Fiscal Year 2021-22 City Manager's Proposed Budget Presentation

May 25, 2021

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Presentation Overview

- Budget process review
- Overview of Proposed FY 2021-22 Budget
  - Budget Summary and highlights
  - Investments in Council priorities
- Next Steps
  - Public Hearing and Budget Adoption
  - Ongoing work on Rescue Plan & other initiatives

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Key Takeaways

- Proposed Budget is based on internal work, Council priorities, and community input including a continuation of the reimagining public safety process.
- Proposal is a balanced and fiscally responsible budget
  - Funds investments in Council priorities through a property tax rate above revenue neutral.
  - Funds core community services in a time of rising costs.
  - Strategically utilizes fund balance to advance goals.
  - Continues funding for capital improvements program.

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Fiscal Year 2021-22 (FY22) Proposed Budget Overview

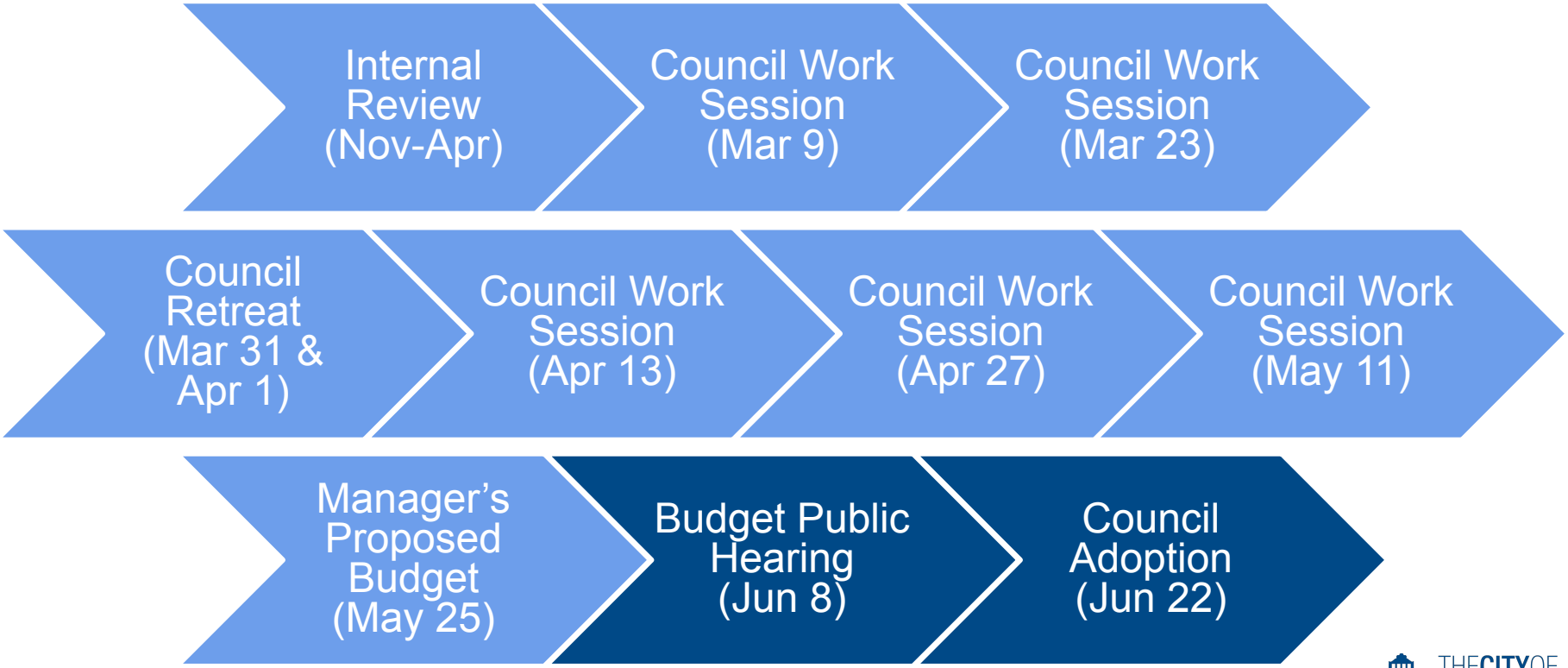
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Council Work Sessions Review

