THE CITY OF ASHEVILLE

Fiscal Year 2022-23
Proposed Budget



CITY OF ASHEVILLE

NORTH CAROLINA

Proposed Budget
Fiscal Year 2022-23

Esther Manheimer
Mayor

Sheneika Smith
Vice Mayor

Sandra Kilgore
Councilmember

Antanette Mosley
Councilmember

Kim Roney
Councilmember

Sage Turner
Councilmember

Gwen Wisler
Councilmember

Debra Campbell
City Manager

Rachel Wood
Assistant City Manager

Peggy Rowe
Interim Assistant City Manager

Tony McDowell
Chief Financial Officer

TABLE OF CONTENTS

CITY MANAGER'S BUDGET MESSAGE A-1

INTRODUCTION

Budget Guide A-12
Asheville City Council's 2036 Vision A-13
Organizational Structure A-15
Organizational Chart A-17
FY 2022-23 Budget Calendar A-18
Financial Policies A-19

BUDGET SUMMARY

Operating Budget Summary B-1
Expenditures B-2
Revenues B-4
Staffing B-6
General Fund Summary B-8
Analysis of Fund Balance B-9

PUBLIC SAFETY

Asheville Fire Department C-1
Asheville Police Department C-4

COMMUNITY & RESIDENT SERVICES

Parks & Recreation Department D-1
Community & Economic Development Department D-4
Community & Regional Entertainment Facilities Departments D-8
Housing Trust Fund D-10
Planning & Urban Design Department D-11
Development Services Department D-14
Public Works Department D-16
Capital Projects Department D-19
Office of Sustainability D-20
Equity & Inclusion D-21
Transportation Department D-23
Non-Departmental Community & Resident Services D-25

TABLE OF CONTENTS

MANAGEMENT & SUPPORT SERVICES

Administrative Services/City Manager's Office	E-1
City Attorney's Office	E-3
Communication & Public Engagement Department	E-4
Finance & Management Services	E-5
Human Resources	E-8
Information Technology Services	E-10
Non-Departmental Services	E-12

ENTERPRISE FUNDS

Water Resources Fund	F-1
Stormwater Fund	F-5
Parking Services Fund	F-7
Transit Services Fund	F-9
Harrah's Cherokee Center - Asheville	F-11
Street Cut Utility Fund	F-13

CAPITAL IMPROVEMENT PROGRAM (CIP)

Capital Improvement Program	G-1
General Capital Improvement Program	G-2
Enterprise Funds Capital Improvement Program	G-6

CITY MANAGER'S PROPOSED BUDGET MESSAGE

May 24, 2022

Honorable Mayor Manheimer and City Council Members:

It is my pleasure to respectfully submit to you the City Manager and staff's Proposed Budget for the fiscal year beginning July 1, 2022, and ending June 30, 2023. As always I want to begin my budget message by saying how honored I am to continue to be part of an organization that cares so deeply for the people it serves. The Proposed Budget, which is prepared and submitted in accordance with North Carolina General Statute §159-11, represents many months of work by staff throughout the organization and reflects the three guiding principles that I have emphasized in each of the four budget processes that I have been a part of here at the City of Asheville:

- ***Essential service delivery*** - provide departments with the resources required to meet service delivery expectations.
- ***Enhancing customer value*** - ensure efficient service delivery that improves the customer experience.
- ***Strategic alignment*** - direct new and existing resources towards achieving community, Council, and staff goals.

A year ago, the budget was presented and adopted based on the assumption that the worst of the COVID-19 pandemic was behind us. The economy was recovering faster than initially projected, social gathering limits and mask requirements were being relaxed, and additional federal stimulus dollars had been approved through the American Rescue Plan Act (ARPA). However, challenges have continued during the current fiscal year. COVID variants have reminded us that the pandemic is not over. Supply chain issues have negatively impacted the procurement of goods and services leading to the highest inflation rates in a generation, which has caused financial strain both for the City, our employees, our residents and business owners. In addition, the City, like many employers, has felt the effects of the pandemic-induced disruptions in the labor market which has led to challenges in retaining and recruiting employees. On a positive note, revenue growth, particularly in sales taxes, has remained strong and provided additional resources to utilize in next year's budget to help address these challenges.

The recommendations included in this balanced and fiscally responsible Proposed Budget are based on available resources, Council priorities, internal work completed by staff throughout the organization, as well as information gathered and work completed in prior budget processes. The Fiscal Year (FY) 2022-23 Proposed Budget, which totals $216.9 million:

- Recommends no change to the current property tax rate of 40.30 cents per $100 of assessed valuation;
- Funds employee compensation adjustments that reflect inflation in the labor market and local cost of living increases while building upon the Archer compensation study recommendations that were implemented in the current fiscal year;
- Continues funding core community services in a time of rising costs and provides additional investments in key core service areas in alignment with Council priorities;
- Strategically utilizes fund balance and American Rescue Plan (ARPA) funding to advance Council's priorities and balance the budget.

A summary of the FY 2022-23 Proposed Budget is outlined in the following table.

Proposed FY 2022-23 Budget Summary

Fund	FY22 Adopted	FY23 Proposed	$ Change	% Change
General	145,233,553	158,559,944	13,326,391	9.2%
Water	36,735,312	40,260,320	3,525,008	9.6%
Transit	13,167,309	12,733,940	(433,369)	-3.3%
Stormwater	6,780,342	7,487,747	707,405	10.4%
Parking	7,077,680	5,630,952	(1,446,728)	-20.4%
Harrah's Center	4,525,894	4,908,420	382,526	8.5%
Street Cut	1,852,678	2,041,114	188,436	10.2%
Total All Funds	**215,372,768**	**231,622,437**	**16,249,669**	**7.5%**
Interfund Transfers	(14,851,711)	(14,726,729)	124,982	-0.8%
Net Total All Funds	**200,521,057**	**216,895,708**	**16,374,651**	**8.2%**

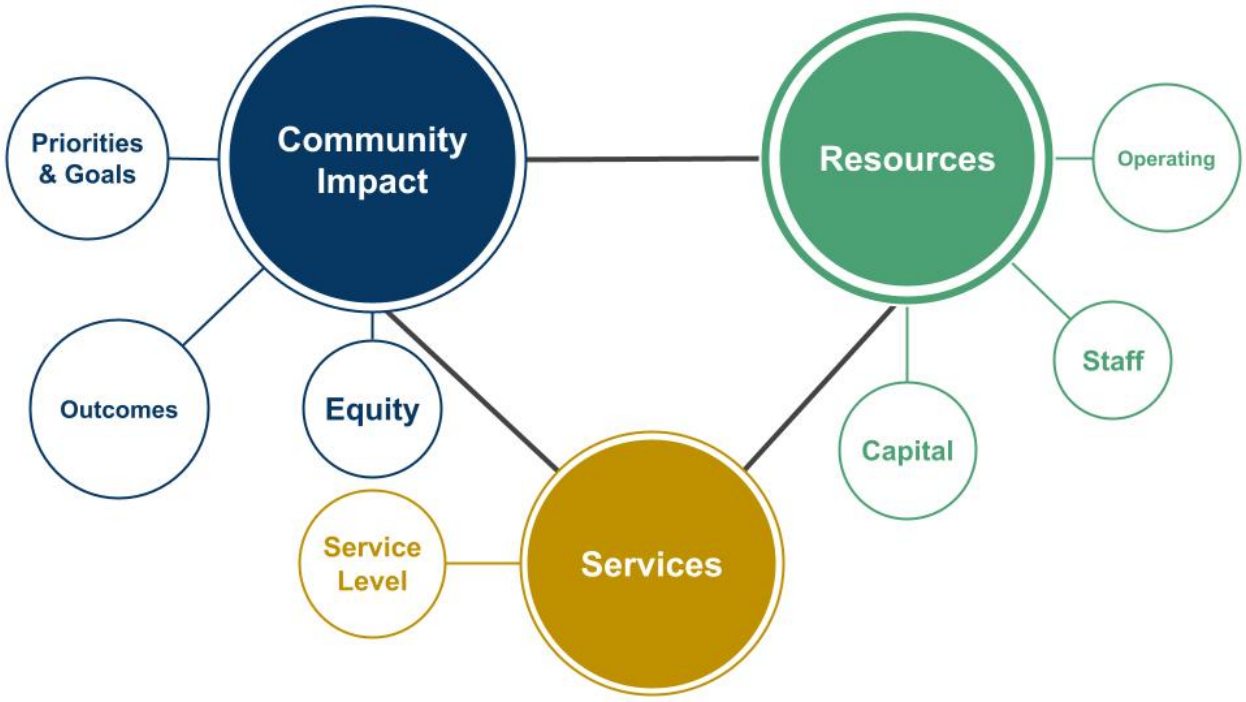
Budget Development

Much of the work done as a part of this year's budget development reflects a continuation of the internal and external engagement efforts that grew out of the reimagining public safety process that we began two years ago. The extensive engagement efforts associated with development of the Fiscal Year 2021-22 Budget, which were led by a collaborative cross-functional team of City employees from Budget, the Office of Equity and Inclusion, the Office of Data and Performance, and Communication and Public Engagement with assistance from consultants, produced response strategies that informed not only the development of that budget, but also the Fiscal Year 2022-23 Proposed Budget as well.

Internal work on the FY 2022-23 budget kicked off with a Department Director Retreat in December 2021. Directors identified three key internal focus areas: employee well-being, technology enhancements, and process improvements, and three key external focus areas: community safety, community engagement, and facilities maintenance and construction. Based on discussions at the Department Director Retreat and input from the prior years' engagement efforts, staff focused the fiscal year 2022-23 budget process on connecting resources, services and community impact through:

- **Communication** - Sharing information that clearly links budget decisions to community interests.
- **Collaboration** - Collaborating across departments to achieve goals.
- **Accountability & Alignment** - Showing alignment between budget, services and stated goals.

The graphic below summarizes staff's focus during the fiscal year 2022-23 budget process:



The results of the prior year's engagement work and the internal work this year produced invaluable feedback which, along with the Council input and prioritization I will discuss later in the Manager's Message, has guided us through the development of this Proposed Budget and resulted in the recommended investments highlighted throughout the Budget Document.

Financial Outlook

General Outlook

The COVID-19 pandemic drove the U.S. economy into a recession in February 2020. More than 20 million jobs were lost nationally between February and April 2020 and the nation's unemployment rate peaked at nearly 15 percent. At the state level, unemployment peaked at nearly 13 percent, and locally it peaked at over 17 percent. Fortunately, the economy rebounded rapidly with historically unprecedented growth rates. Unemployment rates at the national, state, and local levels were all back to or near pre-pandemic levels by early 2022.

Overall, City General Fund revenues have performed exceptionally well during both the height of the pandemic and during the economic recovery afterwards. Sales tax revenue in the General

Fund has exceeded budget estimates in each of the last two fiscal years, with revenue growing by 16 percent in fiscal year 2020-21, and up another 19 percent through the first 8 months of the current fiscal year. Property taxes, which make up the largest portion (over 51 percent) of the City's General Fund revenues, have also continued to fare well during the pandemic, with collection rates and growth trends similar to pre-pandemic levels. General Fund revenue growth in next fiscal year is expected to remain positive but slow compared to the last two years as the Federal Reserve continues interest rate increases to reduce inflation.

On the expense side of the budget, the City of Asheville has not been immune to the inflationary pressures brought on by the major pandemic-induced supply chain disruptions and worldwide shortages. Supply chain disruptions coupled with pent-up demand for goods following the reopening of the economy has led to the fastest increase in prices since the early 1980s with the Consumer Price Index for All Urban Consumers (CPI) up 8.3 percent from April 2021 to April 2022.

Like other local governments across the country, the City has benefited and continues to benefit from an infusion of federal pandemic-related stimulus funding. The City received approximately $2.0M in Coronavirus Relief Funding (CRF) through the Coronavirus Aid, Relief, and Economic Security (CARES) Act in 2020 which helped offset some of the cost of early pandemic response efforts.

In addition, in March 2021, the American Rescue Plan (ARPA) was signed into law with the City of Asheville receiving $26.2 million in funding. Thus far, the City has committed approximately $20.1 million of these funds, including the May 10, 2022 award of $11.7 million to eighteen community projects submitted through the Request For Proposal (RFP) process that started last Fall. Many of the projects that received funding on May 10 are aligned with Council's Strategic Priorities which will be discussed later in the next section of the Manager's Message. From the remaining $6.1 million in ARPA funding, I am recommending the following additional budget appropriations as part of the Proposed Budget: 1) $2.5 million be allocated to the FY 2022-23 Capital Improvement Program (CIP) Budget to fund the Memorial Stadium project; 2) $1.6 million be utilized to fund key additional investments in the General Fund, which will be discussed later in the Manager's Message, and 3) $300,000 to help fund an increase in contracted bus driver pay in the Transit Services Fund.

Lastly, I want to highlight the consistency with which we have been able to successfully manage our finances throughout the pandemic and over the last ten years overall. As you all are aware, the City has a policy of maintaining an unassigned fund balance in the General Fund equal to fifteen percent (15%) of expenses. Our Finance Director presented information at your April 12 Budget Work Session showing that year-end unassigned fund balance levels have remained between fifteen and twenty percent (15%-20%) in each year since 2011. We are anticipating that unassigned fund balance in the General Fund will again in fiscal year 2021-22, end the year around 15%, but with enough of a cushion to provide us with the flexibility to utilize a small $400,000 fund balance appropriation to fund some key investments in fiscal year 2022-23.

Parking and Transit

As staff noted during the City Council budget work sessions, the two City operations that have not fully recovered from the impacts of the COVID-19 pandemic are the Parking Services and Transit Services enterprise funds. In the Parking Services Fund, demand for off-street parking continues to be below pre-pandemic levels. In addition, Parking Services encountered challenges with the installation of new gate equipment in City garages that led to a loss in revenue in the current fiscal year, which has impacted the Parking Services Fund's ability to support Transit

Services operations. Normally, the Parking Services Fund earns enough revenue to support its own operating expenses and provide $1.6 million in support to the Transit Services Fund. Due to the revenue loss in the current year, staff is projecting that Parking Services will not be able to provide any support to the Transit Services Fund in the current fiscal year. Parking Services revenue is expected to improve next fiscal year but due to continued uncertainty in garage revenue trends, staff has budgeted a 21% decrease in the Parking Services Fund and reduced the transfer to the Transit Services Fund from $1.6 million to $1.0 million.

As you all are aware, the City's transit service provider RATPDev has experienced a significant loss of bus drivers which has led to service reductions in the current fiscal year. In addition, as staff indicated at the April 12 Council Budget Work Session, the Transit Services Fund has been negatively impacted financially in the current fiscal year by the revenue shortfall in the Parking Fund and increases in gasoline prices. Also with Parking Fund revenues not projected to return to pre-pandemic levels, next year's Transit Fund revenues are reduced by approximately $600,000 to reflect a lower transfer from the Parking Fund. Due to the operational challenges created by the driver shortage and the financial impact of lower Parking Fund support, staff is therefore not recommending moving forward with any service enhancements next fiscal year, including those that were originally planned for October 2021. As noted above, next year's Transit Fund Proposed Budget does include funding to increase driver pay to help address the transit service provider's recruitment and retention challenges. Staff remains committed to implementation of the Transit Master Plan and will monitor the operational and financial capacity to implement service enhancements and bring recommendations back to Council as part of next year's budget if revenue projections improve and driver shortages are addressed.

Strategic Prioritization and Resource Allocation

At your annual retreat held on March 17-18 2022, City Council identified six key priorities to inform development of the fiscal year 2022-23 budget:

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

Prior to the annual retreat, staff held a budget work session with Council to provide an overview of the budget process and discuss key financial indicators. At that work session, staff also provided an in-depth review of the City's Capital Improvement Program (CIP) including an update on major projects and an overview of proposed changes to council and community engagement efforts related to CIP projects. After the retreat, staff followed up with two additional budget work sessions in April to update the financial outlook, provide additional information on the CIP, and preview examples of investment recommendations from the City Manager's Proposed Budget. All of that work culminates with this presentation of the Proposed FY 2022-23 Budget and the key investments that I will highlight over the next few pages.

Reparations

In July 2020, City Council became one of the first local governments in the United States to approve a resolution supporting community reparations for Black residents. Council first identified

Reparations as one of its strategic priorities as part of the fiscal year 2021-22 budget process, and in June 2021 City Council took action to adopt an initial $2.1 million budget for Reparations utilizing revenue from the sale of the White Labs property. Council followed up that budget adoption with the approval of a resolution in September 2021 authorizing the City Manager to execute a contract with TEQuity, LLC in the amount of $365,583 to provide project management services for the Reparations process. In addition, all twenty-five (25) members of the Reparations Commission and seven (7) alternates have been selected. The Reparations Commission is expected to return to the City Council with next step recommendations in late fall or winter. In the meantime, the Manager's Proposed FY 2022-23 budget includes an additional $365,000 appropriation to restore available funding for Reparations to $2.1 million. The Buncombe County Manager's budget includes a recommendation of $2.0 million for Reparations. We anticipate that the City and the County's investments will be augmented by other outside investments, including from hotel rezonings through use of the Community Benefits Table.

Reimagining Public Safety

City Council and staff have been working on the Reimagining Public Safety strategic priority since the summer of 2020. Council first took action on this priority in September 2020, by moving two nuisance response programs (Animal Control and Noise Ordinance enforcement) to the Development Services Department (DSD); moving Parks Wardens to the Parks & Recreation Departments; adding positions in the Information Technology Services (ITS) Department for improved public safety data analysis, reporting, and public access; adding a position in Communication and Public Engagement (CAPE) to better serve communities and neighborhoods; and funding additional homeless outreach.

In November 2021, City Council took a major step in the Reimagining Public Safety process by approving an Inter-Governmental Agreement (IGA) with Buncombe County to Consolidate 911 Services effective January 1, 2022. The 911 consolidation achieved a number of key objectives including: the elimination of call transferring; more consistent and effective service delivery; greater opportunities for interagency response and backup; better data sharing between agencies and responders in the field; and expanding opportunities for alternate response methods through consolidated training and procedures. Under the IGA, the funding for nineteen (19) telecommunications positions in the Asheville Police Department (APD) was transferred from the City to the County. Also under the IGA, the County will bill the City for actual costs incurred, which may increase City costs by up to $400,000. The fiscal year 2022-23 General Fund budget includes funding for the IGA in the non-departmental section of the budget.

Over the past two years the Asheville Police Department (APD) has experienced significant turnover in sworn police officers. This turnover has created exceptional challenges for APD to maintain coverage and provide a basic level of service. In an effort to begin reducing turnover, the 2021-22 budget included funding to fully implement the Police pay plan recommendations from the Archer Compensation Study. In addition, City Council in December 2021 approved a contract with an outside firm (EPIC Recruiting) to create recruiting media and a recruitment website, and strategize and market the City of Asheville and APD to enhance recruitment efforts. Progress has been made in terms of improving APD staffing levels, but the department still currently has approximately 52 vacant sworn positions out of a total of 238 authorized sworn positions. Based on recent turnover rates and planned hiring in fiscal year 2022-23, staff is assuming APD will have an average of 40 vacant sworn officer positions next fiscal year and have included this vacancy savings in the Proposed Budget. To assist with hiring efforts next fiscal year, the Proposed Budget includes $75,000 in funding to provide additional contracted support for background investigations and polygraphs that are a required part of the police hiring process.

I also want to highlight important new public safety investments in the Asheville Fire Department (AFD) and the Parks and Recreation Department which will enhance safety in our community. The new Broadway Public Safety Station is anticipated to open in early calendar year 2023. Once open, the station will improve performance outcomes in that part of the City from 45% to over 90%. Partial-year funding was included in the current budget to hire an additional 15 firefighters to staff the new station. Next year's Proposed Budget includes full funding for those positions as well as anticipated operating costs for the station. The AFD Proposed Budget also includes $75,000 for a new Emergency Medical Technicians (EMT) pay supplement for staff who have this certification. This level of care, which is essential for opioid response efforts, involves 300 additional hours of training that employees complete on their own time. These employees provide a higher level of treatment for our community to include intubations, IVs, and medications. $75,000 is also included in the Proposed Parks and Recreation budget that will allow for the installation/replacement of 2-3 camera systems per year in recreation centers. The cameras will enhance public safety by providing APD with security footage in and around community centers.

Improve & Expand Core Services - Employee Compensation

The City of Asheville is a service driven organization that is reliant on people to deliver core services, with approximately 56% of the City's Proposed Budget dedicated to personnel costs. In fiscal year 2019-20, the City contracted with the Archer Company to complete a Total Compensation Study. There were two phases to the study; the first, an analysis of the impact of raising minimum pay to $31,200 for a 40-hour work week, was completed and implemented in the fourth quarter of FY 2019-20. The second phase, which included an analysis of positions, classifications, salaries, and benefits in comparison to the market, was completed in FY 2020-21. The year-one recommendations from the Archer Study were implemented in the current fiscal year and included significant adjustments for employees on the public safety pay plans, and increases in compensation for all other employees up to the new Archer-recommended minimum pays or a 2.5% increase, whichever was greater. The cost of implementing these recommendations was approximately $7.9 million citywide with around 87% or $6.9 million of this increase going to employees earning less than $60,000 annually.

Since the Archer-recommended pay adjustments were made last July, pandemic-induced disruptions in the labor market have further exacerbated challenges in retaining and recruiting employees for many organizations, and the City is no exception. These disruptions have also led to significant inflation in the labor market, with the Federal Reserve Bank of Atlanta reporting earlier this month a 4.7% national increase in the 12-month moving average for median wage growth. As result of these labor market changes and the effects that overall inflation have had on our employees' pocketbooks, I am recommending the following July 2022 compensation adjustments as part of the Proposed Budget:

- Increase pay to ensure all full-time employees earn at least $35,360 annually and make associated compression adjustments;

- Provide all other staff who do not receive an adjustment as a part of the item above a 5.0% increase if hired on or before December 31, 2021 or a 2.5% increase if hired after that date.

The cost of implementing these recommendations will be approximately $5.9 million citywide with around 62% or $3.6 million of this increase going to employees earning less than $60,000 annually. The Human Resources and Finance Departments will also work in conjunction with the City Manager's Office and other departments to review additional options for recruitment and retention incentives, and will bring forward recommendations early next fiscal year.

In other personnel cost changes, the Proposed Budget includes additional funding in the Asheville Fire Department (AFD) based on overtime expense trends observed over the last two fiscal years. Also, for the seventh consecutive year, the Board of Trustees for the NC Local Government Employees' Retirement System (LGERS) approved an increase in the employer contribution to the retirement program. This increase of 1.2% has a citywide budgetary impact of approximately $1,020,000. On a positive note, the City has continued to experience strong financial performance in its health care program and will therefore be able to maintain employee contributions and employer contributions at the same level for the fifth consecutive fiscal year.

Improve & Expand Core Services - Additional Core Service Investments

At its April 26, 2022 meeting, City Council approved FY 2022-23 fee increases that provided significant new revenue for three of the City's core services - water, stormwater, and sanitation.

- *Water Resources* - The rate adjustments in Water reflect year two of the multi-year rate adjustment plan designed to recover revenue lost as a result of the elimination of the Water Capital Improvement Plan (CIP) fee in 2020. Revenue from Water rate adjustments will allow the City to continue meeting debt coverage ratios that rating agencies, such as Standard & Poor's and Moody's, use to evaluate the credit worthiness of the water system, which will be important as the Water Department moves ahead with critical capital infrastructure projects such as the upcoming meter replacement project.

- *Stormwater* - The Stormwater Utility fee had not been increased in the last two fiscal years. Additional revenue from the fee increase will be used to support additional customer service staff resources and capital funding to ensure continued compliance with mandates.

- *Sanitation* - The Solid Waste fee had not been increased in 6 years. Additional revenue from this fee increase will be utilized to add the following positions: 1) a Waste Reduction Program Manager to provide program leadership that aims to reduce waste, manage the recycling program; and develop and implement waste diversion strategies; 2) Two Field Operations Specialists (FOS) to address and respond to increased sanitation requests and provide organizational efficiency; and 3) a Sanitation Business Services Specialist to provide and enhance customer service, billing and account management, inventory management, reporting, and revenue collection.

The Proposed Budget also includes a number of other one-time and ongoing new investments in our core services; from which I will highlight four key investments:

- In order to maintain our legal authority to have a race and gender conscious procurement policy, the City must routinely complete a disparity study. The City last completed a disparity study in 2018 so we must complete a new disparity study by July 2023. The Proposed Budget includes $375,000 in one-time funding for the study.

