



**POST-HEARING COMMENTS TO THE  
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION  
REGARDING THE PROPOSED  
EMERGENCY RESPONSE STANDARD  
TO REPLACE THE EXISTING FIRE BRIGADES STANDARD UNDER  
29 CFR 1910.156  
(DOCKET No. OSHA-2007-0073)  
JANUARY 17, 2025**

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## **PRELIMINARY STATEMENT**

### **FASNY URGES OSHA TO EXEMPT THE VOLUNTEER FIRE SERVICE FROM THE PROPOSED RULE AS WRITTEN.**

As the voice of New York's 80,000 volunteer firefighters, the Firefighters Association of the State of New York ("FASNY") has informed, educated, and trained the volunteer fire service since 1872. We are the largest state association of volunteer firefighters in the United States. We advocate for New York's volunteer firefighters and ambulance workers at the state and national levels, working hand in hand with our elected representatives to enact laws that best protect our first responders and the communities we serve. In furtherance of this mission and FASNY's 153 years of advocacy on behalf of the volunteer fire service of New York State, it is clear that voluntary emergency response organizations must be specifically exempted in full from the proposed Emergency Response Standard under 29 CFR 1910.156.

In his remarks to open the public hearing in this matter, Assistant Secretary of Labor Douglas Parker stated "OSHA does not directly cover volunteers." Despite this, the Proposed Rule purports to directly cover volunteers through a one-size-fits-all approach. While FASNY recognizes OSHA's efforts to promote our mutual goal of ensuring firefighter safety, the Proposed Rule is neither technologically nor economically feasible for volunteer fire departments to comply with, and would unnecessarily and disproportionately burden volunteer first responders and the communities we serve as compared to our paid counterparts. As a result of OSHA's failure in proof and the clear technological and economic infeasibility of the proposed rule with respect to volunteers, FASNY urges OSHA to exempt the volunteer fire service from the Proposed Rule as written.

In evaluating alternatives to the Proposed Rule in February 2021, **OSHA estimated that exempting volunteers from the Proposed Rule would save our communities \$220 million annually.**<sup>1</sup> This figure is staggering and, in all likelihood, is exponentially larger now given the inflationary environment that has occurred in the intervening four years. I note that this option was stated as Alternative No. 1 by the Small Business Advocacy Review Panel in its Preliminary Initial Regulatory Flexibility Analysis in 2021.

Following the exemption of volunteers from the rule as written, we are committed to working with OSHA to develop a rule through a full negotiated rulemaking process that is relevant and achievable by the volunteer fire service and properly affords volunteer fire and EMS stakeholders the opportunity to provide input and data necessary to satisfy OSHA's burden of proof prior to the issuance of a proposed rule.

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<sup>1</sup> See P. 148, Table VIII-2, at <https://www.regulations.gov/document/OSHA-2007-0073-0115>.



If OSHA insists on adopting the proposed rule as written, the most appropriate course is to exempt volunteers and identify its proposal as aspirational and non-mandatory in nature with respect to the volunteer fire service. This would allow our communities to gradually implement those portions of the Proposed Rule on a voluntary basis to the extent applicable to the unique needs of their community. A hallmark of FASNY's advocacy is championing enhancements to firefighter safety and readily available training for the benefit of volunteer firefighters, and we welcome continued growth in these areas in a way that accurately accounts for the economic and technological concerns unique to volunteer service.

We support continued and readily available training through the New York State Office of Fire Prevention and Control ("OFPC"), and refer OSHA to the Recommended Best Practices for Fire Department Training Programs FASNY developed with OFPC and other fire service organizations as a model for how this should look [Exhibit B and Exhibit C hereto]. Critically, these recommended best practices are non-mandatory and provide guideposts to allow volunteer fire service organizations to establish training and education curriculum for their personnel that best reflect the hazards or geographical complexities of their local response area.<sup>2</sup> We have proven that a model that works for all when our regulators work hand-in-hand with us to develop reasonable and achievable safety and performance standards. This is the type of document that OSHA should encourage other States to follow.

In support of FASNY's post-hearing comment, I attach the following exhibits for consideration:

- Exhibit A:** Opinion Letter of the Wage and Hour Division of the United States Department of Labor, August 7, 2006, FLSA2006-28.
- Exhibit B:** Correspondence of Dr. Eileen Franko, DrPH, Director, Division of Safety and Health, New York State Department of Labor relating to Best Practices For Fire Department Training Programs, dated April 14, 2015.
- Exhibit C:** New York's Recommended Best Practices For Fire Department Training Programs.
- Exhibit D:** 2025 Budget of Asheville, North Carolina, including \$41.5 million for fire protection.

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<sup>2</sup> FASNY previously submitted the Recommended Best Practices for Fire Department Training Programs document as Exhibit C to its public hearing testimony, and includes this document again with this submission as Exhibit C for ease of reference.





## **POINT I**

### **OSHA’S FAILURE TO SATISFY ITS EVIDENTIARY BURDEN OF PROOF REQUIRES AN EXEMPTION FOR VOLUNTEERS FROM THE PROPOSED RULE.**

Under the Occupational Safety and Health Act (OSH Act), OSHA must have "substantial evidence" supporting the need for the rule, meaning a significant body of data, research, and expert opinion demonstrating a real and significant workplace hazard that justifies the proposed standard, before proposing a new safety regulation. The evidentiary burden is on OSHA to show what the affected industry will be capable of in the future on the basis of "credible sources of information". At all times, it is incumbent upon OSHA to support its proposals through substantial evidence in the record. The substantial evidence standard is more stringent than the arbitrary and capricious standard by which most other agency regulations are reviewed.

The NPRM and public hearing made clear that OSHA lacks credible evidence – let alone substantial evidence – to impose the Proposed Rule upon volunteers. This fact manifested itself through the OSHA Panel’s repeated requests to volunteer speakers throughout the hearing seeking data at this late stage, after publication of the Proposed Rule. Such requests are akin to trying to add more ingredients to a cake that was already baked. It is notable that no such data requests were made by the OSHA Panel to paid fire departments.

Conversely, substantial evidence in the record – including thousands of written comments and hundreds of speakers at the public hearing – demonstrates that the proposed rule is neither feasible from an economic or technological standpoint nor necessary for New York’s volunteer fire service and the communities we serve. With respect to volunteers, there is no record support for any conclusion other than an exemption for volunteers from the proposed rule as written.

## **POINT II**

### **OSHA SHOULD ADOPT THE “20 PERCENT RULE” ESTABLISHED BY THE WAGE AND HOUR DIVISION OF THE UNITED STATES DEPARTMENT OF LABOR FOR PURPOSES OF DEFINING VOLUNTEERS THAT ARE EXEMPT FROM THE PROPOSED RULE.**

In furtherance of FASNY’s recommendation that OSHA exempt all volunteers from the Proposed Rule, we are mindful of the need to define the term “volunteer” for purposes of such an exemption. Consistent with the recommendation of our sister association, the International Association of Fire Chiefs (IAFC), OSHA should adopt the “20% Rule” to define a volunteer. The 20% rule was established by the Wage and Hour Division of the United States Department of Labor in an Opinion from 2006 [Exhibit A]. The “20% Rule” defines a volunteer as any person whose total compensation is less than or equal to 20% of the total compensation paid to a paid full-time firefighter for performing comparable services in the same market area.



If OSHA insists on adopting the proposed rule as written, the most appropriate course is to apply that rule to paid personnel over the 20% Rule threshold only, and identify its proposal as aspirational and non-mandatory in nature with respect to the volunteer fire service, that being personnel below the 20% Rule threshold. Testimony by and on behalf of paid firefighters – at or above the 20% rule – requested application of the Proposed Rule to their ranks.

Substantial evidence supports application of the 20% Rule to all affected entities, including combination paid/volunteer fire departments. Application of the 20% Rule in this manner would allow the employer-governmental authority having jurisdiction over fire protection for a particular area to determine whether to apply the Proposed Rule across all of its firefighters or to paid firefighters only based upon its own unique community characteristics and economic abilities. This would allow high-budget areas like those referred to by Scott Mullins (on behalf of the Professional Firefighters and Paramedics of North Carolina) in Asheville, North Carolina – with a 2025 Fire Department budget of \$41.5 million and 301 full-time-equivalent-employees [Exhibit D] – to apply the proposed rule across their combination firefighter ranks as necessary while ensuring the continued viability of volunteer fire departments with significantly lower budgets.

Substantial evidence in the record, including the testimony of the Virginia State Firefighters Association, the Wisconsin State Firefighters Association, Jonathan F. Schulz, Fire Coordinator & Director of Emergency Services for Niagara County, New York, Timothy Marshall, Director of Public Safety of Steuben County, New York, and Ted Aroesty of the Brighton Fire District in Monroe County, New York supports the conclusion that fire departments comprised of paid and volunteer personnel already work well together despite varying levels of training among their ranks. There is no evidence in the record that any operational or safety concerns would arise in the event that volunteers are exempted from the Proposed Rule. To the extent such unfounded concerns exist, it is noted that the local governmental authorities having jurisdiction over the provision of fire protection have the inherent authority to adopt rules and regulations governing minimum levels of training and staffing applicable to response within their jurisdictions and mutual aid responses.

### **POINT III**

#### **VOLUNTEERS MUST BE EXEMPTED FROM THE PROPOSED RULE BECAUSE IT IS NOT TECHNOLOGICALLY FEASIBLE.**

With particular application to OSHA, courts have defined feasibility in the technological sense as “capable of being done”. A standard is technologically feasible if the protective measures it requires already exist, can be brought into existence with available technology, or can be created with technology that can reasonably be expected to be developed. OSHA has not satisfied its burden of proof by demonstrating by substantial evidence in the record that the proposed rule is technologically feasible.



Rather, substantial evidence in the record demonstrates that the Proposed Rule is *not* technologically feasible for volunteers. Some examples of the technological infeasibility of the Proposed Rule include, but are not limited to, the following:

**(1) Training courses are nonexistent or severely lacking in availability for volunteers.**

The New York State Division of Homeland Security and Emergency Services, Office of Fire Prevention and Control (“OFPC”) explained “the rule, as proposed, will create significant administrative and operational burdens for fire departments in New York State” (emphasis added). OFPC echoed what FASNY is telling you now, which is that “the rule’s impact analysis is flawed as it underestimates the implementation costs and impacts to fire departments, particularly volunteer, that operate on small budgets and cannot absorb the work necessary for compliance” (emphasis added).<sup>3</sup> FASNY agrees with OFPC that thrusting the proposed rule upon the volunteer fire service would unnecessarily disrupt and de-rail the progress we have made in New York with respect to training and educating volunteer firefighters.

OFPC is responsible for training paid firefighters and volunteer firefighters alike, and will undoubtedly bear any burden associated with the implementation of the proposed rule for paid firefighters. At present, many areas of our State, including Westchester County, have a waitlist of new Firefighter-1 volunteer recruit candidates waiting for introductory level OFPC-approved course availability. This is the case without any of the OSHA-imposed training suggested under the Proposed Rule, including new, higher-level officer courses that are either not offered or have scant availability.

**(2) Fitness centers, medical testing, mental health resources, and NFPA 1582 physical providers are not available in all geographic areas, rendering compliance with the Proposed Rule impossible.**

Speakers from across the nation testified that the level of physical exam called for under NFPA 1582 is not available in their jurisdictions. While paid personnel like David Hoagland of District of Columbia IAFF Local 36 testified that they were able to include NFPA 1582 physicals for their members during collective bargaining negotiations, those physicals were already an *available* option given Local 36’s situs in a major metropolitan area.

OSHA should pay particular attention to the testimony of Dr. Kathleen Hallinan, M.D., a member of the New York State Emergency Medical Advisory Committee. Dr. Hallinan testified extensively regarding the limited availability of medical providers to perform the work called for in the Proposed Rule. Dr. Hallinan testified “I am very

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<sup>3</sup> See <https://www.regulations.gov/comment/OSHA-2007-0073-4096> (Document OSHA-2007-0073-0118).



concerned that the resources in our communities are far less than needed to fulfill these requirements. We have months-long wait times just to get a stress test done.”<sup>4</sup>

Dr. Hallinan also cautioned OSHA on its improper reliance upon the New England Journal of Medicine as not representative of technological and economic circumstances of volunteer responders. Dr. Hallinan cautioned OSHA that the Proposed Rule would result in an “unbearable” workload on volunteers to try and comply with the rule, and cautioned that “having these requirements without the resources is just spinning our wheels.”<sup>5</sup>

Dr. Warren Silverman, M.D., who is board certified in internal and occupational medicine, cautioned OSHA on the cost of the physicals on volunteer departments, the reduced risk applicable to volunteer firefighters, and the Proposed Rule’s misapprehension of the role of a firefighter’s primary care physician as compared to an occupational physician hired by the employer.

