THE CITY OF ASHEVILLE

PROPOSED BUDGET 2021-22



CITY OF ASHEVILLE

NORTH CAROLINA

Proposed Budget
Fiscal Year 2021-22

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CITY MANAGER'S PROPOSED BUDGET MESSAGE

May 25, 2021

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, 2021, and ending June 30, 2022. As I began my budget message last year, let me first say that I am honored to be part of a City that cares so deeply for the people it serves. That caring and commitment to our community has perhaps never been more deeply displayed than it has over the last year as we have dealt with the unprecedented times and circumstances brought on by the COVID-19 pandemic and the racial, social and environmental justice issues that swept across our country last year.

I want to again recognize and thank our City employees who worked both on-site and remotely to continue to maintain operations and deliver high quality services throughout these crises. I am also grateful for your direction, time, and support throughout this extended budget development process.

The recommendations included in this balanced and fiscally responsible Proposed Budget are based on internal work, community input, and Council priorities, and reflect a continuation of the reimagining public safety process that we began last summer.

The Fiscal Year (FY) 2021-22 Proposed Budget, which totals $201.67 million:

- Recommends a sustainable property tax rate of 41.30 cents per $100 of assessed valuation to fund investments in Council priorities;
- Continues funding core community services in a time of rising costs;
- Strategically utilizes fund balance for one-time funding to advance the City's Reparations Program and establish a Neighborhood Grants Program;
- Fully restores funding for positions held vacant in FY 2020-21;
- Minimizes the impact of fee increases while maintaining services; and
- Positions the City to move ahead with other key initiatives including continuing the reimagining public safety process and planning for the utilization of the recently approved American Rescue Act (ARPA) funding.

A summary of the FY 2021-22 Proposed Budget is outlined in the table below.

Proposed FY 2021-22 Budget Summary

Fund	FY21 Adopted	FY22 Proposed	$ Change	% Change
General	134,763,570	147,408,553	12,644,983	9.4%
Water	33,235,312	36,735,312	3,500,000	10.5%
Transit	12,256,653	13,167,309	910,656	7.4%
Parking	6,647,680	7,077,680	430,000	6.5%
Stormwater	6,580,342	6,780,342	200,000	3.0%
Harrah's Center	3,804,058	4,525,894	721,836	19.0%
Street Cut	1,877,104	1,852,678	(24,426)	-1.3%
Total All Funds	**199,164,719**	**217,547,768**	**18,383,049**	**9.2%**
Interfund Transfers	(14,408,389)	(15,851,711)	(1,443,322)	10.0%
Net Total All Funds	**184,756,330**	**201,696,057**	**16,939,727**	**9.2%**

Financial Outlook

As I mentioned in my opening, the organization has been through and continues to be in the midst of an unprecedented time in the country's history. The current fiscal year (2020-21) budget was prepared at the onset of the COVID-19 pandemic in the spring of 2020. At that time, consensus forecasts were predicting a deep and potentially extended economic downturn. Given the anticipated decline in revenues, we took actions to balance the FY 2020-21 budget with the least impact on operations and service delivery.

These actions included:

- forgoing salary increases for employees,
- implementing a soft hiring freeze (except for key public safety and other strategic positions),
- postponing new programs and service enhancements, and
- appropriating unassigned fund balance in the General Fund to ensure continuity of operations.

By taking these actions, the City was able to avoid the types of service reductions and employee layoffs and furloughs that many local governments across the country were forced to implement.

Fortunately for the City, the impact of the COVID-19 pandemic on the City's financial performance has not been nearly as severe as anticipated, especially in the City's General Fund. In particular, sales tax revenue in the General Fund has performed unexpectedly well following deep initial declines in March, April, and May of 2020. Sales tax revenue through the first 8 months of the

fiscal year that began on July 1, 2020 is up 7.7% compared to the prior year. Staff had forecasted that sales tax revenue would be down 5-10% at this point. The unexpectedly positive sales tax performance is likely due to consumers reallocating spending from untaxed services to taxable goods and the implementation of a new requirement for online marketplaces to collect and remit sales tax on purchases in North Carolina.

Property taxes, which make up the largest portion (over 54% percent) of the City's General Fund revenues, have also continued to fare well during the pandemic, and property tax revenue is expected to exceed budget in fiscal year 2020-21. The City also received approximately $2.0M in Coronavirus Relief Funding (CRF) through the Coronavirus Aid, Relief, and Economic Security (CARES) Act which significantly helped offset some of the cost of our pandemic response efforts and provided partial funding for a one-time payment to frontline and on-site employees in December of 2020. As a result of the City's efforts to hold the line on costs, and the strong sales tax performance, we are anticipating that unassigned fund balance in the General Fund will increase by $3.0-4.0M in fiscal year 2020-21, which will provide us with the flexibility to utilize available fund balance to fund some key one-time investments in fiscal year 2021-22.

The City operations that have been most negatively impacted by the COVID-19 pandemic are the enterprise funds, in particular the Parking Services, Harrah's Cherokee Center of Asheville (HCCA), and the Transit Service funds. With demand continuing to be below historical levels for both on-street and off-street parking and the HCCA being closed for most events, those two funds have seen revenues underperform by a combined $5.2M through the first nine months of fiscal year 2020-21 compared to the prior year. In the Transit Services Fund, buses continue to operate fare free and additional costs continue to be incurred for supplemental service to provide social distance for riders. The City expects to be able to utilize funding from the American Rescue Plan (ARPA) to offset the revenue losses in Parking and HCCA and to hopefully defer some costs and lost revenue in Transit.

Looking forward to fiscal year 2021-22, forecasts at the state and national levels are projecting economic growth will continue as rates of new Coronavirus infections decline and more of the population gets vaccinated. Therefore, staff is projecting continued positive revenue growth in the General Fund and a return to more pre-pandemic operations in the three enterprise funds discussed above. However, even with significant natural growth in key revenues, the financial needs across the community and the organization are significantly higher than this growth in revenue can support.

Therefore, as part of the Proposed FY 2021-22 Budget, I am proposing a property tax rate that is 3 cents above the revenue neutral rate in order to provide the additional revenue necessary to invest in key Council, community, and organizational priorities. State law requires local governments to publish a revenue-neutral tax rate in the budget immediately following the completion of the reappraisal of real property. Appendix A to this message explains how the revenue neutral tax rate is calculated.

To potentially help mitigate the impact of reappraisal and the proposed tax rate adjustment on low-income residents, I am recommending that the City partner with Buncombe County as they explore enacting a homeowners assistance support program. The Proposed Budget includes a $150,000 placeholder to fund the potential cost of the City's participation in this program.

Budget Development

As you all recall, the fiscal year 2020-21 budget process was extended by three months as the racial justice movement swept across our country in the wake of numerous police-involved shootings of Black men and women. City Council adopted a three-month budget in July of 2020 to allow time for the City Manager's Office to complete the first step in the ongoing reimagining public safety process, a brief but intensive community engagement around the role of the Asheville Police Department (APD).

On September 22, 2020, City Council passed a budget that reallocated $770,000 from APD to other City departments. The reallocations from APD, which were influenced by input from the community engagement process, included moving two nuisance response programs (Animal Control and Noise Ordinance enforcement) to the Development Services Department (DSD); 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 for additional homeless outreach.

Much of the work done as a part of this year's budget development reflects a continuation of the reimagining public safety process that we began last summer. The work that staff did during this budget process was different in many ways from previous budget cycles, and I want to highlight both the internal and external engagement efforts that 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 at Amplify Consulting and Dual Vida Enterprises, LLC.

The internal work completed during the winter and spring of 2021 with all City departments focused on three questions:

- Who are the people most impacted by inequity in our community?
- How do the services your department provides affect those most impacted?
- How can services be adjusted to enhance positive or mitigate negative impact?

Through that internal engagement, three key challenges for staff emerged:

- Too few resources spread over services;
- Differences in access to information and the City organization lead to inconsistent service delivery; and
- Inclusive community input is difficult to obtain.

The response strategies that staff identified to these challenges were to refocus engagement to the neighborhood level and to develop a clear data-informed framework for decision making.

The external engagement, which continued the conversations from the prior reimagining public safety sessions, included an online survey and six virtual sessions. A community engagement academy was also held, which focused on connecting with groups of people identified as "missing from the conversation" in the Reimagining Public Safety engagement. The goal of the academy was to build capacity for participating in decision-making processes. Key takeaways from those sessions include:

- A desire for understanding how the budget affects individuals and how to make an impact on budget decisions.
- Increased access, convenience, and transparency.
- Clearer, plain language communication.
- Being part of resource allocation and prioritization.
- Empowered decision making.
- Neighborhood level investments.

In addition to the external community engagement sessions, staff and our consultants also held two employee-only engagement sessions. Key feedback received from those sessions included:

- Compensation is an important part of feeling valued.
- More staff resources are needed to address both Council priorities and core service delivery.
- More strategically utilizing existing resources and coordinating community engagement would improve outcomes.

The results of this months-long engagement work produced invaluable feedback which, along with the Council input and prioritization I will discuss in the next section, has guided us through the development of this Proposed Budget and resulted in the recommended investments highlighted throughout the Budget Document.

Strategic Prioritization and Resource Allocation

At your annual retreat held on March 31 and April 1, 2021, City Council reaffirmed its commitment to the 13 Strategic Priorities from Vision 2036 that were identified in 2019 and developed four additional key priorities to inform development of the fiscal year 2021-22 budget. Those four priorities were:

- Reparations
- Reimagining Public Safety
- Compensation
- Utilization of ARPA funding

Prior to the annual retreat, staff held two budget work sessions with Council to provide an overview of the budget and highlight potential key areas of focus and investment. After the retreat, staff followed up with three additional budget work sessions in April and May to update the financial outlook, provide information received from the internal and external engagements, and preview draft investment recommendations. All of that work culminates with this presentation of this Proposed FY 2021-22 Budget and the key investment categories that I will highlight over the next few pages.

Reparations

At your July 14, 2020 meeting, City Council became one of the first local governments in the United States to approve a resolution supporting community reparations for Black residents. Over

the last nine months staff has worked to begin developing a framework around that resolution. For next year's budget I am recommending that we take the first steps in funding reparations by appropriating $1.2 million from available fund balance, which will allocate $200,000 to a planning and community engagement process and set aside $1 million in initial funding for the Reparations Fund itself. We anticipate that the City's $1 million investment will be amplified by other outside investments, including from possible hotel rezonings through use of the Community Benefits Table.

Reimagining Public Safety (Safe Communities)

Over the past year the Asheville Police Department (APD) has experienced significant turnover in its sworn police officers. APD currently has approximately 70 vacant sworn positions out of a total of 238 authorized sworn positions. This turnover has created exceptional challenges for the Department to maintain coverage and provide a basic level of service. In an effort to meet coverage needs and begin reducing turnover, the Proposed Budget includes funding to fully implement the Police pay plan recommendations from the Archer Compensation Study and provide additional overtime needed to maintain coverage. Based on current staffing levels and APD hiring plans, the budget assumes that sworn position vacancy savings will fund both the cost of implementing the public safety pay plan and the additional overtime funding.

It is also assumed that APD vacancy savings will be sufficient to fund additional overtime so that officers can attend training associated with reimagining public safety and improving community relations such as de-escalation, verbal judo, crisis intervention training, and fair and impartial policing. As travel restrictions are eased, staff will also attend conferences that cover best practices around data, transparency, officer wellness, recruitment, and co-responder models for people in crisis. APD vacancy savings will also be utilized to offset inflationary increases in APD's operating budget, including a $180,000 increase in the contract for body-worn and vehicle camera maintenance. Finally, the Proposed Budget recommends reallocating an additional $110,000 in funding from APD to the Development Services Department (DSD) to provide support for the Animal Control and Noise Ordinance Enforcement programs that were shifted to DSD as part of the initial phase of reimagining public safety. In total the APD Proposed Budget for fiscal year 2021-22 totals $29.26M, which is down slightly compared to the Adopted 2020-21 Budget.

It is also important to note that the conversations and work around reimagining public safety will not end with this budget process. The City and County are continuing discussions around consolidating 911 emergency response services and expect to move forward with that initiative early next fiscal year. The FY 2021-22 Proposed Budget positions the City to be able to consolidate 911 response services with the County utilizing the existing APD telecommunications budget and 911 funds already received from the County as part of an earlier joint agreement. In addition, budget proposals for a crisis response team for mental health and substance abuse and a houselessness response team also remain under development. Finally, the City is continuing conversations with the Asheville Housing Authority and Asheville City Schools to assess APD's role in those areas.

I also want to highlight an important new investment in the Asheville Fire Department (AFD) which will enhance safety in our community. After over a decade of planning, the new Broadway Public Safety Station is anticipated to begin construction soon and open in the fall of 2022. Once open, the station will improve performance outcomes in that part of the City from 45% to over 90%. In order to have staffing in place for the opening of the new station, the FY 2021-22 budget includes $583,000 in funding to hire an additional 15 firefighters in the fall of 2021. Once the station is open, the estimated full annual cost to staff and operate the station, which will be part of the FY 2022-23 budget, is $1.26 million.

Employees & Workforce

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 throughout the City in comparison to the market, was completed earlier this fiscal year. The Proposed Budget I am recommending fully funds implementation of the Archer Compensation Study recommendations for employees on the public safety pay plans and increases compensation for all other employees up to the new Archer-recommended minimum pays or provides a 2.5% pay increase, whichever is greater. The cost of implementing these recommendations is approximately $7.9 million Citywide with around 87% or $6.9 million of this increase going to employees who currently earn less than $60,000 annually.

As I noted earlier, because of the financial uncertainty resulting from the COVID-19 pandemic, we implemented a soft hiring freeze (except for key public safety and other strategic positions) as part of the current year's budget. One of the key challenges we heard from departments as part of the internal budget engagement work this year was that there were too few resources spread over services. Therefore I am recommending that we restore $1.0 million to the fiscal year 2021-22 budget to fund all of our approved positions. Since it will take time to fill current vacancies, staff has built into the budget a higher level of vacancy savings than the historical trend.

For the sixth 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 $700,000. 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 fourth consecutive fiscal year. Finally, I'm pleased to be able to include in the Proposed Budget enhancements to employee benefits including the addition of two new paid holidays (Juneteenth and Veteran's Day), eight weeks of paid parental leave, and six weeks of paid leave for care of qualified family members with a serious health condition.

Neighborhoods and Housing

We heard clear feedback as part of both the internal and external engagements that new City investments in neighborhoods were very important. Part of our response strategy for fiscal year 2021-22 will be to allocate an additional $150,000 from available fund balance (for a total of $200,000) to launch a neighborhood grant program. This new funding will complement ongoing budget investments, which include the $500,000 annual Housing Trust Fund contribution and $225,000 to support the Land Use Incentive Grant (LUIG) program and development fee rebate payments for affordable housing projects.

As part of the five-year Capital Improvement Program (CIP), we will be budgeting an additional $2 million per year to support investments in sidewalks, road resurfacing, facilities, and other infrastructure. The City is able to commit to this additional funding due to savings in the multi-year CIP and debt program resulting from lower interest rates and revised project spending schedules.

Youth

We have also heard from our community a need for additional Parks and Recreation services in our neighborhoods to provide our youth with improved access to safe spaces to socialize and recreate. To help meet this objective, the Proposed Budget allocates $450,000 in new funding to

expand evening and weekend hours at community centers and $300,000 to expand the level of service in high-use parks and facilities.

In addition to this new investment in the Parks and Recreation Department, the Proposed Budget continues funding for the City of Asheville Youth Leadership Academy (CAYLA) at $257,000; maintains the $242,000 allocation for Strategic Partnership Funds (SPF) to support nonprofit organizations that serve Asheville residents; and continues the partnership with Asheville City Schools on Positive Opportunities Develop Success (PODS) at recreation centers, which began during the pandemic. Staff will also continue working with community partners to identify additional youth and community programming needs throughout next fiscal year. Finally, the City also signed on as a community partner in the United Way's Partnership for Youth initiative, which seeks to address the opportunity gap related to disparity in school test scores between black and brown youth and whites. Our hope is that these programs will support the effort to address this disparity.

Transportation

Implementation of the Transit Master Plan (TMP), which began in fiscal year 2019-20, remains a top priority for City Council and the community. The first phase of TMP implementation began in January 2020 and included an increase in service frequency, realignment of some existing routes, and an additional 20,400 annual service hours. The fiscal year 2020-21 budget included funding to continue these improvements for a full fiscal year, but further implementation of the TMP was delayed due to the COVID-19 pandemic. With the community emerging from the pandemic, we are planning to move ahead with the next steps in implementing the TMP beginning in October 2021. Planned enhancements include extended evening hours (which will complete year 1 implementation of the TMP) and increased service frequency on the S3 and S6 routes from 90 minutes to 45 minutes. These new investments, which will be funded through the General Fund, will cost $1.1 million in fiscal year 2021-22 for 9 months; full annual costs thereafter will be $1.6 million. Total General Fund support for Transit Services in fiscal year 2021-22 is budgeted at $7.9M, which represents a $1.1M or 16% increase compared to the Adopted 2020-21 Budget.

