OF ASHEVILLE

Parking

Additional investments to provide publicly accessible vehicle parking.

Operational study to assess:

- Organizational structure
- Service levels and operational priorities
- Financial performance of parking assets

Respond to immediate needs identified in ongoing garage assessment (capital).

THE CITY OF ASHEVILLE

Transit

Additional investments to provide publicly accessible transportation throughout the city.

- Significant increase in the cost to maintain service due to contractual increase for management company, paratransit service and fuel costs.
- City-County master plan to determine service delivery and long-term funding strategy (one time).
- Additional funding to support grant management and procurement process for management company (one time).
- Additional bus purchase (capital).
- ***Transit Fund balanced with $2M in ARPA funding.***

THE CITY OF ASHEVILLE

Other Additional Investments

Real Estate/Affordable Housing/Urban Planning

- Redevelopment Manager position to focus on strategic development, especially for city-owned properties (redeployment of existing position).

Increase in reparations funding (compounding 5%).

Additional Investments Summary

- Compensation and benefit changes impact all city services.
- Total of 20 new positions.
- Focus on basic city services.
  - Community safety
  - Infrastructure
- Alignment with Council priorities.
  - Reparations
  - Reimagining Public Safety
  - Homeless Strategies
  - Equitable and Affordable Housing and Stability
  - Neighborhood and Climate Resilience
  - Improve and Expand Core services

THE CITY OF ASHEVILLE

Capital Improvement Program (CIP) Highlights

FY23 CIP Overview (General Fund)

	FY24	FY25	FY26	FY27	FY28
Facility Maintenance	$ 2.18M	$ 1.52M	$ 0.83M	$ 1.94M	$ 0.08M
Fleet & Equipment	$ 6.71M	$ 7.42M	$ 6.58M	$ 5.59M	$ 5.70M
Greenways	$ 0.00M	$ 4.00M	$ 0.00M	$ 0.00M	$ 0.00M
Rec. & Entertain. Facil.	$ 36.67M	$ 0.84M	$ 0.86M	$ 1.18M	$ 0.90M
Placemaking	$ 0.11M	$ 12.47M	$ 0.09M	$ 11.30M	$ 0.08M
Streets & Sidewalks	$ 4.43M	$ 5.17M	$ 4.66M	$ 6.77M	$ 4.65M
Contingency	$ 0.75M	$ 0.75M	$ 0.75M	$ 0.75M	$ 0.75M
Total	*$ 50.84M*	*$ 32.15M*	*$ 13.76M*	*$ 27.53M*	*$ 12.16M*

Adjustments to 5-Year CIP

- Added to Budget Year (Year 1):
  - McCormick Field ($35.6M)
  - Municipal Building renovation ($2.1M)
  - Additional Bus replacement ($200K)
  - Weaver Park Playground ($300K)
- Added to Planning Years (Years 2-5):
  - I-26 Aesthetic Committee Improvements ($4M)
  - Additional AFD Apparatus replacement ($2.1M)
  - Future facility maintenance funds dedicated to City Hall roof and HVAC ($3.3M)

THE CITY OF ASHEVILLE

Comprehensive Facility Study



Grades for how facilities are performing.

Current and future needs including growth and remote work (where applicable for select positions).

Prioritize facilities and projects. Scenarios to set up decision points.

- No change to funding.
- Funding to maintain current facilities condition.
- Funding to meet the goals of the organization.

Capital Challenges & Opportunities

- Additional resources are needed to maintain existing facilities and infrastructure.
- Planning work is underway to prioritize investments.
- Working towards developing a 2024 GO bond referendum.

THE CITY OF ASHEVILLE

Next Steps

Key Takeaways

- While revenue growth continues (especially sales taxes), identified needs and departmental budget requests exceed available funding capacity.
- Without a property tax increase, balancing the FY24 Proposed Budget requires unconventional use of fund balance.
- Strategic one-time investments are prioritized.
- Other new investments principally respond to increasing operating costs, infrastructure essential to service delivery, staff retention and recruitment, Council Priorities and community safety needs.

THE CITY OF ASHEVILLE

Next Steps: After Budget Presentation



THE CITY OF ASHEVILLE

Questions

THE CITY OF ASHEVILLE