The American Ambulance Association and Connecticut EMS Advisory Board also offered persuasive testimony relative to the infeasibility of this component of the proposed rule to EMS providers.

With specific application to physical fitness, the SBREFA Panel recommended in December 2021 “that OSHA clarify, reduce, or eliminate the requirement for a health and fitness coordinator since the duties of this individual and the benefits they would provide are not clear.”<sup>6</sup> OSHA did not respond to that recommendation in the NPRM.

### **(3) Incorporation by Reference of NFPA Standards is a Technological Barrier to compliance and should be removed.**

As an initial matter, the NFPA itself opposes incorporation by reference of its aspirational standards relative to the Proposed Rule.<sup>7</sup> FASNY joins the NFPA in opposing the incorporation by reference of any NFPA-based aspirational standard into law. These rules are not reasonably available to the public.

During the public hearing, Chief Tim Bradley of the North Carolina State Firefighters’ Association spoke powerfully on this point, stating that the NFPA standards “were never intended to be used” in the way OSHA has deployed them in the Proposed Rule. Chief Bradley’s comments in this regard are particularly persuasive given that he served as Chair of the NFPA’s Professional Qualification Committee for Fire Instructor for 15 years. Ed Hawthorne of DFW Dynamics offered similar testimony with respect to the inappropriateness of incorporation by reference of any NFPA standard.

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<sup>4</sup> See p. 239 <https://www.regulations.gov/document/OSHA-2007-0073-4464>.

<sup>5</sup> See p.237, 241, 249-250 at <https://www.regulations.gov/document/OSHA-2007-0073-4464>.

<sup>6</sup> See p. 29, <https://www.regulations.gov/document/OSHA-2007-0073-0115>.

<sup>7</sup> See <https://www.regulations.gov/comment/OSHA-2007-0073-4110>.



**(4) There is a lack of available new apparatus and a lack of certified or qualified technicians to perform inspections on existing apparatus under NFPA 1910 that results in technological infeasibility of the proposed rule.**

During the hearing, dozens of speakers commented that trained personnel and/or facilities capable of performing the level of inspection on apparatus called for in the Proposed Rule. OSHA has also not accounted for the significant expense and lead time for the acquisition of new apparatus since the onset of the Covid-19 pandemic. A new, front-line fire engine costs approximately \$1million now, and manufacturers now have lead times between four and five years from the date of order to the date of delivery.

**POINT IV**

**VOLUNTEERS MUST BE EXEMPTED FROM THE PROPOSED RULE BECAUSE IT IS NOT ECONOMICALLY FEASIBLE.**

Substantial evidence in the record demonstrates that the Proposed Rule is not economically feasible for volunteers. Courts have defined an economically infeasible standard as one that would make “financial viability generally impossible” for an industry.<sup>8</sup> The Supreme Court has held that OSHA must determine that the industry will maintain long term profitability and competitiveness when establishing the economic feasibility of a standard.

As noted above, OSHA believes that exempting volunteers from the Proposed Rule as written would save our communities \$220 million annually (in 2021 dollars).<sup>9</sup> This figure alone warrants an exemption for volunteers in view of OSHA’s absence of proof to justify application of the rule to volunteers, as well as the record evidence supporting an exemption for volunteers.

OSHA’s “estimated average annualized cost per public organization of \$17,012” to implement the proposed rule is grossly inaccurate and significantly underestimates the actual cost of compliance, notwithstanding the fact that compliance would not be financially attainable for many communities served by volunteer firefighters.<sup>10</sup> In its prehearing testimony, FASNY submitted budgetary information for all Fire Districts in New York. This information is unrefuted in the record and demonstrates both the inaccuracy of OSHA’s presuppositions regarding volunteer-based fire budgets and the economic infeasibility of the proposed rule with respect to volunteers.

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<sup>8</sup> *Indus. Union Dep’t v. Hodgson*, 499 F.2d 467, 477–78 (D.C. Cir. 1974).

<sup>9</sup> See p. 148, Table VIII-2, at <https://www.regulations.gov/document/OSHA-2007-0073-0115>.

<sup>10</sup> See NPRM at p. 496.



Absent from OSHA's "cost of compliance" discussion was any consideration of the human capital already paid by the volunteers of New York. The duty of extinguishing fires is a public duty payable by all, but borne by few. New York's volunteer firefighters already take upon themselves the full share of labor and danger belonging to the many *at no cost* to our neighbors. We are called to respond at all times and to all manner of dangers at the expense of our families and our regular, full-time jobs. We hold pancake breakfasts and fish-fry fundraisers to fund our organizations, and undergo training on our own time and expense. Numerous speakers at the public hearing – and the SBREFA Panel before that – identified the severe economic infeasibility of the Proposed Rule with respect to volunteer exempt organizations under Internal Revenue Code Section 501(c)(3) that OSHA must take into account.

OSHA places the burden of its estimated "cost of compliance" on either the volunteer "Fire Chief" or the volunteer "Organization" itself, without regard to whether such uncompensated persons can allocate additional time from their family and professional lives to take on hundreds of hours of more unpaid work. Many speakers testified at the public hearing that if the Proposed Rule was adopted as written, volunteer fire departments would have to hire non-firefighter administrative staff just to absorb these additional functions. This is an unfunded mandate upon volunteers and the communities we serve.

Hundreds of speakers at the public hearing commented that OSHA's one-size-fits-all approach in the proposed rule is fundamentally flawed because of the disparate needs and financial realities of volunteer fire departments. In New York, the governmental authorities having jurisdiction over volunteer fire service are subject to a statutory limit on annual tax levy increases to the lesser of the rate of inflation or 2%.<sup>11</sup> Testimony and written submissions demonstrated that a similar cap is in place in other states as well. Even with the benefit of the free labor force that volunteers provide, our cities, towns, villages, and fire districts are hard-pressed to keep property taxes within that cap **before** accounting for any of the additional costs that would result from implementation of the Proposed Rule.

Another critical miscalculation apparent in the Proposed Rule is OSHA's presupposition that the cost of annual physicals is borne by insurance or other third-party payors. OSHA explained "one complexity to note in the economic impact of the rule is that the agency anticipates that part of the cost of the rule will not be borne directly by affected emergency response entities but will be dispersed widely in the economy because the cost of medical examinations will be borne in part by insurance companies and other third parties."<sup>12</sup> OSHA's statement that the cost of firefighter physicals "do not pose issues for the economic feasibility of the rule to emergency response organizations" is incorrect with respect to New York's volunteer fire service,

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<sup>11</sup> See <https://www.osc.ny.gov/press/releases/2024/07/dinapoli-tax-cap-remains-2-percent-2025>

<sup>12</sup> See NPRM at p. 494.





which bears the full cost of annual firefighter physical exams.<sup>13</sup> Accordingly, OSHA must consider the full cost of firefighter physicals within its “cost of compliance” analysis.

In December 2021, the SBREFA Panel cautioned OSHA as follows:

“The Panel recognizes that OSHA must show that a standard is economically feasible as part of the agency’s legal requirements **but highlights here that it is especially important in this circumstance where infeasibility may affect public safety (emphasis added)**. There are also additional analytical challenges given that traditional government data sources may not adequately capture the financial situation of volunteer ESOs that rely entirely on donations to fund their operations and that typical methodologies and assumptions used to establish economic feasibility may not be applicable for all-volunteer ESOs that lack a dedicated source of funding.”

“The Panel recommends that OSHA thoroughly consider these unique situations, explain how the economic feasibility analysis took these situations into consideration, and what, if any, adjustments the agency made to the feasibility assessment, including to account for ESOs that are sustained wholly by donations from the community.”<sup>14</sup>

The Proposed Rule does not reflect consideration of the SBREFA Panel’s warning, and is fundamentally flawed in its one-size-fits-all approach and economic infeasibility with respect to volunteers. Accordingly, FASNY urges OSHA to exempt volunteers from the Proposed Rule as written.

## **POINT V**

**TO THE EXTENT OSHA CONSIDERS ANY AMENDMENT OR ALTERNATIVE TO THE PROPOSED RULE THAT WOULD STILL INCLUDE VOLUNTEERS WITHIN ITS SCOPE, SUCH CHANGES MUST GO THROUGH A NEW, FULLY NEGOTIATED RULEMAKING PROCESS THAT INCLUDES APPROPRIATE VOLUNTEER INPUT FROM THE BEGINNING.**

The public comment and public hearing processes made clear that volunteer firefighters have significant concerns about the technological and economic infeasibility of the Proposed Rule in their communities, and that OSHA did not properly engage volunteers or develop sufficient or valid information to impose the Proposed Rule upon volunteers. To the extent that OSHA considers changing the Proposed Rule at this late stage, whether on its own or upon request from other entities citing alternative proposals, FASNY submits that OSHA must address any such changes to a new, fully negotiated rulemaking process where relevant stakeholders are convened and all

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<sup>13</sup> See NPRM at p. 494.

<sup>14</sup> See p. 26, at <https://www.regulations.gov/document/OSHA-2007-0073-0115>.



volunteers are provided with the opportunity to review and comment on any revised rule. The record is devoid of substantial evidence to support an illogical extension of the Proposed Rule in any format that all volunteers have not yet had an opportunity to review and specifically comment on.

To the extent OSHA seeks to adopt any rule applicable to volunteer emergency response in the future, we encourage OSHA to consult with FASNY from the beginning and rely upon our experience and expertise on this subject.

## **CONCLUSION**

New York's volunteers already implement common sense training and safety programs that are attainable and rationally related to the unique hazards we encounter in our communities. Volunteer firefighters want to serve our neighbors in their time of need and return home safely when the call is done – and we are doing that right now without the proposed rule. We were encouraged by your September 17, 2024 statement indicating that OSHA is considering a full exemption from the proposed rule for volunteer firefighters. Based upon the overwhelming evidence in the record of this matter supporting an exemption in full for volunteers, we implore OSHA to listen to our fellow volunteer firefighters and the bi-partisan efforts of our elected officials and exempt volunteer emergency responders in full from the proposed rule.

I appreciate your careful consideration of the important insight that FASNY offers with respect to the volunteer fire service. Thank you for your attention.





## **Exhibit A**

**Opinion Letter of the Wage and Hour Division of  
the United States Department of Labor, August 7,  
2006, FLSA2006-28.**



**U.S. Department of Labor**  
Employment Standards Administration  
Wage and Hour Division  
Washington, D.C. 20210

**FLSA2006-28**

August 7, 2006

Dear **Name\***:

I am writing in reply to your Association's letter requesting guidance under the Fair Labor Standards Act (FLSA) on numerous hypothetical questions concerning "same type of services," "same public agency," and "nominal fee," as applied to individuals volunteering for, or employed by, a public agency.

The FLSA recognizes the generosity and public benefits of volunteering, and does not seek to pose unnecessary obstacles to *bona fide* volunteer efforts for charitable and public purposes. In this spirit, in enacting the 1985 FLSA Amendments, Congress sought to ensure that true volunteer activities are neither impeded nor discouraged. Congress, however, also wanted to minimize the potential for abuse or manipulation of the FLSA's minimum wage and overtime requirements in "volunteer" situations.

Section 3(e)(4)(A) of the FLSA and 29 C.F.R. §§ 553.101 and 553.103 (copies enclosed) indicate that an individual is a volunteer, not an employee of a public agency, when the individual meets the following criteria:

1. Performs hours of service for a public agency for civic, charitable or humanitarian reasons, without promise, expectation or receipt of compensation for services rendered. Although a volunteer can receive no compensation, a volunteer can be paid expenses, reasonable benefits or a nominal fee to perform such services;
2. Offers services freely and without pressure or coercion, direct or implied, from an employer; and
3. Is not otherwise employed by the same public agency to perform the same type of services as those for which the individual proposes to volunteer.

Please be assured that this Administration fully supports volunteerism and is committed to working with organizations like yours to ensure that citizens are able to volunteer freely their services for charitable and public purposes consistent with the law.

Your letter posits factual circumstances that test whether volunteer status is jeopardized. The first series of questions -- questions 1 through 9 -- concerns payments that a public agency may provide a volunteer. We will address these questions under Scenario 1, below. The second

series of questions -- questions 11, 14 and 15 -- goes to the issue of providing the “same type of services” to the “same public agency.”<sup>1</sup> We will address these questions under Scenario 2, below.