The City celebrated the grand opening of the River Arts District Transportation Improvement Project (RADTIP) on April 23, 2021. The RADTIP, which re-built the transportation network along the east side of the French Broad River in the River Arts District, is the centerpiece of a decade-long effort to renovate the greater River Arts District to better support its businesses, residents, artists, and the larger Asheville community. The FY 2020-21 Parks & Recreation budget included funding of $250,000 to hire seven additional staff for a partial year to provide maintenance services for the new RADTIP infrastructure. The Proposed 2021-22 Budget includes an additional $154,000 to fully fund the ongoing annual costs for RADTIP maintenance.

Environment

The Proposed FY 2021-22 Budget continues our key investments in the environment. Ongoing sustainability initiatives funded within the Proposed Budget include: developing a climate justice screening tool; exploring pathways to hire more BIPOC members to help with education and outreach; utilizing existing funding and partnerships to support solar installations for low- and moderate-income households; partnering with Asheville-Buncombe Food Policy Council and Bountiful Cities to create templates for food emergency preparations; and partnering with the Planning and Fire Departments to help inform, create, and support Resiliency Hubs. As of July 1, there will be approximately $425,000 available in the multi-year Green Savings program to invest in renewable energy projects.

There are a number of other continuing investments in the environment to highlight, such as tree ordinance implementation and enforcement, which will occur with existing staff during the next fiscal year with an assessment of future needs as construction activity increases. The Proposed Budget also includes $6.8 million in the Water Resources Fund for ongoing investments in water capital infrastructure. During our budget work sessions, staff highlighted the need for a multi-year water rate realignment to replace revenue from the repealed Capital Improvement Fee, and Council responded by approving fiscal year 2021-22 rate changes at its May 11, 2021 meeting. Staff is also recommending a midyear assessment of two other key City service areas that impact the environment, Sanitation and the Stormwater Enterprise Fund, to determine if fee increases in those areas are needed to support additional investments.

I also want to highlight two environmental service areas where additional funds were added to the base budget to fund ongoing cost increases. First, an additional budget allocation of $300,000 was required to maintain the City's current household recycling program in a time of rising costs within the recycling industry. Second, the City continues to see an increase in significant weather events due to climate change. In order to be better prepared, I am recommending an increase of $200,000 in the funding to our Public Works Department for storm response.

Economic Development

The fiscal year 2020-21 budget continued the allocation of $60,000 for business certification and training programs to improve access to contracting opportunities with the City and address barriers to success for small businesses in Asheville, which was one of the priorities identified in response to the Disparity Study. In next fiscal year's budget we will reallocate that $60,000 from contracted services to fund a new position in the Asheville Business Inclusion Office (ABIO). The Manager's Proposed Budget also includes $1.5 million in the General Fund to meet the City's previously approved economic incentive agreements, an investment which represents a $380,000 increase over the current fiscal year budget.

Next Steps and Summary

Asheville remains in a strong financial position. In early April, both Standard & Poor's (S&P) and Moody's Investors Service (Moody's) reaffirmed their bond ratings for the City of Asheville. General obligation bonds, which are backed by the full taxing power of the City, received the agencies' highest credit ratings of AAA and Aaa, respectively. This places Asheville with some of the most financially well-managed cities in the United States. A triple-A bond rating is confirmation of the City's sound fiscal policies and professional management.

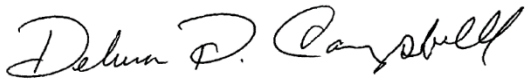
I believe this Proposed Budget positions the City to move ahead with key initiatives such as reparations, reimagining public safety, transit expansion, and compensation adjustments for our employees. However, work on the budget will not stop with this budget proposal. In particular, we will continue our planning for the utilization of the recently approved American Rescue Plan Act (ARPA) funding, which totals at least $26 million for the City of Asheville. Extending the planning time for the ARPA funds into next fiscal year will offer us time to ensure the development of a strategic implementation plan that is in compliance with the recently released federal spending guidelines and meets Council's and the community's key strategic priorities.

As I complete this budget process and look ahead to next fiscal year, I am very optimistic about Asheville's future, both for the community and our organization. The last year has brought exceptional challenges but we have come a long way as we have worked together to overcome those challenges, and I believe that we have made progress towards improving access and

enhancing equity. 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. I am proud to be a part of a team of employees who take pride in public service. 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, Lauren Brune, Ellenore Holbrook, and Beth Bechel.

I look forward to working with you and the community over the next month to adopt the fiscal year 2021-22 budget.

Sincerely,



Debra D. Campbell

City Manager

Appendix A: City of Asheville Revenue Neutral Tax Rate Calculation

FY 2021-22

State law requires local governments to publish a revenue-neutral tax rate in the budget immediately following the completion of the reappraisal of real property. The purpose of the revenue-neutral tax rate is to provide citizens with comparative information on tax rates before and after revaluation. The revenue-neutral tax rate, as defined by G.S. §159-11(e), is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred.

To calculate the revenue-neutral rate, the budget officer shall first determine a rate that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. The tables below walk the reader through the City of Asheville's revenue-neutral calculation for FY 2021-22.

Revenue Neutral Known Values

	Current	Reappraisal
Assessed Value (Base)	$ 16.9 billion	$ 19.4 billion
Tax Rate	42.89 cents	?
Levy (Base x Rate)	$ 72,487,013	

Revenue Neutral Tax Rate Calculation

1. Determine the tax rate that would produce revenue (levy) equal to current year.
2. Increase the rate by the average annual increase in the tax base.

Current Levy	÷	Reappraisal Assessed Value	×	Avg. Tax Base Growth
$ 72,487,013		$ 19.4B		2.62%

The tax rate that would produce the same levy as the current tax rate on the new valuation is ***38.30 cents.***

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 2021-22 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 2021-22 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 2021-22 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 2021-22 revenue estimates. The Budget Summary concludes with an estimate of fund balance for the City's General Fund.

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 priorities for FY 2021-22.

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:
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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	Harrahs Cherokee Center Fund	Transit Fund
DEPARTMENT							
Fire	X						
Police	X						
Parks & Recreation	X						
Community & Economic Development	X					X	
Planning & Urban Design	X						
Development Services	X						
Public Works	X			X	X		
Capital Projects	X						
Office of Sustainability	X						
Office of Equity and Inclusion	X						
Transportation	X		X				X
Administrative Services/City Manager's Office	X						
City Attorney's Office	X						
Communication and 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

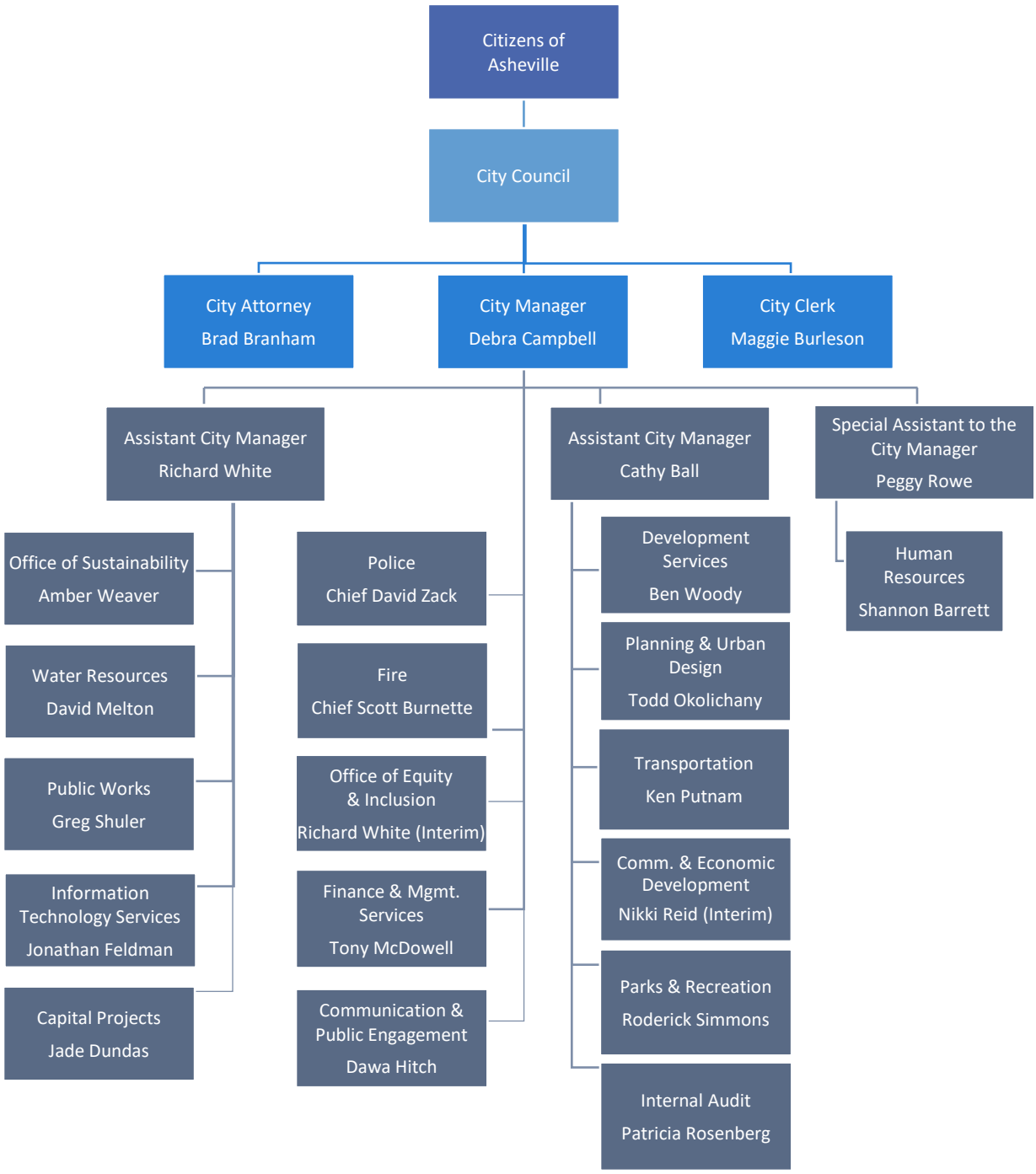
How Funds Interact

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 2020-21 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.

ORGANIZATIONAL CHART

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 2021-22 Budget Calendar

Item	Date/Deadline
Internal Operating Budget Process Begins	November 16, 2020
Internal review of existing programs and services (operating)	December 2020
Internal review of infrastructure and facility needs (capital)	January – March 2020
City Council Formal Meeting - Adoption of Budget Calendar	January 12, 2021
Internal review of basic services and impact on social, economic and environmental justice	January – February 2021
Community Engagement	March – June 2021
City Council Retreat	March 31 – April 1, 2021
City Council Budget Work Sessions	March 9, 2021 March 23, 2021 April 13, 2021 April 27, 2021 May 11, 2021
City Council Formal Meeting - Adoption of FY 2021-22 Fees & Charges	May 11, 2021
City Council Formal Meeting - Proposed Budget Presentation to City Council	May 25, 2021
City Council Budget Work Session (if needed)	June 8, 2021
City Council Formal Meeting - Budget Public Hearing	June 8, 2021
City Council Formal Meeting - Budget Adoption	June 22, 2021

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

1. Current operating revenues will be sufficient to support current operating expenditures. Fund balance appropriations shall be limited to non-recurring expenditures.
2. Debt proceeds or non-recurring revenues will not be used to finance recurring operating and recurring capital expenditures.
3. The City will integrate performance measures and productivity indicators with the annual budget.
4. 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.
5. It is the City's policy that the operating budget be prepared in accordance with Generally Accepted Accounting Principles.

B. Reserves

1. 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.
2. 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

1. Revenue estimates shall be set at realistic and attainable levels and shall be monitored periodically.
2. 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.
3. 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.
4. 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.
5. 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

1. 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.
2. 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.

3. The City shall appropriate all funds for Capital Projects with a Capital Projects ordinance in accordance with State statutes.
4. Operating expenses for all capital projects will be estimated and accounted for in the Capital Improvements Program and incorporated into the annual operating budget.
5. 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.
6. 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

1. 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).
2. Full disclosure will be provided in the financial statements and bond representations.
3. A financial system will be maintained to monitor expenditures and revenues on a monthly basis.
4. All revenue collections will be consolidated under the Director of Finance and be audited at least annually.
5. 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

1. 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.
2. 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

1. 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.

2. 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).

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

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

5. 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

1. 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:

1. Institution is collateralized under the Pooling Method (see *Safety* above)
2. Institution demonstrates a pattern of community reinvestment aligned with City Council's Strategic Plan
3. Institution has physical location(s) within the City of Asheville city limits
4. 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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
REVENUES						
General Fund	128,349,926	130,946,772	134,763,570	134,833,570	137,150,283	147,408,553
Water Resources	40,246,882	40,377,680	33,235,312	33,235,312	33,069,935	36,735,312
Transit Services	8,839,527	8,961,123	12,256,653	12,822,841	12,173,771	13,167,309
Parking Services	6,816,291	5,293,331	6,647,680	6,647,680	3,470,313	7,077,680
Stormwater	6,394,689	6,563,805	6,580,342	6,580,342	5,638,387	6,780,342
Harrah's Cherokee Center	4,486,479	4,592,821	3,804,058	3,804,058	1,325,473	4,525,894
Street Cut Utility	1,679,468	1,867,200	1,877,104	1,877,104	1,654,050	1,852,678
Total	**196,813,261**	**198,602,731**	**199,164,719**	**199,800,907**	**194,482,213**	**217,547,768**
Interfund Transfers	(11,249,773)	(13,436,166)	(14,408,389)	(14,408,389)	(14,408,184)	(15,851,711)
Net Revenues	**185,563,488**	**185,166,565**	**184,756,330**	**185,392,518**	**180,074,029**	**201,696,057**
EXPENDITURES						
General Fund	126,632,326	130,398,473	134,763,570	134,833,570	133,406,236	147,408,553
Water Resources	38,620,733	39,974,235	33,235,312	33,235,312	32,077,097	36,735,312
Transit Services	8,587,388	10,517,571	12,256,653	12,822,841	12,730,633	13,167,309
Parking Services	6,814,576	6,008,839	6,647,680	6,647,680	5,788,633	7,077,680
Stormwater	6,152,232	5,291,580	6,580,342	6,580,342	5,615,412	6,780,342
Harrah's Cherokee Center	5,391,714	4,263,798	3,804,058	3,804,058	2,984,484	4,525,894
Street Cut Utility	1,903,126	1,731,460	1,877,104	1,877,104	1,633,957	1,852,678
Total	**194,102,096**	**198,185,956**	**199,164,719**	**199,800,907**	**194,236,451**	**217,547,768**
Interfund Transfers	(11,249,773)	(13,436,166)	(14,408,389)	(14,408,389)	(14,408,184)	(15,851,711)
Net Expenditures	**182,852,323**	**184,749,790**	**184,756,330**	**185,392,518**	**179,828,267**	**201,696,057**

Note: The FY 2020-21 Amended Budget reflects the FY 2020-21 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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES BY CATEGORY						
Salaries & Wages	65,455,735	68,710,694	69,899,848	69,718,050	67,642,536	76,566,825
Benefits	27,775,197	29,305,897	30,781,656	30,619,044	30,182,902	33,345,478
Operating Costs	47,189,628	48,106,732	54,402,928	55,266,408	52,377,974	60,008,884
Capital & Debt	42,431,763	38,626,467	29,671,898	29,789,017	29,624,855	31,774,870
Net Expenditures	**182,852,323**	**184,749,790**	**184,756,330**	**185,392,518**	**179,828,267**	**201,696,057**

Expenditure Highlights

Overall, the City's net FY 2021-22 proposed budget, which totals $201.7 million, shows a $16.9 million or 9.1% increase compared to the FY 2020-21 original budget. The City's proposed General Fund budget totals $147.4 million, an increase of $12.6 million or 9.4% compared to the FY 2020-21 original budget.

The FY 2021-22 budget for personnel costs (salaries, wages and benefits) includes $7.9 million to fully implement the Archer Compensation Study recommendations for employees on the public safety pay plans, and increases compensation for all other employees to the greater of the new Archer-recommended minimum pays or a 2.5% pay increase. The charts below show implementation cost estimates by fund and by pay ranges.

