FY 2020-21 Manager's Recommended Budget Amendment

September 22, 2020

THE CITY OF ASHEVILLE



Overview

- Overview of budget process
- Brief Financial Update
- FY 2020-21 Manager's Recommended Budget Amendment
  - Reimagining Public Safety
  - Investment Recommendations
- Next Steps: FY 2021-22 Budget Process

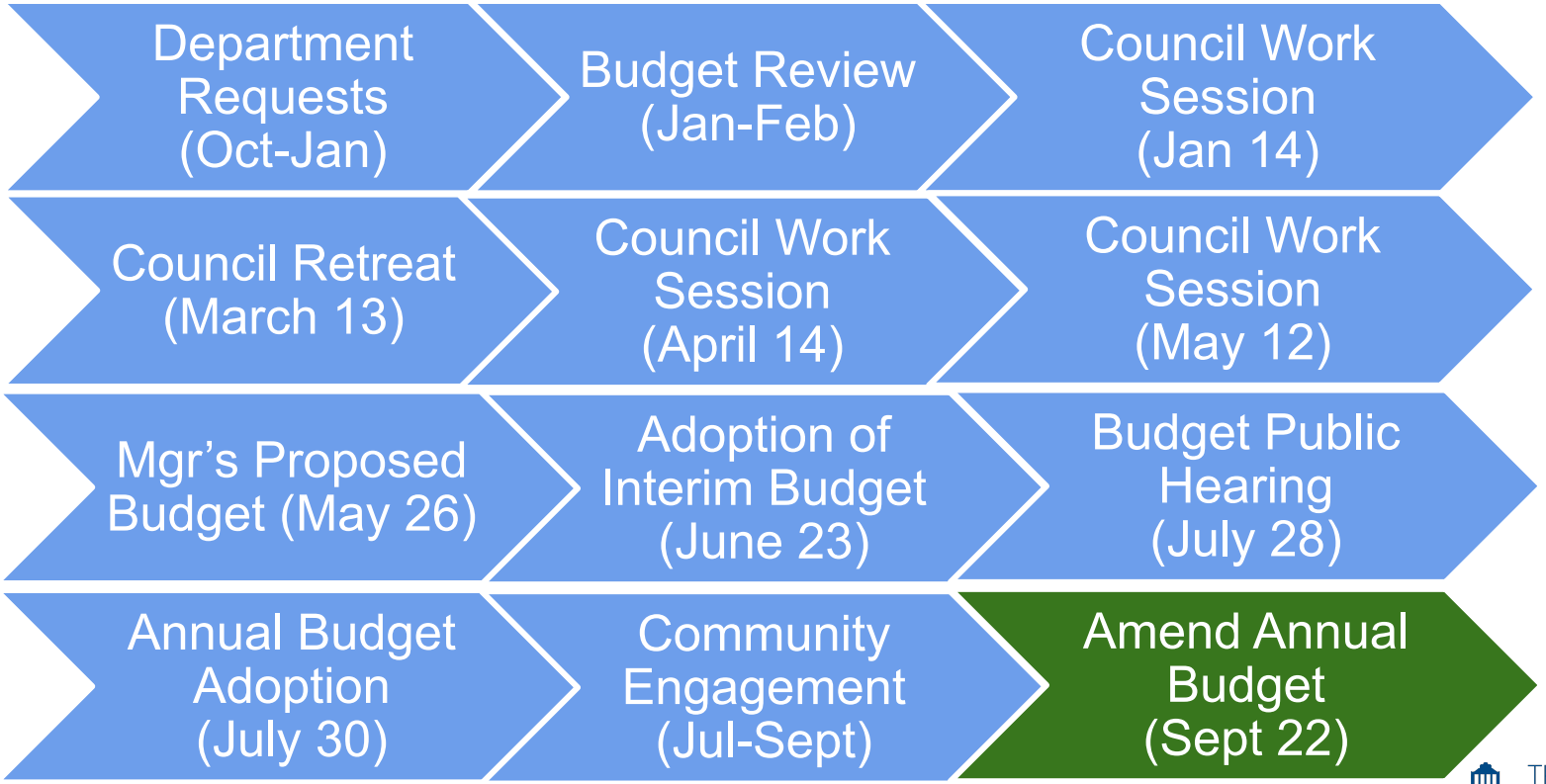
THE CITY OF ASHEVILLE

Key Takeaways

- FY 2019-20 financial results better than expected but ongoing uncertainty.
- Budget amendment includes the initial reallocation and reinvestment of approximately $770,000 from the Police Department budget.
- Budget recommendations are only the beginning of the effort to reimagine the delivery of public safety services in Asheville.