- Our current Enterprise ERP system Tyler/Munis requires significant manual and duplicate data entry for many of the tasks performed by Human Resources (HR) Department staff and it has very limited options for integration with other HR software systems. The Proposed Budget includes $250,000 in ongoing funding to procure a new cloud-based HRIS system.

- Emergency operations and continuity of operations planning is essential for a local government in order to protect and ensure the resiliency of core service delivery during disasters, emergencies and other hazards. The Proposed Budget includes one-time funding

of $200,000 to complete an Emergency Operations Plan and Continuity of Operations Plan for City operations.

- A new Geographic Information System (GIS) analyst position will provide capacity to initiate and complete projects that including mapping equity data, asset management implementations, sustainability analyses, public dashboarding, and other data visualization. ($107,000)

In addition to the core service investments included in the Proposed Budget, I also want to highlight three other City initiatives funded through Council's May ARPA funding awards which will be getting underway next fiscal year. The first is the City of Asheville Inclusive and Accessible Government Project ($514,120). This project will bolster communication between city government and the community by removing barriers to public participation through investments in virtual meeting technology and staffing, and strengthen community resilience by supporting leadership and capacity building in historically disenfranchised communities.

The second City initiative to highlight that was funded as part of the May ARPA awards is the Sanitation Litter & Cleanliness Program ($500,000) which will address litter, homeless camp sanitation and clean up, and overall City cleanliness. Lastly, Council also awarded $650,000 in ARPA funds in May to modernization & upgrade downtown restrooms.

Equitable & Affordable Housing & Stability

According to an April 26, 2022 report in the Asheville Citizen-Times the median first quarter housing price was $440,000 in the Asheville city limits, and $405,000 in Buncombe County, which represents a 56% increase in Asheville and 44% increase in Buncombe County compared to pre-pandemic prices in 2019. The area rental market has also seen similar price increases, with the May 2022 National Rent Report from Apartment List showing that the median two-bedroom rent in Asheville was $1,594, an increase of 33.2% compared to March 2020.

To address these housing affordability issues, the Proposed Budget includes $85,000 in one-time funding to complete a missing middle housing study which would identify regulatory and policy barriers to building missing middle housing, such as townhomes, accessory dwelling units, duplexes and triplexes. The study would identify the next steps in addressing the challenges to increase affordable housing units in Asheville, including amendments to the Uniform Development Ordinance (UDO).

This new funding will complement ongoing budget investments, which include the $500,000 annual Housing Trust Fund contribution and $369,000 to support the Land Use Incentive Grant (LUIG) program and development fee rebate payments for affordable housing projects. City staff will also work in fiscal year 2022-23 to utilize the remaining $8.5 million in funding from the $25 million 2016 General Obligation Bond program. The Proposed Budget also includes $150,000 in funding to continue the City's participation in the Buncombe County Homeowner Grant Program, which began in the current fiscal year and is designed to help mitigate the impact of recent property tax increases on low-income residents.

Houselessness Strategies

The 2022 Point-in-Time Count Results which were presented to City Council at your most recent meeting showed a 21% increase in homelessness in Asheville compared to 2021. As staff reported at that meeting, the pandemic has significantly impacted community homeless services, including increasing the volume and complexity of needs and decreasing shelter inventory due to protocols. An infusion of federal rental assistance and the temporary non-congregate shelter

funded with federal assistance helped to partially offset COVID's impact on homelessness, but it didn't fully close the gap. At that same meeting, City Council also approved a contract in partnership with Dogwood Health Trust to fund a consultant to conduct a comprehensive needs assessment and develop responsive strategies to effectively address unsheltered homelessness.

I am also recommending additional new investments in next year's Proposed Budget to assist with our Houselessness Strategies. The first of these recommendations is the addition of a Homeless Initiative Project Specialist in the Community and Economic (CED) Development Department who will help develop and implement strategies to alleviate homelessness and provide technical assistance to community partners. In addition, we have included in the Proposed Budget $50,000 in funding for Code Purple winter sheltering to provide emergency shelter for homeless individuals when extreme winter temperatures occur. The City has provided Code Purple support in recent years utilizing an ad-hoc mix of affordable housing pay-go capital funding and grant dollars. I am proposing that we formally begin including ongoing funding for Code Purple in our annual General Fund budget.

Neighborhood Resilience

Staff heard clear feedback as part of the prior year internal and external engagements that new City investments in neighborhoods were very important, and City Council identified neighborhood resilience as a strategic priority for fiscal year 2022-23. To address this priority, staff is proposing additional funding in the Parks and Recreation Department budget to continue afterschool programs at Murphy-Oakley Center and Claxton Elementary School. Parks and Recreation has been providing afterschool programming for many years mainly out of our community centers - Burton Street, Montford, Reid (now Grant), Shiloh, and Stephens-Lee - as well as at Lucy Herring Elementary School. In the current fiscal year, Parks expanded afterschool programming into two additional locations - Murphy-Oakley Center and Claxton Elementary School; however, we did not increase funding to operate those programs. Staff has utilized departmental savings to cover expenses at the two new afterschool program locations in the current fiscal year but this is not a sustainable option especially as both new afterschool program locations continue to grow. The additional funding will allow continuation of these programs. The Proposed Budget also includes $245,000 in funding for the Parks and Recreation Department to relocate their parks maintenance operations from their current location at Hunt Hill Place in the East End/Valley Street neighborhood.

I also want to highlight a few key neighborhood resilience-related initiatives that began in the current fiscal year that are funded again in next year's Proposed Budget. The fiscal year 2021-22 budget allocated a total of $200,000 to launch a neighborhood grant program. The program, which helps Asheville's neighborhood-based organizations fund various improvement projects by providing a dollar-for-dollar matching grant of up to $5,000 dollars, was successfully launched in the fall of 2021. Unused budget for this program in the current fiscal year will be rolled over to next fiscal year, and new funding of $75,000 is included in the Proposed Budget. The Proposed Fiscal Year 2022-23 Budget also continues the $450,000 in funding that was approved in the current fiscal year for additional Parks and Recreation services in our neighborhoods to provide our youth with improved access to safe spaces to socialize and recreate through expanded evening and weekend hours at community centers.

Lastly, I want to mention the investments being made in our neighborhoods as part of the five-year Capital Improvement Program (CIP) including sidewalks, road resurfacing, parks facilities, and other infrastructure. In particular I want to highlight the $2.5 million in ARPA funding being utilized in the CIP for completion of the Memorial Stadium project, an important recreation facility in the Oakhurst and East End/Valley Street neighborhoods. The FY 2022-23 CIP also includes

$1.1 million budgeted for improvements at the historic Municipal Golf Course located in the Beverly Hills neighborhood. The City is seeking additional funding for the Golf Course project through the Tourism Product Development Fund (TPDF) grant process and potentially through the lease agreement with a new golf course operator.

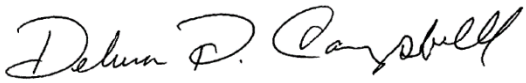
Next Steps and Summary

Once again, I am pleased to present a balanced proposed budget for fiscal year 2022-23 that makes significant new investments in our employees and Council's strategic priorities while at the same time maintaining our existing property tax rate. As we look ahead to next fiscal year, I am very excited by the opportunity to work with Council, staff, and the community to move ahead with the key initiatives funded through this budget. I am also excited about the opportunity to begin working with community organizations and staff as we utilize the $11.3 million in American Rescue Plan (ARPA) funding that Council approved last month. The ARPA monies will supplement the funding outlined in this budget and make lasting impacts in the community.

The last two years have brought many challenges but we have worked together to overcome those challenges. I would like to thank staff throughout the organization for their many hours of hard work on this budget, and their willingness to collaborate on decision making. In particular, I would like to acknowledge staff in the City of Asheville's Finance & Management Services Department: Finance Director Tony McDowell and the staff in the Budget Division, including Taylor Floyd, Heather Curry, and Abigail Riley.

I look forward to working with you and the community over the next month to adopt the fiscal year 2022-23 budget.

Sincerely,



Debra D. Campbell

City Manager

Budget Guide

Local governments exist to provide a wide range of basic services on which we all depend: streets and sidewalks, water systems, garbage collection, police and fire protection, and parks, just to name a few. The ability of a local government to provide this wide range of services rests on its financial decision-making. This document contains the City of Asheville's FY 2022-23 Proposed Budget, which is the financial plan that will guide City operations over the next year.

The budget document is divided into the following sections:

Introduction - This section begins with the City Manager's Budget Message, which highlights and explains the major budgetary issues facing the City of Asheville during the 2022-23 fiscal year. The Introduction also includes a description of the budget process and City organizational structure and a presentation of the City's financial policies.

Budget Summary - The Budget Summary section provides a detailed picture of the City's FY 2022-23 proposed annual operating budget, including information on total budget expenditures, revenues, and staffing. This section also separates the expenditures and revenues by fund. Detailed information is included for all City operating funds, with a focus on the City's largest fund, the General Fund. This section also highlights the City's major revenue sources and summarizes the trends and assumptions that were used in developing the FY 2022-23 revenue estimates. The Budget Summary concludes with an estimate of fund balance for the City's General Fund and an overview of the General Fund five-year financial forecast.

Departmental Summaries - The next four sections present budget data for City departments. Detailed budget information is included for all City departments and divisions, along with departmental goals and objectives.

Capital Improvement Program/Debt Management - The long-range Capital Improvement Program (CIP) describes planned capital improvement projects and funding sources for the next five fiscal years. This section also contains information on the City's annual debt service requirements.

Please direct any comments or questions to:
Taylor Floyd, Budget Manager
City of Asheville
Telephone: (828) 259-5592
Email: tfloyd@ashevillenc.gov
Website: *www.ashevillenc.gov/department/finance/city-budget/*

Asheville City Council 2036 Vision

Asheville is a great place to live because we care about people, we invest in our city, and we celebrate our natural and cultural heritage. Our city is for everyone. Our urban environment and locally-based economy support workers, entrepreneurs, and business owners, families and tourists, and people of all ages. Cultural diversity and social and economic equity are evident in all that we do. Our neighborhoods are strong, participation in civic life is widespread, and collaborative partnerships are the foundation of our success. Here's what makes us special.

AN EQUITABLE AND DIVERSE COMMUNITY

Asheville is an inclusive, diverse community. We define diversity broadly, including but not limited to all races, ages, sexual orientations, gender identities, socio-economic backgrounds, and cultural beliefs. We have created a fair and balanced society where everyone can participate and has the opportunity to fulfill their potential because they have access to healthy, affordable food, transportation, quality education, and living-wage jobs. Asheville promotes and supports minority businesses as a means of strengthening our local economy. We use a racial equity lens to review and achieve our city's strategic goals in health, education, housing, and economic mobility.

A WELL-PLANNED AND LIVABLE COMMUNITY

Asheville promotes community through thoughtful, resident-led planning that results in pedestrian-oriented development for all ages and abilities, harmonized with an integrated transportation system. Asheville's unique character is reflected in our regional planning and land use, preserved in our historic structures, and honored when incorporated in new development. Thoroughfares are lined with thriving businesses mixed with residential and commercial uses. Neighborhoods are safe, socioeconomically diverse, and have a range of affordable housing choices. Open spaces, parks, greenways, community gardens, and edible landscapes are abundant throughout the city.

A CLEAN AND HEALTHY ENVIRONMENT

Asheville continues to be a leader in innovative technologies and conservation efforts in response to global climate change. The City is powered by locally-generated, clean sources of energy, and air quality problems have disappeared. Views of surrounding mountains have regained clarity unknown since the late 1800s.

Clean energy is not the only priority when preserving our high quality of life. Recognized as a Tree City USA for decades, Asheville's streets, greenways, and parks embody an urban forest. Emphasis on local resilience spurs the use of municipal land for gardening, farming, and urban orchards. Known as a food destination city, most restaurants serve locally grown foods.

Thanks to an extremely high-quality water source nestled in the gentle folds of the Blue Ridge Mountains, Asheville continues to attract companies that depend on clean water – from breweries to high-tech start-ups to restaurants and food manufacturers. Our modern transportation system has increased options that reduce carbon emissions. Successful waste, recycling, and curbside composting programs have greatly reduced the city's landfill needs.

QUALITY AFFORDABLE HOUSING

Asheville is a city with abundant housing choices for people at all economic levels and stages of life. Chronic homelessness is a thing of the past and rapid rehousing strategies abound thanks to an effective network of service providers. Housing is affordable not only because of reasonable prices but also because of low energy and transportation costs. Innovative and historic housing options, from tiny homes and co-housing to apartments and single-family homes, are available throughout the city. Asheville's former public housing communities have been transformed into a diverse mix of affordable and market-rate homes.

TRANSPORTATION AND ACCESSIBILITY

Whether you drive a car, take the bus, ride a bike, or walk, getting around Asheville is easy. Public transportation is widespread, frequent, and reliable. Sidewalks, greenways, and bike facilities get us where we want to go safely and keep us active and healthy. It is easy to live in Asheville without a car and still enjoy economic, academic, and social success.

A THRIVING LOCAL ECONOMY

Asheville is unique in its locally-focused economy. Our local businesses are vibrant and, no matter where you are in the city, you see a diversity of customers, employees, and business owners. Our historic buildings are home to funky, eclectic businesses that reflect the character of the city, and a creative economy of artists, makers, and innovators is thriving.

As an employer, the City values its workers by paying living wages and offering benefits that ensure both security and opportunity. Businesses of all types that share those values locate, start, and grow in Asheville, offering a wide range of career opportunities and economic mobility. Plentiful educational options, workforce development, access to capital, economic incentives, and a culture that values homegrown businesses make our economy strong. Our public and private partners have demonstrated a unity of purpose. If you do your part, you will find opportunity for success.

A CONNECTED AND ENGAGED COMMUNITY

We pride ourselves on building and growing partnerships – with regional and state governments, nonprofits, the private sector, and neighborhood associations to name a few – to achieve our vision. If you live, work, or play here, you want to be involved and you have a voice. When you join a citizen board or commission, the City provides training and support. Diverse interest groups work together to tackle problems, and neighborhood engagement enables residents to express thoughts, visions, and concrete plans that build a collective and harmonious community. City leaders, officials, and staff members are trusted. City government is transparent, and we use the latest technologies and methods to communicate with, engage, and empower community participants. When you live in Asheville, you belong and are valued.

A FINANCIALLY RESILIENT CITY

Asheville has an AAA bond rating. We use our debt capacity and revenue wisely in order to maintain and improve the City’s infrastructure and invest in our public employees. We strive to control our costs and still provide the highest possible level of service. We have a diverse revenue base that enables us to plan far into the future and to benefit from our growth. Our individual and corporate citizens generously invest in our community through partnerships and public/private projects that enrich the quality of life in the city.

Organizational Structure

Fund Accounting

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

	General Fund	Water Resources Fund	Parking Services Fund	Street Cut Utility Fund	Stormwater Fund	Civic Center Fund	Transit Fund
DEPARTMENT							
Fire	X						
Police	X						
Parks & Recreation	X						
Community & Economic Development	X						
Community & Regional Entertainment Facilities	X					X	
Planning & Urban Design	X						
Development Services	X						
Public Works	X			X	X		
Capital Projects	X						
Sustainability	X						
Equity and Inclusion	X						
Transportation	X		X				X
Administration/City Manager's Office	X						
City Attorney's Office	X						
Communication & Public Engagement	X						
Finance & Management Services	X						
Human Resources	X						
Information Technology Services	X						
Water Resources		X					

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

General Fund

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

Enterprise Funds

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

- Transit Services Fund
- Parking Services Fund
- Water Resources Fund
- Harrah's Cherokee Center Asheville (HCCA) Fund
- Stormwater Fund
- Street Cut Utility Fund

Capital & Special Revenue Funds

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

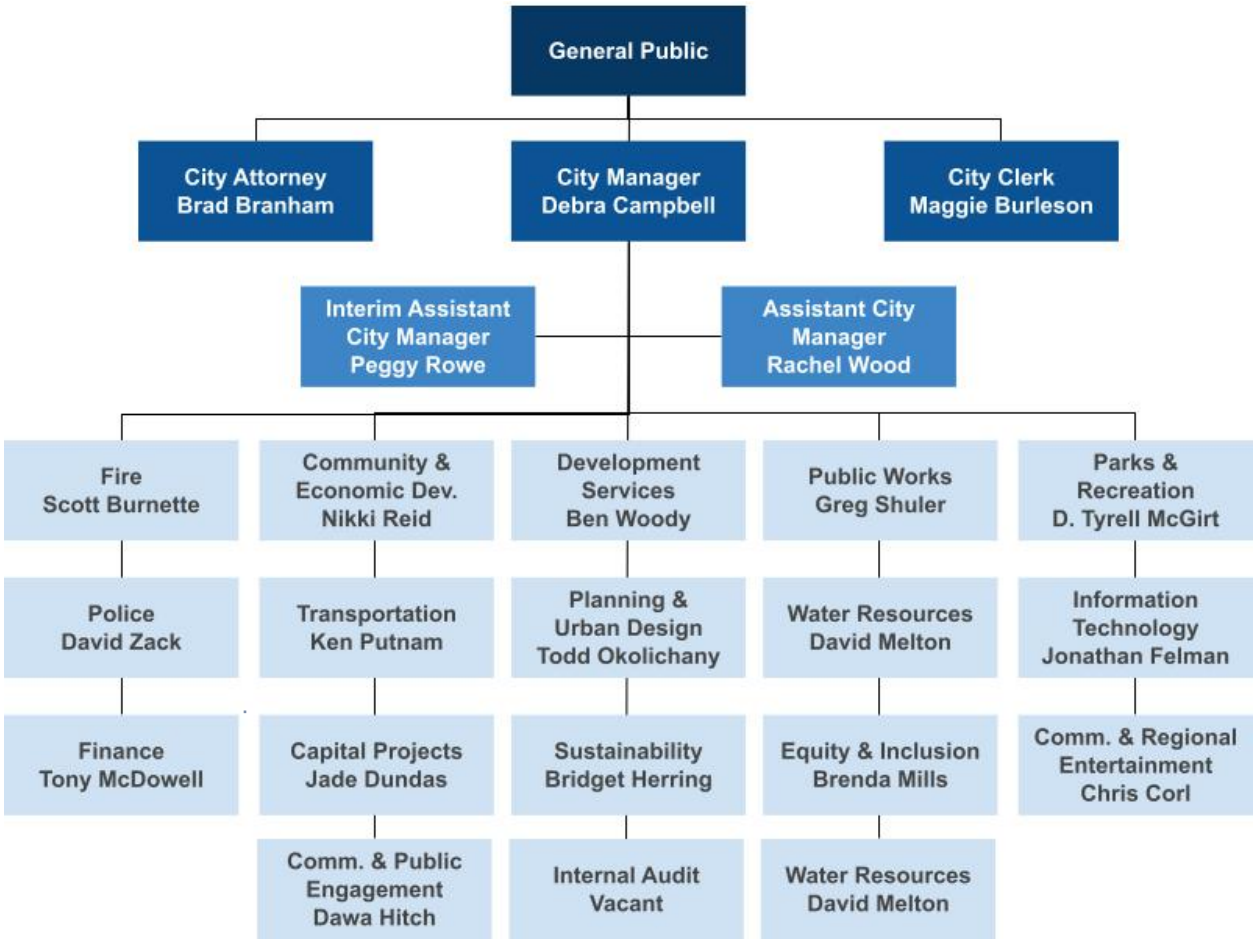
- General Capital Projects Fund
- Community Development Fund
- Water Major Capital Improvement Fund
- HOME Fund
- Harrah's Cherokee Center Asheville (HCCA) Capital Fund
- Parking Services Capital Fund
- Transit Services Capital Fund

How Funds Interact

City funds interact in a variety of ways. Expenses that occur in one fund are frequently incurred to benefit another fund. When this occurs, the benefiting fund may reimburse the fund providing the goods and services. Examples of such transactions include general government services provided by the General Fund to the Water Resources Fund. Interfund transfers may also result from the exchange of resources between funds to cover operating and capital expenses. For example, the FY 2022-23 budget includes a transfer from the General Fund to the Harrah's Cherokee Center Asheville (HCCA) Fund to support operations. Transfers between funds result in the budgeting of dollars in both participating funds.

Departments & Divisions

Departments are organizational units that provide a major type of public service, such as fire or police protection. Departments are usually subdivided into one or more divisions. For instance, the Police Department consists of three divisions: administration, criminal investigations, and patrol. Often within each division, there are smaller units responsible for performing specific activities. A City organizational chart is presented below:



FY 2022-23 Budget Calendar

Item	Date/Deadline
City Council Formal Meeting - Adoption of Budget Calendar	December 14, 2021
Management Team Retreat	December 20, 2021
Internal review of existing programs and services (operating) and infrastructure and facility needs (capital)	December – March 2022
Council Budget Work Session	February 22, 2022
City Council Retreat	March 17-18, 2022
Finance & HR Committee - Review of FY 2022-23 Fees & Charges	March 22,2022
Council Budget Work Session	April 12, 2022
Council Budget Work Session	April 26, 2022
City Council Formal Meeting - Adoption of FY 2022-23 Fees & Charges	April 26, 2022
Proposed Budget Document Published	May 20, 2022
City Council Formal Meeting - Proposed Budget Presentation to City Council - Set Public Hearing for Budget	May 24, 2022
City Council Formal Meeting - Budget Public Hearing	June 14, 2022
City Council Formal Meeting - Budget Adoption	June 28, 2022

Financial Policies

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

A. Operating Budget Policy

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

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

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

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

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

B. Reserves

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

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

Harrah's Cherokee Center Fund	16% of the operating budget
Parking Fund	8% of the operating budget
Stormwater Fund	8% of the operating budget
Transit Fund	8% of the operating budget (portion may be reflected in General Fund)
Water Fund	100% of operating budget; 365 days of working capital

C. Interfund Transfers

The City will strive to ensure that enterprise funds are financially self-sufficient; however, the City may budget a transfer from the General Fund to an enterprise fund to ensure operational and/or capital support for the activities of the fund. If financial performance in the enterprise operating fund is better than budgeted, and the enterprise fund meets the reserve standards set forth in

Section B of this policy, then any remaining portion of the interfund transfer shall be returned to the General Fund as part of the annual financial audit process.

D. Revenue Policy

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

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

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

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

Non-regulatory fees shall be set at a level that is competitive in the marketplace and strives to recover full costs (direct and indirect costs, such as depreciation or usage costs associated with capital assets) except when:

- free or subsidized service provides a significant public benefit;
- the City has determined that it should influence personal choice to achieve community-wide public benefits;
- full cost recovery would result in reduced use of the service or limit access to intended users thereby not achieving community-wide public benefits;
- the cost of collecting the user fees would be excessively high;
- ensuring the users pay the fees would require extreme measures.

E. Capital Improvement Policy

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

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

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

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

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

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

F. Accounting Policy

- The City will establish and maintain the accounting systems according to the North Carolina Local Budget and Fiscal Control Act, Generally Accepted Accounting Principles (GAAP), and standards established by the Governmental Accounting Standards Board (GASB).

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

A financial system will be maintained to monitor expenditures and revenues on a monthly basis.

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

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

G. Audit Policy

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

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

H. Water Utility Policy

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

Rate increases will be evaluated annually and implemented with a maximum level of predictability, consistency, and affordability.

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

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

Cash Financing of Capital: Annual revenues and cash reserves shall provide no less than 30% of CIP funding.

Service Affordability: The most commonly used and most cited measure of water service affordability is “percent MHI” – that is, calculating what a year’s worth of water bills for an average level of consumption (e.g., 5,000 gallons/month) is compared to the median household income (MHI) in the community served by the utility. This indicator is easy to calculate by simply using the calculated bill amount and the U.S. Census Bureau’s median household income date from their latest 5-year American Community Survey estimated. The City of Asheville’s percent MHI. The average annual residential bill divided by real median household income shall be < 1.5%.

I. Internal Services Fund Policy

- Health Fund
  a. Health Claims Budget and Rate Setting

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

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

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

  b. Health Fund Reserve Requirement

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

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

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

iii. 30% of the aggregate of i and ii above.