Compensation Costs	To Min. or 2.5%	Police (Sworn)	Fire	Total
General Fund*	$ 2.28 M	$ 1.66 M	$ 2.72 M	$ 6.67 M
Water	$ 0.91 M			$ 0.91 M
Parking	$ 0.05 M			$ 0.05 M
Street Cut	$ 0.03 M			$ 0.03 M
Stormwater	$ 0.25 M			$ 0.25 M
Total	$ 3.52 M	$ 1.66 M	$ 2.72 M	$ 7.92 M

**Includes HCCA & Transit*

Estimated Current Annual Salary for Position	Estimated Additional Budget for Implementation	FY21 FTEs
$30,000 & below	$ 244,000	20.5
$30,001 – $40,000	$ 2,715,000	388.0
$40,001 – $50,000	$ 2,591,000	416.0
$50,001 – $60,000	$ 1,355,000	238.0
$60,001 – $70,000	$ 476,000	95.0
$70,001 – $80,000	$ 264,000	73.0
$80,000 – $90,000	$ 98,000	29.0
$90,001 – $100,000	$ 60,000	21.0
$100,001+	$ 119,000	29.0
Total	$ 7,922,000	1,309.5

Personnel Costs (Salaries, Wages, and Benefits)

The budget restores full funding to positions that were held vacant during FY 2020-21, at a cost of $1.1 million. Enhanced employee benefits are also provided, including two new paid holidays (Juneteenth and Veteran's Day), eight weeks of paid parental leave, and six weeks of paid leave for care of a qualified family member with a serious health condition.

Based on claims trends, the City was able to keep both employer and employee contributions to the health insurance program flat for the fourth consecutive fiscal year. The proposed budget does include a $700,000 (1.2%) Citywide increase in the required employer contribution to the Local Government Employee Retirement System (LGERS).

Operating Costs

Citywide operating costs are up $5.7 million or 10.5% compared to the Adopted FY 2020-21 Budget. Approximately $900,000 of this increase is in the Transit Services Fund. As discussed in the City Manager's Budget Message, this increase will be used to implement transit service enhancements in October 2021 that were part of the Transit Master Plan.

An additional $700,000 is included in the Parking Services and Harrah Cherokee Center - Asheville enterprise funds to reflect an expected return to normal operations post-pandemic.

In the General Fund, operating costs are up approximately $4 million, including a $1.2 million appropriation from available fund balance to further the reparations process. This appropriation will allocate $200,000 towards planning and community engagement and provide $1 million in initial funding for the Reparations Fund itself.

Other significant increases to operating costs in the General Fund include $382,000 for previously approved economic incentive payments, $289,000 for recycling services, and an additional $200,000 for storm response materials.

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 2021-22, the Citywide total budget for these expenses is approximately $31.8 million.

The debt service and capital budgets are up partially due to the $2.5 million increase in the Water Resources Fund transfer to capital. The fee realignment package that Council approved on May 11 allowed the City to begin restoring funding to the Water capital program following the repeal of the Water CIP fee.

Funding for the General Fund multi-year capital model is held flat for the second consecutive year. However, due to lower interest rates and revised spending schedules on existing projects, the Capital Improvement Program (CIP) budget has capacity to support an additional $2 million in annual capital spending with existing resources. This newly identified capacity will be used to support additional investments in sidewalks, road resurfacing, facilities, and other infrastructure.

Budget Summary: Revenues

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
REVENUE SOURCES						
Property Taxes	65,295,336	69,095,855	71,397,852	71,397,852	72,729,038	80,412,370
Sales & Other Taxes	27,078,855	27,893,002	27,330,684	27,330,684	30,690,074	32,148,276
Intergovernmental	14,483,261	12,796,974	16,162,931	16,729,119	16,187,982	15,446,046
Licenses & Permits	6,529,403	6,263,638	6,250,450	6,250,450	5,975,351	6,133,295
Sales & Services	62,256,245	62,385,734	55,600,323	55,600,323	51,706,595	59,902,563
Investment Earnings	4,082,831	3,623,737	1,021,193	1,021,193	1,029,171	1,124,193
Miscellaneous	10,826,000	8,655,074	9,926,840	9,926,840	6,657,457	10,009,341
Other Sources	6,261,330	7,888,717	11,474,446	11,544,446	9,506,545	12,371,684
Total	**196,813,261**	**198,602,731**	**199,164,719**	**199,800,907**	**194,482,213**	**217,547,768**
Interfund Transfers	(11,249,773)	(13,436,166)	(14,408,389)	(14,408,389)	(14,408,184)	(15,851,711)
Net Revenues	**185,563,488**	**185,166,565**	**184,756,330**	**185,392,518**	**180,074,029**	**201,696,057**

Property Taxes

The property tax, which comprises 40% of total revenue, is the single largest source of revenue for the City. The Buncombe County Tax Office recently completed a property revaluation with new values set to take effect for the 2021-22 fiscal year.

The City's revenue neutral tax rate for FY 2021-22 is 38.3 cents per $100 of assessed valuation. As discussed in the Manager's Budget Message, the proposed tax rate for FY 2021-22 is 41.30 cents, which is 3 cents above the revenue neutral rate. The proposed tax rate will provide additional revenue necessary to invest in key Council, community, and organizational priorities.

Other Revenues

Sales and services revenue shows a $4.3 million or 7.7% increase in the Proposed FY 2021-22 Budget. Most of that increase ($3.5 million) is from the rate realignment adjustments in the Water Resources Fund that City Council approved at its May 11, 2021 meeting. Sales and services revenue is up due to the fact that the Harrah's Cherokee Center - Asheville is expected to resume normal operations in FY 2021-22 with an extensive event schedule.

Through the first eight months of the current fiscal year, sales tax revenue was up 7.7%. Staff had forecasted that sales tax revenue would be down 5% to 10% at this point due to the impacts of COVID-19. The unexpectedly positive sales tax performance is likely due to consumers reallocating spending from untaxed services to taxable goods, and to the implementation of a new requirement for online marketplaces to collect and remit sales tax on purchases in North Carolina. For the year, staff is projecting that sales and other taxes revenue will exceed the original budget

by $3.4M. Forecasts at the state and national levels are projecting economic growth will continue next fiscal year as rates of new coronavirus infections decline and more of the population gets vaccinated. Based on those projections, staff is budgeting a 5.0% increase in sales taxes in FY 2021-22.

Compared to the FY 2021-22 original budget, the intergovernmental revenue budget Citywide is down approximately $700,000 or 4.4%, 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 2020-21 Adopted Budget.

The Other Financing Sources category includes items such as interfund transfers and fund balance appropriations. The FY 2021-22 proposed budget for Other Financing Sources is up primarily due to the increase in the interfund transfer from the General Fund to the Transit Services Fund.

Budget Summary: Staffing

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2021-22 Proposed
FULL-TIME EQUIVALENT POSITIONS BY FUND TYPE					
General Fund	980.03	1,024.37	1,031.37	1,031.37	1,058.14
Enterprise Funds	259.91	283.41	283.41	283.41	284.36
Special Revenue	10.00	11.00	0.00	0.00	0.00
Total FTE Positions	**1,249.94**	**1,318.78**	**1,315.78**	**1,315.78**	**1,342.50**

Note: In prior budget documents, staff funded with special revenues (e.g., grants) were shown separately. These FTEs were reflected in their respective departments' operating budgets beginning in 2019-20.

Staffing Highlights

The budget includes the addition of 31 full-time equivalent (FTE) positions. These include:

Department	FTEs	Positions
Asheville Fire Department	+ 15.0	Firefighters
Community & Economic Development	+ 1.0	Business Inclusion Services Specialist
Development Services	+ 2.0	Compliance Coordinator & Noise Enforcement Officer
Parks and Recreation	+ 12.0	Recreation Program Coordinator (1.0); Program Leaders (6.0; Laborers (5.0)
Stormwater Enterprise Fund	+ 1.0	Stormwater Quality Supervisor

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

Staffing Summary by Fund and Department

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2021-22 Proposed
GENERAL FUND					
Admin. Services/CMO	11.00	12.00	12.00	12.00	12.00
Asheville Fire Department	270.75	276.75	276.75	276.75	291.75
Asheville Police Department	297.00	301.00	288.00	288.00	288.00
CAPE	7.00	7.00	8.00	8.00	8.00
Capital Projects	15.00	38.00	38.00	38.00	38.00
City Attorney	7.00	7.00	7.00	7.00	7.00
Comm. & Econ. Development	9.00	16.50	16.50	16.50	17.50
Development Services	49.50	51.50	55.50	55.50	57.50
Equity & Inclusion	4.00	4.00	4.00	4.00	4.00
Finance & Mgmt. Services	32.00	32.00	32.00	32.00	32.00
General Services	41.00	-	-	-	-
Human Resources	21.60	20.60	20.60	20.60	21.00
Information Tech. Services	27.00	27.00	28.00	29.00	29.00
Parks & Recreation	95.00	96.38	105.38	105.38	117.75
Planning & Urban Design	12.50	13.00	13.00	13.00	13.00
Public Works	84.30	105.30	105.30	105.30	105.30
Sustainability	2.00	3.00	3.00	3.00	3.00
Transportation	13.34	13.34	13.34	13.34	13.34
Total	**998.99**	**1,024.37**	**1,026.37**	**1,027.37**	**1,058.14**
ENTERPRISE FUNDS					
Harrah's Center	22.75	26.30	26.30	26.30	26.25
Transit Services	4.00	4.00	4.00	4.00	4.00
Parking Services	26.62	28.91	28.91	28.91	28.91
Stormwater	46.60	51.60	51.60	51.60	52.60
Street Cut Utility	10.60	10.60	10.60	10.60	10.60
Water Resources	155.00	162.00	162.00	162.00	162.00
Total	**265.57**	**283.41**	**283.41**	**283.41**	**284.36**
SPECIAL REVENUE FUNDS					
Asheville Police Department	4.00	-	-	-	-
Comm. & Econ. Development	7.00	-	-	-	-
Total	**11.00**	-	-	-	-
Citywide Total	**1,275.56**	**1,307.78**	**1,309.78**	**1,310.78**	**1,342.50**

Note: In prior budget documents, staff funded with special revenues (e.g., grants) were shown separately. These FTEs are now reflected in their respective departments' operating budgets.

General Fund Summary

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
REVENUES						
Property Tax	65,295,336	69,095,855	71,397,852	71,397,852	72,729,038	80,386,545
Sales & Other Taxes	27,078,855	27,893,002	27,330,684	27,330,684	30,690,074	32,148,276
Intergovernmental	11,807,699	11,380,297	13,303,886	13,303,886	12,762,749	12,634,744
Licenses & Permits	5,739,219	5,527,783	5,502,450	5,502,450	5,378,488	5,385,295
Sales & Services	12,567,137	12,049,220	11,888,928	11,888,928	11,862,082	12,097,770
Investment Earnings	2,140,173	1,846,458	550,000	550,000	623,039	623,000
Miscellaneous	3,628,903	3,061,537	3,139,140	3,139,140	3,104,813	2,733,641
Other Sources	92,604	92,620	1,650,630	1,720,630	-	1,373,457
Total	**128,349,926**	**130,946,772**	**134,763,570**	**134,833,570**	**137,150,283**	**147,382,728**
EXPENDITURES						
Admin. Svcs./CMO	2,042,764	2,040,080	2,124,015	2,116,515	2,087,864	2,238,590
Asheville Fire Dept.	26,109,545	27,302,625	27,805,341	27,805,341	27,456,368	31,558,146
Asheville Police Dept.	28,235,146	29,927,129	29,286,305	29,240,299	28,865,014	29,264,378
CAPE	759,164	691,247	868,654	903,654	891,894	881,229
Capital Projects	645,877	2,991,464	2,848,917	3,090,917	3,050,372	3,120,400
City Attorney	1,341,816	1,034,247	1,140,735	1,142,235	1,126,305	1,234,702
Comm. & Econ. Dev.	1,912,721	2,343,206	2,876,046	2,876,046	2,834,815	3,368,091
Development Svcs.	4,158,858	4,272,972	4,836,699	4,882,705	4,820,569	5,226,396
Equity & Inclusion	349,941	453,907	456,499	456,499	450,207	463,063
Fin. & Mgmt. Svcs.	2,822,165	2,908,867	2,880,753	2,880,753	2,842,927	3,090,894
General Services	4,513,761	-	-	-	-	-
Human Resources	1,570,839	1,484,970	1,509,889	1,509,889	1,489,224	1,727,584
Info. Tech. Svcs.	3,400,355	3,410,400	3,944,967	3,844,967	3,791,552	4,341,399
Non-Departmental	2,013,699	1,990,896	2,286,220	2,259,020	2,232,490	3,800,843
Parks & Recreation	9,576,690	10,295,247	10,749,180	10,737,942	10,592,252	13,361,475
Plan. & Urban Design	1,235,913	1,323,027	1,312,206	1,382,206	1,363,288	1,431,872
Public Works	9,677,730	10,823,810	11,644,043	11,642,243	11,485,555	12,732,020
Transportation	2,660,945	2,388,411	2,613,942	2,613,942	2,577,139	2,734,718
Sustainability Trans.	709,176	851,121	769,193	769,193	769,193	779,460
Transit Transfer	3,525,017	5,084,113	6,804,233	6,804,233	6,804,233	7,916,932
HTF Transfer	500,000	500,000	500,000	500,000	500,000	500,000
HCCA Transfer	1,066,834	1,135,109	1,125,437	1,125,437	1,125,437	1,204,420
CIP/Debt Service	17,803,369	17,145,624	16,380,296	16,249,534	16,249,534	16,431,941
Total	**126,632,326**	**130,398,473**	**134,763,570**	**134,833,570**	**133,406,230**	**147,408,553**

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.

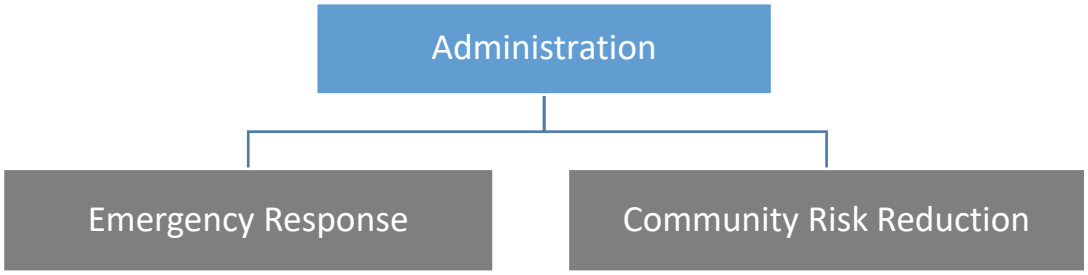
When determining the appropriate level of fund balance for an organization, the following factors, in addition to state minimums or industry averages, should be considered:

- 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. The City began FY 2020-21 with an unassigned fund balance in the General Fund of $18.1 million. As discussed with City Council during the budget work sessions, staff is expecting General Fund revenue to come in better than budget in FY 2020-21, primarily due to sales tax revenue outperforming estimates. Staff is currently projecting that unassigned fund balance in the General Fund will increase by $3.7 million, and end the year at $21.8 million or 17.6% of expenses. For FY 2021-22, staff is recommending a $1.35 million appropriation from unassigned fund balance to fund one-time expenses associated with reparations and the neighborhood grant program.

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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	16,059,719	16,897,173	16,900,318	16,909,572	16,893,801	19,600,001
Benefits	6,775,776	7,376,385	7,707,644	7,698,390	7,694,579	8,594,462
Capital Outlay	3,523,216	3,319,274	3,985,755	3,985,755	3,982,612	4,014,697
Cost Transfers	(249,166)	(316,632)	(788,376)	(788,376)	(787,587)	(651,014)
Operating Costs	-	26,426	-	-	-	-
Total	**26,109,545**	**27,302,625**	**27,805,341**	**27,805,341**	**27,783,405**	**31,558,146**
POSITIONS						
Total	**270.75**	**276.75**	**276.75**	**276.75**	**276.75**	**291.75**

Budget Highlights:

- The budget is increased to fund an additional 15 firefighters to be hired in the fall of 2021 to staff the new Broadway Public Safety Station, which is anticipated to open in the fall of 2022 ($583,000).
- The budget is also increased for the City's share of the cost for 15 firefighters hired in 2018 and 2019 utilizing funding from the SAFER grant program ($268,000).
- The budget also includes an increase for maintenance and hardware upgrades for the alerting and automation system utilized in fire stations ($107,000).

Division Summary

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Administration	4,326,142	4,361,622	4,952,771	4,933,144	4,929,856	5,035,041
Emergency Response	20,208,512	21,242,194	21,020,970	21,039,947	21,022,845	24,450,188
Fire Marshal's Office	1,574,892	1,698,809	1,831,600	1,832,250	1,830,704	2,072,917
Total	**26,109,545**	**27,302,625**	**27,805,341**	**27,805,341**	**27,783,405**	**31,558,146**
POSITIONS						
Administration	13.00	13.00	13.00	13.00	13.00	13.00
Emergency Response	238.75	238.75	244.75	244.75	244.75	259.75
Fire Marshal's Office	19.00	19.00	19.00	19.00	19.00	19.00
Total	**270.75**	**270.75**	**276.75**	**276.75**	**276.75**	**291.75**

The **Administration Division** is responsible for ensuring that residents are receiving the level and quality of fire and emergency services that they expect. This division encompasses the senior leadership of the department as well as the business office operations.