### **Scenario 1**

1. An individual serves as a volunteer firefighter for County A.
2. County A provides the volunteer with some monetary payment (or tax relief) calculated on a yearly, monthly, shift, or on-call basis.
3. The payment (or tax relief) varies based on factors such as the amount of time spent on the activities, length of service, number of calls, and number of shifts, but is not linked to expenses incurred by the volunteer.

Each question asks whether the particular payment negates volunteer status.

Section 3(e)(4)(A)(i) and the implementing regulations at 29 C.F.R. § 553.106 (copy enclosed) provide that a volunteer may only be paid expenses, reasonable benefits, or a nominal fee, or any combination thereof, without losing volunteer status. Examples of permissible expenses or benefit payments are described as a payment for expenses, such as dry cleaning; an allowance for a requirement, such as a uniform; reimbursement for an out-of-pocket expense, such as transportation; a payment to provide materials, such as supplies; or a payment for benefits, such as participation in group insurance plans. *See* 29 C.F.R. § 553.106(a)-(d).

Section 553.106(e) discusses what constitutes a nominal fee and the various factors to consider in determining whether a stipend is nominal. In the preamble to this provision of the regulation, the Department stated, “whether a specific amount is ‘nominal’ depends on the economic realities of the situation and that no guidelines on specific amounts applicable to all (or even most) possible situations can be provided.” *See* 52 Fed. Reg. 2012, at 2021 (Jan. 16, 1987) (copy enclosed).

While the statute and the implementing regulations do not define what constitutes a “nominal fee,” the regulations provide guidance for determining whether a fee is nominal and permissible. If a fee is not nominal, then the individual does not qualify as a volunteer and is considered an employee who is covered by the FLSA minimum wage and overtime provisions. The factors to examine in making a determination of whether an amount is nominal include, but are not limited to: (1) the distance traveled and the time or effort required of a volunteer; (2) the availability -- limited or unlimited -- of a volunteer to provide services; and (3) the basis -- as needed or throughout the year -- on which a volunteer agrees to perform services. *See* 29 C.F.R. § 553.106(e). These factors focus upon whether the fee is actually more analogous to a payment for services or recompense for something performed and, hence, not nominal. Thus,

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<sup>1</sup> In a conversation with our staff subsequent to your letter, you withdrew original questions 7, 8, 10, 12, and 13 and replaced them with two new questions. These new questions are reproduced here as new questions 7 and 8. There are no longer any questions 10, 12, or 13.

to the extent that payments are tied to productivity (*e.g.*, payment of hourly wages for services rendered), are similar to “piece rates” or are comparable to “production bonuses,” there is a greater likelihood that such fees are not nominal. However, as noted in the preamble to section 553.106(e), almost 30 percent of all volunteer firefighters are paid a small fee for each fire call to which they respond, and the rule was not intended to invalidate that model. *See* 52 Fed. Reg. 2012, at 2021. Moreover, consistent with the discussion of factors to be considered (*e.g.*, distance traveled, time and effort expended, around-the-clock versus limited availability, throughout the year versus upon request), compensation “per call” or other similar bases may be acceptable so long as they may fairly be characterized as tied to the volunteer’s sacrifice rather than productivity-based compensation. Accordingly, nothing in the statutory language would directly preclude the payment of nominal per call or even per shift fees to volunteer firefighters as section 553.106(e) specifically provides that a nominal fee can be paid on a “per call” or similar basis for volunteer firefighters.

Please also see Wage and Hour Opinion Letter FLSA2005-51 (Nov. 10, 2005) (copy enclosed) that contains a recent discussion of the Department’s consideration of what payment constitutes a nominal fee for determining an individual’s volunteer status. That opinion letter expounds upon the “economic realities” test in the context of school systems and those volunteering by assisting with extra-curricular activities, such as coaching sports or sponsoring various clubs. Specifically, this letter states that when a public agency employee volunteers as a coach or extracurricular advisor, the Department will presume the fee paid is nominal as long as the fee does not exceed 20 percent of what the public agency would otherwise pay to hire a full-time coach or extracurricular advisor for the same services. This 20 percent rule is derived from the FLSA and implementing regulations. *See* Wage and Hour Opinion Letter FLSA2005-51 (“The FLSA and the implementing regulations use a 20 percent test to assess whether something is insubstantial with regard to prohibited driving on public roadways by employees who are 17 years of age.”). A willingness to volunteer for 20 percent of the prevailing wage for the job is also a likely indication of the spirit of volunteerism contemplated by the 1985 amendments to the FLSA. We believe this interpretation of “nominal fee” applies equally in the context of firefighters.

Finally, the regulations instruct that any nominal fees must be considered in the context of any other benefits or expenses paid and the economic reality of the particular situation. Indeed, section 553.106(f) sets forth the “economic realities” test, which specifically provides that the determination of whether the expenses, benefits or fees would preclude an individual from qualifying as a volunteer under the FLSA must be made by examining the total amount of payments in the context of the economic realities of a particular situation. As your letter is silent on whether any other expenses and/or benefits are paid, the Department assumes there are no other benefits or expenses beyond the payments described in the questions.

The probative facts as we see them for each hypothetical question are set out below:

**Q.1** The volunteer is paid \$1,200 per year regardless of the number of shifts or amount of time spent responding to calls. On average the volunteer staffs a minimum of 24 shifts and/or spends a minimum of 60 hours responding to calls annually.

**Q.2** The volunteer is paid \$100.00 per month regardless of the number of shifts or amount of time spent responding to calls. On average the volunteer staffs a minimum of 4 shifts and/or spends a minimum of 8 hours responding to calls monthly.

**Q.3** The volunteer is paid \$100.00 per month so long as the volunteer staffs a minimum of 2 shifts and/or spends a minimum of 5 hours responding to calls during the month. Additional payments of \$25.00 are made for each additional shift over 4 during the month and/or for every 2.5 hours spent responding to calls exceeding 12 hours during the month.

**Q.4** The volunteer is paid \$25.00 (or \$30.00 or \$40.00) for each four-hour block of time regardless of the actual amount of time below four hours spent at the station house or responding to calls.

**Q.5** The volunteer is paid \$20.00 for each shift regardless of the length of the shift or the time spent responding to calls. On average, the volunteer works a 6 hour shift and/or spends 2 hours per shift responding to calls.

**Q.6** The volunteer is paid \$25.00 if the volunteer staffs a shift of at least 8 hours and/or spends 2.5 hours responding to calls. An additional \$15.00 per shift is paid if the shift exceeds 8 hours or responds to calls over 5 hours during a single shift.

**Q.7** An individual serves as a volunteer firefighter in Indiana. Indiana Code 36-8-12 defines “nominal” as an annual payment of not more than twenty thousand dollars (\$20,000). The volunteer is paid an annual fee of \$15,000. On average, the volunteer spends at least 3,000 hours per year waiting and responding to calls.<sup>2</sup>

**Q.8** The volunteer is paid a stipend of \$20.00 per shift regardless of the length of the shift or the amount of time spent responding to calls during the shift. For every consecutive year of volunteer service in which the volunteer has staffed not less than 12 shifts per year, the volunteer is granted an additional stipend of \$1.00 per shift regardless of the time spent responding to calls.

**Q.9** The volunteer is provided with \$1,500.00 personal property tax relief annually during the term of their volunteer service.

These questions, with the exception of question 9, specify payments to be made to the volunteer per shift, month, or year and the average number of shifts, calls, and/or hours worked by the volunteer. In some instances, additional payments are made if additional time above the required minimum is spent on shift or responding to calls. In other instances, payment increases depending on the number of years volunteered. Assuming there are no other payments or benefits provided and no other facts that bear on the question (out-of-pocket expenses, travel costs, uniform maintenance, etc.), these payments may qualify as nominal fees under § 553.106.

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<sup>2</sup> In a conversation with our staff subsequent to your letter, you withdrew questions 7, 8, 10, 12, and 13 and replaced them with two new questions. These new questions are reproduced here as new questions 7 and 8.

Generally, a key factor in determining if a payment is “substitute for compensation” or “tied to productivity” is “whether the amount of the fee varies as the particular individual spends more or less time engaged in the volunteer activities.” Wage and Hour Opinion Letter FLSA2005-51. If the amount varies, it may be indicative of a substitute for compensation or tied to productivity and therefore not nominal. *See id.*; *see also* 29 C.F.R. § 553.106(e). However, as noted above, there is a specific allowance for volunteer firefighters to be paid on a “per call” or similar basis consistent with certain factors denoting the relative sacrifice of the volunteer. *See* 29 C.F.R. § 553.106(e). Due to this specific allowance, and assuming there are no other facts showing that the payments in your hypothetical situations are a substitute for compensation or tied to productivity, it still must be determined if the payments are nominal amounts.

Applying the recent interpretation of “nominal fee” in Wage and Hour Opinion Letter FLSA2005-51, generally an amount not exceeding 20 percent of the total compensation that the employer would pay to employ a full-time firefighter for performing comparable services would be deemed nominal. Thus, in questions 1 through 6, a nominal fee could be 20 percent or less of the total compensation that County A would pay for the same services. Assuming the fee is determined to be nominal, it is less relevant whether it is paid on an annual, monthly or daily basis.<sup>3</sup> As was stated in Wage and Hour Opinion Letter FLSA2005-51, the market information necessary to complete this good faith determination is generally within your members’ knowledge and control. Any full-time firefighter a particular fire department has on its payroll would be a good benchmark for this calculation. Absent such information, a fire department or similar entity may look to information from neighboring jurisdictions, the state, or ultimately, the nation, including data from the Department of Labor, Bureau of Labor Statistics. Thus, for example, if a volunteer staffs three shifts during a month, a nominal fee should not exceed 20 percent of what it would cost to employ a full-time firefighter to staff a period to cover the equivalent of the three shifts.

Question 7 involves \$15,000 per year for volunteers who on average spend at least 3,000 hours waiting for or responding to calls. Assuming the payment does not vary depending on the productivity of the volunteer or whether the volunteer spends more or less time on volunteer activities, the payment of \$15,000 might qualify as “nominal” under the 20 percent rule if County A would otherwise need to pay \$75,000 or more to hire a full-time firefighter to perform the same services. However, it is unlikely that 3,000 hours of service (50+ hours per week) is “volunteering” rather than employment. Indeed, without knowing additional facts and circumstances about the economic realities of the locality, a payment of \$15,000 for 3,000 hours of volunteer services arguably constitutes compensation for a full-time job rather than a “nominal fee” for volunteering.

Similarly, Question 8 involves increased payment for every year the volunteer staffs a requisite number of shifts. Without additional facts, we are unable to say definitively whether this increased payment represents compensation via a seniority or productivity system based on

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<sup>3</sup> The Department has withdrawn Wage and Hour Opinion Letters September 17, 1999, April 2, 1992, and July 15, 1988 to the extent they are inconsistent with the interpretation of nominal fee in this opinion.

services rendered, and is thus not permitted, or, applying the test described above, is a “nominal fee” for volunteerism.

Question 9, involving tax relief of \$1,500 on personal property taxes, would appear to constitute a permissible “reasonable benefit” and thus need not be evaluated as a “nominal fee.” Provision of such a benefit will not, in and of itself, preclude bona fide volunteer status.

## **Scenario 2**

You have also posed questions similar to those raised in your letter of September 16, 2002, which we responded to in April 2003, that concern whether the volunteer services are for the same public agency and/or are the same type of services the volunteer is employed by that public agency to provide. *See* Wage and Hour Opinion Letter FLSA2003-2 (Apr. 14, 2003) (copy enclosed). Questions 11, 14, and 15 all concern these issues. We assume for each Question that the person is providing volunteer services for civic, charitable or humanitarian purposes and without any expectation or receipt of compensation and the services are volunteered without any pressure or coercion from an employer. You posit the following facts:

1. The individual in question is employed by County A, a public agency.
2. The individual seeks to volunteer either for County A, a public agency, or a joint powers board funded by both City A and County A.

In order to determine whether a person is a bona fide volunteer under section 3(e) of the FLSA (copy enclosed), if the volunteer is employed by a public agency it is necessary to assess whether the volunteer is employed by the same agency for whom the services are provided **and** the services provided are the same services the volunteer is employed to provide. As noted in Wage and Hour Opinion Letter FLSA2003-2, if an individual is not employed by the **same public agency** (what you call the “who is an employer” question), then it is not necessary to examine the nature of the services provided (what you call the “what are the same type of services” question). Similarly, if the individual does not perform the **same type of services** for the public agency, there is no need to examine the relationship of the agency receiving the individual’s volunteer services to the individual’s employer.