THE CITY OF ASHEVILLE

Budget Process Overview



THE CITY OF ASHEVILLE

Budget Process Overview

- Required public hearing held on July 28.
- Adopted annual budget on July 30 with three months of funding for each department.
- Tonight's budget amendment if approved will:
  - Fund departments for the remaining 9 months.
  - Amend departmental budgets to reallocate funding from Police to other departments.

THE CITY OF ASHEVILLE

9-Month Budget Amendment

Fund	3 month	9 month	Total
General	57,554,202	77,209,368	134,763,570
Water	14,119,391	19,115,921	33,235,312
Transit	11,094,571	1,162,082	12,256,653
Parking	1,900,948	4,746,732	6,647,680
Stormwater	1,692,915	4,887,427	6,580,342
HCCA	1,145,557	2,658,501	3,804,058
Street Cut	582,825	1,294,279	1,877,104

THE CITY OF ASHEVILLE

Financial Update

THE CITY OF ASHEVILLE

Preliminary Year-End Results

- Sales tax revenue losses were unprecedented but not as bad as expected.
- Coronavirus Relief Funding (CRF) helped offset expenses.
- Fund balance usage less than originally estimated.
    - Final numbers after the financial audit is completed in October.

THE CITY OF ASHEVILLE

Sales Tax Update

FY20 Final Quarter	April	May	June
Estimate	-30.00%	-20.00%	-10.00%
Actual	-19.35%	-8.27%	1.38%

FY20 Total	May Estimate	Actual
Total Receipts	$ 26,049,399	$ 26,921,766
Sales Tax Budget	$ 27,650,204	$ 27,650,204
Amount Under Budget	$ (1,600,805)	$ (728,438)

THE CITY OF ASHEVILLE

General Fund Balance Update

- Original estimate:
  - Decline of $2.5 - $4.5M.
  - Available fund balance of 14-16%.

- Updated estimate:
  - Decline of $0.5M - $2.0M.
  - Available fund balance of 16-17%.

THE CITY OF ASHEVILLE

Financial Update Summary

- Economic outlook remains uncertain.
- No budget additions recommended at this point.
- Continuation of soft hiring freeze through first half of fiscal year.
- Update Council after completion of annual audit.

THE CITY OF ASHEVILLE

Fiscal Year 2020-21 (FY21) Manager's Recommended Budget Amendment

THE CITY OF ASHEVILLE

Budget Recommendations

4 Animal Control positions (reassigned to DSD)	$220,000
1 Assistant to the Chief position (funding reassigned to CAPE; individual moving into another position)	$110,000
2 Park Warden positions (1 position reassigned to Parks and Recreation and 1 vacant position to a partner agency)	$90,000
6 Telecommunicator positions (all currently vacant; funding being reassigned to ITS and DSD)	$300,000
Salary savings from sworn police officer positions (resignations between July and September - one-time payment to partner organization(s))	$50,000
Total	**$770,000**

THE CITY OF ASHEVILLE

Potential Recommendations for FY21-22

- Work with Buncombe County to consolidate the 911 emergency call center to more efficiently respond and deploy resources.
- Create a collaborative rapid response team for mental health, drugs and alcohol, homeless, and domestic violence calls.
- Develop new model(s) for School Resource Officers to support student mentoring and other identified needs in schools.
- Work with tenants and Housing Authority staff on new model(s) to enhance safety in Housing Authority communities.

Key Takeaways

- FY 2019-20 financial results better than expected but ongoing uncertainty.
- Budget amendment includes the initial reallocation and reinvestment of approximately $770,000 from the Police Department budget.
- Budget recommendations are only the beginning of the effort to reimagine the delivery of public safety services in Asheville.

THE CITY OF ASHEVILLE

Questions

THE CITY OF ASHEVILLE