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 20,000 emergencies annually.

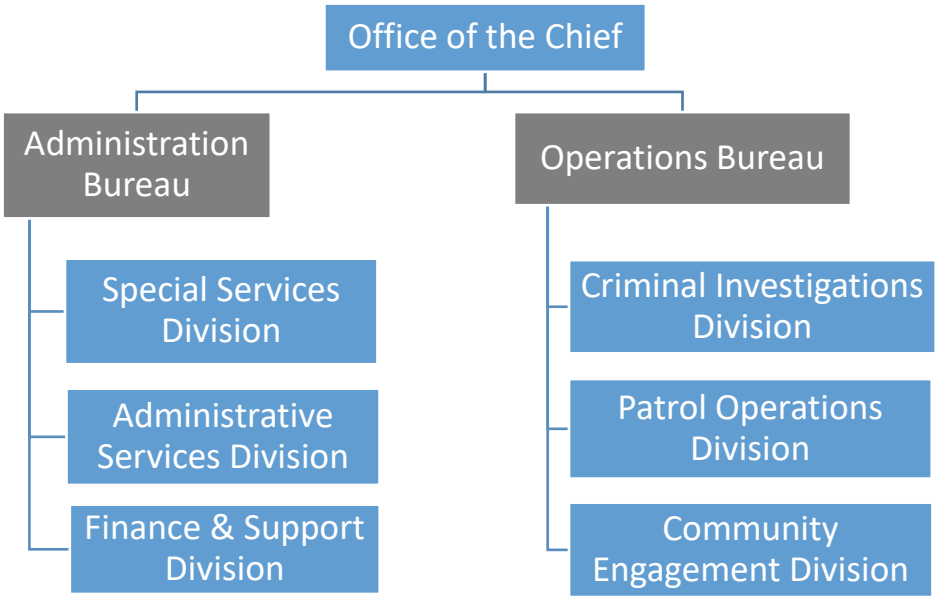
The **Fire Marshal's Office** provides state-mandated periodic fire inspections of all commercial properties within the City's jurisdiction and is responsible for ensuring that buildings and conditions meet minimum safety code requirements. Fire and injury prevention services, including child safety seats and public information, are also provided through this division to the public.

FY 2021-22 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. *(Council Strategic Priority A.2: Incorporate equity into hiring policies, practices and procedures, especially in public safety.)*
- 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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	16,520,581	17,393,909	16,691,196	16,646,084	16,157,006	16,113,719
Benefits	6,703,502	7,299,992	7,169,432	7,114,494	6,994,207	7,201,856
Capital Outlay	101,970	-	-	-	-	-
Cost Transfers	(206,969)	(64,457)	-	-	-	-
Operating Costs	5,116,062	5,297,685	5,425,677	5,479,721	5,386,770	5,948,803
Total	**28,235,146**	**29,927,129**	**29,286,305**	**29,240,299**	**28,537,983**	**29,264,378**
POSITIONS						
Total	**297.00**	**301.00**	**288.00**	**288.00**	**288.00**	**288.00**

Budget Highlights:

- Based on current staffing levels and hiring plans in APD, the budget utilizes sworn position vacancy savings to:
    - Fund the APD portion of the Archer Compensation Study and additional overtime needed to maintain coverage ($2 million).
    - Fund overtime so that officers can attend trainings associated with reimagining including de-escalation, verbal judo, crisis intervention training, and fair and impartial policing. As travel restrictions are eased, staff will also attend conferences that cover best practices around data, transparency, officer wellness, recruitment and co-responder models for people in crisis ($42,000).
    - Reallocate an additional $110,000 in funding from APD to the Development Services Department (DSD) to provide support for the Animal Control and Noise Ordinance Enforcement programs.
    - Continue funding the contract for body-worn and vehicle camera maintenance at an increased cost of $180,000.
- The budget also includes $134,000 for additional support and maintenance for the radio system.
- Finally, the budget includes funding for four new contracts to move intelligence and confidential information off of the cloud, support crisis communications, provide video of critical incidents, and train instructors ($111,000).

Division Summary

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Administration	9,244,367	9,791,056	9,145,338	9,777,248	9,570,825	10,317,005
Community Engagement	-	-	-	29,800	29,204	1,601,929
Criminal Investigation	6,131,965	5,931,421	5,438,005	5,272,089	5,141,069	5,079,791
Patrol Bureau	12,858,814	14,204,652	14,702,962	14,161,162	13,796,885	12,265,653
Total	**28,235,146**	**29,927,129**	**29,286,305**	**29,240,299**	**28,537,983**	**29,264,378**
POSITIONS						
Administration Bureau	64.00	64.00	54.00	54.00	54.00	59.00
Community Engagement	-	-	-	26.00	26.00	26.00
Criminal Investigation	58.00	58.00	58.00	58.00	58.00	50.00
Patrol Bureau	179.00	179.00	176.00	176.00	176.00	153.00
Total	**301.00**	**301.00**	**288.00**	**288.00**	**288.00**	**288.00**

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, and communications. The Administrative Services Division 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.

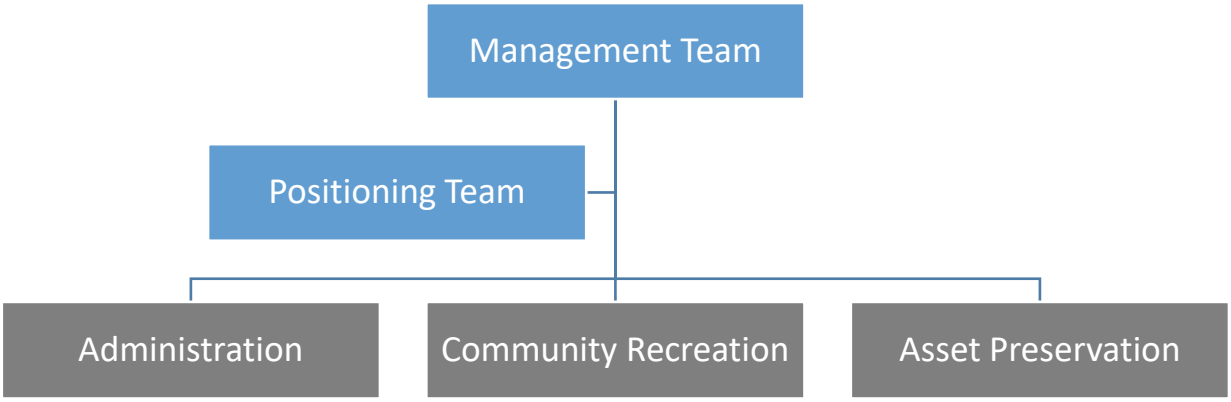
The **Community Engagement Division** includes the Community Engagement Team, the Public Housing Unit, and the School Resource Officers. The Community Engagement Team is responsible for managing the department's community outreach programs, partnerships with community service providers, and problem-solving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

FY 2021-22 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. *(Council Strategic Priority A.2: Incorporate equity into hiring policies, practices and procedures, especially in public safety.)*
- 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. *(Council Strategic Priority A.2: Incorporate equity into hiring policies, practices and procedures, especially in public safety.)*
- 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. *(Council Strategic Priority H.1: Invest needed financial and staff resources to address maintenance, new construction, and operational needs.)*
- 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

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



Budget Summary

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	4,674,509	5,043,195	5,253,403	5,129,353	5,052,220	7,026,015
Benefits	1,715,425	1,818,309	2,015,715	2,009,790	1,994,087	2,505,522
Capital Outlay	147,420	421,608	62,000	90,000	88,650	-
Cost Transfers	-	(86,101)	(45,888)	(45,888)	(45,190)	(84,100)
Operating Costs	3,039,337	3,098,235	3,463,950	3,554,687	3,502,485	3,914,038
Total	**9,576,690**	**10,295,247**	**10,749,180**	**10,737,942**	**10,592,252**	**13,361,475**
POSITIONS						
Total	**95.00**	**96.38**	**105.38**	**105.38**	**105.38**	**117.75**

Budget Highlights:

- The 2021-22 budget includes additional funding ($154,000) for a full year of maintenance of the River Arts District Transportation Improvement Project (RADTIP).
- The budget allocates new funding to expand evening and weekend hours at community centers ($450,000) and expand the level of service in high use parks and facilities ($300,000). This investment adds 12 FTEs to the Parks and Recreation Department.

- A partnership with Asheville City Schools on Positive Opportunities Develop Success (PODS) at recreation centers, which began during the pandemic, will continue next fiscal year. Staff will also continue work with community partners to identify programming needs.
- The budget also includes moving the operation of City pools to a contract basis. The contract is partially offset by a decrease in the budget for temp-seasonal labor.
- In May 2021, City Council approved an increase to admission fees at the WNC Nature Center for FY22. This $154,000 in additional revenue will offset the cost of operating the Nature Center, minimizing additional support from general revenues.

Division Summary

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Administration	1,623,444	1,652,092	1,483,316	1,387,685	1,373,212	1,861,430
Aston Park	254,976	235,468	288,544	288,544	284,500	267,578
Nature Center	1,205,868	1,219,657	1,361,379	1,400,879	1,381,300	1,481,486
Park Operations	3,259,666	3,785,314	4,077,177	4,154,201	4,096,470	4,857,512
Recreations Operations	3,232,737	3,402,715	3,538,764	3,506,633	3,456,770	4,893,469
Total	**9,576,690**	**10,295,247**	**10,749,180**	**10,737,942**	**10,592,252**	**13,361,475**
POSITIONS						
Administration	9.00	9.00	6.00	6.00	6.00	8.00
Aston Park	2.00	2.00	2.00	2.00	2.00	2.00
Nature Center	13.75	13.75	13.75	13.75	13.75	13.75
Asset Preservation	36.38	36.38	42.63	42.63	42.63	43.75
Community Recreation	33.87	35.25	41.00	41.00	41.00	50.25
Total	**95.00**	**96.38**	**105.38**	**105.38**	**105.38**	**117.75**

The **Administration 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 **Asset Preservation 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 Program.

The **Community 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 Program.

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.

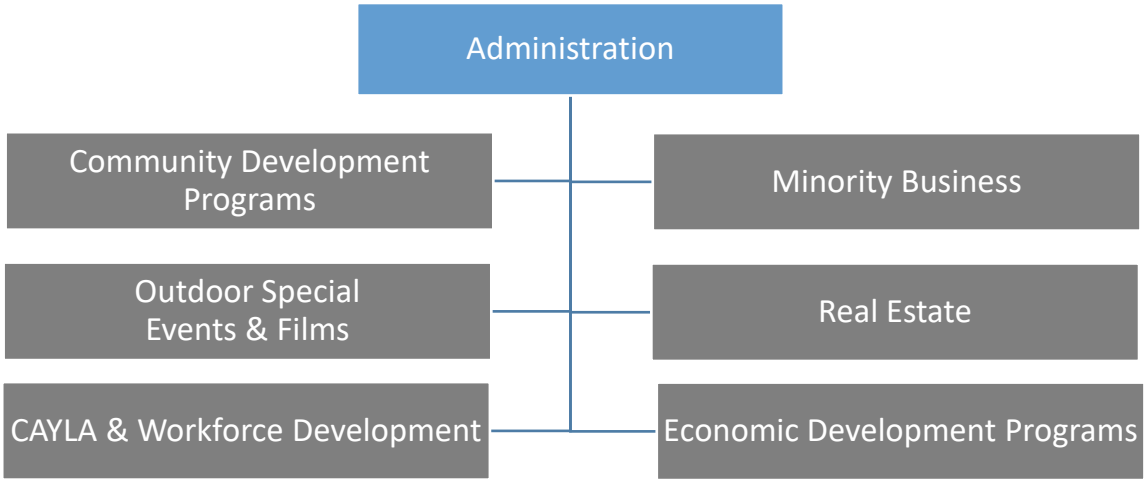
The **Aston Park Tennis Center** is one of the finest public clay court facilities in the United States. There are 12 lighted clay courts providing recreation access and programming to all citizens.

FY 2021-22 Department Priorities

- Complete neighborhood recreation service plans that identify community needs and gaps in equitable service delivery across the system. *(Council Strategic Priority A.3: Review City programming, facilities, staffing, operations, and partnerships to enhance racial equity, with an emphasis on Parks and Recreation.)*
- Continue to implement the Department's Racial Equity Action Plan, ensuring that all policies and decisions are made with a focus on the impact to the community through the lens of equity. *(Council Strategic Priority A.3: Review City programming, facilities, staffing, operations, and partnerships to enhance racial equity, with an emphasis on Parks and Recreation.)*
- Complete a citizen satisfaction survey to inform where and how the Parks & Recreation Department invests to provide recreation opportunities.

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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	627,292	1,012,624	1,016,624	1,017,147	1,001,850	1,157,788
Benefits	216,660	364,434	366,187	365,664	362,335	423,348
Capital Outlay	-	-	119,800	119,800	118,000	-
Cost Transfers	-	(322,970)	(526,431)	(526,431)	(518,520)	(541,383)
Operating Costs	1,068,770	1,289,117	1,899,866	1,899,866	1,871,150	2,328,338
Total	**1,912,721**	**2,343,206**	**2,876,046**	**2,876,046**	**2,834,815**	**3,368,091**
POSITIONS						
Total	**9.00**	**16.50**	**16.50**	**16.50**	**16.50**	**17.50**

Budget Highlights:

- The CED operating budget reflects an increase of approximately $380,000 based on the payment schedule for economic development incentive agreements previously approved by City Council.
- The budget reallocates $60,000 of contracted services funding for a new position in the Asheville Business Inclusion Office (ABIO) to support the coordination of the program.
- The budget continues to provide an annual $225,000 to support Land Use Incentive Grant (LUIG) and development fee rebate payments for affordable housing projects.
- The budget also continues to fund the City of Asheville Youth Leadership Academy (CAYLA) at $257,000 annually.

Division Summary

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Administration	1,315,183	1,418,643	1,979,434	1,933,654	1,905,535	2,496,256
CAYLA	223,090	176,587	269,404	269,404	265,500	253,559
Community Dev.	-	276,519	227,467	227,467	224,660	255,125
Homelessness Support	102,336	135,684	141,064	153,564	151,380	183,585
Real Estate	-	197,832	258,677	291,957	287,740	179,566
Strategic Development	272,112	137,942	-	-	-	-
Total	**1,912,721**	**2,343,206**	**2,876,046**	**2,876,046**	**2,834,815**	**3,368,091**
POSITIONS						
Administration	4.50	5.50	5.50	5.50	5.50	6.50
CAYLA	1.00	1.00	1.00	1.00	1.00	1.00
Community Dev.	1.00	8.00	8.00	8.00	8.00	8.00
Real Estate	0.00	2.00	2.00	2.00	2.00	2.00
Strategic Development	2.50	0.00	0.00	0.00	0.00	0.00
Total	**9.00**	**16.50**	**16.50**	**16.50**	**16.50**	**17.50**

The Community & Economic Development **Administration Division** coordinates and oversees the department's programs, including support for business recruitment, retention, and expansion. The City's Office of Special Events and Asheville Business Inclusion Office are also part of this division.

The **City of Asheville Youth Leadership Academy (CAYLA)** program is a partnership with 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 **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. This division also supports the Council-adopted Ten Year Plan to End Homelessness, a collaborative effort to strengthen the homeless service system and reduce the number of people who experience homelessness in Buncombe County.

The **Real Estate Division** 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. This division partners with the Community Development Division and other departments to support development of affordable housing on City-owned land.