As stated in our prior opinion letter, whether two entities of a local government constitute the same public agency can only be determined on a case-by-case basis. Among the factors to be considered is whether the Census of Governments issued by the Bureau of the Census, U.S. Department of Commerce, treats the two agencies separately for statistical purposes. *See* 29 C.F.R. § 553.102 (copy enclosed). In addition to the Census of Governments, the attached Wage and Hour Opinion Letter FLSA2002-3 (June 7, 2002) provides a framework for making such a determination and identifies factors that are relevant to the determination. As indicated in Wage and Hour Opinion Letter FLSA2003-2, there are a number of relevant factors to consider, such as: whether the two agencies have separate payroll and retirement systems; whether they both have the authority to sue and be sued in their own names; whether they have separate hiring and other employment practices; and how they are treated under state law. *See also* Wage and Hour Opinion Letter FLSA2006-13 (Apr. 28, 2006) (City firefighters may

volunteer to County Fire Protection District that has separately elected Board; separate funding sources; separate payroll, benefits and retirement systems; can levy taxes and exercise eminent domain; can sue and be sued; and is treated separately by the Census) (copy enclosed).

If those other factors demonstrate that the agencies should be treated as separate entities, or if the Census of Governments treats the agencies described in questions 11, 14 and 15 as separate agencies, then our opinion is that they are not the same employer and an employee of one could volunteer to provide services of any nature for the other public agency.

Even if the public agency for which the person seeks to volunteer is the volunteer's employer, volunteer services may still be provided so long as the services are not the same type of services the volunteer is employed to provide. For instance, a firefighter may not volunteer as a firefighter for the same public agency. On the other hand, an employee of the city parks department may offer to volunteer as a firefighter, or a police officer may volunteer to referee in a basketball league sponsored by his employing city. *See* 29 C.F.R. § 553.103.

Much like the determination of "same public agency," whether the service the volunteer seeks to provide is the "same type of services" the individual is employed to perform can only be determined after "consideration of all the facts and circumstances in a particular case[.]" *See* 29 C.F.R. § 553.103(a). The regulations define "same type of services" to mean similar or identical services. *Id.* Among the facts considered is how the volunteered services and the services that the volunteer is employed to provide are classified by the three digit categories of occupations in the *Dictionary of Occupational Titles*. Further, in addition to the *Dictionary of Occupational Titles*, one must also consider whether the volunteer services are "closely related to the actual duties performed by or responsibilities assigned to the employee." *Id.* An additional source of information about occupational categories is found in O\*NET, available at <http://www.doleta.gov/programs/onet/>. The O\*NET system, created and maintained by the Department of Labor's Employment and Training Administration, is a unique, powerful source for continually updated information on skill requirements and occupational characteristics.

With these qualifications in mind, we will now address in turn each question under Scenario 2.

**Q.11** An individual is employed as a mechanic by the County A Parks Department. He also volunteers as a firefighter for the County Fire and Rescue Department, a joint powers board funded by County A and City A. He is granted paid leave while responding to calls as a volunteer.

**A.11** This scenario resembles that outlined in your September 16, 2002, letter which the Department answered in Wage and Hour Opinion Letter FLSA2003-2. As discussed more fully therein, the determination of whether the mechanic is a bona fide volunteer turns in part on whether the County A Parks Department and the County A Fire and Rescue Department are the same public agency. We refer you to the discussion of the factors to consider in making this determination as outlined in Wage and Hour Opinion Letter FLSA2003-2.

Assuming the County A Parks Department and the Fire and Rescue Department are separate agencies, the fact that the Parks Department allowed its employee to cease his usual duties to



respond to fire calls and paid the employee for his normal work hours spent on such calls, would not make the mechanic an employee of the Fire and Rescue Department. However, such special leave would be compensable hours worked for the Parks Department and would have to be counted when computing total hours worked for the Parks Department for purposes of overtime. If the employee substitutes paid personal leave earned with the Parks Department -- which the employee may use as the employee sees fit, including for time spent as a volunteer firefighter -- for the time off spent in volunteer activities, then the individual's status as a bona fide volunteer to the Fire and Rescue Department is not jeopardized and the hours would not be compensable hours worked for the Parks Department for overtime purposes.

Conversely, as explained in Wage and Hour Opinion Letter FLSA2003-2, if the County Parks Department and the Fire and Rescue Department are part of the same public agency, and the County grants special leave for the hours the employee works as a firefighter without requiring him to use his personal accrued leave (which would be considered compensable hours worked for the County as discussed above), then the County employs him as both a mechanic and as a firefighter. In essence, because the County releases him from his normal mechanic duties and shift only if he spends the specified time performing alternative firefighting duties and pays him wages for the time worked, he is employed by the County as both a full-time mechanic and as a part-time firefighter. Therefore, such time would be compensable hours worked for the County Parks Department and would have to be counted when computing total hours worked for purposes of overtime. Moreover, he would not be able to serve additional hours as a "volunteer" firefighter for the County because of the statutory prohibition against an employee volunteering to his own agency to perform the same type of services he is employed to perform. However, even if the Park Department and Fire and Rescue Department are not separate agencies, if the employee substitutes paid personal leave earned -- which the employee may use as the employee sees fit, including for time spent as a volunteer firefighter -- for the time off spent in volunteer activities that are not the "same type of service," then the individual's status as a bona fide volunteer is not jeopardized and the hours would not be compensable hours worked for the Parks Department for overtime purposes.

**Q.14** Firefighter, cross-trained and licensed as an EMT/paramedic, is employed by County A Fire and Rescue Department. The Fire and Rescue Department is not licensed to nor does it provide advanced life support, although it does respond to medical emergencies, accidents, and fires as first responders. The County A Department of Emergency Medical Services is licensed and required to provide advanced life support services as first responders. Firefighter serves as a volunteer EMT/Paramedic for the County A Department of Emergency Medical Services.

**A.14** Similar to question 11, the determination of whether the firefighter, who is cross-trained and licensed as an EMT/Paramedic, is a bona fide volunteer turns in part on whether the County A Fire and Rescue Department and the County A Department of Emergency Medical Services are the same public agency. Again, we refer you to the discussion of this question in Wage and Hour Opinion Letter FLSA2003-2. Generally, "the government of a political subdivision, e.g., county, city, etc., with all of its departments and agencies, constitutes a single employer under the Act." Field Operations Handbook § 10c11(a) (copy enclosed). Although somewhat limited, it appears likely that the regulations provide that "[p]ublic safety employees taking on any kind of security or safety function within the same local government are never

considered to be employed in a *different capacity*.” 29 C.F.R. § 553.30(c)(3) (copy enclosed). This is based on the 1985 legislative history instructing the Department to interpret the phrase working in a different capacity “in the strictest sense” with regard to public safety employees. See House Report No. 99-391, October 24, 1985, p. 25; Wage and Hour Opinion Letters FLSA2004-26NA (Oct. 29, 2004) and FLSA2004-25NA (Oct. 22, 2004) (copies enclosed). Therefore, we have previously concluded that an individual employed as a fire marshal could not volunteer as a firefighter for the same employer (Wage and Hour Opinion Letter September 3, 1999) (copy enclosed), and that firefighter/EMS employees could not volunteer as tactical EMS medics for their employer’s police department SWAT team (*see* Wage and Hour Opinion Letter August 19, 1999) (copy enclosed).

Your letter provides no specific information regarding whether state law and the Census treat the County A Department of Emergency Medical Services as a separate public agency, including whether its payroll retirement and other personnel systems are separate, and whether it may sue and be sued in its own name. Additionally, you provide no evidence concerning the extent to which the County A Fire and Rescue Department exercises day-to-day control, if at all, over the volunteer services provided to the County A Department of Emergency Medical Services. Consequently, we are unable to determine if the entities should be considered the same public agency. If the agencies are determined to be separate public agencies under the FLSA, it is not necessary to determine if the individuals perform the same type of services.

However, in the event the agencies were not separate, while your scenario provides that there are some differences in the type of services provided in each role, there is insufficient information on the total scope of services in each role to make a “same type of services” determination, and, consequently, we are unable to provide a definite response to this question for that reason also.

**Q.15** Police Officer is employed by County A Bureau of Police, where he responds to medical emergencies, accidents, and fires as a first responder but provides no medical or life support. The Police Officer also volunteers for County A Fire and Rescue Department (a joint powers board of County A and City A) where he responds to medical emergencies, accidents and fires and provides medical and other life support.

**A.15** Again, the determination of whether the police officer, who is a first responder, is a bona fide volunteer turns in part on whether the person is volunteering for the same public agency that employs the individual as a police officer and, if so, whether the volunteered services are the same as those the person is employed to provide. We refer you to the discussion of the factors to consider in making this determination as outlined in Wage and Hour Opinion Letter FLSA2003-2. Again, a “same type of services” determination can be made only after an examination of all the facts and circumstances of a particular case. We assume that, even though both agencies respond to the same types of emergencies, the Bureau of Police does not provide medical or life support services that the Fire and Rescue Department provides. It is our general position that the definition of “same type of services” typically allows for a determination that police and firefighters provide a different type of service, consistent with their different *Dictionary of Occupational Titles* categories. As explained in Wage and Hour Opinion Letter FLSA2003-2, merely responding to the same emergencies, such as traffic

accidents and fire calls, or acting as a medical first responder on occasion will typically not change the inherent difference in the two occupations. Accordingly, while we believe, for the reasons cited, that the police officer described in your scenario probably may volunteer as a firefighter without incurring FLSA wage liability, without more information on the relationship of the agencies, we are constrained in providing a definitive answer on this question.

We are also enclosing a copy of Wage and Hour Opinion Letter July 7, 1999 that addresses issues very similar to those raised in this and your September 16, 2002 letter. This letter may provide further guidance to you and your members concerning the volunteer issue.

This opinion is based exclusively on the facts and circumstances described in your request and is given based on your representation, express or implied, that you have provided a full and fair description of all the facts and circumstances that would be pertinent to our consideration of the question presented. Existence of any other factual or historical background not contained in your letter might require a conclusion different from the one expressed herein. You have represented that this opinion is not sought by a party to pending private litigation concerning the issue addressed herein. You have also represented that this opinion is not sought in connection with an investigation or litigation between a client or firm and the Wage and Hour Division or the Department of Labor.

We trust you will find the above discussion and analysis responsive to your request.

Sincerely,

Alfred B. Robinson Jr.  
Acting Administrator

**\* Note: The actual name(s) was removed to preserve privacy in accordance with 5 U.S.C. § 552(b)(7).**



## **Exhibit B**

**Correspondence of Dr. Eileen Franko, DrPH,  
Director, Division of Safety and Health, New York  
State Department of Labor relating to Best  
Practices For Fire Department Training  
Programs, dated April 14, 2015.**

**Eileen Franko**  
**Division of Safety and Health, Director**

**Department of Labor**

W. Averell Harriman State Office Campus  
Building 12, Room 522, Albany, NY 12240  
[www.labor.ny.gov](http://www.labor.ny.gov)

April 14, 2015

Dear Chief:

The Department of Labor (DOL) has worked with the Office of Fire Prevention and Control (OFPC), the Firemen's Association of the State of New York, the New York State Association of Fire Chiefs, the Association of Fire Districts of New York State, and the County Fire Coordinators Association of the State of New York to put together this letter and enclosed information. We hope it will help to clarify the levels and types of training required for firefighters in New York State.

This Federal Occupational Safety and Health Administration (OSHA) regulation 29 CFR 1910.156(c)(1), applies to all fire departments in New York State. However, the specific training requirements are not described in this Federal regulation, and many questions have come up regarding what is required and/or recommended.

The regulation requires that fire department members must be provided with training and education "associated and consistent with the duties and functions that such fire department members are expected to perform". This regulation is intended to ensure the safety of firefighters. It requires fire department leaders and training instructors to receive training and education which is more comprehensive than that provided to the general membership of the fire department.

Required training for firefighters includes:

- Initial training
- Annual OSHA refresher training

The attached document from the Office of Fire Prevention and Control entitled, "Recommended Best Practices for Fire Department Training Programs" describes the

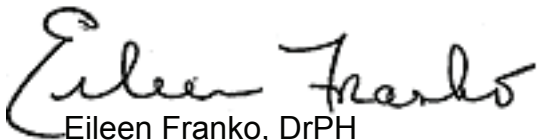
initial training. The core competencies detailed are examples that satisfy compliance with the 29 CFR 1910.156(c)(1) standard. We realize that training may come from various sources, such as those offered by OFPC; vendors; in-house department training and from the fire service associations. We are interested in the competencies achieved by firefighters and their leaders not the specific source of the training. Training received from any source must be properly documented.