Date	Topics Covered at Work Session	
Mar 9	• Budget introduction, • Current fiscal year update	• Revenue neutral tax rate • Compensation study results
Mar 23	• Enterprise funds • Changes to fees	• American Rescue Plan (ARPA)
Apr 13	• Base General Fund budget • Capital Improvement Program (CIP)	• American Rescue Plan (ARPA)
Apr 27	• Council priorities and potential investments • Revenue neutral tax rate	• American Rescue Plan (ARPA)
May 11	• Draft recommendations	

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Key Budget Dates for Council



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Internal Budget Development

Process Drivers	• Social, economic, environmental & racial justice. • Expected limited new revenue.
Challenges Identified	• Too few resources spread over services. • Differences in access to information and organization lead to inconsistent service delivery. • Inclusive community input is difficult to obtain.
Response Strategies	• Refocus engagement to neighborhood level. • Develop clear data-informed framework for decision making.

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Community Engagement Updates

Process Drivers	• Continued conversation from reimagining public safety work in 2020. • Online survey and 6 virtual sessions.
Challenges Identified	• Connecting City budget to individuals. • Access to City staff and services. • Support for neighborhoods.
Response Strategies	• Strategies identified through internal budget work. • Funding for small-scale neighborhood investment.

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Community Engagement Sessions

Interest in:

- Understanding how 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.

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Employee Engagement Sessions

Interest in:

- Compensation as an important part of feeling valued.
- More staff resources to address both Council priorities and core service delivery.
- More strategically using existing resources.
- More coordinated community engagement.

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City Council Strategies & Priorities

Process Drivers	Development of City Council priorities from Vision 2036 through priority strategies identified in 2019 to four priorities from April City Council Retreat.
Priorities Identified	• Reparations • Reimagining Public Safety • Compensation • Utilization of ARPA funding
Response Strategies	• Utilize internal and community strategies to guide future investments in priorities.

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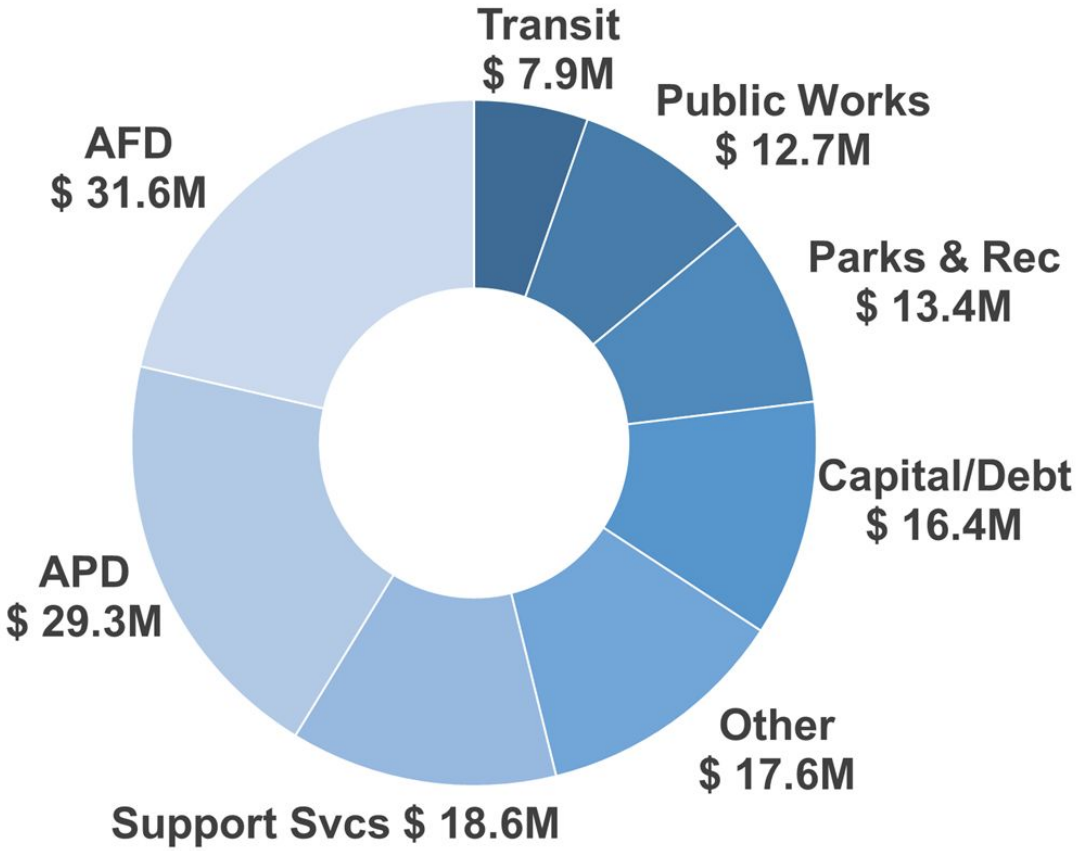
Proposed Budget: Fund Summary