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

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

J. Investment Policy

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

Governance

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

Purpose and Scope

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

Objectives

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

Safety. The primary objective of the City's investment activity is the preservation of capital in the overall portfolio. Funds shall be invested according to NCGS §159-30-33. These statutes provide the authority to invest idle funds and provide the mandatory framework for cash management, reporting, and investment decisions. The statutes outline the investment options open to local governments with an emphasis on preservation of capital and mitigation of risk. The City will invest in those institutions collateralized under the Pooling Method, as prescribed under the North Carolina Administrative Code,

Title 20, Chapter 7 (20 NCAC 7). 20 NCAC 7 allows depositories to use an escrow account established with the State Treasurer to secure the deposits of all units of local governments.

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

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

Responsibility and Control

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

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

Authorized Investments

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

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

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

Institution is collateralized under the Pooling Method (see *Safety* above)

Institution demonstrates a pattern of community reinvestment aligned with City Council's Strategic Plan

Institution has physical location(s) within the City of Asheville city limits

Institution provides employment within the city limits

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

Comprehensive Debt Management Policy

Purpose

The purpose of the City of Asheville Comprehensive Debt Management Policy is to provide guidance for the issuance of City debt obligations and the maintenance of the City's ability to incur debt and other long-term obligations at favorable interest rates for capital improvements, facilities and equipment beneficial to the City and necessary for essential services.

The City of Asheville issues and manages debt in accordance with the Local Government Bond Act, North Carolina General Statutes (NCGS) Chapter 159, Article 4 which prescribes a uniform system of limitations upon and procedures for the exercise by all units of local governments in NC of the power to borrow money secured by a pledge of the taxing power; and the limitations on local debt as noted in NCGS §159-55. Other applicable provisions to certain debt and debt refunding actions are contained within NCGS Chapter 159, Local Government Finance. Long-term planning to meet the current and future needs of the City requires a sound debt position and guidelines that protect the credit quality of the City.

The City's current bond ratings are:

Moody's:	Aaa
Standard & Poor's:	AAA

Scope

These debt guidelines apply to all debt issued by the City in the various funds; noting that there are specific requirements imposed by the type of debt issued which may be inconsistent with, or not applicable to, some portion of these guidelines. Among these limitations are Council and/or voter approval, length of time to issue debt for approved uses, and capital requirements, such as length of asset lives and dollar value of assets financed. Further restrictions are related to the nature of the debt and whether it is general obligation debt (backed by the taxing authority of the City) or debt backed by other specific pledged revenue and/or collateral.

The City will confine long-term borrowing to capital improvement or projects that cannot be financed from current revenues or fund balance except where approved justification is provided. The City will utilize a balanced approach to capital funding utilizing debt financing, draws on capital reserves and/or fund balances in excess of policy targets, and current-year (pay-as-you-go) appropriations.

When the City finances capital improvements or other projects by issuing bonds or entering into capital leases, it will repay the debt within a period not to exceed the expected useful life of the project or asset. Target debt ratios will be calculated as part of the annual Budget process and presented as part of the annual CIP process.

Prior to the issuance of new General Obligation (GO) debt, consideration shall be given to forecasted tax rate requirements, ratio of net GO debt to assessed taxable value, net GO debt per capita, and debt service payments to General Fund operating budget.

The City may employ municipal finance professionals to assist in developing a bond issuance strategy, preparing bond documents, and marketing bonds to investors.

The City will select a method of sale that is the most appropriate in light of the financial market, transaction-specific conditions, and City-related conditions and in accordance with State law.

The City will use fixed-rate debt in most cases to finance its capital needs; however, the City may issue variable rate debt up to (recommend: 15% or 20%) of its total debt portfolio, when necessary.

Debt structures that result in significant “backloading” of debt will be avoided.

The Finance Director will maintain good communication with bond rating agencies.

- The Finance Director will provide periodic updates on the City’s financial condition.
- Required disclosure on every financial report and bond prospectus will be followed.
- The City may request ratings prior to the sale of securities from the major rating agencies for municipal bond issues.

The City will strive to achieve and maintain the highest credit rating awarded the municipal bond rating agencies.

The City may undertake refinancing of outstanding debt

- When such refinancing allows the City to realize significant debt service savings (net present value savings equal to at least 3.0% of the refunded par amount is currently recommended by the LGC) without lengthening the term of refinanced debt and without increasing debt service in any subsequent year; or
- When the public policy benefits outweigh the costs associated with the issuance of new debt and any increase in annual debt service; or
- When a restrictive covenant is removed to the benefit of the City.

The Finance Director shall maintain a system of record-keeping and reporting to meet the arbitrage rebate compliance requirements for the federal tax code.

Responsibility

The Finance Director has primary responsibility for developing, recommending, and monitoring debt financing and debt refunding/restructuring strategies and instruments. The selection and sourcing of financial consultants and service providers is also within the scope of duties of the Finance Director. The Fiscal Services Manager, under the direction of the Finance Director, is tasked with daily operational debt responsibility.

The City Manager and the Finance Director are responsible for the administration and issuance of debt including the completion of specific tasks and responsibilities included in this policy. The City will evaluate the debt policy at least every five years.

Service Providers and Oversight

The City will retain external bond counsel for all debt issues. Bond counsel are attorneys who specialize in all matters related to municipal debt. All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the debt, stating that the City has met all state constitutional and statutory requirements necessary for issuance, and determining the debt’s federal income tax status.

The City shall use a competitive bidding process in the sale of debt to identify its underwriter unless the nature of the issue warrants a negotiated sale. The City shall attempt to award the bonds based on a true interest cost (TIC) basis; however, the City may issue bonds based on a net interest cost (NIC) basis as long as the financial advisor agrees that the NIC basis can satisfactorily determine the lowest and best bid.

The City will retain an external financial advisor, to be selected through a competitive process administered by the City's Finance Department. The utilization of the financial advisor for certain bond sales will be at the discretion of the Finance Department on a case-by-case basis and pursuant to the financial advisory services contract. The selection criteria for financial advisors will include comprehensive municipal debt experience, experience with diverse financial structuring requirements, and pricing of municipal securities. For each City bond sale, the financial advisor will provide the City with information on pricing and underwriting fees for comparable sales by other issuers.

The Finance Director shall periodically solicit, on a competitive basis, other service providers (escrow agents, verification agents, trustees, etc.) as needed to facilitate the sale of bonds or the post-sale management of bond issues.

All bonds issued under the authority of the Local Government Bond Act are approved by the Local Government Commission. Approval of an application as noted in NCGS §159-51 for a bond issue to the LGC is contingent on criteria established in NCGS §159-52. Such criteria require resolution of issues such as low tax collection rate (below 90%), receipt of a qualified audit opinion, or violations of the Local Government Budget and Fiscal Control Act.

Issuance of Debt

The scheduling and amount of bond sales and installment purchase transactions will be recommended by the Finance Director and the City Manager. The City Council must approve the sale. These decisions will be based upon the identified cash flow requirements for each project to be financed, market conditions, and other relevant factors including the debt ratios. If the cash requirements for capital projects are minimal in any given year, the City may choose not to issue debt. Instead, the City may fund up-front project costs and reimburse these costs when financing is arranged. In these situations, the City will adopt a reimbursement resolution prior to the expenditure of project funds.

Fixed-rate general obligation bond sales are conducted on a competitive basis by the Local Government Commission (LGC), a division of the Office of the State Treasurer. Variable-rate bonds, revenue and LOBs, and special obligation bonds will be sold on a negotiated basis with the underwriter selection determined through a competitive process. Underwriters will be selected for each issue based on the particular experience and expertise necessary for that issue.

Debt service for each issue will be structured in an attempt to level out the City's total debt service payments over the life of the debt portfolio. This structuring also assists in minimizing the interest payments over the life of the issue. Structuring must take into consideration current market conditions and practices in the municipal finance market.

Arbitrage Compliance

Arbitrage is the profit that results from investing low-yield tax-exempt bond proceeds in higher-yield securities. Federal law requires that investment earnings in excess of the bond yield (arbitrage earnings) must be rebated to the federal government. However, if a jurisdiction meets certain IRS spend-down exceptions for bond proceeds, it is allowed to keep any positive arbitrage

interest earnings. Arbitrage regulations apply to all of the City's tax-exempt financings. The Department of Finance will invest bond proceeds at the highest yield possible, consistent with the City's investment guidelines and any restrictions imposed by the governing documents of each series of bonds. The Department of Finance is responsible for monitoring investments and cash flows of the City's bond funds, and contracting for third-party arbitrage compliance calculations on an annual basis.

Credit Ratings

The Finance Director shall be responsible for maintaining relationships with the rating agencies that assign ratings to the City's various debt obligations. This effort shall include providing periodic updates on the City's general financial condition along with coordinating meetings and presentations in conjunction with new debt issuance. The ratings provide investors with a simple way to compare the relative investment quality of different bonds. Bond ratings express the opinions of the rating agencies as to the issuer's ability and willingness to pay debt service when it is due. Ratings are generally determined by the following four factors:

- Fiscal factors - financial results have the most significant impact on the rating process. This review involves an examination of results of operations, including a review of the actual fiscal performance versus planned budget performance, with deviations from the plan to be explained. The general fund financial statement is examined with emphasis on current financial position and fund balances, as well as three to five-year trends in planning and budgeting procedures. Pension liabilities are also important in the analysis process. The early production of the City's Annual Comprehensive Financial Report is a positive step in providing meaningful, valuable, and timely information to the rating agencies.

- Economic factors - the overall economic strength of the City is heavily weighted in the valuation of the City's creditworthiness by diversity of both the economic base and tax base. The diversity of the City's industries reflects its abilities to weather industry-specific downturns as well as general economic recession. In either scenario, stronger surviving industries carry the ailing industries through the period of downturn. In a truly diverse economy, it is rare that all industries will deteriorate to the same level at the same time. The strength of the City's tax base is equally crucial. The City relies on taxes on its residents and businesses for the majority of its revenues. The ability of the City to continue to receive those revenues is directly related to the ability of its taxpayers to pay their taxes. Property values, employment, unemployment, income levels, costs of living, and other factors impacting the wealth of the taxpayers provide an indication of the strength of the City's tax base.

- Debt factors - the City's overall debt burden is considered in the credit analysis process. In addition to government regulated debt ceilings, the City's ability to maintain manageable debt levels and debt service coverage is evaluated. Positive indicators are proper management of existing debt, proactive efforts in identifying and executing financially prudent refunding opportunities and closely matching capital financing structures to the funding needs of the project.

- Administrative and management factors - these factors include the examination of the form of government and assessment of the City's ability to implement plans as well as to fulfill legal requirements. The focus is on the capabilities of the management staff within the City, which is seen as a vital ingredient in assessing its credit quality. Managerial and legislative willingness to make difficult decisions, development of financial policies, and the reliability and continuity of regularly-updated accounting financial information are key.

Management that keeps in regular contact with the rating agencies is well-regarded. Continual monitoring of factors impacting credit ratings is provided by the Finance Director. These factors include the avoidance of operating deficits and the maintenance of high collection rates for all revenues.

Use of Rating Agencies

The Finance Director shall be responsible for determining if a rating shall be requested on a particular financing, and which of the major rating agencies shall be asked to provide such a rating.

Credit Enhancement

The City shall seek to use credit enhancement (letters of credit, bond insurance, surety bonds, etc.) when such credit enhancement proves cost-effective. Selection of credit enhancement providers should be conducted using a competitive process when practical. Credit enhancement may be used to improve or establish a credit rating on a City debt obligation even if such credit enhancement is not cost-effective if, in the opinion of the Finance Director, the use of such credit enhancement meets the City's debt financing goals and objectives.

Debt Coverage

In order to enhance future credit ratings, and thereby reduce insurance and/or interest costs, the City will maintain a minimum of 105% operating coverage. Coverage ratios for revenue bonds will be maintained at the levels required in the respective debt covenants. Coverage ratios will be monitored and reported as part of the City's annual debt affordability analysis. The City's water system revenue bonds contain rate covenants that require the annual current operating receipts exclusive of transfers (i.e. rate and fee charges for services – not fund balance transfers), and net of annual current expenses, be sufficient to pay for the annual current water debt service. This amount generally is required to be not less than 120% of the parity debt service and 100% of all debt service in the fund. The City is generally obligated to adjust rates and fees to sufficiently provide for the maintenance of debt coverage ratios.

Reporting

Required annual reporting on debt is contained in the Annual Comprehensive Financial Report. This publication is available on the City's website.

The Finance Director presents debt benchmarking data to the City Council which includes but is not limited to per capita debt, debt to assessed valuation, and outstanding and authorized GO debt. Benchmarking will also include historical and comparative data for selected North Carolina municipalities. This will be presented in connection with the annual CIP presentation to City Council.

The City will provide full, accurate disclosure of all material information to investors, lenders, and other financing participants necessary for such parties to make an informed judgment about the City's debt and financial condition. At a minimum, this information shall be provided to such parties from issuance of the debt to its retirement. The City will follow established market practices and contract for necessary services to provide such disclosure. To fulfill the need for both initial (at the time of issuance) and continuing disclosure, the City will follow the guidance of the Government Finance Officers Association (GFOA), including its Disclosure Guidelines publication. The City will also disclose all bond sales, annually file certain financial information and operating data related to the bonds with the national and state repositories, and prepare

announcements of significant events to meet the Securities and Exchange Commission to meet their requirements of Rule 15c-12 by complying with reporting requirements in the Electronic Municipal Market Access (EMMA) data port. It is through this website that all annual event and other material event notifications are posted and reported to the Municipal Securities Rulemaking Board (MSRB).

GLOSSARY

Arbitrage: With respect to the issuance of municipal securities, arbitrage refers to the difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the bonds in higher-yielding securities. Internal Revenue Code of 1986, Section 148 generally restricts the ability to earn arbitrage in connection with tax-exempt bonds. In the case of an arbitrage rebate payment made by an issuer to the federal government in connection with an issue of tax-exempt bonds, the payment represents the amount of arbitrage earnings on bond proceeds, except for earnings that are not required to be rebated under limited exemptions provided under the Internal Revenue Code. An issuer is generally required to perform certain calculations every five years during the life of the bonds to determine whether an arbitrage payment must be made. These calculations cease to be required when all bond proceeds are fully expended. These calculations are very detailed and specific and are almost exclusively performed by firms that are knowledgeable in this arena and are called 'arbitrage rebate calculators'.

Backloading Repayment Costs: The City will seek to structure debt with level principal and interest costs over the life of the debt. Backloading of costs will be considered only when natural disasters or extraordinary or unanticipated external factors make the short-term cost of the debt prohibitive when the benefits derived from the debt issuance can clearly be demonstrated to be greater in the future than in the present, when such structuring is beneficial to the City's overall amortization schedule, or when such structuring will allow debt service to more closely match project revenues during the early years of the project's operation.

Bond Counsel: The City will retain external bond counsel (who must be an attorney) for all debt issues. All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the debt, stating that the City has met all state constitutional and statutory requirements necessary for issuance and determining the debt's federal income tax status. Bond counsel will be selected through a competitive process administered jointly by the City's Department of Finance and the City Attorney's Office.

Bond Rating: An evaluation of the credit risk associated with a particular bond issue by internationally recognized independent rating agencies (Moody's, Standard & Poor's or Fitch). The City of Asheville currently enjoys a general obligation rating of Aaa/AAA which indicates the City is viewed as having an extremely strong ability to repay debt obligations.

Bond Covenant: A legally enforceable promise made by an issuer of bonds to the bondholders, normally contained in the bond resolution or bond indenture.

Bond Indenture: A formal agreement, also called a deed of trust, between an issuer of bonds and the bondholder.

Bonds: A debt obligation, or a written promise to pay back an amount (face value of the bond), plus interest, by way of periodic payments within a specified period of time.

Competitive Sale: With the exception of GO bond sales that are conducted by the LGC, the City will seek to issue its debt obligations using a competitive process unless it is determined by the Director of Finance that an alternative sale method will produce better results for the City.

Conduit Debt: Debt issued by the government to provide capital financing for a third party that is not part of the government; the third party, not the government, is responsible for repaying the debt through lease or loan payments to the government.

Continuing Disclosure: The requirement for all bond issuers to provide on-going disclosure information to established national information repositories and maintain compliance with disclosure standards promulgated by state and national regulatory agencies. This mandatory and important reporting is due each January 31. Reporting guidelines and sample documents are provided by the LGC.

Cost and Fees: Where practical, all costs and fees related to issuance of bonds will be paid out of the proceeds of the bond issue.

Credit Enhancement: Credit enhancements encompass a variety of provisions that may be used to reduce the credit risk of an obligation. Credit enhancements are often incorporated into debt instruments. Examples include: collateralization, where one or more parties may agree to post collateral and collateral levels, may be fixed or variable over time; third party loan guarantees; letters of credit issued by a financial institution; bond insurance where an insurance policy may provide for compensation in the event that a party defaults and surety bonds where a surety (third party) ensures that the principal party (the City) obligations to the obligee (bondholders) will be performed.

Debt Covenant: Legal obligations contained in a bond issue document such as a covenant for a specified debt service coverage ratio.

Debt Coverage Ratio: A bond covenant or obligation, the rations is a stipulated formula measurement of the amount of net revenues available from specified revenues to cover required annual debt service payments. The ratio amount and formula for calculation are included in the particular bond document.

Debt Instruments: Consistent with the limitations of the Local Government Bond Act the City provides for long-term financing needs through the use of, but not limited to, general obligation bonds, limited obligation bonds, certificates of participation, revenue bonds, installment sales/lease obligations, and private placements. Debt obligations are generally approved locally and by the Local Government Commission as required by state statute. Referenda, notices, and public hearings, again as required by state statues, are conducted prior to final debt approval and issuance.

Debt Limits: The City will not issue general obligation bonds if such issuance would cause the City to default on or breach the covenants of any prior bonds. In addition, the aggregate limit should be the lower of the limit set forth in NCGS §159-55 (8% of the total assessed value of all real and personal property revenues within the City's limits) or a set target debt limit or ratios established by the City Council.

Debt Service: The periodic repayment to creditors/holders of debt principal and interest on debt obligations.

Defease: To set aside sufficient money to retire outstanding debt. A full defeasance results in release from covenants and contractual obligations contained in the bond documents. Defeasance funds result from refunding of original debt issues. (This may also be known as an advance refunding.)

Finance Officer: The City officer performing the duties of finance officer of a unit of local government pursuant to NCGS §159-24 of the Local Government Budget and Fiscal Control Act is the unit's Finance Officer. The City of Asheville's Finance Officer is the Finance Director.

Financial Advisor: The City will retain an external financial advisor, to be selected for through a competitive process administered by the City's Department of Finance. The utilization of the financial advisor for certain bond sales will be at the discretion of the Department of Finance on a case-by-case basis and pursuant to the financial advisory services contract. The selection criteria for financial advisors will include comprehensive municipal debt experience, experience with diverse financial structuring requirements, and pricing of municipal securities. For each City bond sale, the financial advisor will provide the City with information on pricing and underwriting fees for comparable sales by other issuers.

General Obligation Bonds: The City may borrow money from lenders, pledging the full faith and credit of the City to pay the loan through tax revenue. This type of bond requires both the approval of voters through the referendum process and the approval of the Local Government Commission. The City sells general obligation bonds ("GO bonds") to pay for expenses associated with capital projects or any public improvement as described in NCGS §159-48. Bond sales are held as needed based on cash flow needs of the projects being financed. The City may also issue GO debt under the 2/3 rule, wherein the City may issue up to 2/3 the value of GO debt retired in the prior year so long as no new GO debt was issued in the same year.

Length of Debt: Debt will be structured for the shortest period consistent with a fair allocation of costs to the useful life of the asset. Debt issues that include multiple projects with different useful lives can be split into segments with different term lengths. Alternatively, a blended useful life for the projects to be financed can be used to determine the term of the debt.

Limited Obligation Bonds ("LOBs") or Certificates of Participation Bonds ("COPs"): This is an alternative financing method requiring no voter approval. The City may enter into LOBs or COPs, which are essentially installment sale contracts, for buildings or equipment using the building or equipment to secure the financing. These bonds should only be used when the property being financed has sufficient value to secure the debt and will survive the term of the financing. Issuance of LOBs or COPs will be made in accordance with the provisions of NCGS §159-153 and with the approval of the Local Government Commission.

Local Government Commission: All bonds issued under the authority of the Local Government Bond Act are approved by the Local Government Commission. Approval of an application as noted in NCGS §159-51 for a bond issue to the LGC is contingent on criteria established in NCGS §159-52. Such criteria require resolution of issues such as low tax collection rate (below 90%), receipt of a qualified audit opinion, or violations of the Local Government Budget and Fiscal Control Act.

Negotiated Sale: When determined to be appropriate by the Director of Finance, the City may elect to sell its debt obligations through a negotiated sale. Such determination may be made on an issue-by-issue basis, for a series of issues, or for part or all of a specific financing program. Selection of the underwriter or underwriting syndicate shall be made pursuant to selection procedures set forth in these debt guidelines.

Private Placements: Debt may be privately placed with a lending institution when private placement will enhance the attractiveness of the offering consistent with the receipt of the lowest true interest cost possible. The LGC must approve the use of all private placements in accordance with NCGS §159-153.

Referendum: The process by where voters determine the City's ability to sell General Obligation Bonds. This generally occurs in connection with November elections.

Revenue Bonds: Bonds issued by the City that are backed with specified revenue sources from an enterprise fund for which the bonds were issued. The City's enterprise funds include fee for service business activities, such as the Water Fund, the Parking Fund, and the Stormwater Fund. The City may borrow money from lenders, pledging the revenues from charges and fees of the enterprise fund to repay the debt. Revenue bonds do not require voter approval. Issuance of revenue bonds will be made in accordance with the provisions of NCGA 159-5 and with the approval of the Local Government Commission.

True Interest Cost ("TIC") and Net Interest Cost ("NIC"): Methods used to select the lowest effective interest cost bid in competitive bid sales. NIC is an average interest cost rate for a bond issue, calculated on the basis of simple interest (not compound interest). *The NIC calculation does not take into consideration the time value of money.* The winning NIC bid may not provide the lowest effective interest cost in present value terms. TIC is the internal rate of return that will be paid by the issuer to investors. It is the interest rate that discounts the debt service payable for a bond issue to its present value, or net proceeds. Because TIC takes into account the time value of money, it is generally considered to be a more accurate measure of the issuer's true cost of borrowing than the NIC.

Two-thirds Bonds: The City is authorized to issue general obligation debt under the 2/3 rule, established by state statute, wherein the City may issue new GO bonds up to 2/3 the value of the general obligation debt retired in the prior year so long as no other new general obligation debt was issued in the same year.

Underwriter: Investment banking entity or groups of such entities that purchase, for resale to the public, bonds or other debt obligations issued by the City and/or LGC on the City's behalf. This professional may also be referred to as an Investment Banker or bookrunner.

Voter Authorization: The City will seek voter authorization to issue general obligation bonds as directed by the City Council, and in accordance with NCGS §159-49. Such authority will be sought only after it is determined that the project costs are eligible and appropriate for multi-year financing.

Budget Summary: All Funds

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-2022 Estimate	2022-23 Proposed
REVENUES						
General Fund	130,946,772	138,783,321	145,233,553	145,263,553	148,420,938	158,559,944
Water Resources	40,377,680	31,752,754	36,735,312	36,735,312	36,000,120	40,260,320
Transit Services	8,961,123	13,773,831	13,167,309	13,167,309	11,589,903	12,733,940
Stormwater	6,563,805	6,507,151	6,780,342	6,780,342	6,606,200	7,487,747
Parking	5,293,331	4,188,689	7,077,680	7,077,680	4,182,966	5,630,952
Harrah's Cherokee Center	4,592,821	1,467,516	4,525,894	4,525,894	4,810,720	4,908,420
Street Cut Utility	1,867,200	1,671,126	1,852,678	1,852,678	1,800,000	2,041,114
Total	**198,602,731**	**198,144,389**	**215,372,768**	**215,402,768**	**213,410,847**	**231,622,437**
Interfund Transfers	(13,436,166)	(14,432,733)	(14,851,711)	(14,851,711)	(13,274,214)	(14,726,729)
Net Revenues	**185,166,565**	**183,711,656**	**200,521,057**	**200,551,057**	**200,136,633**	**216,895,708**
EXPENDITURES						
General Fund	130,398,473	129,612,254	145,233,553	145,263,553	145,492,951	158,559,944
Water Resources	39,974,235	31,853,814	36,735,312	36,735,312	35,513,554	40,260,320
Transit Services	10,517,571	12,989,895	13,167,309	13,167,309	11,645,362	12,733,940
Parking Services	5,291,580	5,460,743	6,780,342	6,780,342	6,082,368	7,487,747
Stormwater	6,008,839	5,519,260	7,077,680	7,077,680	4,303,680	5,630,952
Harrah's Cherokee Center	4,263,798	2,950,543	4,525,894	4,525,894	4,398,525	4,908,420
Street Cut Utility	1,731,460	1,553,460	1,852,678	1,852,678	1,792,385	2,041,114
Total	**198,185,956**	**189,939,969**	**215,372,768**	**215,402,768**	**209,228,825**	**231,622,437**
Interfund Transfers	(13,436,166)	(14,432,733)	(14,851,711)	(14,851,711)	(13,274,214)	(14,726,729)
Net Expenditures	**184,749,790**	**175,507,236**	**200,521,057**	**200,551,057**	**195,954,611**	**216,895,708**

Note: The FY 2021-22 Amended Budget reflects the FY 2021-22 Original Budget plus revisions and budget amendments approved since July 1. In order to present a more representative comparison across budget years, the Amended Budget does not include contracts, purchase orders, and other carry-over appropriations from prior years.