The annual OSHA refresher is also addressed in the enclosed document entitled “Fire Department Annual Refresher”. This document identifies the required topics that must be covered and the applicable standard, as well how to identify additional topics specific to your department and your firefighters.

Please note that this is a change from the previously described initial and refresher training for the eight and fifteen hours. As you will see in the memo there is no longer a requirement that you provide a specific number of hours of annual refresher training (8) but rather that you must provide and document annual safety training in 6 specific areas as well as additional training from the suggested areas that apply to your department. This training does not have to occur in one single class, but must occur each year.

Thank you for your service to the communities of New York State and please feel free to contact your District Public Employee Safety and Health Bureau (PESH) office for additional assistance or to assist you in meeting the regulatory compliance. If you have any other questions please feel free to contact me at (518) 457-3518.

Sincerely,



Eileen Franko, DrPH  
Director, Division of Safety and Health

Enclosures



NEW YORK STATE  
ASSOCIATION  
OF FIRE CHIEFS



COUNTY FIRE COORDINATORS' ASSOCIATION  
OF THE  
STATE OF NEW YORK



*Association of Fire Districts  
of the State of New York, Inc.*



NEW YORK STATE  
Fire Prevention  
and Control



## **Exhibit C**

**New York's Recommended Best Practices for  
Fire Department Training Programs.**



# Recommended Best Practices For Fire Department Training Programs

## 1. Purpose:

The NYS Office of Fire Prevention and Control, with input from the Department of Labor's Public Employees Safety and Health Bureau (PESH) and fire service organizations, has developed a recommended set of "Best Practices" for use by fire departments. The purpose of these "Best Practices" is to assist fire departments in complying with the Occupational Safety and Health Administration's (OSHA) Regulation 29 Code of Federal Regulations (CFR) 1910.156(c)(1), ["§1910.156(c)(1)"]. In New York State this regulation is enforced for firefighters and public employees by the DOL's Public Employee Safety and Health Bureau (PESH).

This document and guidance herein is not intended to formulate a regulatory mandate nor is the purpose of this document to dictate specific training courses. It is intended to identify "best practices" and core competencies that should be included in all training programs based upon the job duties of individual firefighters. These recommendations should not be considered to be all inclusive of the subject areas necessary to develop a comprehensive training program, but will be useful in developing a training program that meets the intent of OSHA Regulation 29 CFR 1910.156(c)(1), ["§1910.156(c)(1)"].

## 2. Scope:

OSHA Regulation Section 1910.156(c)(1), applies to all fire departments in New York State, and requires that members be provided with training and education commensurate with the duties and functions that such members are expected to perform. Further, §1910.156(c)(1) provides that those who may find themselves as or are designated as Incident Commanders and training instructors must be provided with training and education which is more comprehensive than that provided to the general membership.

Training and education is not required to come from any one particular source or class of instruction and may include experience, vendor training, department in-house training and training that is provided by the State's fire service organizations. Regardless of where the training is obtained it is imperative to document any and all training that is being utilized to satisfy the competencies listed in this policy.

## 3. Definitions:

For the purposes of this guidance "fire brigade" as referenced in the OSHA regulation means fire department. Fire department is defined as any entity providing fire and emergency rescue services including but not limited to career, paid, volunteer or combination fire departments; for example a village fire department, fire district, fire protection district, independent fire company providing fire protection, or a privatized fire brigade providing fire protection in an industrial or commercial environment.

## 4. Training Program Best Practices By Function:

Fire departments in New York State vary widely in type, function, capability and size. As such, each may establish training and education curriculum for their personnel which best reflects the hazards or complexity of their response area. Accordingly, a training and education curriculum which is developed in-house or by an outside consultant or vendor which addresses the specific competencies for each



category of duty or function as outlined below, would be deemed to satisfy compliance with §1910.156(c)(1). Nothing in these “Best Practices” is intended to limit a fire department from establishing training requirements which exceed these recommended core competencies or limit a fire department from developing and using past, current or future training classes, drills, or other classroom training and/or pertinent topical training subjects to satisfy section 1910.156(c)(1). It is imperative that all training curriculums and programs must be thoroughly documented as part of each fire departments recordkeeping policy(s) in order to afford training credit to its members.

The competencies listed in each section are not in order of importance or in any particular sequence. Included with the recommended core competencies for each category of firefighter are examples of specific training courses which could fulfill various core competencies and ultimately will help ensure compliance with §1910.156(c)(1). Contact information for each provider referenced herein, is listed on the last page.

#### **4.1 Exterior Firefighters:**

All firefighters should complete a training program(s) addressing these core competencies:

- 1) Complete a training program addressing the subject areas/core competencies associated with OSHA 29 CFR1910.120 requirements or Hazardous Materials First Responder Operations
- 2) Complete a training program addressing the subject areas/core competencies associated with Infection Control to achieve compliance with OSHA 29CFR1910.1030
- 3) Complete the objectives for Basic First Aid
- 4) Complete the objectives for Cardio-Pulmonary Resuscitation
- 5) Completion of the latest version of the National Incident Management System (NIMS) courses ICS-700 and ICS-100
- 6) Fire safety principles familiarization
- 7) Tool and scene safety awareness
- 8) Building Construction in relation to fire service operations
- 9) Understanding fire behavior and development
- 10) Familiarizations with personal protective equipment (PPE) and self-contained breathing apparatus (SCBA) as assigned;
- 11) Familiarization with fire service communication operations
- 12) Familiarizations with incident management principles
- 13) Familiarizations with fire prevention principles
- 14) Arson awareness
- 15) Familiarizations with fire extinguisher operations
- 16) Familiarizations with hose practices, nozzles and fire streams (excluding interior structural fire attack)
- 17) Understanding of water supply operations
- 18) Familiarization with ground ladder operations; and
- 19) Ropes and knots

Related training programs which may address some or all of the specific core competencies, stated above, for exterior firefighters include:

1. NYS Office of Fire Prevention and Control
  - a. Basic Exterior Firefighting Operations (Competencies 6 – 19) and Hazardous Materials First Responder Operations (Competency 1); or
  - b. Firefighter I (Competencies 1 and 6 – 19), *[Competencies 3 – 5 are prerequisites for graduation from the FF1 Program]*
2. NYS OFPC Legacy (Historical) Training recognized as equivalent:
  - a. Scene Support Operations (Competencies 6 – 19) and Hazardous Materials First Responder Operations (Competency 1)

- b. Firefighting Essentials (Competencies 6 – 19) and Hazardous Materials First Responder Operations (Competency 1), or
  - c. Basic Firefighter (Competencies 6 – 19) and Hazardous Materials First Responder Operations (Competency 1)
3. Suffolk County Fire Academy, Scene Support Operations (in addition, a Hazardous Materials Operations level training program will need to be completed)

**4.2 Interior Firefighters:**

In addition to core competency training provided for all exterior firefighters, interior firefighters should complete a training program(s) addressing the following core competencies:

- 1) How to Initiate a response to a reported emergency
- 2) Fire service communication operations
- 3) Familiarizations with assigned self-contained breathing apparatus (SCBA) during emergency operations
- 4) Safe fire apparatus response to an emergency incident
- 5) Scene safety and operating at an emergency incident
- 6) Familiarization with forcible entry techniques
- 7) Operating as a team member within a hazardous area
- 8) Familiarization with ground ladder operations
- 9) Familiarizations with safe operations at vehicle fires
- 10) Understanding outside or exterior fires and defensive operations
- 11) Familiarizations with structure fire search and rescue operations
- 12) Familiarization with interior fire attack operations
- 13) Familiarization horizontal and vertical ventilation operations
- 14) Understanding overhaul operations
- 15) Familiarizations with salvage and property conservation techniques
- 16) Familiarization with water supply operations
- 17) Understanding of fire chemistry and behavior
- 18) Familiarization with fire extinguisher operations
- 19) Ground cover fires
- 20) Fire equipment, hose and PPE inspection and maintenance
- 21) Building construction related to interior structural firefighting operations

Related training programs which may address some or all of the specific core competencies, stated above, for interior firefighters include:

- 1. NYS Office of Fire Prevention and Control
  - a. Firefighter I (Competencies 1 – 21)
  - b. Certified basic firefighter training program under NYS Firefighter minimum training standards (Competencies 1 – 19 of the Exterior Firefighter and 1 – 21 of the Interior Firefighter)
- 2. NYS OFPC Legacy (Historical) Training recognized as equivalent:
  - a. Firefighting Essentials or Essentials of Firefighting, Initial Fire Attack and Hazardous Materials Operations (Competencies 1 – 21)
  - b. Basic Firefighter, Intermediate Firefighter and Hazardous Materials Operations (Competencies 1 – 21)
- 3. National Certification for Firefighter I and National Certification for Hazardous Materials Operations- Core Competencies
- 4. Nassau County Fire Academy
  - a. Essentials of Firefighting and Primary Firefighting
- 5. Suffolk County Fire Academy, Firefighter I

#### **4.3 Apparatus Operators:**

In addition to core competencies for exterior firefighters, apparatus operators should complete a training program addressing the following core competencies:

- 1) Performing routine preventive maintenance, inspection and being capable of initiating the service of vehicle systems, components, equipment, tools and appliances assigned to the vehicle and be capable of initiating correction of any deficiencies noted.
- 2) Be capable of documenting routine maintenance, inspection and service of the vehicle's systems, components, equipment, tools and appliances mounted on or assigned to vehicle. Be capable of initiating correction of any deficiencies noted during this process or any corrective actions required to address deficiencies
- 3) Be capable of demonstrating safe operation of the vehicle in compliance with applicable laws, regulations and standards during routine driving and emergency responses
- 4) Be capable of demonstrating defensive driving practices
- 5) Be capable of demonstrating safe maneuvering of the vehicle around obstructions and in restricted spaces both forward and reverse
- 6) Be able to demonstrate safe backing procedures and the use of a spotter
- 7) Be knowledgeable of operational capabilities and limitations of the vehicle, its systems and components, equipment, tools and appliances mounted on or assigned to that vehicle
- 8) Understand the operation of the functional systems, tools, equipment and appliances mounted on or assigned to the vehicle; and
- 9) Be capable of demonstrating the ability to operate the pump or other functional systems on the apparatus.

Related training programs which may address some or all of the specific core competencies, stated above, for apparatus operators include:

1. NYS Office of Fire Prevention and Control
  - a. Apparatus Operator- Emergency Vehicle Operator's Course (EVOC), (Competencies 1 – 9, in addition to local training specific to the fire department's vehicles)
2. Insurance Company sponsored EVOC programs with a practical skills driving course component, in addition to local training specific to the fire department's vehicles
3. Suffolk County Fire Academy
  - a. Emergency Vehicle Operations (EVOC), in addition to local training specific to the fire department's vehicles
4. National Certification for any of the Apparatus Operator series, in addition to local training specific to the fire department's vehicles

#### **4.4 Incident Commanders:**

As outlined in section 1910.156(c)(1) of the OSHA regulations, those chiefs, officers or firefighters who have been designated or may perform the duties of a fire service incident commander must receive training which is superior than that provided to the general membership of the fire department. In addition to the training provided to the general membership those who may be acting as an Incident Commander should have received training prescribed for an interior firefighter, general knowledge of apparatus/pump operations, as well as education in incident command operations. Incident command training and education is not required to come from any one particular source or class. The training to educate those designated or who may find themselves in the position as an Incident Commander should include supervision, leadership, and command methodologies necessary for mitigating emergency situations during hazardous and stressful environments incorporating the best safety practices.

In addition to the core competencies required for interior firefighters and apparatus operators, incident commanders should have a demonstrated knowledge and experience in the following core competencies:

- 1) Safe and effective assignment and supervision of tasks, or responsibilities to managing unit officers at emergency incidents (including those on highways and roadways), during training and under routine or non-emergency circumstances
- 2) Be capable of communicating clear direction and supervision of members during training
- 3) Knowledge of administrative policies and procedures and records management, including incident reports
- 4) Knowledge of building construction and fire behavior, including structural soundness and the significance of fire load;
- 5) Be capable of evaluating and implementing scene security and evidence preservation;
- 6) Be capable of developing and implementing an incident action plan;
- 7) Be capable of conducting a post-incident analysis;
- 8) Be knowledgeable of safety principles, including injury and accident prevention;
- 9) Be familiar with fire department injury and accident reporting requirements according to department policies;
- 10) Be familiar with firefighter health and wellness for recognition of issues, e.g. stress, heart attack and other issues that would hinder firefighter's response capabilities.
- 11) An understanding of strategy, tactics and operations in fire suppression;
- 12) An understanding of vehicle extrication procedures and department capabilities and limitations;
- 13) Awareness of other situations expected to be encountered in the department's immediate response area
- 14) Be capable of initiating scene size-up procedures;
- 15) Be familiar with initial arrival report ("C.A.N. [Conditions, Actions, Needs] - Report") protocols
- 16) Be familiar with radio communications operations;
- 17) Be capable of communicating fire-ground reports (location of fire, water on fire, searches, knock-down, etc.) and
- 18) Be familiar with urgent & mayday communication protocols;
- 19) Be familiar with how to mitigate miscellaneous emergencies (Gas leaks, CO, Electrical, elevator rescues, hazmat containment etc.);
- 20) Understand RIT/FAST Operations and how to implement them;
- 21) Obtain a certificate for the latest version of NIMS ICS-200;
- 22) Understanding the use and limitations of special fire department equipment, e.g. gas meters, thermal imaging cameras, self-escape equipment, gas powered tools etc.