	FY21	FY22	Change
General	$ 134.8M	$ 147.4M	$ 12.6M
Water	$ 33.2M	$ 36.7M	$ 3.5M
Transit	$ 12.3M	$ 13.2M	$ 0.9M
Parking	$ 6.6M	$ 7.1M	$ 0.4M
Stormwater	$ 6.6M	$ 6.8M	$ 0.2M
Harrah's Center	$ 3.8M	$ 4.5M	$ 0.7M
Street Cut	$ 1.9M	$ 1.9M	$ 0.0M

Net Total FY22 Budget: $ 201.7M

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General Fund Overview



Department	Change from FY21
AFD	$ 3.8M
Parks & Rec	$ 2.6M
Support Svcs	$ 2.6M
Other	$ 1.5M
Transit	$ 1.1M
Public Works	$ 1.1M
Capital/Debt	$ 0.1M
APD	$ 0.0M

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Proposed FY 2021-22 Budget: New & Ongoing Investments

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FY22 Budget Investment Categories

- Reparations
- Reimagining Public Safety (Safe Communities)
- Employees & Workforce
- Neighborhoods & Housing
- Youth
- Transportation
- Environment
- Economic Development

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FY22 Investment: Reparations

New Investments	
$ 200k	Reparations planning & community engagement process (fund balance)
$ 1.0M	Reparations initial allocation (fund balance)

Other outside investments from possible hotel rezonings (Community Benefits Table)

FY22 Investment: Reimagining Public Safety (Safe Communities)

Funds reallocated from sworn position vacancies	
$ 2.0M	APD compensation study implementation and additional overtime costs for coverage.
$ 42k	APD training including deescalation, verbal judo, crisis intervention, and fair and impartial policing trainings.
$ 180k	Increased cost for body worn camera maintenance.
$ 110k	Additional funding for noise ordinance and animal control services in Development Services Department.

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FY22 Investment: Reimagining Public Safety (Safe Communities)

New Investment	
$ 583k	Fall 20201 hire of additional 15 firefighters to staff new Broadway Public Safety Station (opening fall of 2022).
Ongoing Investments	
Data and neighborhood service enhancements and additional homeless outreach that were approved last fall as part of the initial phase of reimagining public safety.	
New Community Engagement Office within the Asheville Police Department.	

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FY22 Investment: Employees & Workforce

New Investments	
$ 1.1M	Fund FY21 frozen positions.
$ 700K	Increases the City's contribution to the NC Local Government Retirement System by the required 1.2% for all employees.

Ongoing Investment

Maintains employee contributions and employer contributions to the City's healthcare program at the same level for the 4th consecutive fiscal year.

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FY22 Investment: Employees & Workforce

Compensation Study Investments	
$ 7.9M	Funds implementation of the Archer Compensation Study recommendations for employees on the Public Safety Pay Plans. Brings all other employees up to the new Archer-recommended minimum pays or provides a 2.5% pay increase, whichever is greater.
Adds 2 new paid holidays (Juneteenth and Veteran's Day).	
Adds 8 weeks of paid parental leave.	
Adds 6 weeks of paid leave for care of qualified family member with a serious health condition.	