Budget Summary: Expenditures

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES BY CATEGORY						
Salaries & Wages	68,710,694	66,970,514	76,566,825	75,805,158	74,980,980	84,968,273
Benefits	29,305,897	30,801,562	33,345,478	33,219,556	32,817,506	36,136,148
Operating Costs	48,106,732	47,764,199	58,833,884	58,257,585	55,075,931	63,185,016
Capital & Debt	38,626,467	29,970,962	31,774,870	33,268,758	33,080,194	32,606,271
Net Expenditures	**184,749,790**	**175,507,236**	**200,521,057**	**200,551,057**	**195,954,611**	**216,895,708**

Expenditure Highlights

Overall, the City's net FY 2022-23 proposed budget, which totals $216.9 million, shows a $16.4 million or 8.2% increase compared to the FY 2021-22 original budget. The City's proposed General Fund budget totals $158.6 million, an increase of $13.3 million or 9.2% compared to the FY 2021-22 original budget.

Personnel Costs (Salaries, Wages, and Benefits)

As result of labor market changes and inflationary pressures, the following compensation adjustments are included in the Proposed Budget:

- Increase pay to ensure all full-time employees earn at least $35,360 annually and make associated compression adjustments;
- Provide all other staff who do not receive an adjustment as a part of the first bulleted item a 5.0% increase if hired on or before December 31, 2021 or a 2.5% increase if hired after that date.

The total impact of these changes is estimated at $5.9 million citywide. Based on claims trends, the City was able to keep both employer and employee contributions to the health insurance program flat for the fifth consecutive fiscal year. The proposed budget includes $1M to fund a required increase of 1% for law enforcement personnel and 0.75% for other employees in the employer contribution to the Local Government Employee Retirement System (LGERS).

Operating Costs

Citywide operating costs are up $4.3 million or 7.4% compared to the Adopted FY 2021-22 Budget. The bulk of this increase is in the General Fund, driven partially by a new contract with Buncombe County to provide 911 dispatch services at a total cost of $2.0 million. Other significant new costs include a $365,000 General Fund contribution to reparations and $200,000 for new leased space to house parks maintenance operations.

Other significant increases to operating costs in the General Fund include several one-time items:

- A missing middle housing study which would identify regulatory and policy barriers to building missing middle housing (e.g., townhomes, accessory dwelling units, and multiplexes). ($85,000)
- One-time upfit costs ($45,000) for parks maintenance staff relocation.
- A Housing Needs Assessment (Bowen Report), which was last updated in March of 2020. ($60,000)
- A new disparity study ($375,000), which will allow the City to maintain its race and gender conscious procurement policy.

Debt Service/Capital Costs

The debt service and capital category includes annual debt service payments on the City's existing and planned debt issuances, as well as capital purchases in departmental operating budgets, pay-as-you-go transfers to the City's various capital project funds, and funding for the General Fund multi-year capital model. For FY 2022-23, the Citywide total budget for these expenses is approximately $32.6 million.

While capital funding for Water Resources and Stormwater remains similar to prior years, funding for Parking capital projects was decreased to $150,000 in FY 2022-23 as Parking Fund revenues have continued to be impacted by the COVID-19 pandemic.

Over the five-year plan, debt funding for General Fund capital projects is increased $3.8 million, to provide additional investments in sidewalks and other pedestrian infrastructure, additional fire apparatus and equipment replacement, and facility improvements. This additional debt funding reflects the most recent updates to the debt model capacity based on project spending timelines and interest rate assumptions.

Budget Summary: Revenues

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
REVENUE SOURCES						
Property Taxes	69,095,855	73,567,305	78,512,370	78,512,370	78,704,747	81,404,292
Sales & Other Taxes	27,893,002	32,229,186	32,548,276	32,548,276	36,004,796	38,853,015
Intergovernmental	12,796,974	16,537,441	16,446,046	15,446,046	15,078,364	16,158,747
Licenses & Permits	6,263,638	6,130,553	6,133,295	6,133,295	6,246,681	6,195,868
Sales & Services	62,385,734	51,269,798	59,902,563	59,612,408	59,346,816	66,353,541
Investment Earnings	3,623,737	116,632	1,124,193	1,124,193	1,071,245	1,111,773
Miscellaneous	8,655,074	8,763,471	10,034,341	10,059,821	7,736,847	9,083,315
Other Sources	7,888,717	9,530,002	10,671,684	11,966,359	9,221,352	12,461,886
Total	**198,602,731**	**198,144,389**	**215,372,768**	**215,402,768**	**213,410,847**	**231,622,437**
Interfund Transfers	(13,436,166)	(14,432,733)	(14,851,711)	(14,851,711)	(13,274,214)	(14,726,729)
Net Revenues	**185,166,565**	**183,711,656**	**200,521,057**	**200,551,057**	**200,136,633**	**216,895,708**

Property Taxes

The property tax, which comprises 37.5% of total revenue, is the single largest source of revenue for the City. As discussed in the Manager's Budget Message, the proposed tax rate for FY 2022-23 is 40.30 cents, which is the same as the prior year. The proposed tax rate will provide $2.9 million additional revenue necessary to invest in key Council, community, and organizational priorities.

Sales & Other Taxes

Overall, City General Fund revenues have performed exceptionally well during both the height of the pandemic and during the economic recovery afterwards. Sales tax revenue in the General Fund has exceeded budget estimates in each of the last two fiscal years, with revenue growing by 16 percent in fiscal year 2020-21, and up another 19 percent through the first 8 months of the current fiscal year. Sales taxes for fiscal year 2022-23 are projected at 8% above current fiscal year estimates, a $6.3 million increase over the current fiscal year budget.

Other Revenues

Sales and services revenue shows a $6.5 million or 10.8% increase in the Proposed FY 2022-23 Budget. Approximately half of that increase ($3.5 million) is generated by the rate increase for Water services that City Council approved at its April 26, 2022 meeting. Other major fee increases approved at the meeting include an increase to Solid Waste and Stormwater fees, which result in increases to the sales and services revenues of $800,000 and $923,000, respectively.

Compared to the FY 2021-22 original budget, the intergovernmental revenue budget Citywide is down approximately $287,000 or 1.7%, primarily due to declining trends in utility tax revenue shared by the state.

Other operating revenue categories, such as Licenses and Permits, Investment Earnings, and Miscellaneous, are all essentially flat compared to the FY 2021-22 Adopted Budget.

The Other Financing Sources category includes items such as interfund transfers and fund balance appropriations. The FY 2022-23 proposed budget for Other Financing Sources in the General Fund is up primarily due to the proposed appropriation of $1.6 in American Rescue Plan Act funding.

Budget Summary: Staffing

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2022-23 Proposed
FULL-TIME EQUIVALENT POSITIONS BY FUND TYPE					
General & Grant Funds	1,024.37	1,027.37	1,058.14	1,047.64	1,054.64
Enterprise Funds	283.41	283.41	284.36	285.49	286.49
Total FTE Positions	**1,307.78**	**1,310.78**	**1,342.50**	**1,333.13**	**1,341.13**

Staffing Highlights

The budget includes the addition of 9 full-time equivalent (FTE) positions. These include:

Department	FTEs	Positions
Community & Economic Development	+ 1.0	Homelessness Support
Information Technology Services	+ 1.0	Geographical Information Systems (GIS) Specialist
Parks and Recreation	+ 2.0	Recreation Program Leaders (2)
Public Works	+ 4.0	Waste Reduction Program Manager Business Services Specialist Field Operations Specialists (2)
Stormwater Enterprise Fund	+ 1.0	Billing Specialist

The following chart shows changes in FTE positions by department for the last four fiscal years.

Staffing Summary by Fund and Department

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2022-23 Proposed
GENERAL FUND					
Admin. Services/CMO	12.00	12.00	12.00	12.00	12.00
Asheville Fire Department	276.75	276.75	291.75	292.00	292.00
Asheville Police Department	301.00	314.00	288.00	269.00	269.00
CAPE	7.00	8.00	8.00	10.00	10.00
Capital Projects	38.00	38.00	38.00	38.00	38.00
City Attorney	7.00	7.00	7.00	7.00	7.00
Comm. & Econ. Development	16.50	16.50	17.50	19.00	20.00
Comm. & Regional Facilities	-	-	-	18.50	18.50
Development Services	51.50	55.50	57.50	57.50	57.50
Equity & Inclusion	4.00	4.00	4.00	4.00	4.00
Finance & Mgmt. Services	32.00	32.00	32.00	33.00	33.00
Human Resources	20.60	20.60	21.00	21.00	21.00
Information Tech. Services	27.00	29.00	29.00	29.00	30.00
Parks & Recreation	96.38	105.38	117.75	100.50	102.50
Planning & Urban Design	13.00	13.00	13.00	13.50	13.50
Public Works	105.30	105.30	105.30	105.30	109.30
Sustainability	3.00	3.00	3.00	3.00	3.00
Transportation	13.34	13.34	13.34	14.34	14.34
Total	**1,024.37**	**1,027.37**	**1,058.14**	**1,047.64**	**1,054.64**
ENTERPRISE FUNDS					
Harrah's Center	26.30	26.30	26.25	25.75	25.75
Transit Services	4.00	4.00	4.00	4.00	4.00
Parking Services	28.91	28.91	28.91	28.66	28.66
Stormwater	51.60	51.60	52.60	52.60	53.60
Street Cut Utility	10.60	10.60	10.60	10.60	10.60
Water Resources	162.00	162.00	162.00	163.88	163.88
Total	**283.41**	**283.41**	**284.36**	**285.49**	**286.49**

General Fund Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
REVENUES						
Property Tax	69,095,855	73,567,305	78,512,370	78,512,370	78,704,747	81,404,292
Sales & Other Taxes	27,893,002	32,229,186	32,548,276	32,548,276	36,004,796	38,853,015
Intergovernmental	11,380,297	11,544,354	12,634,744	12,634,744	12,268,809	12,247,445
Licenses & Permits	5,527,783	5,472,815	5,385,295	5,385,295	5,514,681	5,411,496
Sales & Services	12,049,220	11,464,043	12,097,770	11,803,095	12,090,706	13,524,359
Investment Earnings	1,846,458	39,901	623,000	623,000	623,000	623,000
Miscellaneous	3,061,537	4,442,260	2,758,641	2,788,641	3,214,199	3,255,803
Other Sources	92,620	23,457	673,457	968,132	-	3,240,534
Total	**130,946,772**	**138,783,321**	**145,233,553**	**145,263,553**	**148,420,938**	**158,559,944**
EXPENDITURES						
Admin. Svcs./CMO	2,040,080	2,105,955	2,238,590	2,234,720	1,975,960	2,260,490
Asheville Fire Dept.	27,302,625	27,854,540	31,558,146	31,363,279	32,789,034	36,097,632
Asheville Police Dept.	29,927,129	27,283,926	29,264,378	28,308,002	28,454,904	30,108,640
CAPE	691,247	782,333	881,229	1,066,219	880,930	987,609
Capital Projects	2,991,464	3,054,480	3,120,400	3,213,420	3,658,116	3,352,622
City Attorney	1,034,247	1,102,059	1,234,702	1,231,802	1,146,047	1,357,551
Comm. & Econ. Dev.	2,343,206	2,220,501	3,368,091	3,364,611	3,569,637	4,002,484
CREF	-	-	-	67,375	14,053	2,266,945
Development Svcs.	4,272,972	4,443,741	5,226,396	5,215,223	4,978,953	5,479,181
Equity & Inclusion	453,907	336,574	488,063	575,603	247,238	492,893
Fin. & Mgmt. Svcs.	2,908,867	2,724,339	3,090,894	3,081,538	2,848,735	3,300,011
Human Resources	1,484,970	1,459,986	1,727,584	1,721,224	1,560,981	2,072,423
Info. Tech. Svcs.	3,410,400	3,750,031	4,341,399	4,430,899	4,526,835	4,622,346
Non-Departmental	1,990,896	1,960,313	2,600,843	3,281,000	3,637,781	4,847,014
Parks & Recreation	10,295,247	9,914,116	13,361,475	13,312,395	12,602,999	12,655,345
Plan. & Urban Design	1,323,027	1,245,039	1,431,872	1,431,572	1,306,687	1,680,590
Public Works	10,823,810	11,373,348	12,732,020	12,801,780	12,803,086	14,005,680
Transportation	2,388,411	2,411,952	2,734,718	2,730,138	2,658,221	2,834,311
Sustainability Trans.	851,121	917,555	779,460	779,460	779,460	840,512
Transit Transfer	5,084,113	6,804,233	6,916,932	6,916,932	6,916,932	6,916,932
HTF Transfer	500,000	500,000	500,000	500,000	500,000	500,000
HCCA Transfer	1,135,109	1,125,437	1,204,420	1,204,420	1,204,420	1,125,437
CIP/Debt Service	17,145,624	16,241,796	16,431,941	16,431,941	16,431,941	16,753,296
Total	**130,398,473**	**129,612,254**	**145,233,553**	**145,263,553**	**145,492,951**	**158,559,944**

Analysis of Fund Balance

One measure of a city's financial strength is the level of its unassigned fund balance. In general, fund balance is excess or surplus money. At the end of a fiscal year, unassigned 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 allocated. 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 unassigned 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% or one month of operating expenditures. This 8% requirement represents a minimum standard, and most government sector entities prefer to maintain fund balance between 10% and 20%. Falling below this preferred standard would have substantial financial implications, the most costly of which would be a lower bond rating. This rating characterizes the risk of city-issued debt for potential buyers. A lower rating implies less faith and trust in the City's financial position, resulting in more costly borrowing at higher interest rates.

If a local government's 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.

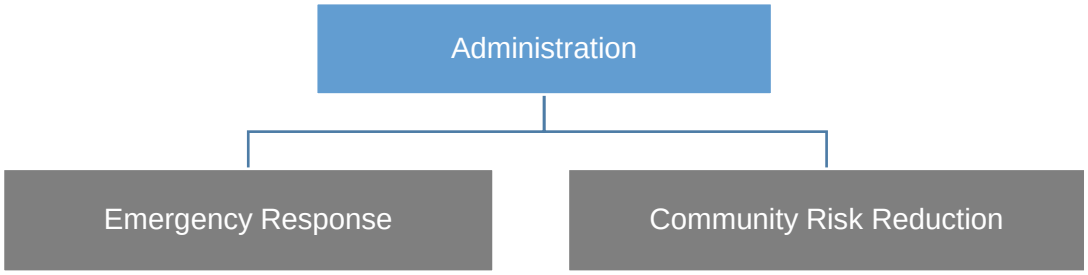
When determining the appropriate level of fund balance for an organization, the following factors, in addition to state minimums or industry averages, should be considered:

- 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.
- 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 to be maintained.

The City of Asheville Financial Management Policy recommends that the City maintain a fund balance in the General Fund equal to 15% of expenditures. Year-end unassigned fund balance levels have remained between fifteen and twenty percent (15%-20%) in each year since 2011. We are anticipating that unassigned fund balance in the General Fund will again in fiscal year 2021-22, end the year around 15%, but with enough of a cushion to provide us with the flexibility to utilize a small $400,000 fund balance appropriation to fund some key investments in fiscal year 2022-23.

Asheville Fire Department

The Asheville Fire Department mitigates loss and suffering due to fires, medical emergencies, and disasters through education, prevention, and response.



Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	16,897,173	17,873,739	19,600,001	19,600,001	20,764,309	22,775,113
Benefits	7,376,385	8,090,949	8,594,462	8,594,462	8,654,559	9,812,657
Operating Costs	3,319,274	3,159,007	4,014,697	3,798,907	3,820,379	3,817,934
Cost Transfers	(316,632)	(1,279,483)	(651,014)	(651,014)	(471,135)	(308,072)
Capital Outlay	26,426	10,328	-	20,923	20,923	-
Total	**27,302,625**	**27,854,540**	**31,558,146**	**31,363,279**	**32,789,034**	**36,097,632**
POSITIONS						
Total	276.75	276.75	291.75	292.0	292.0	292.0

Budget Highlights:

- Includes new supplemental pay for employees with advanced Emergency Medical Technician (EMT) certification, who provide a higher level of emergency medical care. ($75,000)
- A part-time benefitted Emergency Management Specialist position was upgraded to full-time during FY 2021-22.
- Salaries, benefits and cost transfers include six positions that are partially funded by a federal SAFER grant. A total of 15 firefighters were partially funded through two different

SAFER grants in the current year. Total net impact of reduced grant funding is estimated at $260k in additional costs for FY23.

- Includes an additional $1,746,000 in funding for overtime based on current year trends.
- Emergency dispatch services provided by Buncombe County previously funded within the departmental budget are now budgeted in Non-Departmental as part of the consolidation of 911 operations, a reduction of $244,000 in the Fire Department budget.
- Includes one-time funding to complete an Emergency Operations Plan and Continuity of Operations Plan that will improve the City's response to, recovery from, and resilience against disasters, emergencies and other hazards. ($200,000)

Division Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Administration	4,361,622	4,410,794	5,035,041	4,803,195	4,810,495	5,004,111
Emergency Response	21,242,194	21,737,749	24,450,188	24,486,667	26,246,782	29,123,263
Fire Marshal's Office	1,698,809	1,705,998	2,072,917	2,073,417	1,731,756	1,970,258
Total	**27,302,625**	**27,854,540**	**31,558,146**	**31,363,279**	**32,789,034**	**36,097,632**
POSITIONS						
Administration	13.00	13.00	13.00	13.00	13.00	13.00
Emergency Response	244.75	244.75	259.75	260.00	260.00	260.00
Fire Marshal's Office	19.00	19.00	19.00	19.00	19.00	19.00
Total	**276.75**	**276.75**	**291.75**	**292.00**	**292.00**	**292.00**

The **Administration Division** is responsible for the overall leadership of the department. . This division encompasses the senior leadership of the department, business services, safety and training, emergency management and preparedness, and community engagement, information and recruitment.

The **Emergency Response Division** is responsible for response to emergency calls for service throughout the city and all contractual areas. Around the clock emergency response to fires, medical emergencies, technical rescue incidents, hazardous materials spills, natural disasters, and other emergencies is provided through three distinct work shifts. The department operates 12 fire stations with 17 response companies, responding to over 22,000 emergencies annually.

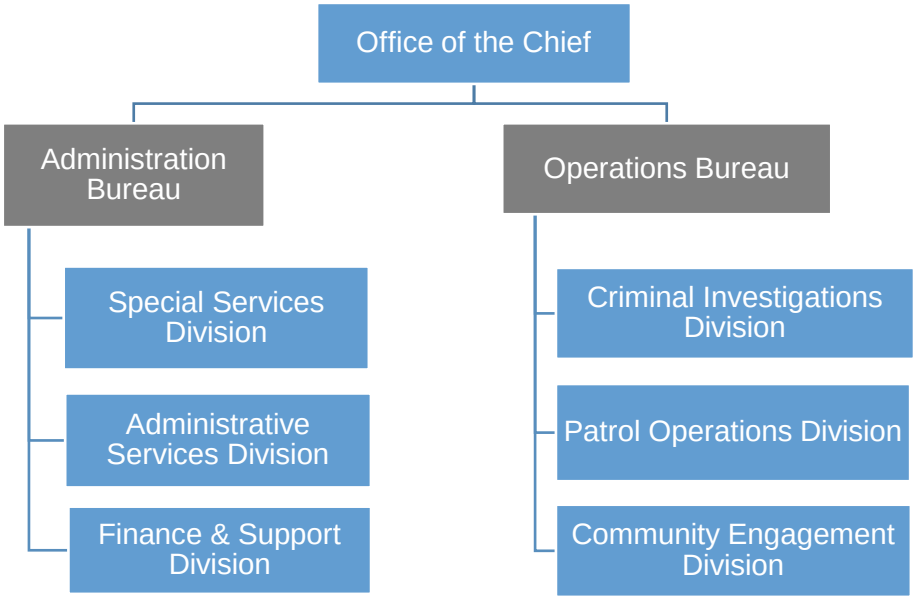
The **Community Risk Reduction Division** is responsible for ensuring that buildings and events meet minimum safety code requirements. Additionally, the division provides fire cause determination and investigation, and community fire and life safety education programs and services.

FY 2022-23 Department Priorities

- Continue to focus on employee wellness. Develop programs which prevent illness and physical and emotional injuries for all members, increase fitness for all members, and standardize fitness for duty evaluations.
- Maximize stakeholder investment and increase our relevance within the community through increased educational and outreach activities.
- Establish a recruitment and hiring culture that provides a sustainable pool of candidates that reflect the community.
- Develop an equitable and competitive promotional process for members of the department based on job qualifications, personal development, skills, and demonstrated performance. This includes providing clear feedback and opportunities for staff to develop skills required for advancement.
- Continue to develop and improve emergency management processes and relationships that allow the City to plan for, prevent, respond to, and recover from both manmade and natural disasters.

Asheville Police Department

The Asheville Police Department is dedicated to providing public safety and maintaining order, enforcing the laws of North Carolina, upholding the United States Constitution, and enhancing national security. The Asheville Police Department is committed to supporting a safe city with safe neighborhoods.



Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	17,393,909	15,623,110	16,113,719	15,518,283	15,867,933	16,868,116
Benefits	7,299,992	6,981,126	7,201,856	7,070,951	7,113,805	7,238,722
Operating Costs	5,297,685	4,934,944	5,948,803	5,546,151	5,319,456	6,001,802
Cost Transfers	(64,457)	(323,330)	-	-	(56,627)	-
Capital Outlay	-	68,076	-	172,617	210,337	-
Total	**29,927,129**	**27,283,926**	**29,264,378**	**28,308,002**	**28,454,904**	**30,108,640**
POSITIONS						
Total	**301.00**	**314.00**	**288.00**	**269.00**	**269.00**	**269.00**

Budget Highlights:

- Based on current staffing levels and departmental hiring plans, budgeted personnel costs assume an average of 40 vacant sworn positions throughout the next fiscal year.
- Emergency dispatch services previously provided by departmental telecommunications staff are now budgeted in Non-Departmental as part of the consolidation of 911 operations with Buncombe County, a reduction of $985,000 and 19 positions.
- Includes an additional $122,000 in overtime funding based on current year trends.
- City's share of County-run CJIS/CDE program has increased by $40,000.
- Additional funding to support contracted background checks and polygraphs for the police hiring process will reduce administrative burden on sworn staff. ($75,000)

Division Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Administration	9,791,056	9,593,929	10,317,005	9,346,446	10,102,802	9,826,822
Community Engagement	-	19,166	1,601,929	1,511,929	1,285,329	1,528,140
Criminal Investigation	5,931,421	4,297,283	5,079,791	5,227,551	3,914,678	5,162,851
Patrol Bureau	14,204,652	13,373,547	12,265,653	12,222,076	13,152,096	13,590,827
Total	**29,927,129**	**27,283,926**	**29,264,378**	**28,308,002**	**28,454,904**	**30,108,640**
POSITIONS						
Administration Bureau	64.00	54.00	59.00	40.00	40.00	40.00
Community Engagement	-	26.00	26.00	26.00	26.00	26.00
Criminal Investigation	58.00	58.00	50.00	50.00	50.00	50.00
Patrol Bureau	179.00	176.00	153.00	153.00	153.00	153.00
Total	**301.00**	**314.00**	**288.00**	**269.00**	**269.00**	**269.00**

The **Administration Bureau** includes the Special Services Division and the Administrative Services Division, which provide project management and policy guidance for the department. Functions within the Special Services Division include planning and research, property and evidence, recruitment and career development. The Administrative Services Division also provides crime analysis, technology, and police records services.