FY 2021-22 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, Cedar Hill, and 91 Riverside Drive. *(Council Strategic Priority D.2: Develop a strategy for sale or lease of City-owned land to incentivize affordable housing development; H.5: Complete general obligation bond-funded projects on time and on budget.)*
- Build capacity for government contracting with minority- and women-owned business enterprises (MWBE). *(Council Strategic Priority F.1: Develop a business inclusion program to increase minority contractor participation in response to the Disparity Study).*
- Review and update current incentives, partnerships, and funding programs within the Community Development Division to assess effectiveness of the City's affordable housing strategy. *(Council Strategic Priority D.1: Review and update Comprehensive Housing Affordability Strategy with a goal of assessing the effectiveness of the tools and encouraging development of affordable mixed-income communities).*
- Manage the implementation of the Down Payment Assistance Program of $1 million in affordable housing bond funds available to low- and moderate-income families for affordable homeownership. *(Council Strategic Priority D.3: Market and implement down payment assistance and other housing programs for low/moderate-income residents; H.5: Complete general obligation bond-funded projects on time and on budget.)*

Housing Trust Fund

Budget Summary

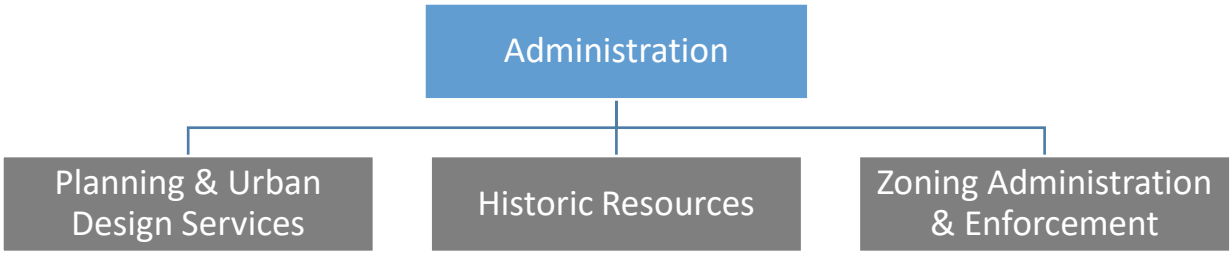
	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
General Fund Contribution	500,000	500,000	500,000	500,000	500,000	500,000

Budget Highlights:

- The budget includes an annual $500,000 contribution from the General Fund to the Housing Trust Fund.

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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	751,370	677,948	782,308	786,627	774,800	879,471
Benefits	293,261	271,688	308,956	308,637	305,848	376,698
Capital Outlay	7,476	-	-	286,942	-	-
Operating Costs	183,805	373,391	220,942	-	282,640	175,703
Total	**1,235,913**	**1,323,027**	**1,312,206**	**1,382,206**	**1,363,288**	**1,431,872**
POSITIONS						
Total	**12.50**	**13.00**	**13.00**	**13.00**	**13.00**	**13.00**

Budget Highlights:

- The budget reflects a continuation of programs and services and does not include additional funding for any service or program enhancements.

Division Summary

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Planning Services	724,735	833,958	1,078,403	1,144,703	1,129,268	1,190,222
Historic Resources	176,134	178,269	193,803	197,503	194,630	198,150
Zoning	335,044	310,800	-	-	-	-
Public Art	-	-	40,000	40,000	39,390	43,500
Total	**1,235,913**	**1,323,027**	**1,312,206**	**1,382,206**	**1,363,288**	**1,431,872**
POSITIONS						
Planning Services	6.50	11.00	11.00	11.00	11.00	11.00
Historic Resources	2.00	2.00	2.00	2.00	2.00	2.00
Zoning	4.00	0.00	0.00	0.00	0.00	0.00
Total	**12.50**	**13.00**	**13.00**	**13.00**	**13.00**	**13.00**

The **Planning Services Division** conducts current and long-range planning including managing the comprehensive plan; reviewing development and redevelopment plans, the Unified Development Ordinance (UDO), and adopted plans; and revising City development guidelines. This division supports the Planning and Zoning Commission and the Board of Adjustment and provides design coordination for the Downtown Commission and the Asheville Area Riverfront Redevelopment Commission.

The **Historic Resources Division** supports the work of the Historic Resources Commission in its efforts to protect and preserve the architectural history of Asheville and Buncombe County.

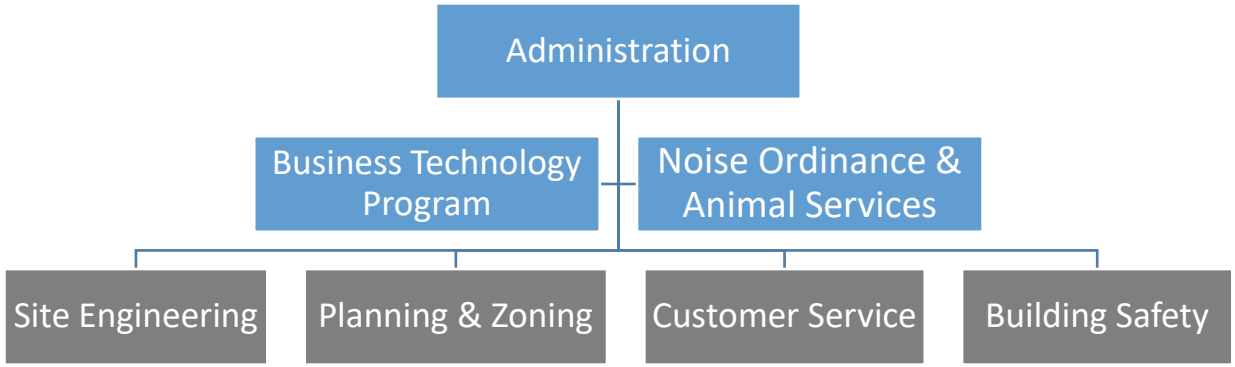
The **Zoning Administration & Enforcement Division** is responsible for ensuring ongoing conformance with Asheville's zoning standards and manages the workload and review for the Board of Adjustment.

FY 2021-22 Department Priorities

- Finalize an implementation strategy for the Living Asheville Comprehensive Plan, including a schedule to act on priorities and other recommendations to operationalize the plan. *(Council Strategic Priority B.1: Develop specific implementation plan and schedule to amend the UDO and ordinances to reflect recommendations in the Comprehensive Plan.)*
- Identify barriers in the Unified Development Ordinance to meeting Comprehensive Plan goals, in order to guide future zoning code changes designed to create a more connected, transit-oriented, sustainable and pedestrian-friendly city with more affordable and diverse housing options. *(Council Strategic Priority B.1: Develop specific implementation plan and schedule to amend the UDO and ordinances to reflect recommendations in the Comprehensive Plan.)*
- Continue updates to the Downtown Master Plan, including adopting new public space management guidelines and initiating the first phase of updates to design guidelines.
- Complete corridor studies for Hendersonville and Tunnel Roads in partnership with regional and state agencies, including recommendations for transportation infrastructure improvements and land use and zoning policies consistent with City and community goals. *(Council Strategic Priority B.3: Complete corridor studies and other plans for identified transit-corridors to encourage supportive development that will be sensitive and complement adjacent neighborhoods.)*

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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	2,688,054	2,728,261	2,947,868	2,947,868	2,920,140	3,216,064
Benefits	1,183,751	1,275,952	1,400,259	1,400,259	1,388,310	1,487,651
Operating Costs	287,053	268,759	488,572	488,572	437,259	522,681
Capital Outlay	-	-	-	76,000	74,860	-
Total	**4,158,858**	**4,272,972**	**4,836,699**	**4,882,705**	**4,820,569**	**5,226,396**
POSITIONS						
Total	**49.50**	**51.50**	**55.50**	**55.50**	**55.50**	**57.50**

Budget Highlights:

- As part of the ongoing transition of enforcement from Asheville Police Department (APD) to DSD, two new full-time positions are being added to the department, a Noise Compliance Officer and a Compliance Coordinator. The budget reallocates $110,000 in funding from APD to the Development Services Department (DSD) to provide support these additional resources.

- Enforcement of the Tree Ordinance will continue with existing staff during the next fiscal year. Future needs will be evaluated as construction activity increases.

Division Summary

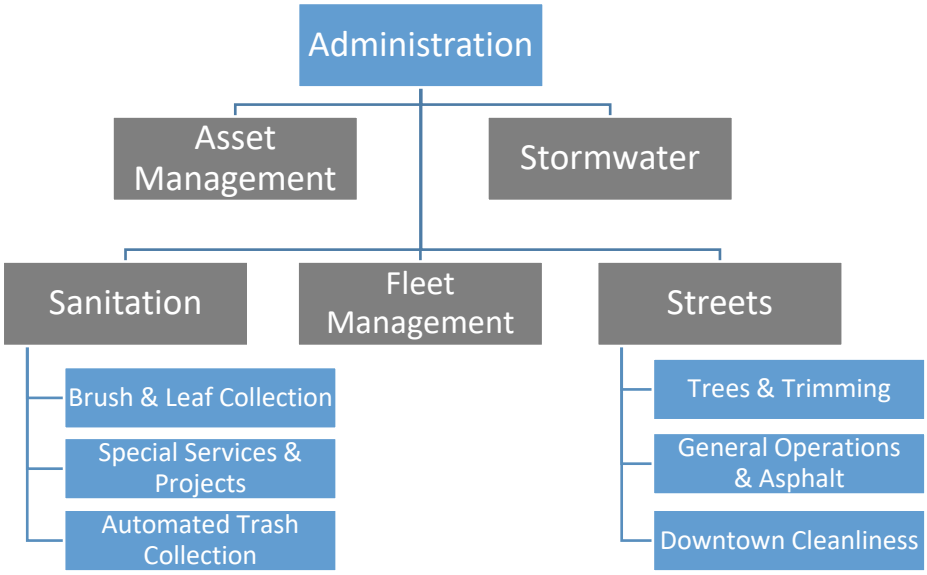
	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Admin. & Inspections	4,158,858	4,272,972	4,836,699	4,592,753	4,534,459	4,738,869
Animal & Noise Enf.	-	-	-	289,953	286,110	487,527
Total	**4,158,858**	**4,272,972**	**4,836,699**	**4,882,705**	**4,820,569**	**5,226,396**
POSITIONS						
Admin. & Inspections	49.50	51.50	51.50	51.50	51.50	51.50
Animal & Noise Enf.	0.00	0.00	4.00	4.00	4.00	6.00
Total	**49.50**	**51.50**	**55.50**	**55.50**	**55.50**	**57.50**

FY 2021-22 Department Priorities

- Formalize the commercial digital submittal and review process.
- Identify improvements to inspection services, including the implementation of an automated process for scheduling inspections.
- Evaluate department enforcement programs and processes and create a master organizational enforcement plan.
- Formalize an expedited review process for qualifying affordable housing developments.
- Complete and implement an updated City noise ordinance.

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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	3,411,142	4,297,298	4,589,904	4,591,280	4,522,260	5,086,938
Benefits	1,648,145	2,080,646	2,179,628	2,166,236	2,150,586	2,342,648
Operating Costs	4,696,527	6,925,942	7,712,906	7,636,122	7,522,809	8,323,192
Cost Transfers	(78,085)	2,480,075)	(2,860,395)	(2,860,395)	(2,817,460)	(3,025,758)
Capital Outlay	-	-	22,000	109,000	107,360	5,000
Total	**9,677,730**	**10,823,810**	**11,644,043**	**11,642,243**	**11,485,555**	**12,732,020**
POSITIONS						
Total	**84.30**	**105.30**	**105.30**	**105.30**	**105.30**	**105.30**

Budget Highlights:

- The budget allocates additional funding to maintain the City's household recycling program in a time of increasing costs within the recycling industry ($300,000).
- The budget also includes additional funding of $200,000 to provide storm response due to an increase in significant weather events.
- Staff plans to conduct a midyear assessment of Sanitation services.

Division Summary

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Administration	1,112,663	1,018,264	1,021,580	1,026,380	1,016,819	1,039,052
Fleet Management	-	1,011,183	864,239	867,359	856,340	954,948
Asset Management	149,653	165,000	153,444	164,644	162,240	162,580
Sanitation	5,079,435	5,078,011	5,395,083	5,423,858	5,347,040	6,076,515
Streets & Sidewalks	3,335,979	3,551,352	4,209,697	4,160,002	4,103,116	4,498,925
Total	**9,677,730**	**10,823,810**	**11,644,043**	**11,642,243**	**11,485,555**	**12,732,020**
POSITIONS						
Administration	8.75	5.25	5.25	5.25	5.25	4.25
Fleet Management	-	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	36.00	37.00	37.00	37.00	37.00	37.00
Streets & Sidewalks	38.50	46.00	46.00	46.00	46.00	47.00
Total	**84.30**	**105.30**	**105.30**	**105.30**	**105.30**	**105.30**

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.

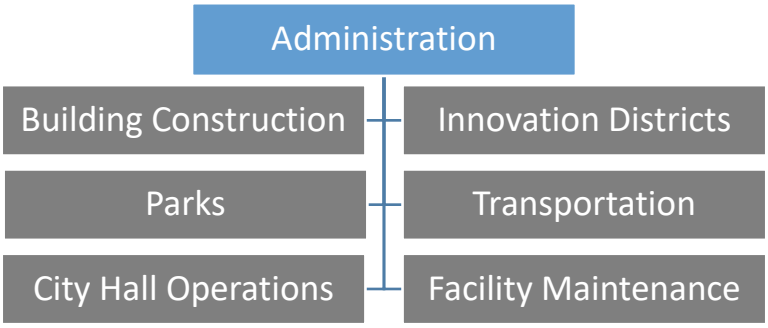
The **Streets & Sidewalks Division** constructs and maintains the City's streets, sidewalks, trees, and rights-of-way in an efficient manner and provides emergency response services in all types of weather. The Division works to ensure a safe and efficient road and sidewalk system through proper maintenance, 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 2021-22 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. *(Council Strategic Priority H.1: Invest needed financial and staff resources to address maintenance, new construction, and operational needs.)*
- 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.

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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	1,014,333	2,068,533	2,077,917	2,064,067	2,033,010	2,180,527
Benefits	357,057	874,516	901,538	892,225	885,012	974,082
Operating Costs	112,626	1,192,911	1,301,632	1,314,795	1,294,770	1,450,747
Cost Transfers	(861,313)	(1,192,548)	(1,432,170)	(1,432,170)	(1,410,640)	(1,484,956)
Capital Outlay	23,174	48,051	-	252,000	248,220	-
Total	**645,877**	**2,991,464**	**2,848,917**	**3,090,917**	**3,050,372**	**3,120,400**
POSITIONS						
Total	**15.00**	**38.00**	**38.00**	**38.00**	**38.00**	**38.00**

Budget Highlights:

- The FY 2021-22 budget includes additional funding ($117,000) for an updated security guard contract at City buildings.
- Otherwise, the budget reflects a continuation of programs and services at their current level.

Division Summary

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Admin. & Project Mgmt.	645,877	800,028	503,437	700,274	692,420	503,693
City Hall Operations	-	482,940	571,478	637,391	628,480	687,057
Facility Maintenance	-	1,708,496	1,774,002	1,753,252	1,729,472	1,929,650
Total	**645,877**	**2,991,464**	**2,848,917**	**3,090,917**	**3,050,372**	**3,120,400**
POSITIONS						
Admin. & Project Mgmt.	15.00	18.00	18.00	18.00	18.00	18.00
City Hall Operations	-	6.00	6.00	6.00	6.00	6.00
Facility Maintenance	-	14.00	14.00	14.00	14.00	14.00
Total	**15.00**	**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 **City Hall 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 2021-22 Department Priorities

- Plan, budget, design, and manage projects to ensure that they are built on time and on budget. *(Council Strategic Priority H.4)*
- 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. *(Council Strategic Priority H.1: Invest needed financial and staff resources to address maintenance, new construction, and operational needs.)*
- Develop and practice procurement that actively and intentionally increases equity and inclusion in project initiation, development, design, and construction. *(Council Strategic Priority F.1: Develop a business inclusion program to increase minority contractor participation in response to the Disparity Study).*

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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	117,776	140,782	183,172	185,239	184,921	190,018
Benefits	40,537	53,916	78,100	78,033	78,033	81,942
Operating Costs	225,966	204,902	507,921	579,353	315,824	507,500
Capital Outlay	230,000	-	-	956,181	956,181	-
Total	**614,279**	**399,599**	**769,193**	**1,798,806**	**1,534,959**	**779,460**
POSITIONS						
Total	**2.00**	**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:

- The budget includes continued funding for the Green Savings Program, which will have $425,000 total available July 1.