Related training programs which may address some or all of the specific core competencies, stated above, for incident commanders include:

1. NYS Office of Fire Prevention and Control
  - a. Fire Officer I (2009) (Competencies 1 – 20 and 22) and ICS-200 (Competency 21)
2. NYS OFPC Legacy(Historical) Training recognized as equivalent:
  - a. Introduction to Fire Officer and Fire Officer I (Competencies 1 – 20 and 22) and ICS-200 (Competencies 21)
3. National Certification for Fire Officer I(Competencies 1 – 20 and 22) and I-200 (Competency 21)
  - a. First Line Supervisors Training Program(Competencies 1 – 22)
4. Suffolk County Fire Academy
  - a. Introduction to Fire Officer and Fire Officer I and ICS-200

#### **4.5 Training Guidance for Fire Department Training Instructors:**

Fire department training instructors must receive a higher level of training and education than the fire department members they will be instructing. This includes being more knowledgeable about the functions to be performed by the fire department and the hazards involved. The instructors should be qualified to train fire department members and demonstrate skills in communication, methods of teaching, and instructional motivation.

Training Instructors should demonstrate and possess the following skill set core competencies to instruct personnel effectively which includes but is not limited to:

- 1) Preparation
- 2) Presentation
- 3) Application
- 4) Testing
- 5) Summary and
- 6) Knowledge base of relevant subject matter, applicable policies, rules and regulations

Related training programs which may address some or all of the specific core competencies, stated above, for fire department training instructors include:

1. NYS Office of Fire Prevention and Control
  - a. Principles of Instruction (Competencies 1 – 6)
  - b. Fire Instructor I (Competencies 1 – 6)
2. NYS OFPC Legacy(Historical) Training recognized as equivalent:
  - a. Training Officer Workshop I & II (Competencies 1 – 6)
  - b. Educational Methodology (Competencies 1 – 6)
3. National Certification for Fire Instructor I (Competencies 1 – 6)
4. Suffolk County Fire Academy
  - a. Principles of Instruction
  - b. Fire Instructor I
5. Nassau County Fire Academy
  - a. Principles of Instruction

#### **5. Training Provider Contact Information:**

NYS Office of Fire Prevention and Control  
[www.dhSES.ny.gov/ofpc/training/training-outreach.cfm](http://www.dhSES.ny.gov/ofpc/training/training-outreach.cfm)

Suffolk County Fire Academy  
[www.scfa-li.org](http://www.scfa-li.org)

Nassau County Fire Academy  
[www.veebfsa.org](http://www.veebfsa.org)



## **Exhibit D**

**2025 Budget of Asheville, North Carolina,  
including \$41.5 million for fire protection.**





# Adopted Budget 2024-25



# CITY OF ASHEVILLE

## NORTH CAROLINA

### Adopted Budget Fiscal Year 2024 - 2025



*Esther Manheimer*  
Mayor

*Sandra Kilgore*  
Vice Mayor

*Sheneika Smith*  
Councilmember

*Antanette Mosley*  
Councilmember

*Kim Roney*  
Councilmember

*Sage Turner*  
Councilmember

*Maggie Ullman*  
Councilmember

*Debra Campbell*  
City Manager

*Rachel Wood*  
Assistant City Manager

*Ben Woody*  
Assistant City Manager

*Tony McDowell*  
Chief Financial Officer



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## ADOPTED BUDGET TRANSMITTAL LETTER

July 5, 2024

**TO: Mayor Manheimer and City Council Members**

**FROM: Debra D. Campbell, City Manager**

**SUBJECT: Fiscal Year 2024-25 Adopted Annual Budget**

I am pleased to present you with a copy of the 2024-25 Adopted Annual Budget Document. This document, which was prepared by the City's Budget & Performance staff, reflects the City's overall budget plan and policies as approved by the Mayor and Council for the upcoming fiscal year.

The Fiscal Year (FY) 2024-25 Proposed Annual Operating Budget was presented to City Council on May 14, 2024. In accordance with the North Carolina Local Government Budget and Fiscal Control Act, a summary of the Proposed Budget along with a notice of the Public Hearing was published on May 10, 2024. City Council conducted a Public Hearing on the Proposed Budget on May 28, 2024.

The following change to the Proposed Budget was presented on June 11, 2024 and is included in the budget ordinance adopted by Council:

- The FY 2024-25 Proposed General Fund Budget presented on May 14, 2024 was balanced with an ad valorem tax rate of 40.30 cents per \$100 of assessed value, which maintained the existing property tax rate. Staff revised the proposed ad valorem tax rate up by 0.63 cents to 40.93 cents per \$100 of assessed value, to generate an additional \$1.26 million in the General Fund to fund the following adjustments:
  - Added a flat dollar increase of \$4,053 for beginning on-shift Firefighters to increase the lowest paid on-shift Firefighter by 8.8% and a 2.5% separation between steps in the Fire Play Plan to maintain the integrity of the step plan.
  - Added an annual increase of 6.0% for employees on the Police Pay Plan.
  - Added an annual increase of \$2,400 or 4.11% whichever is greater for all regular full-time permanent employees on the City's other pay plans to increase the lowest paid employee pay by 6.3%.

The FY 2024-25 budget numbers and all narrative in this document reflect the budget as adopted by the Mayor and Council on June 11, 2024, except for the City Manager's Budget Message which is included as it was presented with the Proposed Budget on May 14, 2024.

## CITY MANAGER'S PROPOSED BUDGET MESSAGE

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, 2024, and ending June 30, 2025. As I have done over each of the last five years, I want to begin my budget message by saying how honored I am to continue to be part of an organization that cares so deeply for the people it serves, and how much I appreciate your efforts through the budget process to address the needs of our community in a fiscally responsible manner.

This Proposed Budget, prepared and submitted in accordance with North Carolina General Statute §159-11, represents many months of work by Council, the community and staff throughout the organization. The Proposed Budget is also consistent with our budget development guiding principles:

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

A year ago, I delivered to you a budget that utilized strong revenue growth (particularly in sales taxes), federal funding through the American Rescue Plan Act (ARPA), and solid financial management to fund significant increases in employee compensation, as well as a number of other service enhancements. The fiscal year (FY) 2024-25 Proposed Budget has been prepared under different financial circumstances. The unprecedented sales tax growth that we saw over the prior three years has ended, and one-time ARPA funding has been almost completely utilized. As a result, we have a limited ability to fund service enhancements in the FY 2024-25 Proposed Budget; and even though overall inflation has eased, the cost of labor and goods continue to rise at a quicker pace than before the Covid-19 pandemic.

Despite these headwinds, I believe our guiding principles and our strong financial management provide an opportunity to continue building on the strength of our existing services and the employees that provide them. The recommendations included in this Proposed Budget are based on available resources, Council priorities, community input, and internal work completed by staff throughout the organization. The Fiscal Year (FY) 2024-25 Proposed Budget totals \$249.6 million and includes:

- A focus on employee compensation and benefit adjustments that reflect inflation in the labor market and local cost of living increases;
- Strategic utilization of fund balance to advance Council's priorities, balance the budget, and avoid increases to the current property tax rate;
- Continued funding for essential community services and initiatives in a time of rising costs;
- Recommendations for a November 2024 General Obligation (GO) Bond referendum and a five-year Capital Improvement Program (CIP) that will provide additional resources to address the City's infrastructure needs.

## CITY MANAGER’S PROPOSED BUDGET MESSAGE

A summary of the FY 2024-25 Proposed Budget is outlined in the following table:

### Proposed FY 2024-25 Budget Summary

	2023-24 Original Budget	2024-25 Proposed Budget	\$ Change	% Change
General Fund	172,740,968	178,454,209	5,713,241	3.3%
Water Resources	44,005,580	47,140,150	3,134,570	7.1%
Transit Services	14,023,720	14,547,242	523,522	3.7%
Stormwater	8,953,561	8,839,605	(113,956)	-1.3%
Parking Services	7,153,860	8,167,300	1,013,440	14.2%
Harrah’s Center	5,530,847	6,147,937	617,090	11.2%
Street Cut Utility	2,386,979	2,908,696	521,717	21.9%
<b>Total</b>	<b>254,795,515</b>	<b>266,205,139</b>	<b>11,409,624</b>	<b>4.5%</b>
Interfund Transfers	(14,877,573)	(16,588,942)	(1,711,369)	11.5%
<b>Net Budget</b>	<b>239,917,942</b>	<b>249,616,197</b>	<b>9,698,255</b>	<b>4.0%</b>

## Budget Development

This year’s budget development reflects a continuation of the internal and external engagement efforts that began four years ago. The extensive engagement efforts, which are discussed in more detail below, produced response strategies that helped inform development of this Proposed Budget.

Internal work on the FY 2024-25 budget kicked off in the fall of 2023 with a focus on identifying and prioritizing capital improvement projects in preparation for the November 2024 GO Bond Referendum. A collaborative cross-functional team of City employees led by the Budget Division have worked since the fall to develop the GO Bond Referendum recommendations that I will discuss later in the Budget Message. Internal work on the operating budget, as always, included a Department Director retreat which was held in January 2024. At the retreat, Directors reviewed budget requests through the lens of service needs as opposed to a departmental perspective and identified opportunities for collaboration on those needs. A list of those services identified for review and potential enhanced funding was shared with City Council at your annual retreat in February.

### Community Engagement on Budget Priorities

The North Carolina Fiscal Control Act sets a baseline for public engagement in local government budgets - namely, one public hearing held between presentation of the proposed budget and budget adoption by City Council. A common complaint from communities across the state is that asking for feedback so close to budget adoption, doesn’t allow for meaningful input or engagement with their local government’s budget process. Hearing these sentiments from Asheville residents, staff have tried other ways to educate and engage the public earlier in the budget process. The FY 2024-25 budget process continued to provide two additional engagement strategies - an earlier public

## CITY MANAGER'S PROPOSED BUDGET MESSAGE

comment session, meeting with neighborhood and civic groups, and an online priorities survey.

A public comment session was held during the City Council meeting on January 23, 2024 and a budget priorities survey was conducted via Public Input from January 23, 2024 until February 23, 2024. These input opportunities were publicized through a number of channels. To ensure broader access, the survey was available in English, Spanish, Russian and Ukrainian, and paper copies were available for those without internet access.

At the March 26, 2024 City Council Budget Work Session, staff presented a summary of the input received, which included:

- Service priorities such as additional investment in Affordable Housing & Homelessness, Community Safety & Emergency Response, and Facilities Maintenance;
- Strong support for the Community Responder Program;
- Housing as a top capital priority with greenways, sidewalks, and road resurfacing also highly ranked; and
- Support for more comprehensive capital investments at fewer locations (e.g. streetscaping vs resurfacing only), and maintaining current resources.

Staff have worked to incorporate this feedback into our budget recommendations, and will continue to use this input to inform future decision making. Specifically, as I will discuss later in the Manager's Message, the FY 2024-25 Proposed Budget includes funding to make the Community Responder Program a permanent part of the City's budget. In addition, the proposed November 2024 \$75 million GO Bond referenda includes capital allocations for each of the priority areas listed above; with additional investments in water capital infrastructure and parking facility maintenance also included in budget recommendations.

### **City Council Strategic Priorities**

At your annual retreat held on February 22-23 2024, City Council reaffirmed six key priorities to inform development of the FY 2024-25 Proposed Budget:

- Reparations
- Reimagining Public Safety
- Improve & Maintain Infrastructure & Core Services
- Equitable & Affordable Housing & Stability
- Homelessness Strategies
- Neighborhood & Climate Resilience

During the retreat, staff provided the Council with an overview of the budget process, discussed key financial indicators with a five-year General Fund forecast included, and did a deep dive on employee compensation and long-term capital planning.