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FY22 Investment: Employees & Workforce

Compensation Costs	To Min or 2.5%	Police (Sworn)	Fire	Total
General Fund*	$ 2.28M	$ 1.66M	$ 2.72M	$ 6.67M
Water	$ 0.91M			$ 0.91M
Parking	$ 0.05M			$ 0.05M
Street Cut	$ 0.03M			$ 0.03M
Stormwater	$ 0.25M			$ 0.25M
Total	**$ 3.52M**	**$ 1.66M**	**$ 2.72M**	**$ 7.91M**

** Includes HCCA & Transit*

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FY22 Investment: Employees & Workforce

Est. Annual Salary for Position	Est. Additional Budget for Implementation	FTEs
$30,000 & below	$ 244,000	20.5
$30,001 - $40,000	$ 2,715,000	388
$40,001 - $50,000	$ 2,591,000	416
$50,001 - $60,000	$ 1,355,000	238
$60,001 - $70,000	$ 476,000	95
$70,001 - $80,000	$ 264,000	73
$80,001 - $90,000	$ 98,000	29
$90,001 - $100,000	$ 60,000	21
$100,001+	$ 119,000	29

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FY22 Investment: Neighborhoods & Housing

New Investment	
$ 150k	Homeowners' tax assistance program.
$ 150k	Small-scale neighborhood grants (total of $200k).
Ongoing Investments	
$ 500k	Annual Housing Trust Fund contribution.
$ 225k	LUIG & fee rebates for affordable housing.
$ 2M (per yr)	Additional funding within the existing CIP through lower interest rates and revised spending schedules to fund sidewalks, road resurfacing, facilities, etc.

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FY22 Investment: Youth

New Investments	
$ 450k	Expand evening & weekend hours at rec centers.
$ 300k	Expand level of service in high use parks & facilities.
Ongoing Investments	
$ 257k	CAYLA Program
$ 242k	Strategic Partnership Funding

Partnership with City Schools on Positive Opportunities Develop Success (PODS) at recreation centers.

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FY22 Investment: Transportation

New Investments	
$ 1.1M	Planned October 2021 transit service changes: ● Extended evening hours (completion of Yr. 1 of TMP) ● S3 and S6 increase frequency (from 90 to 45 min)
$ 175k	Increased cost of existing transit service.
$ 154k	Full year funding of River Arts District Transportation Improvement Project (RADTIP) maintenance.

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FY22 Investment: Environment

New Investments	
$ 300k	Additional funding to maintain the City's household recycling program in a time of increasing industry costs.
$ 200k	Additional funding for storm response.
Ongoing Investments	
$ 425k	Green Savings Program (Total available July 1).

Continue to provide tree ordinance implementation and enforcement with existing staff during the next fiscal year, and assess future needs as construction activity increases.

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FY22 Investment: Economic Development

New Investments	
$ 380k	Additional funding to meet the City's previously approved economic incentive agreements.
Ongoing Investments	
$ 60k	Reallocate contracted services budget to fund new position in Asheville Business Inclusion Office (ABIO).

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Proposed FY 2021-22 Budget: Funding Investments