The **Criminal Investigations Division** is responsible for the investigation of a variety of reported offenses. It includes detectives assigned to general cases, major cases, and the Family Justice Center, where offenses involving domestic violence and special victims are investigated. The

department's Impact Unit is also in this division, which has detectives assigned to identify and develop prosecutions into the city's most violent criminals.

The **Patrol Operations Division** conducts and coordinates city-wide community policing efforts, responds to calls for service, provides 24-hour patrols, and conducts criminal incident and traffic collision investigations. Functions within the Patrol Bureau include three police districts and a downtown unit.

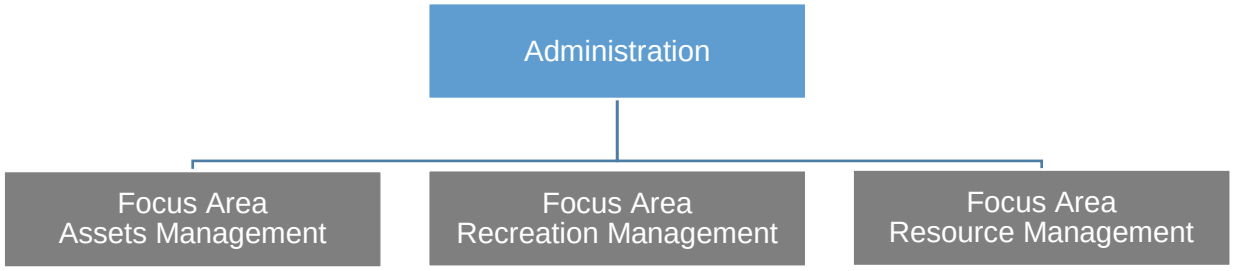
The **Community Engagement Division** includes the Community Engagement Team, the Public Housing Unit, and the School Resource Officers. The Community Engagement Team is responsible for managing the department's community outreach programs, partnerships with community service providers, and problem-solving efforts surrounding law enforcement involvement in complex community issues.

FY 2022-23 Department Priorities

- Continue conversations with the Asheville Housing Authority and Asheville City Schools to assess APD's role within public housing developments and schools.
- Enhance focus on equity in recruitment and hiring practices to provide a diverse pool of candidates that reflect the community.
- Explore cutting-edge training in modern policing with a focus on racial equity, social justice, and de-escalation courses, to include EPIC (Ethical Policing is Courageous) and Vistelar training for all police employees.
- Outfit the South District police station more appropriately to safely allow walk-ins and community meetings. Create a patrol squad to assist with call time reduction and proactive engagement.
- Continue to enhance community engagement efforts through the Community Engagement Division formed in FY 2020-21; engage in a critical incident media contract to facilitate quick, transparent communication with the public; and continue a confidential tip line for community members to share tips and information with APD. This division is active in the community through attending community meetings (some still virtual) and having open conversations about crime, houselessness, traffic, violent crime and other quality of life issues.
- Focus on employee physical and emotional wellness by enhancing physical fitness training opportunities, providing peer support training, and facilitating more access to professional services through a Wellness Policy.

Parks & Recreation Department

Asheville Parks and Recreation is dedicated to enhancing citizens' quality of life by providing diverse recreational experiences.



Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	5,043,195	5,178,875	7,026,015	7,026,015	6,350,570	6,480,347
Benefits	1,818,309	1,954,202	2,505,522	2,505,522	2,321,174	2,302,198
Operating Costs	3,098,235	2,569,923	3,914,038	3,633,883	3,810,710	3,872,800
Cost Transfers	(86,101)	(253,576)	(84,100)	(84,100)	-	-
Capital Outlay	421,608	464,693	-	231,075	120,545	-
Total	**10,295,247**	**9,914,116**	**13,361,475**	**13,312,395**	**12,602,999**	**12,655,345**
POSITIONS						
Total	**96.38**	**105.38**	**117.75**	**100.50**	**100.50**	**102.50**

Budget Highlights:

- The WNC Nature Center, Aston Park Tennis Center, Municipal Golf Course, McCormick Field and John B. Lewis Soccer Complex are now managed by the Department of Community & Regional Entertainment Facilities.
- Includes two additional recreation program leader positions to support programming at the Dr. Wesley Grant Sr. Southside Center once construction on the Center's expansion is complete.
- Building lease ($200,000) and one-time up fit costs ($45,000) for parks maintenance staff are included. This will allow parks maintenance to vacate their current operations at Hunt Hill Place.

- An additional $75,000 is included to fund installation of and licensing for security cameras at recreation facilities. This will enhance safety for staff and residents and assist APD in responding to any incidents.
- Includes an additional $17,400 to fund expanded after-school programming at the Murphy-Oakley Center and Claxton Elementary.

Division Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Administration	1,652,092	1,411,203	1,861,430	2,132,750	1,825,949	2,483,037
Aston Park Tennis	235,468	232,919	267,578	267,338	241,275	-
WNC Nature Center	1,219,657	1,340,078	1,481,486	1,477,166	1,454,751	-
Park Operations	3,785,314	3,932,441	4,857,512	4,618,781	5,213,019	5,367,034
Recreations Operations	3,402,715	2,997,475	4,893,469	4,816,360	3,868,004	4,805,274
Total	**10,295,247**	**9,914,116**	**13,361,475**	**13,312,395**	**12,602,999**	**12,655,345**
POSITIONS						
Administration	9.00	6.00	8.00	12.00	12.00	12.00
Aston Park Tennis	2.00	2.00	2.00	-	-	-
WNC Nature Center	13.75	13.75	13.75	-	-	-
Park Operations	36.38	42.63	43.75	42.75	42.75	42.75
Recreations Operations	35.25	41.00	50.25	45.75	45.75	47.75
Total	**96.38**	**105.38**	**117.75**	**100.50**	**100.50**	**102.50**

The **Administration / Resource Focus Area** provides overall leadership and coordination of the department's activities and goals, coordinates with other departments, and is responsible for execution of the departmental master plan.

The **Assets Focus Area** is responsible for asset protection, upkeep, and aesthetics, ensuring that preventative maintenance, rehabilitation, and replacement activities support strategic decisions of the community for maintaining high-quality parks, open space, trails, and recreation assets as part of the department's equity plan.

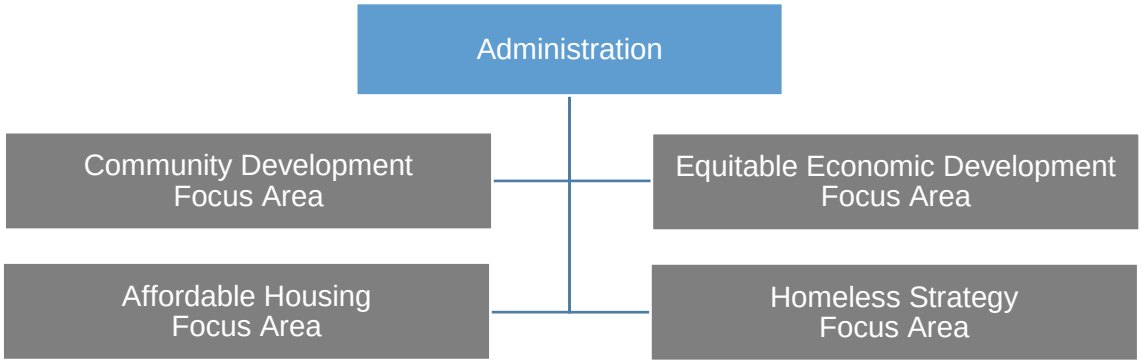
The **Recreation Focus Area** is responsible for building a strong community by providing access to programs and services to all citizens. This area ensures equity in programs serving seniors, low-income participants, and underserved neighborhoods as part of the department's equity plan.

FY 2022-23 Department Priorities

- Build healthy and safe neighborhoods with programs and events for community recreation opportunities by developing responsive programming to address under activated park spaces, by identifying internal and external partnerships, and by tracking customer satisfaction.
- Provide a quality and diverse park system reflective of neighborhood identity that supports equitable opportunities for active and passive recreation by developing a park system plan that identifies community recreational needs, park improvements, and future growth priorities.
- Identify initiatives and strategic plans that promote parks and recreation services and the capacity required for levels of standards.

Community & Economic Development Department

The Community & Economic Development Department enhances economic opportunity and social conditions for all in order to create a vibrant, inclusive, and sustainable Asheville economy. CED collaborates across departments and with community partners to leverage resources and advance Council and community strategic goals.



Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	1,012,624	906,807	1,157,788	1,157,788	965,986	1,333,885
Benefits	364,434	361,910	423,348	423,348	386,696	483,001
Capital Outlay	1,289,117	1,387,315	2,328,338	2,324,858	2,490,292	2,887,283
Cost Transfers	(322,970)	(471,106)	(541,383)	(541,383)	(273,338)	(701,685)
Operating Costs	-	35,575	-	-	-	-
Total	**2,343,206**	**2,220,501**	**3,368,091**	**3,364,611**	**3,569,637**	**4,002,484**
POSITIONS						
Total	**16.50**	**16.50**	**17.50**	**19.00**	**19.00**	**20.00**

Budget Highlights:

- Funding for the Asheville Buncombe Sports Commission and management of the Outdoor Special Events Office (including one FTE) have transitioned to the Department of Community & Regional Entertainment Facilities.

- The budget includes two additional grant-funded staff for grant administration. One will administer additional federal funding allocated to the HOME program as part of the American Rescue Plan (ARPA). A second position is funded by Dogwood Health Trust to lead planning efforts, coordinate with partners (including Buncombe County), and create a high-impact strategy to best apply the City's portion of the opioid settlement funds to community problems.
- An addition of the Homeless Strategy Project Specialist will develop and implement strategies to alleviate homelessness and provide technical assistance to community partners. This will strengthen the community-wide response to homelessness and create potential to access additional Federal Continuum of Care funding, if the City can demonstrate improved outcomes for homeless individuals. ($92,000)
- The budget includes additional funding for an update to the Asheville, North Carolina Housing Needs Assessment (Bowen Report), which was last updated in March of 2020. ($60,000)
- Continues existing funding for homelessness outreach services provided by Homeward Bound for a total of $110,000, an additional $50,000.
- Includes $50,000 in funding for Code Purple winter sheltering to provide emergency shelter for homeless individuals when extreme winter temperatures occur. Financial support for this program has previously been provided by the City using affordable housing pay-go capital and grant funds.
- Includes an additional $210,000 in funding for Land Use Incentive Grants (LUIG) approved by City Council, for a total of $284,000.
- Funding for economic development incentive agreements previously approved by City Council totals $1.5 million
- In order to maintain legal authority for the City's race and gender conscious procurement policy, funding for a new disparity study is included. ($375,000)

Division Summary

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Administration	1,418,643	1,306,546	2,496,256	2,493,531	2,355,178	2,821,479
CAYLA	176,587	126,368	253,559	253,319	187,603	254,515
Community Dev.	276,519	471,973	255,125	254,405	593,665	421,486
Homelessness Support	135,684	142,090	183,585	183,585	329,620	297,184
Real Estate	197,832	172,341	179,566	179,771	103,571	207,820
Strategic Development	137,942	1,183	-	-	-	-
Total	**2,343,206**	**2,220,501**	**3,368,091**	**3,364,611**	**3,569,637**	**4,002,484**

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
POSITIONS						
Administration	5.50	5.50	6.50	6.00	6.00	6.00
CAYLA	1.00	1.00	1.00	1.00	1.00	1.00
Community Dev.	8.00	8.00	8.00	10.00	10.00	11.00
Real Estate	2.00	2.00	2.00	2.00	2.00	2.00
Total	**16.50**	**16.50**	**17.50**	**19.00**	**19.00**	**20.00**

The Community & Economic Development **Administration Division** coordinates and oversees the department's programs.

The **Equitable Economic Development Division** includes several programs; th**e** City of Asheville Youth Leadership Academy (CAYLA) program, a partnership w**it**h the Asheville City Schools Foundation which recruits, trains, and places local high school students at meaningful summer jobs with the City and other participating organizations; the Asheville Business Inclusion Office, which seeks to build capacity for government contracting with minority- and women-owned business enterprises (MWBE); the Real Estate Office, which manages City-owned properties and leads efforts to acquire, sell, and lease property on the City's behalf to support core government functions and services and Economic Development, which supports business recruitment, retention, and expansion

The **Community Development Division** works to build opportunities for community access to housing and manages federally funded programs that provide affordable housing, economic opportunities, and other benefits for low- and moderate-income residents.

The **Homeless Strategy Division** serves as the City's lead team in responding to homelessness, including developing and managing partnerships, engaging stakeholders across sectors, coordinating with other departments, and creating and implementing key strategies and initiatives in an effort to strengthen the homeless service system and reduce the number of people who experience homelessness in Buncombe County.

The **Affordable Housing Division** leads City-funded affordable housing initiatives including the development of affordable housing on City-owned land and the funding resources including the Land Use Incentive Grant program (LUIG), Housing Trust Fund and Bond funding for affordable housing.

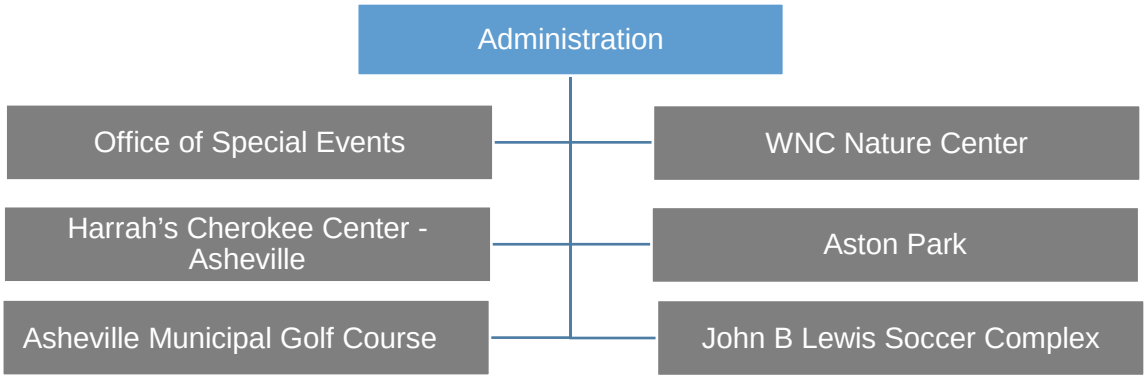
FY 2022-23 Department Priorities

- Implement next steps for the development of affordable housing on City-owned land on properties located at 360 Hilliard Avenue, 319 Biltmore Avenue and Deaverview Purpose Built (65 Ford Street & Cedar Hill), and finalize Affordable Housing GO Bond investments.
- Complete the disparity study and continue to build capacity for government contracting with minority- and women-owned business enterprises (MWBE).

- Reinstate the Strategic Partnership Funds (SPF) grants process with specific focus on outcomes to close the Opportunity Gap.
- Review and update current incentives, partnerships, funding programs and management systems to assess effectiveness of the City's affordable housing strategy.
- Build the capacity of our community's homeless service system to reduce the number of people experiencing homelessness.

Community & Regional Entertainment Facilities

The Department of Community & Regional Entertainment Facilities provides locals and non-locals with quality facilities. These facilities host a wide array of programming, from individual recreation, sporting leagues & tournaments, animal & environmental education and professional sports.



Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	-	-	-	-	10,834	1,294,941
Benefits	-	-	-	-	2,055	418,034
Operating Costs	-	-	-	67,375	1,163	553,970
Total	**-**	**-**	**-**	**67,375**	**14,053**	**2,266,945**
POSITIONS						
Total	**-**	**-**	**-**	**18.50**	**18.50**	**18.50**

Budget Highlights:

- This new department includes management of the Harrah's Cherokee Center - Asheville, Outdoor Special Events Office, WNC Nature Center, Aston Park Tennis Center, Municipal Golf Course, McCormick Field and John B. Lewis Soccer Complex.
- Includes support for the Asheville Buncombe Sports Commission ($45,000) which was previously budgeted in Community & Economic Development.

Division Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Administration	-	-	-	67,375	4,131	238,449
Aston Park Tennis Center	-	-	-	-	9,922	273,028
WNC Nature Center	-	-	-	-	-	1,755,468
Total	**-**	**-**	**-**	**67,375**	**14,053**	**2,266,945**
POSITIONS						
Administration	-	-	-	1.00	1.00	1.00
Aston Park Tennis Center	-	-	-	2.00	2.00	2.00
WNC Nature Center	-	-	-	15.50	15.50	15.50
Total	**-**	**-**	**-**	**18.50**	**18.50**	**18.50**

- The DCREF **Administration Division** coordinates and oversees the department's programs, including support for event business recruitment, retention, and expansion. The City's Office of Special Events is also part of this division. Facilities include the **Asheville Municipal Golf Course**, home of the Skyview Golf Tournament is the last remaining affordable public fee golf course in Asheville. **John B. Lewis Soccer Complex,** managed by Asheville Buncombe Youth Soccer Association, hosts thousands of games, practices and camps annually focusing on growing soccer and lacrosse in western North Carolina.
- The **Aston Park Tennis Center** is one of the finest public clay court facilities in the United States. There are 12 lighted clay courts providing recreation access and programming to all citizens.
- The **Western North Carolina Nature Center** connects people with the animals and plants of the Southern Appalachian Mountain region by inspiring appreciation, nurturing understanding, and advancing conservation of the region's rich biodiversity.

FY 2022-23 Department Priorities

- Secure a new operator and management agreement for day to day operation at the Asheville Municipal Golf Course, complete with long range capital maintenance plan.
- Increase safety and security of staff and users of the Aston Park Tennis Center.
- Grow youth tennis programming by 10% in partnership with Asheville Tennis Association.
- Complete design and begin construction of the Gateway to the Southern Appalachians project at the WNC Nature Center.
- Continue positive attendance and revenue growth at the WNC Nature, target attendance increase of 4%.

Housing Trust Fund

Budget Summary

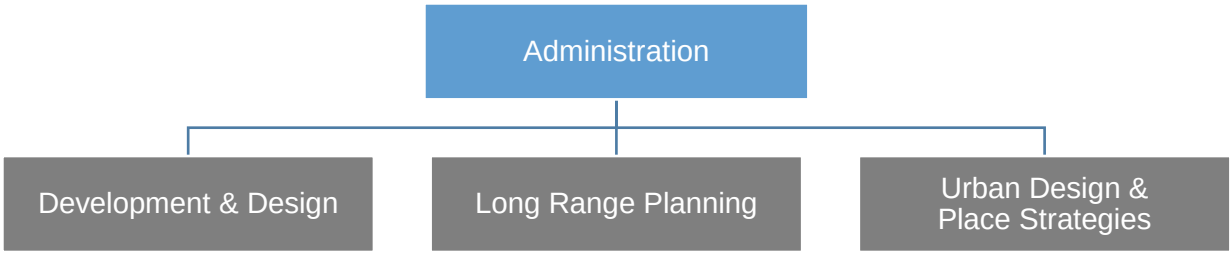
	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
General Fund Contribution	500,000	500,000	500,000	500,000	500,000	500,000

Budget Highlights:

- Maintains existing services with no significant budget changes.

Planning & Urban Design Department

The Planning & Urban Design Department provides professional land use planning, zoning, urban design, and historic preservation services as well as the highest level of customer service to achieve livable and sustainable neighborhoods for everyone. The department is committed to collaborating with our community on its vision for equitable growth and development consistent with Asheville's Comprehensive Plan.



Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	677,948	733,628	879,471	879,471	859,510	997,974
Benefits	271,688	340,093	376,698	376,698	369,673	421,168
Operating Costs	373,391	171,317	175,703	175,403	77,504	261,448
Total	**1,323,027**	**1,245,039**	**1,431,872**	**1,431,572**	**1,306,687**	**1,680,590**
POSITIONS						
Total	**13.00**	**13.00**	**13.00**	**13.50**	**13.50**	**13.50**

Budget Highlights:

- Funding is included for a missing middle housing study which would identify regulatory and policy barriers to building missing middle housing (e.g., townhomes, accessory dwelling units, and multiplexes). The study would identify the next steps in addressing the challenges to increase affordable housing units in Asheville, including amendments to the Unified Development Ordinance (UDO). ($85,000)

Division Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Planning Services	833,958	1,058,054	1,233,722	1,233,902	1,084,155	1,431,947
Historic Resources	178,269	186,985	198,150	197,670	222,532	248,643
Zoning	310,800	-	-	-	-	-
Total	**1,323,027**	**1,245,039**	**1,431,872**	**1,431,572**	**1,306,687**	**1,680,590**
POSITIONS						
Planning Services	11.00	11.00	11.00	11.50	11.50	11.50
Historic Resources	2.00	2.00	2.00	2.00	2.00	2.00
Total	**13.00**	**13.00**	**13.00**	**13.50**	**13.50**	**13.50**

The **Development and Design Review Division** supports the city by effectively shepherding large and special types of development, land use and rezoning applications while ensuring consistency with design and development standards, the city's Comprehensive Plan and other adopted plans and goals. The division manages the city's Historic Preservation program, supports the Planning and Zoning Commission, Design Review Committee and Historic Resources Commission, and is a key member of the Technical Review Committee.

The **Long Range Planning Division** uses data-driven research, community input, best practices and an equity lens to develop and implement planning, zoning and urban design policy that aligns with the city's Comprehensive Plan and City Council and community goals. The division leads planning efforts related to neighborhoods, corridors, master plans and citywide.

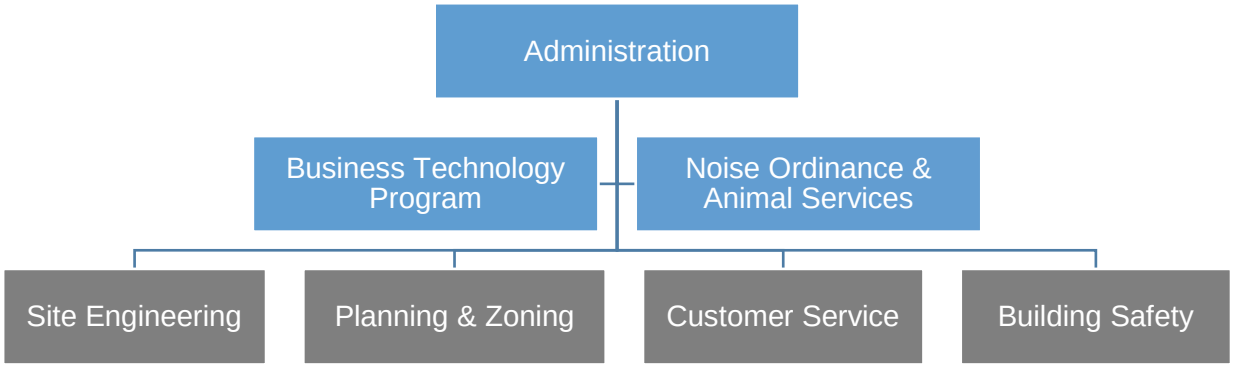
The **Urban Design and Place Strategies Division** focuses on implementing the public's vision for Asheville through community-driven planning, high-quality urban design and active management of the public realm. The division works across departments to coordinate the visioning, design and implementation efforts for public spaces and city-owned properties, while providing guidance and assistance on the coordination of strategic projects and investments. The division supports the Downtown Commission, Asheville Area Riverfront Redevelopment Commission and Public Art and Cultural Commission.

FY 2022-23 Department Priorities

- Document the community's vision for Pack Square Plaza.
- Operationalize the Living Asheville Comprehensive Plan.
- Support a study of E. Patton Avenue as part of the I-26 Connector Project.
- Commence a master planning process for city-owned property at Cedar Hill.
- Incentivize public benefits for development proposals.

Development Services Department

The Development Services Department protects lives, health, and property in Asheville while supporting economic development by providing building and development permitting services and enforcing the North Carolina State Building Codes, Asheville Housing Code, and related environmental codes. Development Services is dedicated to providing excellent customer service for application and permitting processes, plan review, and inspection services to all areas within the Asheville city limits.



Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	2,728,261	2,780,723	3,216,064	3,222,989	3,067,603	3,400,690
Benefits	1,275,952	1,364,344	1,487,651	1,487,651	1,450,661	1,580,292
Operating Costs	268,759	298,674	522,681	502,962	405,434	498,199
Capital Outlay	-	-	-	1,621	55,255	-
Total	**4,272,972**	**4,443,741**	**5,226,396**	**5,215,223**	**4,978,953**	**5,479,181**
POSITIONS						
Total	**51.50**	**55.50**	**57.50**	**57.50**	**57.50**	**57.50**

Budget Highlights:

- One-time funding ($40,000) was included last year to support the transition of noise ordinance enforcement from the Asheville Police Department as part of reimagining public safety work.

Division Summary

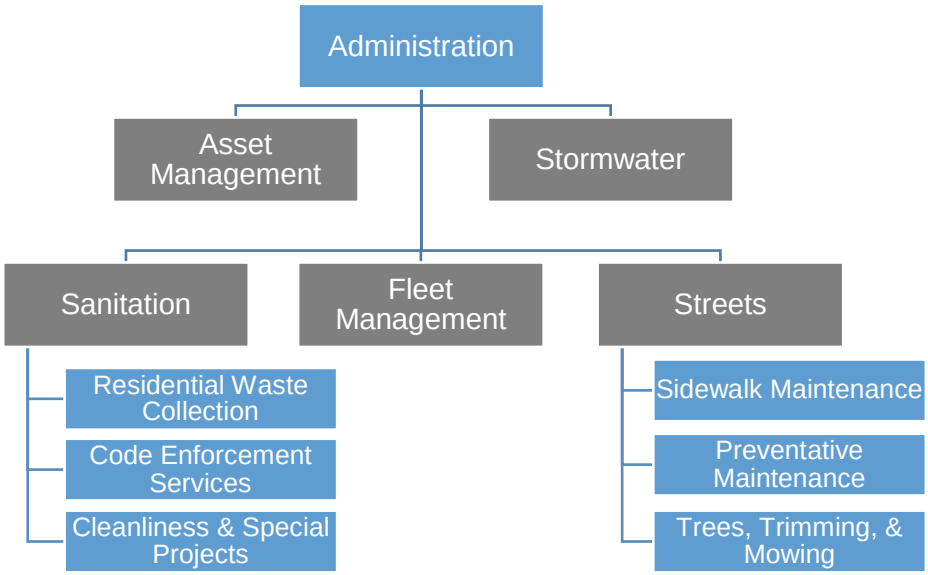
	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Admin. & Inspections	4,272,972	4,238,386	4,738,869	4,756,362	4,564,029	4,953,527
Code Enforcement.	-	205,355	487,527	458,861	414,924	525,654
Total	**4,272,972**	**4,443,741**	**5,226,396**	**5,215,223**	**4,978,953**	**5,479,181**
POSITIONS						
Admin. & Inspections	51.50	51.50	51.50	51.50	51.50	51.50
Code Enforcement.	0.00	4.00	6.00	6.00	6.00	6.00
Total	**51.50**	**55.50**	**57.50**	**57.50**	**57.50**	**57.50**

FY 2022-23 Department Priorities

- Integrate technology and workflow improvements to enhance and standardize the digital development review process.
- Consolidate enforcement functions and establish a code compliance division.
- Develop a comprehensive disaster response plan and strengthen flood support programs.
- Formalize an expedited review process for qualifying development projects.

Public Works Department

The Public Works Department provides essential core services, including construction and maintenance of infrastructure, solid waste management, and fleet management to Asheville citizens and visitors in an efficient, safe, and environmentally and fiscally responsible manner.



Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	4,297,298	4,539,523	5,086,938	5,095,915	4,806,215	5,895,356
Benefits	2,080,646	2,217,504	2,342,648	2,342,648	2,291,910	2,627,185
Operating Costs	6,925,942	6,793,569	8,323,192	8,371,717	7,617,564	8,518,387
Cost Transfers	(2,480,075)	(2,230,899)	(3,025,758)	(3,025,758)	(1,933,862)	(3,040,248)
Capital Outlay	-	53,650	5,000	17,258	21,258	5,000
Total	**10,823,810**	**11,373,348**	**12,732,020**	**12,801,780**	**12,803,086**	**14,005,680**
POSITIONS						
Total	**105.30**	**105.30**	**105.30**	**105.30**	**105.30**	**109.30**

Budget Highlights:

- In April 2022, City Council approved a $2.00 per month increase in the Solid Waste Fee, the first increase in this fee in six years. The additional $740,000 in revenue from the fee increase will fund:
    - A Waste Reduction Program Manager to provide program leadership aimed at reducing waste, managing recycling programs, and developing waste diversion strategies. ($147,000)
    - Two Field Operations Specialists to address and respond to increased sanitation requests and provide organizational efficiency. ($167,000)
    - A Sanitation Business Services Specialist to provide and enhance customer service, billing and account management, inventory management, reporting, and revenue collection. ($86,000)
    - The anticipated contractual increase for recycling service. ($100,000)
- Additional revenue and associated expenses are included to support the ongoing expansion of bear-resistant trash carts program. ($110,000)

Division Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Administration	1,018,264	994,089	1,039,052	1,033,052	1,053,847	1,134,283
Fleet Management	1,011,183	1,009,928	954,948	925,586	1,575,766	1,006,009
Asset Management	165,000	163,017	162,580	162,580	158,725	170,348
Sanitation	5,078,011	5,557,798	6,076,515	6,183,317	5,804,134	7,083,120
Streets & Sidewalks	3,551,352	3,648,517	4,498,925	4,497,245	4,210,614	4,611,920
Total	**10,823,810**	**11,373,348**	**12,732,020**	**12,801,780**	**12,803,086**	**14,005,680**
POSITIONS						
Administration	5.25	5.25	4.25	4.25	4.25	4.25
Fleet Management	16.00	16.00	16.00	16.00	16.00	16.00
Asset Management	1.05	1.05	1.05	1.05	1.05	1.05
Sanitation	37.00	37.00	37.00	37.00	37.00	41.00
Streets & Sidewalks	46.00	46.00	47.00	47.00	47.00	47.00
Total	**105.30**	**105.30**	**105.30**	**105.30**	**105.30**	**109.30**

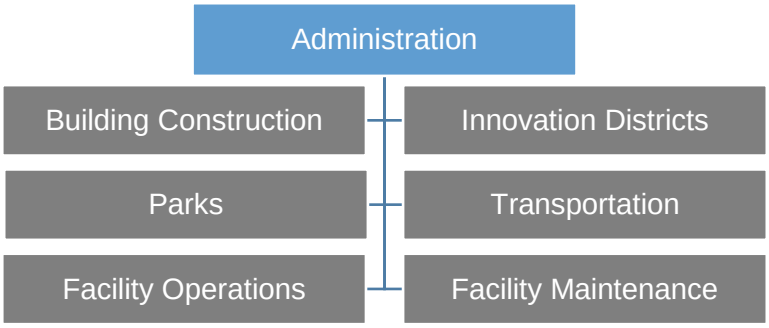
- The responsibilities of the Public Works **Administration Division** include overseeing, leading, and directing the department. This division works to ensure high-quality service delivery through effective operational procedures and policies and continuous improvement in products, systems, and processes.
- The **Asset Management Division** leads the department in using technology to improve internal business processes and creates and maintains GIS data and technology solutions.
- The **Fleet Management Division** is responsible for the acquisition and maintenance of fleet vehicles and equipment for all departments, as well as maintenance of the City's fuel stations.
- The **Sanitation Division** promotes a healthy, safe, and sustainable community by providing efficient, reliable, and innovative waste management services. The division strives to deliver excellent customer service and to enhance the community and the environment through the implementation of an effective integrated waste management plan.
- The **Streets Division** constructs and maintains the City's streets, sidewalks, trees, and rights-of-way in an efficient manner and provides emergency response services in all types of weather. The Division works to ensure a safe and efficient road and sidewalk system through proper maintenance, rehabilitation, and replacement. The Division also strives to maintain and improve traffic conditions to strengthen citizens' sense of community and allow for quick response by emergency service providers.

FY 2022-23 Department Priorities

- Pursue opportunities to optimize the Pavement Condition Index through asphalt resurfacing, preventive maintenance, crack sealing, and patching.
- Continue normalizing the use of the asset management system to improve effectiveness of infrastructure, personnel, equipment, and materials management.
- Update organizational policies and procedures relating to City vehicle and equipment procurement, maintenance, and disposal, promoting the continued transition to energy-efficient practices and alternative fuel usage.
- Maintain reliable solid waste and recycling collection programs, and implement measures to improve operational efficiency, customer service, and waste reduction programming.
- Pursue investments in employee recruitment and retention, including:
    - Continuing to develop a career ladder for employees, with enhanced opportunities for professional development and Public Works-focused training for supervisors.
    - Standardizing the onboarding process to create a more welcoming experience for new employees across all Public Works divisions.
- Continue to make improvements and investments in safety policies, procedures, and equipment to minimize on-the-job hazards and ensure that all employees go home safely.

Capital Projects Department

The Capital Projects Department facilitates the design and construction of public projects in a reliable, cost-effective, and timely manner. Acting as a supporting department to internal city client departments, CPD endeavors to collaboratively deliver projects identified in the annual Capital Improvement Program (CIP) to benefit the quality of life for Asheville residents and visitors.



Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	2,068,533	1,983,675	2,180,527	2,180,527	1,703,901	2,361,113
Benefits	874,516	919,796	974,082	974,082	856,284	988,779
Operating Costs	1,192,911	1,035,719	1,450,747	998,607	1,118,016	1,229,170
Cost Transfers	(1,192,548)	(1,097,999)	(1,484,956)	(1,484,956)	(639,901)	(1,486,440)
Capital Outlay	48,051	213,289	-	545,160	619,816	260,000
Total	2,991,464	3,054,480	3,120,400	3,213,420	3,658,116	3,352,622
POSITIONS						
Total	**38.00**	**38.00**	**38.00**	**38.00**	**38.00**	**38.00**

Budget Highlights:

- Includes funding for servicing and warranties on newly installed HVAC and boiler systems which will help to ensure the new equipment remains in good working condition. ($40,000)

Division Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Admin. & Project Mgmt.	800,028	798,905	503,693	597,301	937,641	563,963
City Hall Operations	482,940	651,908	687,057	686,097	772,765	803,966
Facility Maintenance	1,708,496	1,603,667	1,929,650	1,930,022	1,947,709	1,984,693
Total	**2,991,464**	**3,054,480**	**3,120,400**	**3,213,420**	**3,658,116**	**3,352,622**
POSITIONS						
Admin. & Project Mgmt.	18.00	18.00	18.00	18.00	18.00	18.00
City Hall Operations	6.00	6.00	6.00	6.00	6.00	6.00
Facility Maintenance	14.00	14.00	14.00	14.00	14.00	14.00
Total	**38.00**	**38.00**	**38.00**	**38.00**	**38.00**	**38.00**

The **Administration and Project Management Division** provides and facilitates design, project management, and inspection services for capital infrastructure projects within City maintained right-of-way and City-owned property. Additionally, the department provides general engineering support, surveying, contract administration, and right-of-way acquisition support.

The **Facility Operations Division** manages an array of services designed to support general city operations. Direct services include custodial work, elevator operation, building security, and mail management and delivery services.

The **Facility Maintenance Division** is responsible for the maintenance of 60+ buildings throughout the City, including support for building-related sustainability initiatives. Facility Maintenance staff work on mechanical, electrical, and plumbing systems to ensure City facilities operate efficiently and consistently.

FY 2022-23 Department Priorities

- Plan, budget, design, and manage projects to ensure that they are built on time and on budget.
- Develop an equitable and collaborative Facilities Management Program to identify and prioritize maintenance and construction of capital assets that will allow for clear communication of budgetary needs and alignment with organizational priorities and values.
- Develop and practice procurement that actively and intentionally increases equity and inclusion in project initiation, development, design, and construction.

Office of Sustainability

The Office of Sustainability works with all departments across the City to initiate sustainable design, technology, and practice into municipal operations, infrastructure, and services.

Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	140,782	188,308	190,018	190,018	190,000	243,256
Benefits	53,916	91,808	81,942	81,942	83,336	96,543
Operating Costs	204,902	264,464	507,500	524,000	406,000	583,213
Capital Outlay	-	956,181	-	-	-	-
Total	**399,599**	**1,500,761**	**779,460**	**795,960**	**679,336**	**923,012**
POSITIONS						
Total	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**

Note: The Amended and Estimated amounts shown on this page include additional funding appropriated through the Green Savings program, and are therefore higher than the amount shown in the General Fund Summary on page B-11.

Budget Highlights:

- Maintains existing services with no significant budget changes.

FY 2022-23 Department Priorities

- Update the Sustainability Management Plan to incorporate newly adopted sustainability resolutions.
- Continue Climate Justice engagement to pilot climate justice screening tool on internal projects and engage neighborhoods to connect and develop resources for increasing neighborhood capacity through emergency planning and preparedness.
- Partner with Capital Projects Department to install onsite solar on public facilities.
- Expand Blue Horizons Project program offerings for whole home weatherization, free residential technical assistance, and increased affordable renewable energy opportunities for Asheville residents.

Equity & Inclusion

Equity & Inclusion fosters a fair and inclusive culture across City government; promotes equitable policy recommendations, practices, and procedures; and facilitates improved community engagement.

Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	254,267	157,764	262,923	262,923	145,182	284,124
Benefits	85,948	59,636	87,616	87,616	61,494	92,215
Operating Costs	113,692	119,174	137,524	225,064	40,562	116,554
Total	**453,907**	**336,574**	**488,063**	**575,603**	**247,238**	**492,893**
POSITIONS						
Total	**4.00**	**4.00**	**4.00**	**4.00**	**4.00**	**4.00**

Budget Highlights:

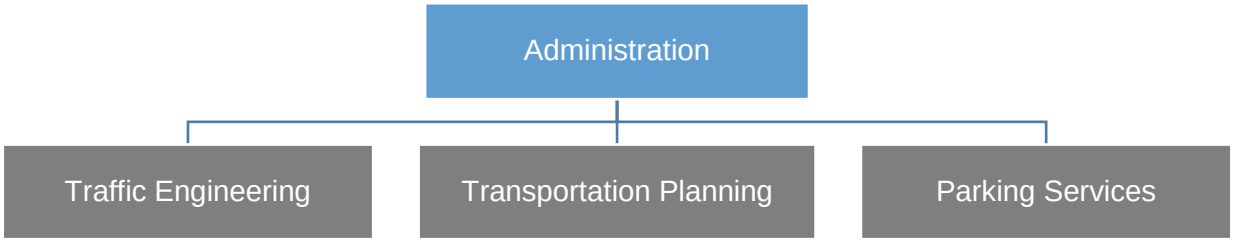
- Maintains existing services with no significant budget changes.

FY 2022-23 Department Priorities

- Implement and track the Citywide Equity Action Plan across all departments.
- Develop and use tools to promote equitable policies, practices, and procedures in City operations.
- Partner and collaborate with public, nonprofit, and private entities to advance equity and inclusion in the Western North Carolina region.

Transportation Department

The Transportation Department provides safety, health, mobility, and quality of life for Asheville citizens and visitors through the administration of engineering, infrastructure, and transportation-related projects.



Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	866,431	822,444	898,697	915,714	845,849	927,622
Benefits	367,945	374,788	390,343	395,326	380,489	408,167
Operating Costs	1,236,016	1,214,720	1,529,591	1,503,011	1,431,883	1,594,186
Cost Transfers	(81,982)	-	(83,913)	(83,913)	-	(95,664)
Total	**2,388,411**	**2,411,952**	**2,734,718**	**2,730,138**	**2,658,221**	**2,834,311**
POSITIONS						
Total	**13.30**	**13.30**	**13.34**	**14.34**	**14.34**	**14.34**

Budget Highlights:

- A time-limited Traffic Engineering Technician position was expanded into a permanent, full-time position midyear FY 2021-22.
- Additional materials and contracted services ($70,000) are included to address a backlog of traffic sign and pavement marking replacements.

Division Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Administration	332,368	336,318	346,559	341,469	347,407	369,553
Signs, Markings & Signals	552,348	520,314	591,693	586,493	513,971	695,264
Street Lighting	991,708	976,676	1,171,970	1,161,970	1,242,164	1,171,720
Traffic Engineering	272,845	228,342	323,452	341,142	280,388	334,734
Traffic Safety & Calming	11,896	15,404	35,000	35,000	12,667	35,000
Transportation Planning	227,246	334,898	266,044	264,064	261,624	228,040
Total	**2,388,411**	**2,411,952**	**2,734,718**	**2,730,138**	**2,658,221**	**2,834,311**
POSITIONS						
Administration	2.30	2.30	2.34	2.34	2.34	2.34
Signs, Markings & Signals	6.00	6.00	6.00	6.00	6.00	6.00
Traffic Engineering	2.00	2.00	2.00	3.00	3.00	3.00
Transportation Planning	3.00	3.00	3.00	3.00	3.00	3.00
Total	**13.30**	**13.30**	**13.34**	**14.34**	**14.34**	**14.34**

The **Administration Division** provides administrative support to all five divisions in addition to the Parking Services and Transit Services enterprise funds.

The **Traffic Engineering Division** manages the planning, design, installation, operation, and maintenance of City traffic control devices (signs, signals, street markings) and contracts with the NC Department of Transportation for state routes within the City. This division also conducts traffic studies and surveys, and reviews major developments and curb cut requests.

The **Transportation Planning Division** provides Citywide planning services, including for the Metropolitan Planning Organization (MPO), transit, and greenway projects.

FY 2022-23 Department Priorities

- Continue to partner with the NCDOT to refine the improvements and aesthetics treatments for the I-26 connector project and when completed, work with the NCDOT through the Design-Build approval process.
- Continue the pedestrian, ADA transition, and greenway master plans.
- Continue to partner with the NCDOT to improve bicycle and pedestrian safety.

Non-Departmental Community & Resident Services

The City provides funding to outside agencies (strategic partners) for the purpose of promoting community and economic development. The Housing & Community Development (HCD) City Council Committee develops funding recommendations for City Council review and approval.

Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
STRATEGIC PARTNERSHIP FUNDING ALLOCATIONS						
Asheville Art Museum	1,667	-	-	-	-	-
Asheville Museum of Science	-	-	-	-	10,000	-
Aspire Youth and Family	-	8,333	-	-	-	-
Avl Writers Community	7,500	-	-	-	-	-
Bountiful Cities	3,333	-	-	-	-	-
Bunc. Partnership for Children	-	10,667	-	-	-	-
Children First	13,333	-	-	-	-	-
Christine Avery Learning Ctr	14,093	-	-	-	-	-
Community Action Opportunities	2,750	1,250	-	-	-	-
Council on Aging	5,625	1,875	-	-	-	-
Getting Back to Basics	3,280	-	-	-	-	-
Green Opportunities	1,061	-	-	-	14,578	-
Hola Community Arts	3,333	-	-	-	-	-
Just Economics	2,833	-	-	-	-	-
Mt Zion Community Development	4,859	141	-	-	-	-
My Daddy Taught Me That	9,584	12,083	-	-	-	-
New Mount Olive Missionary Ch	-	5,645	-	-	-	-
One Youth at a Time	4,312	-	-	-	-	-
OnTrack Financial	7,333	-	-	-	-	-
Partners Unlimited	16,667	-	-	-	-	-
Pisgah Legal Services	16,458	15,000	-	-	-	-
Project Lighten Up	-	-	-	-	171	-
Read to Succeed	9,667	-	-	-	-	-
River Front Development	-	-	-	-	5,000	-
SPARC Foundation	5,988	-	-	-	-	-

YMI Cultural Center	-	-	-	-	10,838	-
Youth Transformed for Life	17,219	-	-	-	5,746	-
YWCA	13,559	3,132	-	-	2,084	-
Other Partnership Funding	-	-	242,000	242,000	469,000	242,000
SPF Allocations Total	**164,454**	**58,126**	**242,000**	**242,000**	**517,416**	**242,000**
DIRECT ALLOCATIONS						
YMI Utilities	24,000	24,000	24,000	24,000	24,000	24,000
LEAF Programming	80,000	40,000	40,000	40,000	40,000	40,000
In Real Life (IRL)	12,339	65,100	45,000	45,000	69,900	45,000
Neighborhood Grants Program	-	-	150,000	-	-	-
Direct Allocations Total	**116,339**	**129,100**	**109,000**	**109,000**	**133,900**	**109,000**
Grand Total	**280,794**	**187,226**	**351,000**	**351,000**	**651,316**	**351,000**

Budget Highlights:

- Budget for the Neighborhood Grants Program was moved during FY 2021-22 to reflect its management by Communications & Public Engagement (CAPE).

Administrative Services and City Manager's Office

Administration Services includes City Council, the City Manager's Office (CMO), the City Clerk, and the Internal Auditor. These staff provide support to City Council, advisory boards, and the community through administrative oversight, and organizational leadership in accordance with City Council's 2036 Vision.

Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	1,350,346	1,369,066	1,445,809	1,445,809	1,309,474	1,497,291
Benefits	470,449	473,473	532,104	532,104	480,387	508,520
Operating Costs	219,285	263,415	260,677	256,807	186,099	254,679
Total	**2,040,080**	**2,105,955**	**2,238,590**	**2,234,720**	**1,975,960**	**2,260,490**
POSITIONS						
Total	**12.00**	**12.00**	**12.00**	**12.00**	**12.00**	**12.00**

Budget Highlights:

- Maintains existing services with no significant budget changes.

Division Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
City Clerk	279,292	318,183	346,838	346,108	334,670	353,179
City Manager	1,303,214	1,323,817	1,367,577	1,365,897	1,240,664	1,423,861
Governing Body	257,338	222,095	279,695	278,475	243,344	249,215
Internal Audit	200,236	241,860	244,480	244,240	157,281	234,235
Total	**2,040,080**	**2,105,955**	**2,238,590**	**2,234,720**	**1,975,960**	**2,260,490**

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
POSITIONS						
City Clerk	3.00	3.00	3.00	3.00	3.00	3.00
City Manager	8.00	8.00	8.00	8.00	8.00	8.00
Governing Body	-	-	-	-	-	-
Internal Audit	1.00	1.00	1.00	1.00	1.00	1.00
Total	**12.00**	**12.00**	**12.00**	**12.00**	**12.00**	**12.00**

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

The **City Manager's Office** is responsible for managing and coordinating the operations of all City departments and for ensuring that City Council goals and objectives are incorporated into departmental goals and objectives. **Internal Audit**, which provides a review of governance, risk management, and control processes, is also housed in this department.

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

FY 2022-23 Department Priorities

- Facilitate administrative support and training needs for City Council, Council committees, and advisory boards.
- Continue to implement Council's Strategic Plan and management objectives.

City Attorney's Office

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

Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	654,965	711,044	730,147	730,147	739,124	814,150
Benefits	213,947	253,791	266,339	266,339	263,820	300,021
Operating Costs	165,336	137,224	238,216	235,316	143,103	243,380
Total	1,034,247	1,102,059	1,234,702	1,231,802	1,146,047	1,357,551
POSITIONS						
Total	**7.00**	**7.00**	**7.00**	**7.00**	**7.00**	**7.00**

Budget Highlights:

- Maintains existing services with no significant budget changes.

FY 2022-23 Department Priorities

- Endeavor to bring more litigation matters in-house to reduce outside counsel costs.
- Assist in development and pursuit of legislative programs, including management of governmental relations.

Communication & Public Engagement Department

The Communication & Public Engagement (CAPE) Department is responsible for the city's strategic communications and coordination of public engagement efforts. Communication responsibilities include media relations, community relations, intergovernmental relations, and internal communications. The department seeks the best ways for the City to communicate its priorities and achieve its policy objectives and designs public education and community outreach initiatives to inform citizens and the media about City services, programs, and policy.

Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	442,072	443,961	543,067	543,067	484,093	542,551
Benefits	186,230	205,635	229,599	229,599	213,843	240,324
Operating Costs	62,945	132,737	108,563	280,296	169,737	204,734
Capital Outlay	-	-	-	13,257	13,257	-
Total	**691,247**	**782,333**	**881,229**	**1,066,219**	**880,930**	**987,609**
POSITIONS						
Total	**7.00**	**8.00**	**8.00**	**10.00**	**10.00**	**10.00**

Budget Highlights:

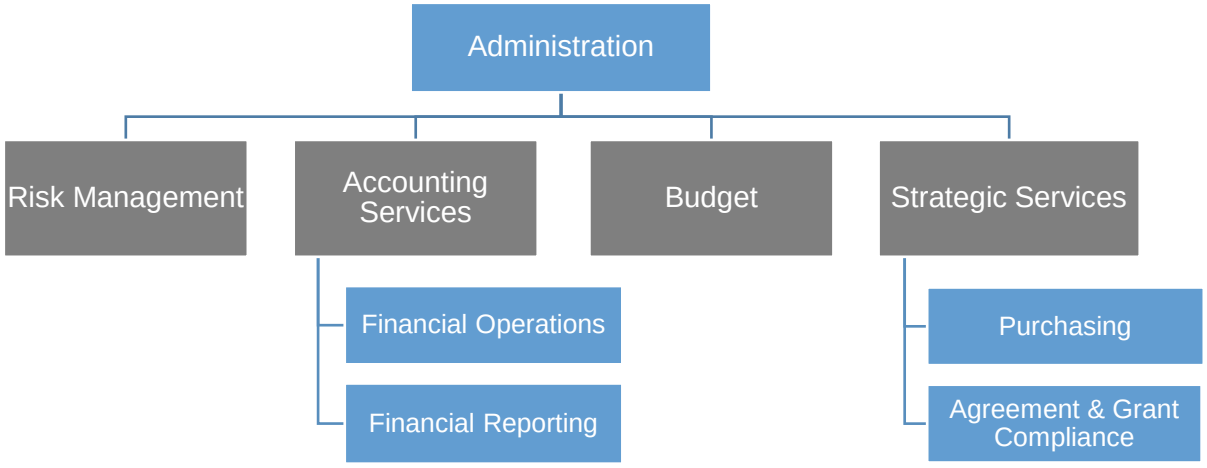
- Funding for the Neighborhood Matching Grant program, previously budgeted in Non-Departmental, is included. ($75,000). Unused budget for this program in the current fiscal year will be rolled over to next fiscal year as well.
- Two temporary full-time positions were approved during FY 2021-22 as part of City Council's allocation of American Rescue Plan (ARPA) funding. These positions will support enhanced interpretive services and media engagement.

FY 2022-23 Department Priorities

- Establish a system to catalog
    - Neighborhood identified issues/opportunities.
    - Responses to issues/opportunities identified.
- Initiate ARPA funded Inclusive and Accessible Government Project.

Finance & Management Services

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



Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	1,945,106	1,797,698	2,014,767	2,014,767	1,869,934	2,119,234
Benefits	757,631	770,347	824,837	824,837	795,744	892,427
Cost Transfers	293,843	161,155	251,290	241,934	183,058	288,350
Operating Costs	(87,713)	(4,861)	-	-	-	-
Total	2,908,867	2,724,339	3,090,894	3,081,538	2,848,735	3,300,011
POSITIONS						
Total	**32.00**	**32.00**	**32.00**	**33.00**	**33.00**	**33.00**

Budget Highlights:

- Budget software will allow the City to publish a web-based budget document, increasing access and readability on computers and mobile devices, making the City's budget and financial information more accessible to both internal and external stakeholders. ($50,000)

- An additional grant-funded position was added midyear FY 2021-22 to support management of the City's American Rescue Plan (ARPA) allocation.

Division Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Administration	753,667	712,533	701,183	689,743	793,358	879,246
Budget	296,761	278,503	429,223	427,163	253,202	487,912
Accounting Services	1,125,079	1,056,379	1,138,678	1,145,558	1,002,709	1,019,491
Purchasing	441,727	457,172	478,332	476,796	451,192	485,632
Risk Management	291,633	219,752	343,478	342,278	348,274	427,730
Total	**2,908,867**	**2,724,339**	**3,090,894**	**3,081,538**	**2,848,735**	**3,300,011**
POSITIONS						
Administration	5.00	5.00	5.00	5.00	5.00	5.00
Budget	4.00	4.00	4.00	4.00	4.00	4.00
Accounting Services	13.00	13.00	13.00	14.00	14.00	14.00
Purchasing	5.00	5.00	5.00	5.00	5.00	5.00
Risk Management	5.00	5.00	5.00	5.00	5.00	5.00
Total	**32.00**	**32.00**	**32.00**	**33.00**	**33.00**	**33.00**

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

The **Purchasing Division**'s functions include the procurement of all City commodities and the disposal of City-owned surplus personal property via public auction. Additionally, Purchasing administers the execution of contracts for the City of Asheville.

The **Risk Management Division** analyzes the relative loss exposure for all City operations and activities and provides recommendations to City staff and departments. Risk Management also places appropriate protective coverage for the City through adequate insurance at the best possible premium or by selecting and implementing alternative risk financing, risk transfer, loss prevention, and loss control techniques. It administers and monitors City's self-insurance program, worker's compensation, liability funds, and all related claims.

The function of the **Budget Division** is to plan, prepare, and monitor the City's operating and capital budgets, review the efficiency of City activities, and provide assistance to the City

Manager and other departments in performance management, planning, budget forecasting, and evaluation.

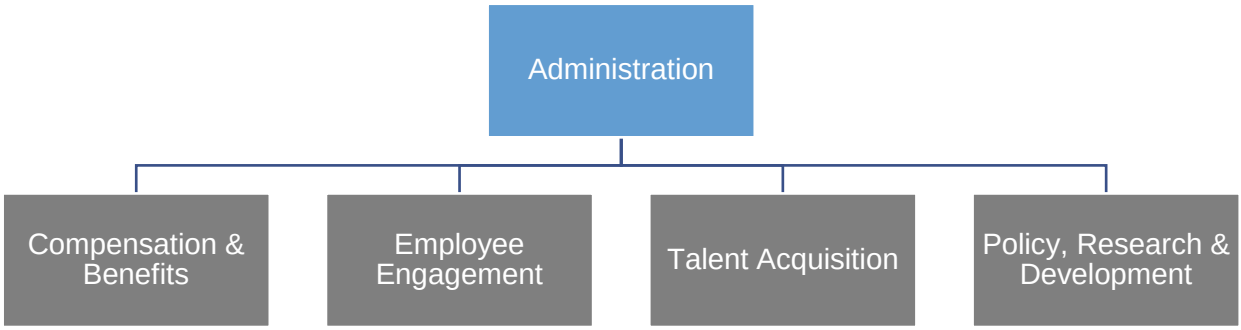
The **Accounting Services Division** manages the operational and reporting aspects of Finance to ensure compliance with all city, state and outside agency regulations and accounting standards.This includes managing the City's cash, investment, and debt portfolios in compliance with North Carolina General Statutes, federal requirements, and generally accepted accounting principle as well as management of the general ledger and sub-ledger accounting, the year-end audit, required annual financial reporting, and fiscal grant management. This division also handles payroll, accounts payable and receivable activities, treasury management, capital assets and procurement cards.

FY 2022-23 Department Priorities

- Implement the ARPA funding decisions as directed by City Council. Effectively administer and monitor agreements with sub-recipients of ARPA funds.
- Conduct a risk assessment for internal audit and use the information to develop a work plan for the City's Internal Audit program.
- Develop a training program for City staff covering key policies, procedures, and tools to ensure consistency and compliance City-wide.
- Review, update, revise and create administrative policies for the Finance & Management Services Dept.

Human Resources

The mission of the Human Resources Department is to build a highly engaged, empowered, diverse workforce that is reflective of City residents and focused on maximizing innovation, productivity, and organizational performance.



Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	870,149	925,840	1,064,650	1,064,650	1,022,061	1,134,944
Benefits	356,467	402,964	440,311	440,311	420,730	490,470
Operating Costs	258,355	131,182	222,623	216,263	118,191	447,009
Total	**1,484,970**	**1,459,986**	**1,727,584**	**1,721,224**	**1,560,981**	**2,072,423**
POSITIONS						
Total	**20.60**	**20.60**	**21.00**	**21.00**	**21.00**	**21.00**

Budget Highlights:

- Includes $250,000 in funding for a new human resources information system to replace multiple non-integrated existing software. A new technology solution will reduce duplicative staff work, improve processes, and minimize manual entry errors.

Division Summary

The **Administrative Team** provides leadership and strategic direction for all Human Resources initiatives.

The **Compensation and Benefits Team** manages total rewards programs and compensation plans for the City of Asheville.

The **People Culture and Development Team** is focused on creating a culture where everyone can thrive. We do this through organizational development, from building and facilitating courses to implementing performance management programs; through communication, from our biweekly Thrive Today post to connecting directly with individuals; and through data, analytics and process improvement, from providing HR metrics to creating frictionless processes.

The **People Strategy and Talent Team** provides services through all aspects of Human Resources to department leaders and employees through the HR Strategic Business Partner model; delivers direct support in strategic planning and change management, department and employee effectiveness, employee relations and policy interpretation; and talent management inclusive of recruitment, outreach, community partnerships, onboarding and career development.

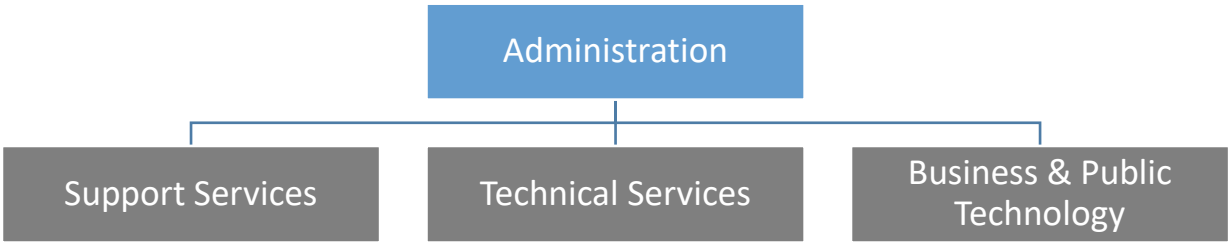
Employee Health Services, in partnership with Marathon Health, provides onsite professional medical care for employees enrolled in a City of Asheville medical plan at no cost to employees. EHS also manages The Asheville Project and provides care and management for workers' compensation issues.

FY 2022-23 Department Priorities

- Finalize and publish revisions of human resource policies.
- Partner with internal service departments to address systems capability and enhance customer experience. Develop a migration plan to a new HRIS system to increase efficiencies, reduce duplicative manual entry and provide greater customer service in support of organization-wide service delivery.
- Analyze performance management needs of the organization and develop a strategic plan to reimagine talent management to include employee work plans that align with organizational priorities. Develop an enhanced/improved employee check-in tool to be used in conjunction with the reimagined talent management process.
- Expand internal professional development offerings with a focus on leadership development at all levels. Align training opportunities to support the reimagined talent management process.

Information Technology Services

The Information Technology Services (ITS) Department strives to provide excellent customer service by delivering quality technology solutions with a high level of professionalism and responsiveness. We adhere to principles of technical and fiscal stewardship with an end goal of high quality of life for employees and citizens.



Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	1,869,597	1,984,061	2,123,926	2,123,926	2,127,255	2,249,667
Benefits	675,702	804,061	847,840	847,840	848,181	916,265
Operating Costs	1,211,128	1,431,469	1,820,643	1,871,807	1,917,268	1,907,424
Cost Transfers	(615,574)	(469,560)	(476,010)	(476,010)	(422,910)	(476,010)
Capital Outlay	269,547	-	25,000	63,336	57,042	25,000
Total	**3,410,400**	**3,750,031**	**4,341,399**	**4,430,899**	**4,526,835**	**4,622,346**
POSITIONS						
Total	**27.00**	**29.00**	**29.00**	**29.00**	**29.00**	**30.00**

Budget Highlights:

- A new Geographic Information System (GIS) analyst position will provide capacity to initiate and complete projects that including mapping equity data, asset management implementations, sustainability analyses, public dashboarding, and other data visualization ($107,000).
- The Information Technology Services Department budget includes an additional $90,000 for a new telephone system. The previous system was funded by charges to individual department budgets. The new system results in an overall budget reduction of $62,000 citywide.

Division Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Administration	376,631	332,344	327,379	159,753	322,087	350,544
Bus. & Public Tech.	1,330,823	1,416,425	1,682,676	1,680,864	1,602,001	1,813,169
Support Services	710,526	1,249,656	1,626,542	1,886,380	1,918,904	1,774,173
Technical Services	992,420	751,606	704,802	703,902	683,843	684,460
Total	**3,410,400**	**3,750,031**	**4,341,399**	**4,430,899**	**4,526,835**	**4,622,346**
POSITIONS						
Administration	3.00	2.00	2.00	2.00	2.00	2.00
Bus. & Public Tech.	10.00	12.00	12.00	12.00	12.00	13.00
Support Services	10.00	9.00	9.00	9.00	9.00	9.00
Technical Services	4.00	6.00	6.00	6.00	6.00	6.00
Total	**27.00**	**29.00**	**29.00**	**29.00**	**29.00**	**30.00**

The **Administration Division** ensures technology services are deployed effectively.

The **Business & Public Technology Division** provides flexible, automated, and standards-based application services and software to the City's business units.

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

The **Technical Services Division** aims to enhance security, sustainability, reliability, expandability, and quality of data and communication systems. This includes assisting with complex technical support issues and working with vendors to smoothly integrate outsourced services and products into the City infrastructure.

FY 2022-23 Department Priorities

- Improve staff and community ability to use GIS and data for equitable outcomes, accountability, and communication.
- Improve access to digital services, especially for those who have been most impacted historically by inequities.
- Modernize infrastructure and strengthen security to improve service speed, accessibility, and resiliency.

Non-Departmental
Management & Support Services

Budget Summary

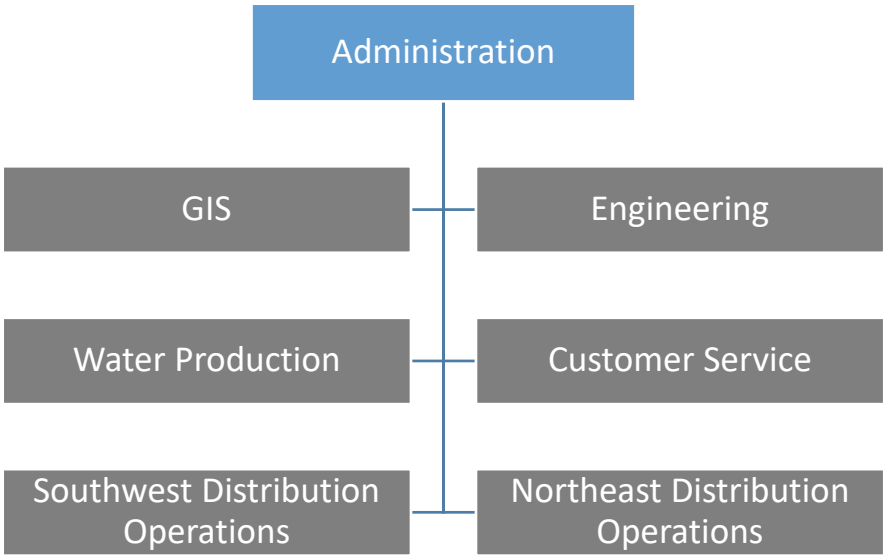
	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
911 Dispatch	-	-	-	1,032,161	1,013,591	1,964,962
City Stormwater Costs	101,975	100,821	125,000	125,000	125,000	125,000
Contingencies	-	-	-	188,661	-	50,000
County Tax Collections	1,008,733	1,038,459	1,066,000	857,156	1,066,000	1,075,665
Employee Transit Passes	935	-	5,000	5,000	-	5,000
Police ID Bureau	468,306	480,914	516,743	360,888	516,743	561,287
Reparations	-	-	-	-	-	365,000
Homeowner Grant Program	-	-	150,000	150,000	95,000	150,000
Other	130,154	152,893	237,100	211,132.50	170,131	199,100
Total	**1,710,102**	**1,773,088**	**2,099,843**	**2,930,000**	**2,986,465**	**4,496,014**
GENERAL FUND TRANSFERS TO OTHER FUNDS						
Capital Projects/Debt Funds	17,077,249	16,163,749	16,302,249	16,302,249	16,302,249	16,531,557
HCCA Capital Fund	68,375	78,047	129,692	129,692	129,692	221,739
Transit Operating Fund	5,084,113	6,804,233	6,916,932	6,916,932	6,916,932	6,916,932
HCCA Operating Fund	1,135,109	1,125,437	1,204,420	1,204,420	1,204,420	1,125,437
Total	**23,364,846**	**24,171,466**	**24,553,293**	**24,553,293**	**24,553,293**	**24,795,665**

Budget Highlights:

- An additional $365,000 investment in reparations is included.
- The City's multi-year debt/model includes an annual 1.5% increase which amounts to $229,000 in fiscal year 2022-23. The $15.5 million budgeted for the City's general capital program supports current and future debt payments for capital projects.
- Payment to Buncombe County for emergency dispatch services is included as part of an intergovernmental agreement to consolidate 911 operations. In previous fiscal years, these services were budgeted in the Asheville Fire Department and provided by City staff in the Asheville Police Department. ($1,965,000).

Water Resources Fund

The Water Resources Department manages and protects community resources, providing the highest quality of water service to customers through continuous improvement in products, systems, and processes to maximize customer satisfaction. The Department strives for continuous communication among and between staff, customers, and the governing board and continuous involvement with the community and region, valuing honesty, hard work, creativity, faith in each other, perseverance, and respect for diversity.



Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	7,212,850	7,402,993	8,179,300	8,180,150	7,846,000	9,080,194
Benefits	3,315,972	3,592,051	3,863,938	3,863,938	3,789,781	4,138,927
Operating Costs	11,869,482	10,727,978	11,894,584	11,497,734	10,857,283	13,345,093
Cost Transfers	-	(618)	-	-	-	-
Capital Outlay	11,867,706	4,628,804	7,268,992	7,389,992	7,216,992	6,562,695
Debt Service	5,708,225	5,502,606	5,528,498	5,803,498	5,803,498	7,133,411
Total	**39,974,235**	**31,853,814**	**36,735,312**	**36,735,312**	**35,513,554**	**40,260,320**

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
REVENUES						
Utility Charges	28,176,697	28,265,832	32,579,599	32,579,599	31,697,596	36,079,600
Capital Maintenance Fee	7,067,444	(2,036)	-	-	-	-
Investment Earnings	1,510,192	57,617	400,000	400,000	402,274	400,000
Other Operating	3,623,347	3,431,342	3,755,713	3,755,713	3,900,250	3,780,720
Total	**40,377,680**	**31,752,754**	**36,735,312**	**36,735,312**	**36,000,120**	**40,260,320**
POSITIONS						
Total	**162.00**	**162.00**	**162.00**	**163.88**	**163.88**	**163.88**

Budget Highlights:

- In April 2022, City Council approved an increase to the water usage fee resulting in a $3.5 million revenue increase. Additional revenue will:
    - Offset the costs of rising material and contract prices
    - Continue to replace funding for the water capital program that was lost when the CIP fee was discontinued during Fiscal Year 2020-21 (FY21).

FY 2022-23 Fund Priorities

- Integrate the Water Master Plan Model projects into the Capital Improvement Program.
- Complete next phase(s) of infrastructure replacement projects.
- Continue the AMI Water Meter Replacement Project and the Lead and Copper Education Project.
- Continue implementation of a unidirectional system flushing program.

Division Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Administration	1,030,901	1,224,514	1,533,361	1,361,761	1,345,490	1,653,878
Customer Service	1,465,914	1,527,504	1,593,587	1,584,587	1,573,720	1,668,550
Department-Wide Expenses	22,145,753	13,830,778	16,831,590	16,755,090	16,752,764	17,574,704
Maintenance & Repairs	5,514,444	5,323,076	5,487,221	5,474,021	5,350,100	6,096,291
Meter Services	2,969,374	3,398,431	3,287,283	3,556,583	3,391,990	4,204,819
Water Engineering	678,720	710,463	805,695	806,695	770,670	855,194
Water Operations	374,525	486,106	400,200	244,200	244,000	704,000
Water Production	5,794,605	5,352,943	6,796,375	6,952,375	6,084,820	7,502,884
Total	**39,974,235**	**31,853,814**	**36,735,312**	**36,735,312**	**35,513,554**	**40,260,320**
POSITIONS						
Administration	9.00	9.00	9.00	10.00	10.00	10.00
Customer Service	24.00	24.00	24.00	24.00	24.00	24.00
Maintenance & Repairs	43.00	43.00	43.00	45.00	45.00	45.00
Meter Services	32.00	32.00	32.00	31.00	31.00	31.00
Water Engineering	9.00	9.00	9.00	9.00	9.00	9.00
Water Production	45.00	45.00	45.00	44.88	44.88	44.88
Total	**162.00**	**162.00**	**162.00**	**163.88**	**163.88**	**163.88**

The **Administration Division** provides planning and management services for the Water Resources Department. The department's **Warehouse** is a support service to the many divisions within the department. The Warehouse is responsible for ensuring all necessary material, parts and safety equipment are on-hand for all workgroups. The Warehouse manages inventory of over 1,000 items.

Maintenance of the system's approximately 1,699 miles of distribution mains falls on two divisions:

Southwest Distribution Operations is responsible for maintaining distribution mains, service lines, valves, and hydrants in the South and West areas of the water system. This division also is responsible for the timely and accurate meter reading, maintenance and replacement of meters.

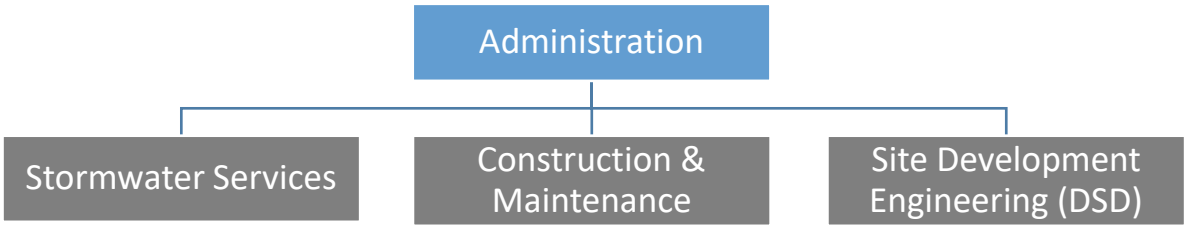
Northeast Distribution Operations is responsible for maintaining distribution mains, service lines, valves, and hydrants in the North and East areas of the water system. This division also maintains pressure reducing valves and performs special projects to maintain the system's water distribution lines.

The **Water Production Division** is responsible for protecting and managing a 22,000-acre watershed,operating and maintaining the North Fork, Mills River, and William DeBruhl (Bee Tree) Water Treatment Plants, maintaining certified laboratories, pumps and storage reservoirs throughout the water system.

The **Customer Service Division** is responsible for processing utility bill payments, establishing new water and sewer service, and assisting customers with various water and other City-related issues or concerns. The **Engineering Services Division** is responsible for providing timely plan review and inspection services to the development community and internal and external customers. This includes processing water availability requests, reviewing and approving water line extensions, and inspecting newly installed water lines.

Stormwater Fund

The Stormwater Division of the Public Works Department is responsible for the timely installation, maintenance, repair, and revitalization of storm drainage infrastructure within the City rights-of-way. The Division implements the National Pollutant Discharge Elimination System (NPDES) program, whose goal is to improve water quality. The Division also works to reduce flooding for the citizens of Asheville.



Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	1,978,268	2,021,718	2,600,276	2,600,276	2,362,000	2,970,670
Benefits	893,447	997,861	1,207,352	1,207,352	1,137,840	1,325,209
Operating Costs	1,741,579	1,693,845	2,389,137	2,389,137	2,035,951	2,526,051
Capital Outlay	441,231	350,000	229,777	229,777	229,777	350,000
Cost Transfers	(256,592)	(191,185)	-	-	(37,000)	-
Debt Service	493,646	588,504	353,800	353,800	353,800	315,817
Total	**5,291,580**	**5,460,743**	**6,780,342**	**6,780,342**	**6,082,368**	**7,487,747**
REVENUES						
Utility Charges	6,100,832	6,205,781	6,162,069	6,162,069	6,205,000	7,062,808
Development Fees	380,005	288,032	398,000	398,000	382,000	414,666
Investment Earnings	81,873	257	8,773	8,773	10,000	8,773
Other	1,095	13,082	11,500	11,500	9,200	1,500
Appropriated Fund Balance	-	-	200,000	200,000	-	-
Total	**6,394,689**	**6,563,805**	**6,580,342**	**6,580,342**	**5,638,387**	**6,780,342**
POSITIONS						
Total	**51.60**	**51.60**	**52.60**	**52.60**	**52.60**	**53.60**

Budget Highlights:

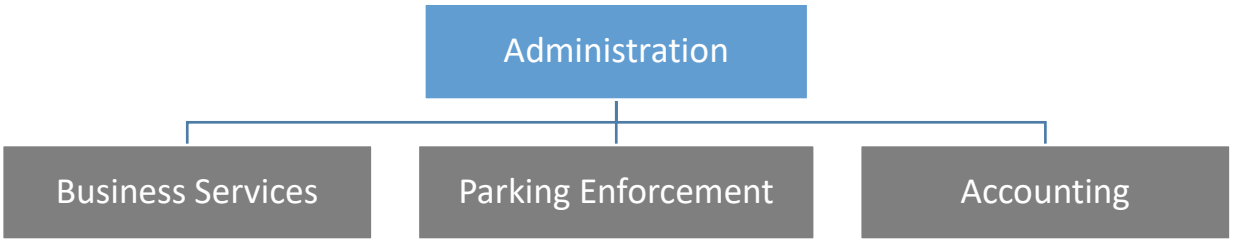
- In April 2022, City Council approved increases in the Stormwater fees assessed on all properties in the city. The additional $846,000 in revenue will fund:
    - A Stormwater Billing Specialist will provide improved customer service for billing, recovery of outstanding collections, and updated inventory of accounts and assets. ($79,000)
    - Additional funding ($100,000) for increased costs in materials and supplies.
    - Enhanced funding to support stormwater capital projects. ($120,000)
- The budget includes additional funding for a fee study to review stormwater service and clarify further operational and capital needs. ($200,000)

FY 2022-23 Fund Priorities

- Install approximately 5,000 linear feet of stormwater infrastructure through construction contracts and maintenance operations.
- Continue normalizing the use of the asset management system to improve effectiveness of infrastructure, personnel, equipment, and materials management.
- Continue Stormwater program analysis and fee study to improve overall effectiveness and provide guidance for future program implementation and budget needs.

Parking Services Fund

The Parking Services Division of the Transportation Department is dedicated to providing safe, reliable, and efficient parking. The Division provides for the orderly turnover of parking and the maximum utilization of parking spaces through the management of on-street parking facilities, four parking garages, and surface lots in downtown Asheville.



Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	832,356	907,887	1,237,018	1,237,018	844,211	1,397,503
Benefits	371,702	427,534	619,675	619,675	524,389	668,619
Operating Costs	1,660,402	1,335,496	2,221,403	2,186,403	1,549,981	1,771,292
Capital Outlay	534,492	260,863	570,000	605,000	532,390	210,000
Cost Transfers	(8,510)	-	-	-	-	-
Debt Service	1,041,522	1,010,604	852,709	852,709	852,709	583,538
Transfer to Transit Fund	1,576,875	1,576,875	1,576,875	1,576,875	-	1,000,000
Total	**6,008,839**	**5,519,260**	**7,077,680**	**7,077,680**	**4,303,680**	**5,630,952**
REVENUES						
Garage Parking	2,763,520	1,895,336	4,250,000	4,250,000	1,859,802	3,056,000
Lots & Peripheral Parking	152,447	89,203	264,400	264,400	78,730	165,000
Parking Meters	1,481,168	1,438,455	1,710,000	1,710,000	1,557,553	1,650,000
Citations	678,214	714,604	700,300	700,300	623,818	650,000
Miscellaneous Revenue	52,026	21,720	89,880	89,880	2,688	45,000
Other	165,956	29,371	63,100	63,100	60,375	64,952
Total	**5,293,331**	**4,188,689**	**7,077,680**	**7,077,680**	**4,182,966**	**5,630,952**
POSITIONS						
Total	**28.91**	**28.91**	**28.91**	**28.66**	**28.66**	**28.66**

Budget Highlights:

- Due to the recent volatility and uncertainty in trends and the continuing impact of the coronavirus pandemic on parking garages, especially monthly parking accounts, overall revenues for the fund are budgeted at approximately 20% lower than Fiscal Year 2021-22 (FY22) revenues.
- Operating expenses have been reduced to reflect the anticipated revenues, including:
    - A $350,000 reduction in funding for parking capital needs.
    - A $577,000 reduction in support for transit services.

FY 2022-23 Fund Priorities

- Continue to implement Harrah's Cherokee Center - Asheville, Rankin Avenue, and Wall Street parking garage restoration projects.

Transit Services Fund

The Transit Services Division of the Transportation Department provides public transportation service that maximizes access to all destinations necessary for the benefit and well-being of citizens including health, employment, recreation, service providers, and retailers.

Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	237,964	192,675	243,052	243,052	150,053	241,087
Benefits	83,941	82,269	106,553	106,553	53,977	107,853
Operating Costs	10,095,666	12,684,482	12,817,704	12,825,063	11,434,832	12,385,000
Capital Outlay	100,000	14,872	-	(7,359)	-	-
Debt Service	-	15,597	-	-	6,500	-
Total	**10,517,571**	**12,989,895**	**13,167,309**	**13,167,309**	**11,645,362**	**12,733,940**
REVENUES						
Federal/State Grants	1,416,678	4,958,847	3,811,302	3,811,302	3,809,555	3,911,302
Operating Revenue	493,656	34,965	512,200	512,200	502,038	536,000
Motor Vehicle Licenses	355,850	369,706	350,000	350,000	350,000	369,706
Other	33,952	29,204	-	-	11,378	-
General Fund Subsidy	5,084,113	6,804,233	6,916,932	6,916,932	6,916,932	6,916,932
Parking Fund Subsidy	1,576,875	1,576,875	1,576,875	1,576,875	-	1,000,000
Total	**8,961,123**	**13,773,831**	**13,167,309**	**13,167,309**	**11,589,903**	**12,733,940**
POSITIONS						
Total	**4.00**	**4.00**	**4.00**	**4.00**	**4.00**	**4.00**

Budget Highlights:

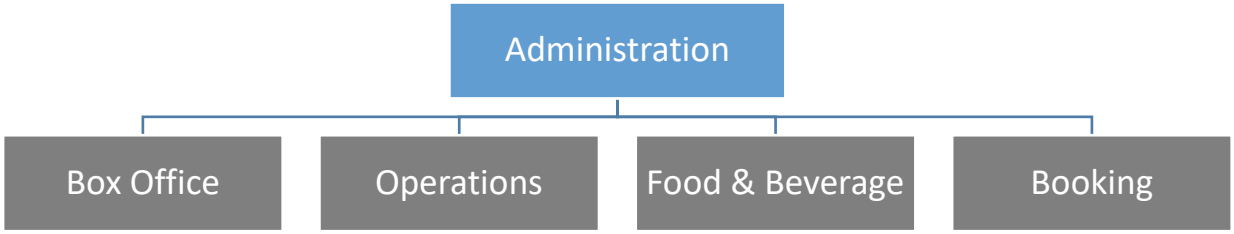
- Due to financial constraints in the Parking Fund, the subsidy provided by parking services to transit is reduced by $600,000.
- The $800,000 of remaining transit-specific American Rescue Plan (ARPA) is budgeted to support ongoing transit operations. An additional $300,000 of general ARPA grant funding is also budgeted.
- Due to a shortage of available transit bus drivers, service enhancements planned for implementation mid-year Fiscal Year 2021-22 (FY22) were not initiated and are not planned for Fiscal Year 2022-23 (FY23). Implementation of the Transit Master Plan will continue once the operational and financial capacity to implement service enhancements improves.
    - As a result, the amount budgeted for the transit service provider contract is lower than in FY22.
    - Routine contractual cost escalation ($400,000) and pay increases for bus drivers to support ongoing recruitment and retention efforts ($551,000) are included in the transit service provider contract.
- A driver pay increase is included in the proposed budget, resulting in a $551,000 increase to the transit service provider contract.
- An additional $150,000 is included to fund expected fuel cost increases.

FY 2022-23 Fund Priorities

- Implement a driver pay increase and other recruitment and/or retention incentives as needed to ensure adequate staffing and maintain base transit services.

Harrah's Cherokee Center - Asheville

The Harrah's Cherokee Center of Asheville fosters exceptional experiences for patrons and promoters in the heart of Asheville. The Center has been providing facilities for entertainment, convention, commercial, cultural, and sports activities for the City and surrounding community since 1974 and includes a 7,200-seat arena, a banquet hall, a 2,431-seat performing arts auditorium, and an exhibition hall.



Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	1,492,742	1,240,858	1,630,839	1,430,839	1,377,000	1,696,969
Benefits	548,115	572,081	661,220	661,220	644,182	688,214
Operating Costs	1,882,092	906,676	1,873,906	2,073,906	2,017,414	2,255,723
Capital Outlay	50,000	-	-	-	-	-
Cost Transfers	(40,776)	(79,203)	-	-	-	-
Debt Service	331,625	310,131	359,929	359,929	359,929	267,514
Total	**4,263,798**	**2,950,543**	**4,525,894**	**4,525,894**	**4,398,525**	**4,908,420**
REVENUES						
Admissions	1,149,076	123,234	1,062,000	1,066,520	915,000	1,086,000
Food & Bev. Sales	1,457,864	59,705	1,412,000	1,412,000	1,911,000	1,542,000
Rent	698,640	104,088	704,574	704,574	726,300	868,600
Intergovernmental	-	34,240	-	-	-	-
Other	152,132	20,813	142,900	138,380	54,000	207,400
General Fund Subsidy	1,135,109	1,125,437	1,204,420	1,204,420	1,204,420	1,204,420
Total	**4,592,821**	**1,467,516**	**4,525,894**	**4,525,894**	**4,810,720**	**4,908,420**
POSITIONS						
Total	**26.30**	**26.30**	**26.25**	**25.75**	**25.75**	**25.75**

Budget Highlights:

- Maintains existing services with no significant budget changes.

FY 2022-23 Fund Priorities

- Achieve contracted facility usage of more than 275 dates.
- Secure annual average of $17.00 in purchases per attendee per event.

Street Cut Utility Fund

The Street Cut Utility Fund is responsible for the repair of all street cuts on publicly maintained streets made by partner agencies including the Metropolitan Sewerage District (MSD), Dominion Energy, and City of Asheville Water and Stormwater operations. The Fund also issues permits for non-partners to ensure that repairs are made according to City of Asheville standards.

Budget Summary

	2019-20 Actual	2020-21 Actual	2021-22 Original Budget	2021-22 Amended Budget	2021-22 Estimate	2022-23 Proposed
EXPENDITURES						
Salaries & Wages	489,571	468,024	526,121	526,121	526,000	650,632
Benefits	217,162	220,171	258,318	258,318	259,242	293,090
Operating Costs	877,963	663,690	919,015	884,015	832,919	957,392
Capital Outlay	46,259	102,464	100,000	135,000	125,000	140,000
Debt Service	100,505	99,111	49,224	49,224	49,224	-
Total	**1,731,460**	**1,553,460**	**1,852,678**	**1,852,678**	**1,792,385**	**2,041,114**
REVENUES						
Utility Charges	1,862,061	1,669,768	1,752,618	1,752,618	1,700,000	1,941,054
Other Financing Sources	5,139	1,358	100,060	100,060	100,000	100,060
Total	**1,867,200**	**1,671,126**	**1,852,678**	**1,852,678**	**1,800,000**	**2,041,114**
POSITIONS						
Total	**10.60**	**10.60**	**10.60**	**10.60**	**10.60**	**10.60**

Budget Highlights:

- Maintains existing services with no significant budget changes.

Capital Improvement Program

Staff continues to work with the City's financial advisors to update the multi-year debt management and capital improvement program (CIP). The expanded CIP began in FY 2013-14 when City Council approved a 3-cent property tax rate increase dedicated to capital. The program was further expanded on November 8, 2016, when the citizens of Asheville voted to authorize the City to issue $74 million in general obligation (GO) bonds to make capital improvements in the areas of transportation, affordable housing, and parks and recreation.

Projects in both the General CIP and the Bond CIP were selected based a number of criteria including: public safety, economic growth and sustainability, affordable housing & community development, quality of life, availability of outside funding sources, and potential return on investment. Projects are funded with a mix of internal City resources and external resources such as grants and partnerships.

The following pages show a summary of the new project budgets that are planned over the next five years for the General, Water, Parking and Stormwater Capital Funds. Project status updates for active CIP projects can be found on the City's website at the following link: *http://dashboards.ashevillenc.gov/capital_projects*.

Capital Funding Resources

Debt service and capital expenses include annual debt service payments on the City's existing and planned debt issuances, as well as capital purchases in departmental operating budgets, pay-as-you-go transfers to the City's various capital project funds, and funding for the General Fund multi-year capital model.

For FY 2022-23, the citywide total budget for debt service and capital expenses is approximately $32 million, with the bulk of this funding ($21.5 million) supporting general fund capital projects. While capital funding for Water Resources and Stormwater remains similar to prior years, funding for Parking capital projects was decreased to $150,000 in FY 2022-23 as we wait for revenues to normalize following the COVID-19 pandemic.

Over the five-year plan, debt funding for General Fund capital projects is increased $3.8 million, to provide additional investments in sidewalks and other pedestrian infrastructure, additional fire apparatus and equipment replacement, and facility improvements. This additional debt funding reflects the most recent updates to the debt model capacity based on project spending timelines and interest rate assumptions.

FIVE YEAR GENERAL CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET					
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
REVENUE SOURCES					
Pay-go (Cash)	1,236,739	1,090,000	1,090,000	1,090,000	1,090,000
Short-Term Installment Debt	3,701,000	3,907,000	4,131,000	4,188,000	4,349,000
Long-Term Debt	12,205,470	9,850,520	8,268,860	8,102,620	13,050,610
American Rescue Plan (ARPA)	2,500,000	-	-	-	-
Grants & Donations	1,833,200	13,156,800	7,508,800	4,090,400	5,842,400
Revenue Total	**21,476,409**	**28,004,320**	**20,998,660**	**17,471,020**	**24,332,010**
PLANNED PROJECTS					
FACILITY MAINTENANCE					
HCCA Maintenance	221,739	75,000	75,000	75,000	75,000
Tempie Avery Community Center HVAC Replacement	200,000	-	-	-	-
Municipal Building Repairs	2,054,000	-	-	-	-
Facility Upgrades	-	-	722,000	736,000	751,000
Roof Replacement	-	-	150,000	153,000	156,000
Total	**2,475,739**	**75,000**	**947,000**	**964,000**	**982,000**
FLEET & EQUIPMENT					
AFD Apparatus Replacement	-	1,600,000	-	-	-
Computer & Technology Replacements	275,000	300,000	500,000	500,000	500,000
Electric Vehicle Infrastructure	159,000	-	-	-	-
Fleet Replacement	3,217,000	3,477,000	3,581,000	3,688,000	3,799,000
GovTV Broadcast Equipment Replacement	50,000	-	50,000	-	50,000
Network Switch Replacement	-	130,000	-	-	-
Self-Contained Breathing Apparatus Replacement	-	-	-	1,200,000	-
Transit Bus Replacement	757,350	4,496,000	4,676,000	4,863,000	5,058,000
Total	**4,458,350**	**10,003,000**	**8,807,000**	**10,251,000**	**9,407,000**
GREENWAYS					
North RADTIP Greenway	129,000	-	4,000,000	-	-
Total	**129,000**	**-**	**4,000,000**	**-**	**-**

PARKS & RECREATION					
Burton Street Park	500,000	-	-	-	-
Comprehensive Parks & Recreation System Plan	-	300,000	-	-	-
JBL Turf Replacement	15,000	15,000	15,000	15,000	15,000
Memorial Stadium	2,500,000	-	-	-	-
Muni Golf Course Renovations	1,150,000	-	-	-	-
Turf Replacement	-	-	-	-	300,000
Park Facilities Upgrades	-	700,000	721,000	743,000	765,000
WNC Nature Center Maint.	160,000	100,000	-	-	-
Total	**4,325,000**	**1,115,000**	**736,000**	**758,000**	**1,080,000**
PLACEMAKING					
Coxe Ave. Complete Street	-	11,825,000	-	-	-
I-26 Aesthetic Committee Improvements	337,210	-	-	-	-
I-26 City Betterments	2,000,000	-	-	-	-
Livingston St. Complete Street	-	-	500,000	-	5,200,000
Public Art Project Allocation	131,110	108,320	92,660	91,020	140,010
Total	**2,468,320**	**11,933,320**	**592,660**	**91,020**	**5,340,010**
STREETS & SIDEWALKS					
ADA Infrastructure Improvements	150,000	150,000	150,000	150,000	150,000
Deaverview Road Sidewalk & Pedestrian Crossings	-	-	710,000	250,000	2,245,000
Merrimon Avenue	275,000	-	-	-	-
Neighborhood Sidewalks	-	430,000	443,000	456,000	470,000
Pedestrian & School Zone Safety	-	-	165,000	-	-
Pedestrian Plan Projects	250,000	250,000	-	-	-
Sidewalk Rehabilitation & Replacement	250,000	250,000	250,000	250,000	250,000
Streets & Sidewalk Resurfacing	3,250,000	3,348,000	3,448,000	3,551,000	3,658,000
Downtown Traffic Signal Pole Replacement	1,125,000	-	-	-	-
Vance Gap Landslide Repair	1,570,000	-	-	-	-
Total	**6,870,000**	**4,428,000**	**5,166,000**	**4,657,000**	**6,773,000**
CIP CONTINGENCY	**750,000**	**750,000**	**750,000**	**750,000**	**750,000**
CIP TOTAL	**21,476,409**	**28,304,320**	**20,998,660**	**17,471,020**	**24,332,010**

Selected General Fund Capital Project Descriptions

Facility Maintenance

Projects in the Facility Maintenance category fund ongoing and major maintenance and renovations at all City facilities. For FY 2022-23, funding is proposed for major maintenance at the Municipal Building, including roof replacement and building envelope repair. Also proposed for funding in FY 2022-23 is a conversion of the Tempie Avery Community Center boilers to a new HVAC system.

Fleet & Equipment

Along with the usual funding for replacement of City vehicles, heavy equipment, and technology items, the proposed FY 2022-23 Fleet & Equipment CIP includes multiple items that would support City sustainability efforts. These include match funding for a grant to replace electric transit busses and/or batteries and funding for new EV infrastructure, which would allow the City to increase the number of EV vehicles in our fleet in future years. Funding is also provided for replacement of GovTV broadcast equipment which is reaching the end of its useful life.

Parks & Recreation

The FY 2022-23 Parks & Recreation allocation includes $2.5 million of ARPA funding for the second phase of work at Memorial Stadium, and $1.15 million in funding for renovations at the Municipal Golf Course. The City is currently pursuing grant funding for the Golf Course project, funds budgeted will act as a match. Funds programmed for the John B. Lewis Soccer Complex and the Western North Carolina Nature Center are both described by agreements with ABYSA and the Friends of the WNC Nature Center respectively.

Placemaking

For many years, the City has had a policy of including public art allocations within the budgets of many capital projects. To improve transparency and simplify management of these funds, the public art allocation has been show as a separate project in the FY 2022-23 CIP.

Streets & Sidewalks

The Streets & Sidewalks section of the CIP includes funding for ongoing maintenance of the City's vehicular and pedestrian infrastructure, including street resurfacing, sidewalk replacement, and ADA improvements. One-time projects include replacing traffic signal poles in the downtown area and FEMA-funded landslide repairs at Vance Gap.

General Obligation Bond Projects Status

In Planning

- Affordable Housing Investments
- Afford. Housing (City-Owned Property)
- Shiloh Sidewalk Improvements

In Design

- Airport Road Sidewalk
- Greenway Neighborhood Connectors
- Johnston Boulevard Sidewalk
- New Haw Creek Road Sidewalk
- Onteora Road Sidewalk
- Patton Avenue New Sidewalk
- Swannanoa River Greenway
- Vermont Avenue Improvements

In Construction

- Accessible Crossings
- Dr. Wesley Grant Sr. Southside Center
- Memorial Stadium

Recently Completed

- Fulton Street Improvements
- Gerber Road Sidewalk
- Haywood Streetscape
- Jake Rusher Park
- Park Land Acquisition
- Overlook Road Sidewalk
- Road Improvements Phase 3

Water Resources Capital Improvement Program Summary

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
REVENUE SOURCES					
Pay-Go (Cash)	5,758,695	11,900,000	11,550,000	11,650,000	11,750,000
Revenue Total	**5,758,695**	**11,900,000**	**11,550,000**	**11,650,000**	**11,750,000**
PLANNED PROJECTS					
Fairview Service Area Improvements	-	1,500,000	150,000	150,000	-
Master Plan/Large Waterline Projects	977,500	-	500,000	875,000	1,500,000
Meter/Vault Repair	500,000	1,500,000	1,500,000	1,000,000	800,000
NCDOT Projects	-	-	1,000,000	-	1,000,000
Pump Station/Storage Tank Projects	750,000	750,000	750,000	850,000	750,000
Small Waterline Replacement	2,881,195	6,000,000	6,000,000	6,500,000	6,000,000
System Enhancement Projects	150,000	150,000	150,000	275,000	200,000
Water Treatment Plant Projects	500,000	2,000,000	1,500,000	2,000,000	1,500,000
Expense Total	**5,758,695**	**11,900,000**	**11,550,000**	**11,650,000**	**11,750,000**

Water Resources Capital Project Descriptions

Funding programmed in the Water Resources CIP will support repair, maintenance, and improvements of the City's water treatment and distribution infrastructure. Included in the FY 2022-23 budget is funding for items such as repair of meters, replacement of mains and waterlines that are reaching the end of their useful life, and routine maintenance of treatment plants, pump stations, and storage tanks.

Parking Services Capital Improvement Program Summary

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
REVENUE SOURCES					
Transfer from Parking Operating Fund	150,000	300,000	300,000	300,000	300,000
Revenue Total	**150,000**	**300,000**	**300,000**	**300,000**	**300,000**
PLANNED PROJECTS					
Biltmore Ave. Parking Garage Maintenance	100,000	150,000	150,000	-	-
HCCA Parking Garage Maintenance	50,000	150,000	150,000	150,000	150,000
Parking Facility Maintenance	-	-	-	150,000	150,000
Expense Total	**150,000**	**300,000**	**300,000**	**300,000**	**300,000**

Parking Services Capital Project Descriptions

Funding programmed in the Parking Services CIP will support general maintenance of the City's parking infrastructure. Included in the FY 2022-23 budget is funding for items such as stair repairs, elevator maintenance, paint, and other structural maintenance as needed at the Biltmore Avenue and HCCA parking garages. Future funding planned for Parking Facility Maintenance will be prioritized based on needs at the time of adoption.

Stormwater Capital Improvement Program Summary

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
REVENUE SOURCES					
Transfer from Stormwater Oper. Fund	350,000	350,000	350,000	350,000	350,000
Short-Term Installment Debt	620,000	200,000	140,000	200,000	200,000
Long-Term Debt	276,000	2,270,000	3,260,000	3,258,500	2,416,000
Grants	1,200,000	-	-	-	-
Revenue Total	**2,446,000**	**2,820,000**	**3,750,000**	**3,808,500**	**2,966,000**
PLANNED PROJECTS					
Edwin Place, Celia Place, and Canterbury Drive Drainage Phase 2	-	1,200,000	-	-	-
Edwin Place, Celia Place, and Canterbury Drive Drainage Phase 3	-	-	1,900,000	-	-
Equipment	620,000	200,000	140,000	200,000	200,000
Lake Craig Sediment Removal	350,000	-	-	402,500	-
Parks Stormwater Projects	276,000	920,000	975,000	-	-
Saint Dunstan's Infrastructure	-	-	-	-	60,000
Shiloh Neighborhood Infrastructure	-	-	735,000	2,050,000	2,050,000
Sulphur Springs Road Construction	1,200,000	-	-	-	-
Watershed Studies	-	500,000	-	500,000	-
Waynesville Avenue Drainage	-	-	-	656,000	656,000
Expense Total	**2,446,000**	**2,820,000**	**3,750,000**	**3,808,500**	**2,966,000**

Stormwater Capital Project Descriptions

Funding programmed in the Parking Services CIP will support maintenance and improvements for the City's stormwater infrastructure. Included in the FY 2022-23 budget is funding for items such as equipment replacement, sediment removal at Lake Craig (required every three years to maintain water quality), and drainage improvements at City parks. Also included in FY 2022-23 is appropriation of a state grant for the Sulphur Springs project already underway.