FY 2021-22 Department Priorities

- Update the Sustainability Management Plan to incorporate newly adopted sustainability resolutions. *(Council Strategic Priority C.3: Develop a renewable energy action plan to transition municipal operations to 100% renewable energy by 2030.)*
- Begin work on the City's Climate Justice Initiative with frontline community members.
- Partner with Capital Projects Department to install onsite solar on public facilities. *(Council Strategic Priority C.2: Reduce municipal carbon footprint by 4% per year [80% total reduction by 2050].)*
- Execute Blue Horizons Project contract and support establishment of Blue Horizons Project Community Council. *(Council Strategic Priority C.1: Implement energy efficiency and demand-side management programs that will reduce energy consumption in Asheville and Buncombe County based on recommendations from the Energy Innovation Task Force.)*

Office of Equity and Inclusion

The Office of 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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	174,112	254,267	249,920	215,000	211,760	262,923
Benefits	51,752	85,948	89,555	89,475	88,603	87,716
Operating Costs	124,078	113,692	117,024	152,024	149,844	112,524
Total	**349,941**	**453,907**	**456,499**	**456,499**	**450,207**	**463,063**
POSITIONS						
Total	**4.00**	**4.00**	**4.00**	**4.00**	**4.00**	**4.00**

Budget Highlights:

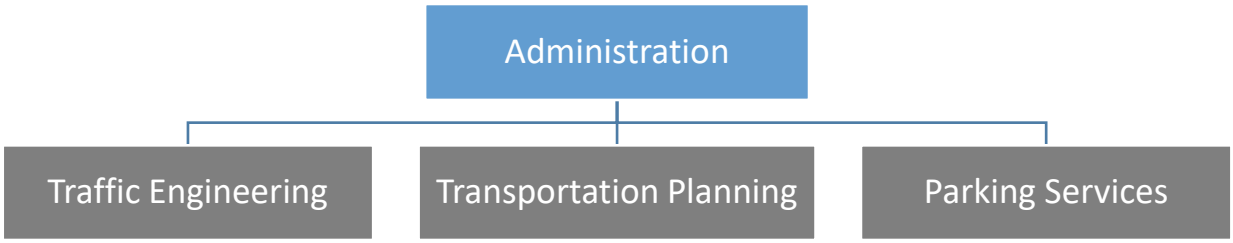
- The budget reflects a continuation of programs and services.

FY 2021-22 Department Priorities

- Implement and track the Citywide Equity Action Plan across all departments. *(Council Strategic Priority A.3: Review City programming, facilities, staffing, operations and partnerships to enhance racial equity.)*
- Develop and use tools to promote equitable policies, practices, and procedures in City operations. *(Council Strategic Priority A.2: Incorporate equity into hiring policies, practices and procedures, especially in public safety.)*
- Partner and collaborate with public, nonprofit, and private entities to advance equity and inclusion in the Western North Carolina region. *(Council Strategic Priority A.6: Develop and implement a strategy based on the National League of Cities report to foster economic mobility.)*

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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	722,047	866,431	840,405	840,854	828,180	898,697
Benefits	314,842	367,945	372,094	371,645	368,713	390,343
Capital Outlay	290,693	-	1,500	1,500	1,470	-
Cost Transfers	(91,057)	(81,982)	(81,592)	(81,592)	(80,360)	(83,913)
Operating Costs	1,424,421	1,236,016	1,481,535	1,481,535	1,459,136	1,529,591
Total	**2,660,945**	**2,388,411**	**2,613,942**	**2,613,942**	**2,577,139**	**2,734,718**
POSITIONS						
Total	**13.30**	**13.30**	**13.30**	**13.30**	**13.30**	**13.30**

Budget Highlights:

- The budget reflects a continuation of programs and services and does not include additional funding for any service or program enhancements.

Division Summary

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Administration	305,688	332,368	338,091	338,091	333,829	346,559
Signs, Markings & Signals	445,956	552,348	573,614	563,614	556,100	591,693
Street Lighting	1,040,424	991,708	1,131,970	1,131,970	1,114,970	1,171,970
Traffic Engineering	219,590	272,845	274,520	284,520	280,480	323,452
Traffic Safety & Calming	313,490	11,896	35,000	35,000	34,460	35,000
Transportation Planning	335,796	227,246	260,747	260,747	257,300	266,044
Total	**2,660,945**	**2,388,411**	**2,613,942**	**2,613,942**	**2,577,139**	**2,734,718**
POSITIONS						
Administration	2.30	2.30	2.30	2.30	2.30	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	2.00	2.00	2.00
Transportation Planning	3.00	3.00	3.00	3.00	3.00	3.00
Total	**13.30**	**13.30**	**13.30**	**13.30**	**13.30**	**13.34**

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 2021-22 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. *(Council Strategic Priority G.9: Develop and maintain an effective working relationship with NCDOT to ensure state transportation investments reflect local concerns and values.)*
- Continue the pedestrian, ADA transition, and greenway master plans. *(Council Strategic Priority E.1: Complete 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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
STRATEGIC PARTNERSHIP FUNDING ALLOCATIONS						
Asheville Area Arts Council	2,500	-	-	-	-	-
Asheville Art Museum	6,715	1,667	-	-	-	-
Avl Writers Community	-	7,500	-	-	-	-
Bountiful Cities	10,809	3,333	-	-	-	-
Children First	15,000	13,333	-	-	-	-
Christine Avery Learning Ctr	29,876	14,093	-	-	-	-
Community Action Opportunities	-	2,750	-	-	-	-
Council on Aging	12,500	5,625	-	-	-	-
Getting Back to Basics	4,387	3,280	-	-	-	-
Green Opportunities	12,694	1,061	-	-	-	-
Hola Community Arts	-	3,333	-	-	-	-
Just Economics	5,000	2,833	-	-	-	-
Mt Zion Comm. Development	-	4,859	-	-	-	-
My Daddy Taught Me That	19,998	9,584	-	-	-	-
New Mount Olive Miss. Church	7,418	-	-	-	-	-
One Youth at a Time	5,850	4,312	-	-	-	-
OnTrack Financial	7,500	7,333	-	-	-	-
Partners Unlimited	-	16,667	-	-	-	-
Pisgah Legal Services	9,375	16,458	-	15,000	15,000	-
Read to Succeed	12,000	9,667	-	-	-	-
SPARC Foundation	4,012	5,988	-	-	-	-
United Way 211	1,000	-	-	-	-	-
Youth Transformed for Life	23,702	17,219	-	-	-	-
YWCA	26,925	13,559	-	-	-	-
Other Partnership Funding	-	-	242,000	227,000	227,000	242,000
SPF Allocations Total	**217,260**	**164,454**	**242,000**	**242,000**	**242,000**	**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
In Real Life (IRL)	45,000	32,661	45,000	45,000	12,339	45,000
Neighborhood Grants Program	-	-	-	-	-	150,000
Direct Allocations Total	**56,661**	**116,339**	**109,000**	**109,000**	**109,000**	**259,000**
Grand Total	**273,921**	**280,794**	**351,000**	**351,000**	**351,000**	**501,000**

Budget Highlights:

- Strategic Partnership Funding (SPF) is maintained at the FY 2020-21 level.
- The budget includes an additional allocation of $150,000 from available fund balance (for a total of $200,000) to launch a neighborhood grant program.

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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	1,283,612	1,350,346	1,337,756	1,360,397	1,339,970	1,445,809
Benefits	427,496	470,449	498,524	475,883	471,613	532,104
Operating Costs	331,656	219,285	287,735	280,235	276,281	260,677
Total	**2,042,764**	**2,040,080**	**2,124,015**	**2,116,515**	**2,087,864**	**2,238,590**
POSITIONS						
Total	**11.00**	**12.00**	**12.00**	**12.00**	**12.00**	**12.00**

Budget Highlights:

- The contract for the annual financial audit is increasing by $25,000 in FY 2021-22.
- Otherwise, the budget reflects a continuation of programs and services.

Division Summary

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
City Clerk	258,228	279,292	282,480	308,380	304,120	346,838
City Manager	1,320,988	1,303,214	1,356,683	1,329,460	1,311,234	1,367,577
Governing Body	264,218	257,338	275,220	269,043	265,920	279,695
Internal Audit	199,330	200,236	209,632	209,632	206,590	244,480
Total	**2,042,764**	**2,040,080**	**2,124,015**	**2,116,515**	**2,087,864**	**2,238,590**

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
POSITIONS						
City Clerk	3.00	3.00	3.00	3.00	3.00	3.00
City Manager	7.00	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	**11.00**	**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 2021-22 Department Priorities

- Facilitate administrative support and training needs for City Council, Council committees, and advisory boards. *(Council Strategic Priority A.1: Expand diversity on City boards and commissions; G.4: Prioritize the roles of boards and commissions in priority setting and policy planning.)*
- Continue to implement Council's Strategic Plan and management objectives. *(Council Strategic Priority H.10: Leverage public and private partnerships to enhance funding opportunities.)*

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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	512,402	654,965	661,472	661,720	651,780	730,147
Benefits	172,612	213,947	239,413	239,165	236,855	266,339
Operating Costs	656,802	165,336	239,850	241,350	237,670	238,216
Total	**1,341,816**	**1,034,247**	**1,140,735**	**1,142,235**	**1,126,305**	**1,234,702**
POSITIONS						
Total	**7.00**	**7.00**	**7.00**	**7.00**	**7.00**	**7.00**

Budget Highlights:

- The budget reflects a continuation of programs and services.

FY 2021-22 Department Priorities

- Endeavor to bring more litigation matters in-house to reduce outside counsel costs. *(Council Strategic Priority F.3: Identify opportunities to in-source existing contractual services.)*
- Assist in development and pursuit of legislative programs, including management of governmental relations. *(Council Strategic Priority G.5: Develop a more effective state and federal legislative agenda.)*

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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	494,328	442,072	525,629	484,770	477,490	543,067
Benefits	188,957	186,230	226,536	226,395	224,580	229,599
Operating Costs	75,879	62,945	116,489	192,489	189,824	108,563
Total	**759,164**	**691,247**	**868,654**	**903,654**	**891,894**	**881,229**
POSITIONS						
Total	**7.00**	**7.00**	**8.00**	**8.00**	**8.00**	**8.00**

Budget Highlights:

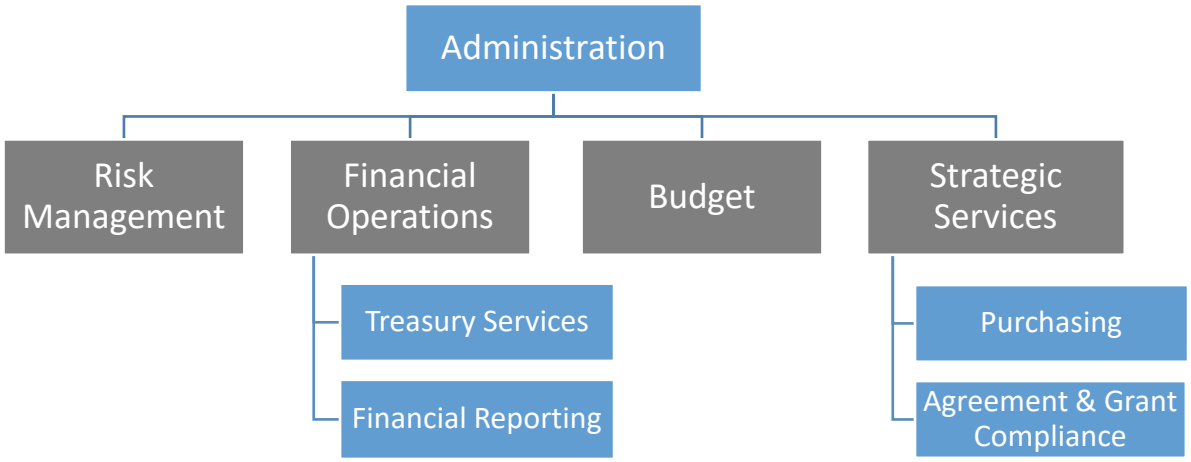
- The CAPE budget continues funding for the neighborhood service enhancements that were approved last fall as part of the initial phase of the reimagining public safety process.

FY 2021-22 Department Priorities

- Implement a Neighborhood Grant Program. *(Council Strategic Priority A.6: Develop and implement a strategy based on the NLC report to foster economic mobility.)*
- Establish an infrastructure, available to all departments, that will house centralized community input and support collaborative community outreach.

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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	1,837,672	1,945,106	1,937,163	1,938,530	1,909,410	2,014,767
Benefits	695,480	757,631	772,790	771,619	764,887	824,837
Cost Transfers	(75,217)	(87,713)	(65,717)	(65,717)	(64,720)	-
Operating Costs	364,230	293,843	236,517	236,321	233,350	251,290
Total	**2,822,165**	**2,908,867**	**2,880,753**	**2,880,753**	**2,842,927**	**3,090,894**
POSITIONS						
Total	**32.00**	**32.00**	**32.00**	**32.00**	**32.00**	**32.00**

Budget Highlights:

- The budget reflects a continuation of programs and services.

Division Summary

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Administration	574,907	753,667	684,597	728,247	719,787	701,183
Budget	380,325	296,761	322,450	322,450	318,606	429,223
Financial Operations	990,266	303	-	-	-	-
Financial Reporting	-	510,360	522,036	471,986	465,570	527,120
Treasury Services	-	614,417	609,592	609,592	601,330	611,558
Purchasing	436,782	441,727	432,074	438,971	432,890	478,332
Risk Management	439,885	291,633	310,004	309,504	305,290	343,478
Total	**2,822,165**	**2,908,867**	**2,880,753**	**2,880,753**	**2,842,927**	**3,090,894**
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
Financial Reporting	6.00	6.00	6.00	6.00	6.00	6.00
Treasury Services	7.00	7.00	7.00	7.00	7.00	7.00
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**	**32.00**	**32.00**	**32.00**

Note: Beginning in FY 2019-20, Financial Operations was split into Financial Reporting and Treasury Services.

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; directs and manages the Asheville Public Financing Corporation; and structures, implements, and monitors special financial arrangements such as the City's self-insurance program and pension obligation financing.

The **Purchasing Division**'s functions include the procurement of all City commodities and the sale of City-owned surplus property by sealed bids and/or public auction.

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.

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 **Financial Reporting Division** is responsible for general ledger and sub-ledger accounting, the year-end audit, required annual financial reporting, and fiscal grant management.

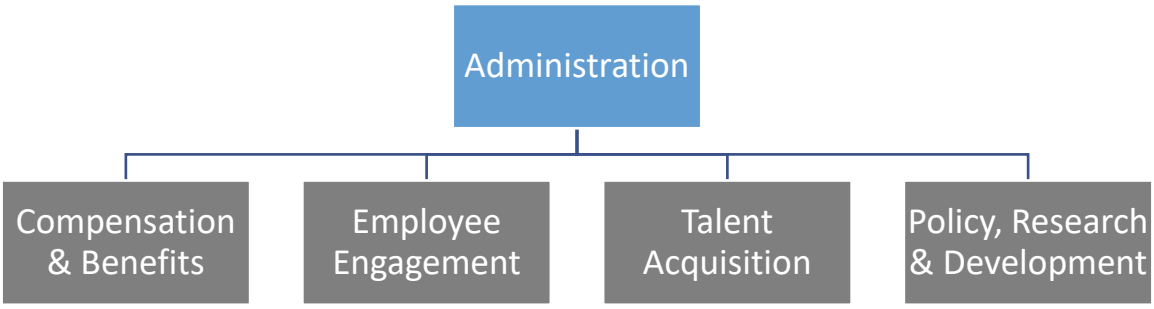
The **Treasury Services Division** maintains City financial records and manages the City's cash, investment, and debt portfolios in compliance with North Carolina General Statutes, federal requirements, and generally accepted accounting principles. This division also handles payroll, accounts payable and receivable activities, and treasury management.

FY 2021-22 Department Priorities

- Expand long-range financial forecasts for both operating and capital budgeting. *(Council Strategic Priority H.3: Integrate multi-year financial planning into the budget development process.)*
- Transition to electronic payments for vendors and employee travel reimbursements.
- The Purchasing Division will improve policies, procedures, operations, and practices to support the goals and objectives of the Asheville Business Improvement program.
- Hire, develop, and retain qualified occupational health and safety professionals to administer the City safety program, including compliance and employee safety training per OSHA regulations.

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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	945,016	870,149	917,890	918,435	904,640	1,064,650
Benefits	365,363	356,467	380,494	379,949	376,324	440,311
Operating Costs	260,459	258,355	211,505	211,505	208,260	222,623
Total	**1,570,839**	**1,484,970**	**1,509,889**	**1,509,889**	**1,489,224**	**1,727,584**
POSITIONS						
Total	**21.60**	**20.60**	**20.60**	**20.60**	**20.60**	**20.60**

Budget Highlights:

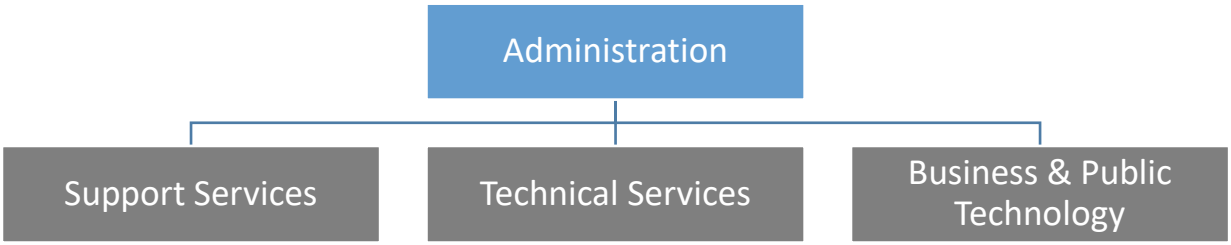
- The budget reflects a continuation of programs and services.