Earlier in the process (December 2023) staff also presented Council with an overview of the City's Capital Improvement Program (CIP) process & initial GO Bond planning efforts, which included information from the City's financial consultants DEC Associates about the benefits of a "steady state" approach to capital planning. After the retreat, staff followed up with two additional budget work sessions in March and April to provide

## CITY MANAGER'S PROPOSED BUDGET MESSAGE

updates on the City's financial outlook, present more detail on compensation adjustment scenarios, and provide additional information on the CIP and GO Bond planning. All of that work culminates with this presentation of the Proposed FY 2024-25 Budget and the key investments highlighted over the next few pages.

### Financial Outlook

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As staff has noted in the past, property and sales taxes make up the largest part of the City's General Fund revenue base, representing approximately 74% of total General Fund revenue. General Fund revenue has grown on average by 6.4% per year over the last five years driven in large part by unprecedented double-digit sales tax growth in fiscal years 2020-21 and 2021-22. As mentioned earlier in the Budget Message, it appears that the post-pandemic boom in sales tax revenue has come to an end. Growth began to slow near the end of FY 2022-23, and that slowdown has grown even more pronounced in the current fiscal year, with sales tax revenues through the first seven months of the fiscal year down slightly compared to FY 2022-23.

Meanwhile, property taxes, which make up the largest portion (approximately 50 percent) of the City's General Fund revenues, continue to grow at a steady rate of around 2.4% annually. Overall, General Fund revenue next fiscal year is expected to grow by 3.3%, which is positive but down substantially from the five-year average growth rate. One item that is having a negative impact on General Fund revenue growth next fiscal year is the loss of approximately \$800,000 in revenue due to a change in a long-standing agreement with Duke Energy.

In the City's Enterprise Funds, City Council approved FY 2024-25 fee increases in the Water Resources, Stormwater, and Parking Funds at your March 26, 2024 meeting which will allow for continued investments to address capital and operational needs in these service areas. More detail on these investments will be provided later in the Budget Message.

On the expense side of the budget, the City of Asheville has not been immune to the inflationary pressures felt throughout the country. While inflation has moderated due to interest rate increases approved by the Federal Reserve, inflation persists above the Federal Reserve target of 2%. The Consumer Price Index for All Urban Consumers (CPI-U) rose 3.5% from March 2023 to March 2024.

Like other local governments across the country, our community has benefited from an infusion of federal pandemic-related stimulus funding with the City of Asheville receiving \$26.2 million from the American Rescue Plan Act (ARPA). Over \$20 million of these funds have been utilized to support community projects. Other uses include covering losses in the Parking Fund (\$1.6 million), supporting transit services in FY 2022-23 (\$300,000), and partially offsetting the cost of improvements to Memorial Stadium (\$2.5 million). As part of the FY 2023-24 budget, I recommended the use of \$2.0 million in ARPA funding to support transit services. Staff anticipates that most of that \$2.0 million will be needed to support FY 2023-24 transit expenses, however there should be approximately \$300,000 remaining to be utilized in the FY 2024-25 transit services budget.



## CITY MANAGER'S PROPOSED BUDGET MESSAGE

Lastly, I want to highlight the consistency with which we have been able to successfully manage our finances throughout the pandemic and over the last ten years overall. As you are aware, the City has a policy of maintaining an unassigned fund balance in the General Fund equal to fifteen percent (15%) of expenses. Information presented during the budget development process shows that year-end unassigned fund balance levels in the General Fund have consistently remained between fifteen and twenty percent (15%-20%) except for FY 2021-22 when sales tax growth pushed fund balance to 24%.

Staff estimate that unassigned fund balance in the General Fund will end FY 2023-24 at 19%, providing an opportunity to utilize a significant fund balance appropriation of \$7.8 million to balance the FY 2024-25 budget. As staff has discussed with Council during our Budget Work Sessions, this appropriation may result in year-end FY 2024-25 unassigned fund balance falling below the City's 15% policy threshold. Included in the five-year General Fund forecast that staff has shared with Council are estimates for potential property tax rate adjustments during the upcoming FY 2025-26 revaluation budget cycle that would "level set" the budget and avoid the use of a significant amount of fund balance in future budgets.

### **Employee Compensation & Benefits**

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The City of Asheville is a service driven organization that is reliant on people to deliver core services, with approximately 56% of the City's Proposed Budget dedicated to personnel costs. The City has invested significant resources in compensation and benefits over the last three fiscal years in order to remain competitive with our peers in the labor market. In Fiscal Year 2023-24, the City invested approximately \$6.1 million in compensation and benefits, highlighted by a 6% pay increase for sworn police officers and a 5% increase for all other permanent City employees. The City also increased the amounts of other pay outside base pay, including on-call and shift differential pay. Targeted increases for public safety were also approved, such as new or increased certification incentive pay in both the Asheville Police Department (APD) and the Asheville Fire Department (AFD). The City also expanded its 401(k) program to include an additional employer contribution of 1% with an employee match. Funding for each of these enhancements from FY 2023-24 are continued in the FY 2024-25 Proposed Budget.

While the City has invested heavily in employee compensation, wages continue to rise and a competitive labor market calls for continued investment in our workforce. As noted earlier in the Manager's Message, slowing revenue growth has made it challenging to fund budget increases in FY 2024-25 including compensation and benefit increases. In addition, rising health care costs are requiring the City to increase its employer contribution to our health insurance program by approximately \$1.3 million in FY 2024-25. Also, for the ninth 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 0.75% (1.0% for law enforcement officers) has a citywide budgetary impact of approximately \$1.2 million.

As a result, I am recommending a general salary increase of 4.11% for all permanent employees in the FY 2024-25 Proposed Budget, which is down slightly from the increases offered in the FY 2023-24 Budget. The 4.11% salary increase, which will cost approximately \$4.3 million citywide, will allow the City to bring its minimum salary for



## CITY MANAGER'S PROPOSED BUDGET MESSAGE

full-time permanent staff up to \$39,520, the local pledged annual living wage rate for 2024, without negatively impacting salary compression within the organization. This salary increase is also similar to what other local governments in Buncombe County and across the state are proposing. While I wish that we could devote more resources to employee salary increases, any additional increases would require us to dig deeper into a fund balance that may already dip below our 15% policy threshold or require City Council to approve a property tax rate increase.

I am also recommending as a part of this budget that the City launch a new retiree medical benefits program during FY 2024-25. The City closed its existing retiree medical benefits program in July 2012, making any employees hired after that date ineligible for that program. In recent budget cycles, we have received requests from our public safety departments to explore a new retiree medical benefits program that would be offered to employees from time of retirement up until age 65 when they are eligible for Medicare. Staff in the Human Resources and Finance Departments are currently working with our outside medical benefit experts to design a fiscally sustainable program in which the City will likely provide a set monthly amount that retirees can utilize to fund their health insurance expenses. Utilizing this type of fixed amount approach will allow the City to provide a meaningful contribution toward a retiree's health expenses while at the same time limiting future financial liability for the City. This program will be offered to all employees, but I believe it will have the most impact in retaining and recruiting police officers and firefighters, who often begin their careers earlier in life and retire before they are Medicare eligible. The target date for launching this new program, which will require separate City Council action, is January 2025.

### Ongoing Investment in Services

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During the budget development process we spend most of our time discussing new and expanded services and programs, however most of the \$249.6 million in this recommended budget funds existing services. For that reason, I want to take a moment to highlight some examples of ongoing investments in this budget that aligned with Council Priorities:

Ongoing investments supporting Equitable and Affordable Housing & Stability include:

- Continuation of joint City/County Property Tax Mitigation Program
- Housing Trust Fund
- Funding for Approved Land Use Incentive Grants
- Development Fee Rebates
- Federal HOME and HOME-ARP program management

Ongoing investments supporting Homelessness Strategies include:

- Continuum of Care lead agency
- Developing shelter plan with partners
- Homeward Bound Street Outreach contract
- Homeless Strategy Division

## CITY MANAGER'S PROPOSED BUDGET MESSAGE

- Code Purple & Winter Sheltering

Ongoing investments supporting Improve & Maintain Core Services include:

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

Ongoing investments supporting Neighborhood and Climate Resilience include:

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

Ongoing investments supporting Reimagining Public Safety include:

- 911 consolidated operations
- APD recruitment efforts
- Additional APD training
- Body worn & vehicle cameras
- Broadway Public Safety Station operations
- EMT pay supplement
- Additional facility security cameras

Ongoing investments supporting Reparations include:

- \$2.3 million reserved for reparations
- \$520,200 reparations allocation (reflects ongoing amount plus 2% annual increase)
- Continued staff support of the Community Reparations Commission

### **Additional Investment in Services**

---

At the start of this Budget Message and throughout the budget process, I have stressed the financial constraints that have made it challenging to add new investments to the budget outside of employee compensation increases. As a result, the limited additional investments that I am highlighting below (by service area) primarily support basic service delivery, and are mostly funded by specific sources, such as revenue from fee increases approved by City Council in March or revenue from the Opioid Settlement. As a reminder this is neither a comprehensive list, nor a full list of all the services provided by the City of Asheville. It is intended to highlight new, additional investments that I am recommending in this budget.

## CITY MANAGER'S PROPOSED BUDGET MESSAGE

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

- Seven new positions for the Community Responder Program to focus collective efforts to assist persons that are unsheltered and/or experiencing addiction or behavioral issues. The program proactively addresses concerns and quality of life issues before they escalate, and the cost will be partially offset by Opioid Settlement funding.
- Increasing a part-time communications specialist to full-time to work on the radio system for the Fire and Police departments.
- Reclassifying two vacant sworn officer positions to create two drone operator positions to support the recently expanded drone program, along with required licensing and maintenance for previously purchased drones.

Additional investments in *Trash and Recycling Collection* to collect, dispose of and recycle waste.

- One new collection staff and equipment to support additional routes needed to service residential growth (offset by additional revenue).

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

- Events Manager to oversee and support events at the Civic Center (HCCA Fund).

Additional investments in the *Water Production & Distribution System* to process and treat water to ensure that it is clean and safe for use by customers, and to deliver water to customers. Approved fee increases will fund:

- One new Capital Improvement Project Manager position to design and oversee capital improvement projects.
- Four new positions for a South District crew to improve response time for emergency water main breaks and provide better customer service.
- Revenue from approved fee increases will begin to address \$240 million in identified maintenance needs for the distribution system and water treatment plants through the Water Resources five-year CIP.

Additional investments in the *Stormwater Drainage System* to process and treat water to ensure that it is clean and safe for use by customers, and to deliver water to customers. Approved fee increases will fund:

- Five new positions for a Preventative Maintenance crew to advance the City's Stormwater infrastructure and provide better customer service.
- Two new positions for Stormwater Plan Review to support timely development review.
- Vehicle and equipment purchases.

Additional investments in *Parking* to provide publicly accessible vehicle parking.

## CITY MANAGER'S PROPOSED BUDGET MESSAGE

- Revenue from approved fee increases will begin to address \$11.3 million in identified maintenance needs in parking garages.

### **Capital Improvement Program and 2024 GO Bond Planning**

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Capital Improvement Programs (CIP) are vital for the development and maintenance of essential infrastructure such as roads, sidewalks, water systems, public buildings, parks, and recreational facilities. Local government infrastructure is in many ways the backbone of a community, supporting economic activity, public health, sustainability, equity, and quality of life. Effective CIP's provide a multi-year framework for fiscal planning and budgeting, ensuring that capital projects are prioritized based on need and feasibility. Effective CIP's also utilize a diverse mix of revenue sources to fund projects, including debt, grants, fees, and pay-go cash.

Here in Asheville, voters provided a substantial, much-needed boost to our CIP in November 2016 with passage of \$74 million in General Obligation (GO) Bonds to fund investments in transportation, parks and recreation, and affordable housing. The last of the 2016 GO Bond debt was issued in September 2023, and all of the \$74 million from Bond has been spent, encumbered, or committed to specific projects.

During this year's CIP process, departments submitted ten-year capital requests of \$804 million. As outlined in the Budget Document, the City is anticipating investing \$104 million into our General CIP over the next five fiscal years. Even at this funding level, additional investment in capital is essential for effective service provision.