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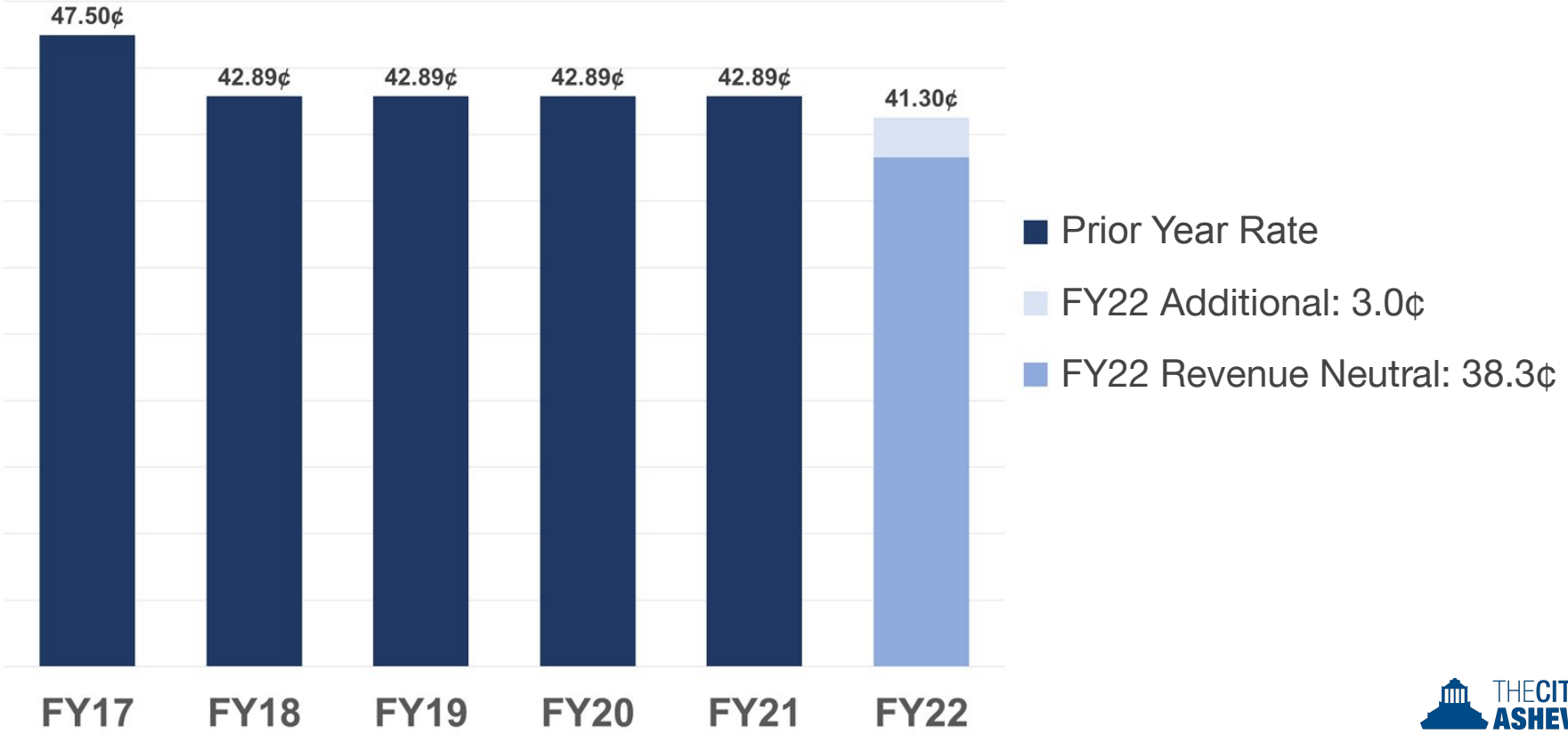
Priorities & Funding Sources

New Investments	
Reparations process	$ 0.2M
Reparations Fund	$ 1.0M
Employee compensation	$ 6.7M
Transit Expansion	$ 1.1M
Parks	$ 0.75M
Neighborhoods	$ 0.15M
Total	***$ 9.9M***

Available Funding	
Base revenue	$ 1.3M
Fund balance	$ 1.3M
APD Savings	$ 1.7M
Total	***$ 4.3M***
Gap	***$ 5.7M***

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Property Tax Rate History



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Next Steps

Next Steps: After Budget Presentation



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Next Steps: After Budget Presentation

- Develop spending plan for American Rescue Plan (ARPA)
- Continue reimagining public safety work, including:
  - Planning with Buncombe County for 911 consolidation utilizing existing APD telecommunications budget.
  - Assess APD's role in Asheville Housing Authority properties and Asheville City Schools.
  - Develop budget proposals for crisis response team for mental health & substance abuse and houselessness response team.

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Next Steps: After Budget Presentation

- Reparations process next steps:
  - Information & Truth Telling Speaker Series
  - Establish Community Reparations Commission
- Partner with Buncombe County on homeowners' tax assistance program.
- Work with community partners to identify recreation programming needs.
- Midyear assessment of stormwater and sanitation services.

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Discussion