FY 2021-22 Department Priorities

- Develop a strategic plan to implement the results of the comprehensive classification and compensation study. *(Council Strategic Priority H.6: Complete a comprehensive classification and compensation study.)*
- Create an Employee Engagement Plan.
- Finalize and publish revisions of human resource policies. *(Council Strategic Priority H.7: Review and revise human resource policies.)*
- Partner with internal service departments to address systems capability and enhance customer experience. *(Council Strategic Priority G.5: Expand the City's analytic and performance measurement [metrics] capabilities.)*
- Relaunch the HR Business Partner model to increase customer service delivery and implement enhanced Talent Acquisition strategies, including an effective reporting and evaluation system.

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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	1,775,137	1,869,597	2,063,161	2,063,906	2,032,910	2,123,926
Benefits	635,708	675,702	759,229	758,484	751,377	847,840
Capital Outlay	38,024	269,547	25,000	-	-	25,000
Cost Transfers	(636,388)	(615,574)	(469,559)	(469,559)	(462,510)	(476,010)
Operating Costs	1,587,873	1,211,128	1,567,136	1,492,136	1,469,776	1,820,643
Total	**3,400,355**	**3,410,400**	**3,944,967**	**3,844,967**	**3,791,552**	**4,341,399**
POSITIONS						
Total	**27.00**	**27.00**	**28.00**	**29.00**	**29.00**	**29.00**

Budget Highlights:

- In the current fiscal year, funding was reallocated as part of the reimagining public safety process to support the expansion of the Office of Data and Performance. For FY22, this funding is utilized to support two positions, a Performance Analyst and a Data Communication Specialist. Funding to enhance training and outreach efforts ($25,000) is also included.
- An additional $155,000 is included to support several citywide contracts and subscription services managed by ITS, including new timekeeping software for public safety staff.

Division Summary

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Administration	347,449	376,631	260,730	439,140	433,409	327,379
Bus. & Public Tech.	1,439,476	1,330,823	1,575,363	1,550,963	1,529,226	1,682,676
Support Services	790,605	710,526	1,481,104	1,217,103	1,200,014	1,626,542
Technical Services	822,826	992,420	627,770	637,761	628,904	704,802
Total	**3,400,355**	**3,410,400**	**3,944,967**	**3,844,967**	**3,791,552**	**4,341,399**
POSITIONS						
Administration	3.00	3.00	1.00	2.00	2.00	2.00
Bus. & Public Tech.	10.00	10.00	11.00	12.00	12.00	12.00
Support Services	10.00	10.00	10.00	9.00	9.00	9.00
Technical Services	4.00	4.00	6.00	6.00	6.00	6.00
Total	**27.00**	**27.00**	**28.00**	**29.00**	**29.00**	**29.00**

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 2021-22 Department Priorities

- Improve staff and community ability to use GIS and data for equitable outcomes, accountability, and communication. *(Council Strategic Priority G.5: Expand the City's analytic and performance measurement [metrics] capabilities.)*
- Improve access to digital services, especially for those who have been most impacted historically by inequities. *(Council Strategic Priority A.3: Review City programming, facilities, staffing, operations, and partnerships to enhance racial equity.)*
- Modernize infrastructure and strengthen security to improve service speed, accessibility, and resiliency.

Non-Departmental
Management & Support Services

Budget Summary

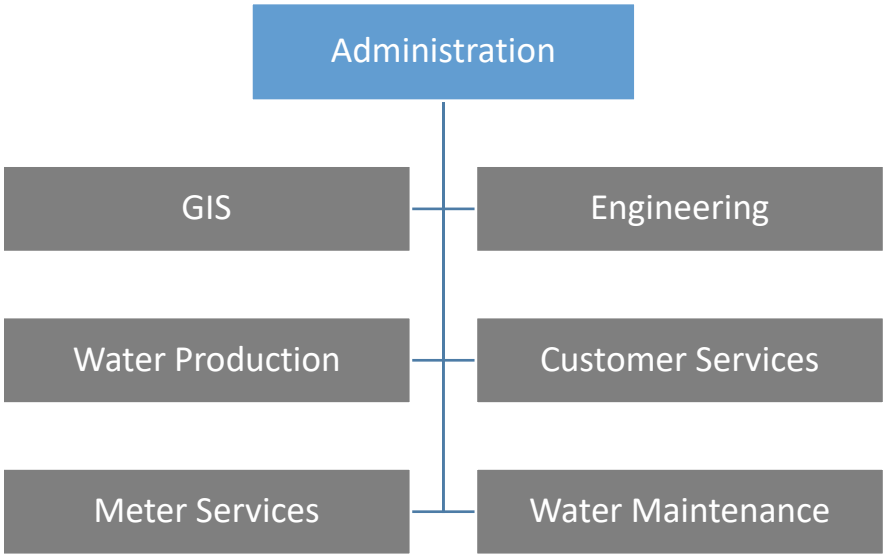
	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Board of Elections	-	1,104	-	-	-	-
County/State Tax Collections	981,149	1,008,733	1,035,375	1,035,375	1,019,840	1,066,000
Crime Stoppers	44,621	43,017	-	-	-	-
Police ID Bureau	448,368	468,306	532,745	532,745	524,750	516,743
City Stormwater Costs	98,137	101,975	125,000	125,000	125,000	125,000
Employee Transit Passes	1,879	935	5,000	5,000	4,920	5,000
Reparations	-	-	-	-	-	1,200,000
Other	165,625	86,033	237,100	209,900	206,980	387,100
Total	**1,739,778**	**1,710,102**	**1,935,220**	**1,908,020**	**1,881,490**	**3,299,843**
GENERAL FUND TRANSFERS TO OTHER FUNDS						
Capital Projects/Debt Funds	17,666,731	17,077,249	16,302,249	16,171,487	16,171,487	16,302,249
Transit Operating Fund	3,525,017	5,084,113	6,804,233	6,804,233	6,804,233	7,916,932
HCCA Capital Fund	136,638	68,375	78,047	78,047	78,047	129,692
HCCA Operating Fund	1,066,834	1,135,109	1,125,437	1,125,437	1,125,437	1,204,420
Total	**22,395,220**	**23,364,846**	**24,309,966**	**24,179,204**	**24,179,204**	**25,553,293**

Budget Highlights:

- The City's annual contribution to the Police ID Bureau program is based on esitmates provided by Buncombe County.
- An additional $1.2 million is included to support a planning and community engagement process for reparations. This cost is offset by an appropriation of available fund balance.
- An increase in General Fund support for the Transit Operating Fund offsets the increased cost of existing transit service as well as service expansions to be implemented in October 2021.
- An increase in General Fund support for operations at the Harrah's Cherokee Center – Asheville (HCCA) offsets the added cost to HCCA for implemention of the compensation study recommendations.

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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	6,807,594	7,212,850	7,521,096	7,558,884	7,288,004	8,179,300
Benefits	3,115,227	3,315,972	3,619,561	3,581,773	3,541,949	3,863,938
Operating Costs	11,069,676	11,869,482	11,629,374	11,846,374	11,059,271	11,894,584
Cost Transfers	-	-	-	-	(627)	-
Capital Outlay	12,101,120	11,867,706	4,920,696	4,703,696	4,643,915	7,268,992
Debt Service	5,527,116	5,708,225	5,544,585	5,544,585	5,544,585	5,528,498
Total	**38,620,733**	**39,974,235**	**33,235,312**	**33,235,312**	**32,077,097**	**36,735,312**

WATER RESOURCES FUND

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
REVENUES						
Capital Maint. Fee	7,398,375	7,067,444	-	-	-	-
Investment Earnings	1,661,232	1,510,192	400,000	400,000	336,900	400,000
Utility Charges	27,113,551	28,176,697	29,079,599	29,079,599	29,351,346	32,579,599
Other Operating	4,073,724	3,623,347	3,755,713	3,755,713	3,381,690	3,755,713
Total	**40,246,882**	**40,377,680**	**33,235,312**	**33,235,312**	**33,069,935**	**36,735,312**
POSITIONS						
Total	**155.00**	**162.00**	**162.00**	**162.00**	**162.00**	**162.00**

Budget Highlights:

- After the Capital Improvement (CIP) Fee was discontinued during FY21, staff engaged with the Water Resources Department's rate model consultant, Raftelis, to develop a long-term plan to recover the $7.5 million revenue loss from the CIP fee. In May 2021, City Council approved a water rate increase to go into effect September 1, 2021. Water rates for FY22 are 3.2% lower than FY20 rates for the average household. This fee change is expected to generate an additional $3.5 million in revenue.
- Continued pay-go funding of $12.5 million for the department’s multi-year capital improvement program is included. This funding will be allocated to capital projects shown in the Capital Improvement Program section.
- Otherwise, the budget reflects a continuation of existing programs and services.

Division Summary

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Administration	1,108,020	1,030,901	1,388,750	1,180,250	1,235,091	1,533,361
Customer Service	1,681,085	1,465,914	1,550,083	1,537,983	1,501,952	1,593,587
Department-Wide	21,389,194	22,145,753	14,236,408	14,067,518	13,865,006	16,831,590
Water Maintenance	5,052,416	5,514,444	5,203,338	5,289,128	5,287,282	5,487,221
Meter Services	2,689,590	2,969,374	3,113,973	3,143,073	3,101,887	3,287,283
Water Production	5,532,160	5,794,605	6,363,083	6,691,683	5,842,531	6,796,375
Engineering Services	637,586	678,720	779,429	725,429	700,469	805,695
Water Operations	530,681	374,525	600,248	600,248	542,878	400,200
Total	**38,620,733**	**39,974,235**	**33,235,312**	**33,235,312**	**32,077,097**	**36,735,312**
POSITIONS						
Administration	9.00	9.00	9.00	9.00	9.00	9.00
Customer Service	23.00	24.00	24.00	24.00	24.00	24.00
Water Maintenance	47.00	49.00	49.00	49.00	49.00	43.00
Meter Services	24.00	26.00	26.00	26.00	26.00	32.00
Water Production	42.00	45.00	45.00	45.00	45.00	45.00
Engineering Services	10.00	9.00	9.00	9.00	9.00	9.00
Total	**155.00**	**162.00**	**162.00**	**162.00**	**162.00**	**162.00**

The **Administration Division** provides planning and management services for the Water Resources Department. The **Meter Services Division** is responsible for timely and accurate meter reading, maintenance and replacement of meters. The **Water Maintenance Division** is responsible for maintaining and upgrading approximately 1,699 miles of distribution mains, service lines, valves, fire hydrants, pumps, and storage reservoirs throughout the water system.

The **Water Production Division** is responsible for operating and maintaining the North Fork, Mills River, and Bee Tree Water Treatment Plants as well as protecting and managing a 22,000-acre watershed.

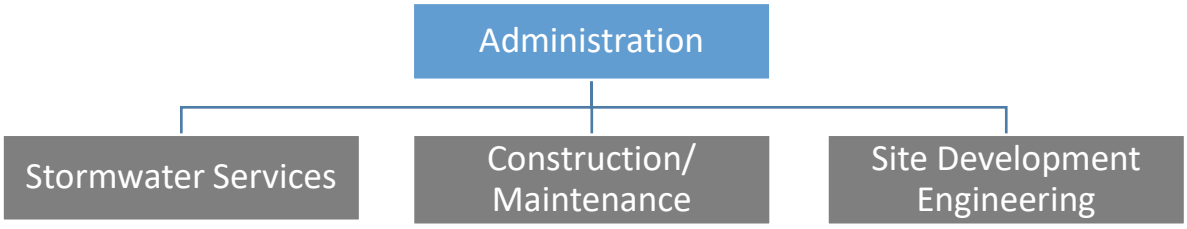
The **Customer Service Division** is responsible for processing utility bill payments, establishing new water and sewer service, and assisting customers with various water and other City-related issues or concerns. The **Engineering Services Division** is responsible for providing timely plan review 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.

FY 2021-22 Fund Priorities

- Integrate the Water Master Plan Model projects into the Capital Improvement Program.
- Complete next phase(s) of infrastructure replacement projects.
- Complete the AMI Water Meter Replacement Project and the Lead and Copper Education Project.
- Continue implementation of a unidirectional system flushing program. *(Council Strategic Priority H.1: Invest needed financial and staff resources to address maintenance, new construction, and operational needs.)*

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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	1,933,377	1,978,268	2,352,965	2,354,499	1,985,030	2,600,276
Benefits	913,345	893,447	1,118,697	1,117,244	1,017,067	1,207,352
Operating Costs	1,813,756	1,741,579	2,315,029	2,314,298	1,835,025	2,389,137
Capital Outlay	985,419	441,231	350,000	350,650	350,650	229,777
Cost Transfers	(19,247)	(256,592)	-	-	(16,012)	-
Debt Service	525,582	493,646	443,651	443,651	443,651	353,800
Total	**6,152,232**	**5,291,580**	**6,580,342**	**6,580,342**	**5,615,412**	**6,780,342**
REVENUES						
Appropriated Fund Balance	-	-	-	-	-	200,000
Development Fees	438,364	380,005	398,000	398,000	248,793	398,000
Investment Earnings	85,540	81,873	8,773	8,773	15,413	8,773
Utility Charges	5,856,825	6,100,832	6,162,069	6,162,069	5,358,703	6,162,069
Other	13,959	1,095	11,500	11,500	15,479	11,500
Total	**6,394,689**	**6,563,805**	**6,580,342**	**6,580,342**	**5,638,387**	**6,780,342**
POSITIONS						
Total	**46.60**	**51.60**	**51.60**	**51.60**	**51.60**	**52.60**

Budget Highlights:

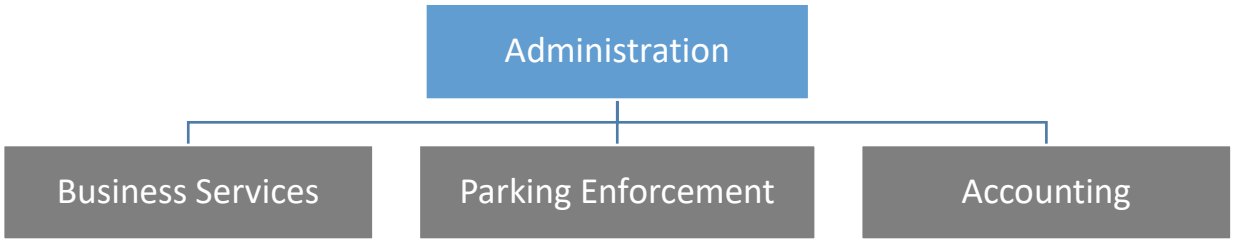
- In order to mitigate the economic effects of the COVID-19 pandemic on the Asheville community, City management decided not to proceed with planned annual stormwater rate adjustments for the 2021-22 fiscal year. However, staff will conduct a midyear assessment of Stormwater services to consider adjustments to fees.
- The budget includes a $200,000 fund balance appropriation to conduct a fee study in FY22.
- The Stormwater Fund will reallocate programmatic and project funding to support a new Stormwater Quality Supervisor in FY22, which is required to meet state and federal mandates.
- The budget includes a $229,000 pay-go transfer for capital projects

FY 2021-22 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. *(Council Strategic Priority H.1: Invest needed financial and staff resources to address maintenance, new construction, and operational 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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	897,729	832,356	1,166,529	1,167,357	916,738	1,237,018
Benefits	486,519	371,702	588,859	588,013	534,230	619,675
Operating Costs	2,033,607	1,660,402	2,034,113	2,010,113	1,468,514	2,221,403
Capital Outlay	855,831	534,492	270,909	294,909	263,881	570,000
Cost Transfers	-	(8,510)	-	-	-	-
Debt Service	964,015	1,041,522	1,010,395	1,010,395	1,010,395	852,709
Transfer to Transit Fund	1,576,875	1,576,875	1,576,875	1,576,875	1,576,875	1,576,875
Total	**6,814,576**	**6,008,839**	**6,647,680**	**6,647,680**	**5,788,633**	**7,077,680**
REVENUES						
Citations	703,756	678,214	700,300	700,300	17	700,300
Garage Parking	3,837,688	2,763,520	3,820,000	3,820,000	1,915,561	4,250,000
Lots & Peripheral Parking	281,257	152,447	264,400	264,400	102,533	264,400
Parking Meters	1,796,371	1,481,168	1,710,000	1,710,000	1,379,193	1,710,000
Other	197,218	217,982	152,980	152,980	73,008	152,980
Total	**6,816,291**	**5,293,331**	**6,647,680**	**6,647,680**	**3,470,313**	**7,077,680**
POSITIONS						
Total	**26.62**	**28.91**	**28.91**	**28.91**	**28.91**	**28.91**

Budget Highlights:

- In May 2021, City Council approved several changes to the Parking fee structure. These changes are summarized as follows and are expected to generate an additional $430,000 in revenue:
  - Increase hourly garage parking rate to $2.00 for each hour, with a daily maximum of $20.00. The first hour of garage parking for all hourly customers is provided for free.
  - Provide additional monthly garage parking options for 12 hour daytime access ($80-100 per month) and an overnight/weekend rate ($65-90 per month).
  - Lower monthly parking rates and remove existing special event rates in surface parking lots in order to increase the affordability and availability of monthly parking downtown.
  - Adjust rates for on-street monthly parking and add additional street segments to that program.
- A $500,000 transfer to capital is budgeted to continue pay-go funding for parking garage and lot improvement assessments.

FY 2021-22 Fund Priorities

- Continue to implement Harrah's Cherokee Center - Asheville, Rankin Avenue, and Wall Street parking garage restoration projects including replacing the elevators in the Rankin Avenue parking garage. *(Council Strategic Priority H.1: Invest needed financial and staff resources to address maintenance, new construction, and operational needs.)*

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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	165,707	237,964	243,803	250,098	190,376	243,052
Benefits	79,144	83,941	103,868	103,762	91,051	106,553
Operating Costs	8,342,011	10,095,666	11,908,982	12,446,751	12,432,604	12,817,704
Capital Outlay	-	100,000	-	22,231	16,601	-
Debt Service	526	-	-	-	-	-
Total	**8,587,388**	**10,517,571**	**12,256,653**	**12,822,841**	**12,730,633**	**13,167,309**
REVENUES						
Federal/State Grants	2,675,562	1,416,678	2,859,045	3,425,233	3,425,233	2,811,302
Motor Vehicle Licenses	351,820	355,850	350,000	350,000	248,070	350,000
Operating Revenue	673,700	493,656	666,500	666,500	2,408	512,200
Other	36,553	33,952	-	-	16,952	-
General Fund Subsidy	3,525,017	5,084,113	6,804,233	6,804,233	6,804,233	7,916,932
Parking Fund Subsidy	1,576,875	1,576,875	1,576,875	1,576,875	1,576,875	1,576,875
Total	**8,839,527**	**8,961,123**	**12,256,653**	**12,822,841**	**12,173,771**	**13,167,309**
POSITIONS						
Total	**3.00**	**4.00**	**4.00**	**4.00**	**4.00**	**4.00**

Budget Highlights:

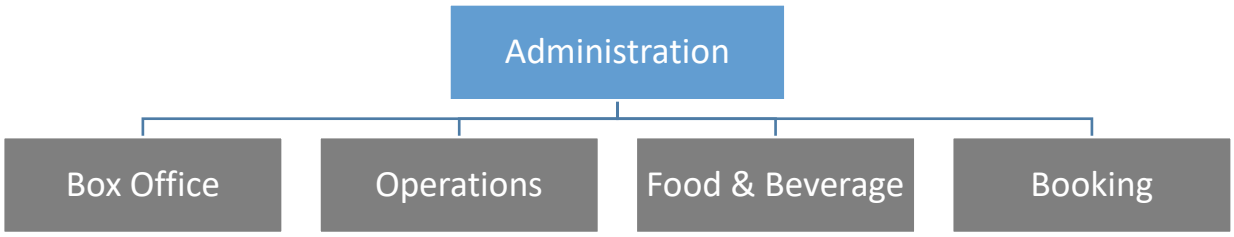
- The budget allocates $1.1 million to continue implementing the Transit Master Plan beginning in October 2021 to include:
    - Extended evening hours (completion of year one of TMP).
    - Increased frequency on S3 and S6 routes (from 90 minutes to 45 minutes).
- An additional $175,000 is included to maintain the existing level of transit service.
- In May 2021, City Council approved changes to bus advertising fees that will help to offset the cost of service.

FY 2021-22 Fund Priorities

- Continue to implement phase one recommendations of the Transit Master Plan. *(Council Strategic Priority E.2)*

Harrah's Cherokee Center of Asheville Fund

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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	1,350,750	1,492,742	1,461,790	1,462,376	1,226,601	1,630,839
Benefits	495,933	548,115	613,549	612,963	593,549	661,220
Operating Costs	2,030,982	1,882,092	1,406,764	1,406,764	872,054	1,873,906
Capital Outlay	1,208,625	50,000	-	-	-	-
Cost Transfers	-	(40,776)	-	-	(29,675)	-
Debt Service	305,424	331,625	321,955	321,955	321,955	359,929
Total	**5,391,714**	**4,263,798**	**3,804,058**	**3,804,058**	**2,984,484**	**4,525,894**
REVENUES						
Food & Bev. Sales	1,304,848	1,457,864	1,065,600	1,065,600	46,451	1,412,000
Admissions	1,013,129	1,149,076	727,250	727,250	54,672	1,062,000
Rent	907,458	698,640	559,100	559,100	67,245	704,574
Other	194,210	152,132	326,671	326,671	31,668	142,900
General Fund Subsidy	1,066,834	1,135,109	1,125,437	1,125,437	1,125,437	1,204,420
Total	**4,486,479**	**4,592,821**	**3,804,058**	**3,804,058**	**1,325,473**	**4,525,894**
POSITIONS						
Total	**22.75**	**26.30**	**26.30**	**26.30**	**26.30**	**26.25**

Budget Highlights:

- Due to the COVID-19 pandemic, the HCCA hosted a very small number of events and remained closed for most of FY 2020-21. While this meant some planned expenditures were avoided, revenues were also severly impacted.
- For FY 2021-22, the HCCA plans to reopen for events in September 2021, contingent on federal and state regulations. Given this plan, the budget for FY 2021-22 revenues and expenditures is adjusted to reflect normal operations at the HCCA.

FY 2021-22 Fund Priorities

- Achieve contracted facility usage of more than 250 dates.
- Secure annual average of $11.00 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 Sewage 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

	2018-19 Actual	2019-20 Actual	2020-21 Original Budget	2020-21 Amended Budget	2020-21 Estimate	2021-22 Proposed
EXPENDITURES						
Salaries & Wages	492,964	489,571	487,287	487,678	463,183	526,121
Benefits	232,453	217,162	243,141	242,750	241,019	258,318
Operating Costs	882,906	877,963	947,565	947,565	788,627	919,015
Capital Outlay	192,840	46,259	100,000	100,000	42,017	100,000
Debt Service	101,962	100,505	99,111	99,111	99,111	49,224
Total	**1,903,126**	**1,731,460**	**1,877,104**	**1,877,104**	**1,633,957**	**1,852,678**
REVENUES						
Utility Charges	1,674,741	1,862,061	1,777,044	1,777,044	1,652,445	1,752,618
Other Financing Sources	4,727	5,139	100,060	100,060	1,606	100,060
Total	**1,679,468**	**1,867,200**	**1,877,104**	**1,877,104**	**1,654,050**	**1,852,678**
POSITIONS						
Total	**10.60**	**10.60**	**10.60**	**10.60**	**10.60**	**10.60**

Budget Highlights:

- The Street Cut Utility Fund budget represents a continuation of existing programs and services.

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 2021-22, the citywide total budget for debt service and capital expenses is approximately $31.8 million. These budgets are up partially due to the $2.5 million increase in the Water Resources Fund transfer to capital. The fee realignment package that Council approved on May 11, 2021 allowed the City to begin restoring funding to the Water capital program following the repeal of the Water CIP fee.

Funding for the General Fund multi-year capital model is held flat for the second consecutive year. However, due to lower interest rates and revised spending schedules on existing projects, the Capital Improvement Program (CIP) budget has capacity to include an additional $2 million in annual capital funding within the existing CIP to support additional investments in sidewalks, road resurfacing, facilities, and other infrastructure.

FIVE YEAR GENERAL CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
REVENUE SOURCES					
Pay-go (Cash)	1,615,000	1,015,000	1,015,000	1,015,000	1,015,000
Short-Term Installment Debt	3,931,000	3,727,000	3,881,000	4,188,000	4,299,000
Long-Term Debt	12,079,499	10,075,200	10,180,600	7,001,200	6,920,510
Grants	56,000	3,596,800	13,110,400	3,704,800	3,890,040
Revenues Total	**17,681,499**	**18,414,000**	**28,187,000**	**15,909,000**	**16,124,550**
PLANNED PROJECTS					
FACILITY MAINTENANCE					
Facilities Planning Study	500,000	-	-	-	-
City Buildings Access System	210,000	-	-	-	-
Water Line Backflow Prev.	152,173	-	-	-	-
Municipal Building Envelope	115,000	-	-	-	-
Muni Bldg Bay/Apron Repair	500,000	-	-	-	-
Municipal Building Boiler	60,000	-	-	-	-
Shiloh Ctr. Boiler	186,000	-	-	-	-
Montford Ctr. Boiler	75,000	-	-	-	-
W. AVL Comm. Ctr. HVAC	56,600	-	-	-	-
Facility Upgrades	-	879,000	875,000	722,000	722,000
Roof Replacement	-	150,000	150,000	150,000	150,000
Total	**1,854,773**	**1,029,000**	**1,025,000**	**872,000**	**872,000**
FLEET & EQUIPMENT					
Fleet Replacement	3,376,000	3,477,000	3,581,000	3,688,000	3,799,000
Transit Bus Replacement	1,000,000	4,496,000	4,563,000	4,631,000	4,862,550
AFD Apparatus Replacement	1,860,000	-	636,000	-	-
Computer & Technology Replacement	470,000	250,000	300,000	500,000	500,000
CNG Station Compressor Replacement	85,000	-	-	-	-
Total	**6,791,000**	**8,223,000**	**9,080,000**	**8,819,000**	**9,161,550**
GREENWAYS					
Beaucatcher Greenway	377,726	-	-	-	-
Hominy Creek Bridge Rehabilitation	575,000	-	-	-	-
Reed Creek Greenway Feasibility Study	70,000	-	-	-	-
Total	**1,022,726**	**-**	**-**	**-**	**-**

FIVE YEAR GENERAL CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
PARKS & RECREATION					
Turf Replacement	250,000	250,000	250,000	250,000	250,000
JBL Turf Replacement	15,000	15,000	15,000	15,000	15,000
Carrier Park Bridge Replacement	50,000	-	-	-	-
Magnolia Park Playground	535,000	-	-	-	-
Shiloh Parking Lot Rehabilitation	225,000	-	-	-	-
Weaver Park Improvements	600,000	-	-	-	-
Park Facilities Upgrades	-	579,000	596,000	614,000	632,000
Total	**1,675,000**	**844,000**	**861,000**	**879,000**	**897,000**
PLACEMAKING					
Coxe Ave. Complete Street	-	-	11,825,000	-	-
Downtown Bicycle Connector	100,000	-	-	-	-
I-26 Connector	-	2,000,000	-	-	-
Total	**100,000**	**2,000,000**	**11,825,000**	**-**	**-**
STREETS & SIDEWALKS					
Streets & Sidewalk Resurfacing	3,278,000	3,376,000	3,477,000	3,581,000	3,688,000
Chunn's Cove Bridge Rehabilitation	500,000	-	-	-	-
Sidewalk Rehabilitation & Replacement	250,000	250,000	250,000	250,000	250,000
Neighborhood Sidewalks	405,000	417,000	430,000	443,000	456,000
Pedestrian Plan Projects	200,000	250,000	250,000	-	-
ADA Infrastructure Improvements	150,000	150,000	150,000	150,000	50,000
Pedestrian & School Zone Safety	-	-	-	165,000	-
McDowell St. & Choctaw St. Pedestrian Improvements	-	-	89,000	-	-
Traffic Signal Projects:					
Downtown Pole Replacement	200,000	1,125,000	-	-	-
Lee Walker Heights at Biltmore Ave.	80,000	-	-	-	-
MLK Jr. Dr. & Hazzard St.	225,000	-	-	-	-
S. Charlotte St. & MLK Jr. Dr.	200,000	-	-	-	-
Total	**5,488,000**	**5,568,000**	**4,646,000**	**4,589,000**	**4,444,000**
CIP CONTINGENCY	**750,000**	**750,000**	**750,000**	**750,000**	**750,000**
CIP TOTAL	**17,681,499**	**18,414,000**	**28,187,000**	**15,909,000**	**16,124,550**

General Obligation Bond Projects Status

In Planning

- Affordable Housing Investments
- Afford. Housing (City-Owned Property)
- Bond Accessible Crossings
- Greenway Neighborhood Connectors
- Parks Land Acquisition
- Vermont Avenue Improvements
- White Avenue Improvements

In Design

- Airport Road Sidewalk
- Bond Road Improvements Phase 3
- Dr. Wesley Grant Sr. Southside Center
- Gerber Road Sidewalk
- Johnston Boulevard Sidewalk
- New Haw Creek Road Sidewalk
- Onteora Road Sidewalk
- Overlook Road Sidewalk
- Patton Avenue New Sidewalks
- Swannanoa River Greenway Phase 1

In Construction

- Fulton Street Improvements
- Haywood Streetscape
- Jake Rusher Park
- Memorial Stadium

General & Enterprise Capital Projects Status

In Planning

- Coxe Avenue Feasibility & Design
- Municipal Building Repairs
- Pack Square Park Fountains
- S. Lexington Avenue Design
- Pebble Creek Stormwater
- Weaver Park Bridge Replacement

In Design

- Dingle Creek Stormwater
- Edwin/Celia/Canterbury Stormwater
- Fairview Rd Pedestrian Improvements
- French Broad River Greenway West
- Greenway Connectors Program
- Neighborhood Sidewalks Program
- New Leicester Hwy Sidewalks
- Public Works Roof Replacement
- Town Branch Greenway
- Lakeshore Drive Stormwater Drainage

In Construction

- Azalea Road Stormwater
- Fire Station #4 Renovation
- Guardrail Maintenance
- Water Meter Replacement & Distribution System Projects
- Morris Street Stormwater
- NCDOT Projects
- HCCA Envelope Improvements

Water Resources Capital Improvement Program Summary

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
REVENUE SOURCES					
Pay-Go (Cash)	12,505,961	12,064,500	11,775,000	10,125,000	11,131,642
Long-Term Debt	20,000,000	-	-	-	-
Revenue Total	**32,505,961**	**12,064,500**	**11,775,000**	**10,125,000**	**11,131,642**
PLANNED PROJECTS					
Meter Replacement	20,000,000	-	-	-	-
Small Waterline Replacement	5,044,945	6,000,000	6,000,000	6,000,000	6,000,000
NCDOT Projects	2,000,000	-	-	-	-
Water Treatment Plant Projects	1,900,000	1,112,000	1,800,000	1,500,000	1,500,000
Meter/Vault Repair	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Master Plan/Large Waterline Projects	857,500	977,500	-	-	-
Pump Station/Storage Tank Projects	750,000	750,000	750,000	750,000	750,000
System Enhancement Projects	325,000	225,000	225,000	225,000	225,000
Mills River Water Treatment Plant Photovoltaic System	128,516	-	-	-	1,156,642
Fairview Service Area Improvements	-	1,500,000	1,500,000	150,000	-
Expense Total	**32,505,961**	**12,064,500**	**11,775,000**	**10,125,000**	**11,131,642**

Parking Services Capital Improvement Program Summary

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
REVENUE SOURCES					
Transfer from Parking Operating Fund	500,000	700,000	300,000	300,000	300,000
Revenue Total	**500,000**	**700,000**	**300,000**	**300,000**	**300,000**
PLANNED PROJECTS					
Parking Lots Assessment	100,000	-	-	-	-
Parking Garage Assessment	400,000	-	-	-	-
Biltmore Ave. Parking Garage Restoration	-	400,000	-	-	-
HCCA Parking Garage Restoration	-	300,000	300,000	300,000	300,000
Expense Total	**500,000**	**700,000**	**300,000**	**300,000**	**300,000**

Stormwater Capital Improvement Program Summary

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
REVENUE SOURCES					
Transfer from Stormwater Ops. Fund	229,777	276,000	350,000	350,000	350,000
Short-Term Installment Debt	431,000	620,000	200,000	140,000	200,000
Long-Term Debt	3,100,223	-	1,770,000	3,260,000	2,356,000
Revenue Total	**3,761,000**	**896,000**	**2,320,000**	**3,750,000**	**2,906,000**
PLANNED PROJECTS					
Carter Street/Ann Street Construction	1,200,000	-	-	-	-
Druid Drive Feasibility Study	150,000	-	-	-	-
E Building - Town Branch Culvert Repair	380,000	-	-	-	-
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	431,000	620,000	200,000	140,000	200,000
Parks Stormwater Projects	-	276,000	920,000	975,000	-
Shelburne Road Decanting	350,000	-	-	-	-
Shiloh Neighborhood Infrastructure	-			735,000	2,050,000
Stormwater Contingency	50,000	-	-	-	-
Sulphur Springs Road Construction	1,200,000	-	-	-	-
Waynesville Avenue Drainage	-			-	656,000
Expense Total	**3,761,000**	**896,000**	**2,320,000**	**3,750,000**	**2,906,000**