To help address these needs, Council directed staff to begin the process of preparing for a November 2024 GO Bond Referendum as part of this budget process. That extensive planning process, which was discussed earlier in the Budget Message and throughout our Budget Work Sessions, has led me to recommend that Council move forward with a \$75 million GO Bond package in November 2024 with funding directed to the following categories:

- Affordable Housing: \$25 million
- Transportation: \$20 million
- Parks and Recreation: \$15 million
- Public Safety: \$15 million

Staff will be asking City Council to take the first statutorily-required actions related to the November 2024 GO Bond Referendum at your May 28, 2024 meeting. Additional actions, including a public hearing and adoption of the bond orders, will occur at your meetings in June and July. Staff will provide a presentation at the May 28 meeting with more detail on the proposed categories with examples of projects within each of the proposed GO Bond categories.

## CITY MANAGER'S PROPOSED BUDGET MESSAGE

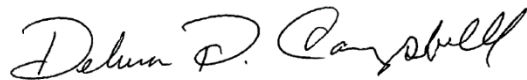
### Next Steps and Summary

In conclusion, I am pleased to present a balanced proposed budget for FY 2024-25 that prioritizes investments in our employees, capital infrastructure, and Council's strategic priorities while at the same time maintaining our existing property tax rate. As we look ahead to next fiscal year, I am very excited by the opportunity to work with Council, staff, and the community to move ahead with the key initiatives funded through this budget and to finalize preparation of the November 2024 General Obligation (GO) Bond Referenda. I am also excited about the opportunity to continue our internal work to align Council goals, organizational work planning efforts and budget development.

I would like to thank staff throughout the organization for their many hours of hard work on this budget, and their willingness to collaborate on decision making. In particular, I would like to acknowledge staff in the City of Asheville's Finance & Management Services Department: Finance Director Tony McDowell and the staff in the Budget Division, including Taylor Floyd, Heather Curry, Abigail Riley, Liz Greene, and Natalie Bailey.

I look forward to working with you and the community over the next month to adopt the FY 2024-25 budget.

Sincerely,



Debra D. Campbell

City Manager

# Budget Guide

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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 2024-25 Adopted 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 2024-25 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 2024-25 adopted 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 2024-25 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 goals and objectives.

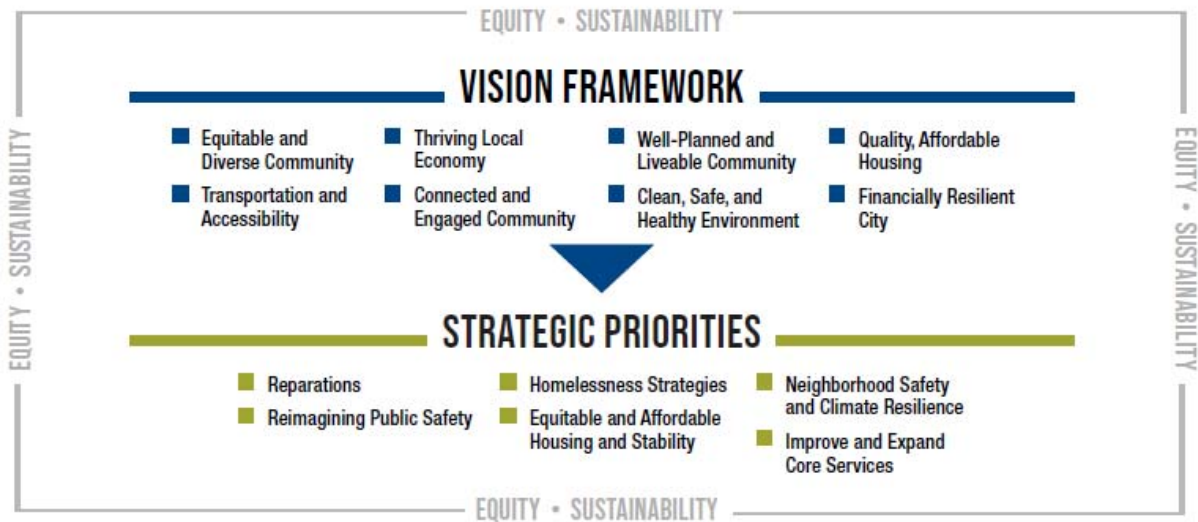
**Capital Improvement Program/Debt Management** - The long-range Capital Improvement Program (CIP) describes planned capital improvement projects and funding sources for the next five fiscal years. This section also contains information on the City’s annual debt service requirements.

Please direct any comments or questions to:  
Tony McDowell, Finance Director  
City of Asheville  
Telephone: (828) 259-5709  
Email: [tmcdowell@ashevillenc.gov](mailto:tmcdowell@ashevillenc.gov)  
Website: [www.ashevillenc.gov/department/finance/city-budget/](http://www.ashevillenc.gov/department/finance/city-budget/)



# Asheville City Council 2036 Vision

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



## AN EQUITABLE AND DIVERSE COMMUNITY

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

## A WELL-PLANNED AND LIVABLE COMMUNITY

Asheville promotes community through thoughtful, resident-led planning that results in pedestrian-oriented development for all ages and abilities, harmonized with an integrated transportation system. Asheville’s unique character is reflected in our regional planning and land

## ASHEVILLE CITY COUNCIL 2036 VISION

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**

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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**

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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**

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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

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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 an opportunity for success.

### A CONNECTED AND ENGAGED COMMUNITY

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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

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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	Streetcut Utility Fund	Stormwater Fund	HCCA Fund	Transit Fund
<b>Department</b>							
Fire	X						
Police	X						
Parks & Recreation	X						
Community & Economic Development	X						
Community & Regional Entertainment Facilities	X					X	
Planning & Urban Design	X						
Development Services	X						
Public Works	X			X	X		
Capital Management	X						
Sustainability	X						
Equity & Inclusion	X						
Transportation	X		X				X
Administration/City Manager's Office	X						
City Attorney's Office	X						
Communication & Public Engagement	X						
Finance & Management Services	X						
Human Resources	X						
Information Technology Services	X						
Water Resources		X					

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

## ORGANIZATIONAL STRUCTURE

### 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 and 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

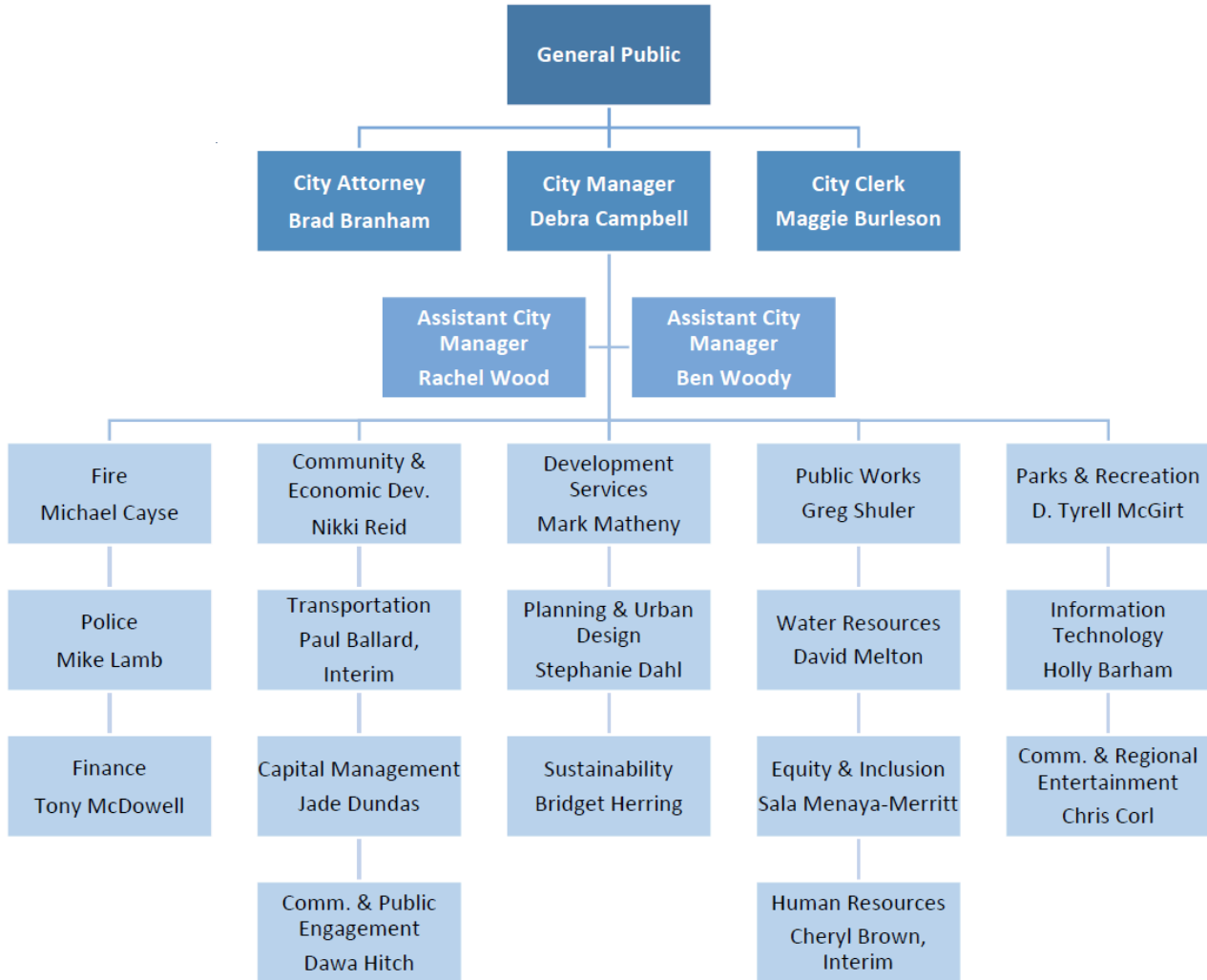
# ORGANIZATIONAL STRUCTURE

## 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 2024-25 budget includes a transfer from the General Fund to the Harrah's Cherokee Center Asheville (HCCA) Fund to support operations. Transfers between funds result in the budgeting of dollars in both participating funds.

## Departments & Divisions

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



# Budget Process

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## Budget Preparation Overview

Budget preparation affords departments the opportunity to reassess their goals and objectives and the strategies for accomplishing them. Even though the budget may be heard by City Council in May and adopted in June, its preparation begins at least six months prior with projections of City reserves, revenues, and financial capacity. It is against this backdrop that departmental expenditure requests are formulated and reviewed. The FY 2024-25 Budget Calendar is displayed on page 27.

## Financial Forecasting

The annual budget process begins with the Budget Office preparing revenue and expenditure projections. These projections serve as the framework for financial decision-making during the City’s annual strategic planning and budgeting process. The Budget Office regularly updates the City’s General Fund forecast to account for changes in local, state, and national economic conditions and trends; changes in City Council priorities and policies; and other variables that might affect the City’s ability to provide needed services and maintain its financial health in future years.

## City Council Strategic Planning

Linking important objectives with necessary resources requires a process that identifies key goals at the very beginning of budget preparation. The annual strategic planning process begins with the City Council Retreat, at which time Council identifies its goals and priorities for the upcoming fiscal year. Council's directives set the tone for the development of the annual budget.

## Departmental Budget Development

Departments begin developing their budget requests in December. During this phase, departments are encouraged to thoroughly review all programs and services, assessing their value and priority to the citizens of Asheville. Examination of current departmental programs or positions for possible trade-offs, reductions, or eliminations is strongly suggested.

Any new programs or services that departments would like funded are submitted to the Budget Office as goal implementation & advancement requests. Goal implementation & advancement requests identify the program’s purpose, costs, objectives, and proposed funding sources. The goal implementation request also describes how the new or enhanced program is linked with overall Council priorities. Departments are encouraged to prioritize their goal implementation requests and only submit a limited number of requests each year.

In addition to the budget worksheets and goal implementation request forms, departments are required to submit the following information to the Budget Office:

- List of Departmental Priorities. These encompass the top 3-5 items departments plan to accomplish during the fiscal year.
- New or Increased Fees. Proposals for new or increased user fees are also submitted with the departmental budget request packages.

## BUDGET PROCESS

- Performance Objectives & Measures. Performance measures are used to report on the achievements, impacts and outcomes of key City programs. These measures are tracked in the North Carolina Benchmarking Project, a consortium of local governments headed by the University of North Carolina School of Government. Departments that have a service area represented in the Benchmarking Project show performance measures from the Project report.

### Management Team and City Manager Review

Once the Budget Office has completed its technical review of the budget, department directors meet as a group to discuss the operating and capital budget requests. Goal implementation requests are evaluated based on the City's financial capacity and on how they relate to City Council strategic priorities. In most years, only a small number of requests can be funded. Following senior management review, a citywide proposed operating budget is developed.

### Budget Adoption

The City of Asheville adopts its annual operating budget in accordance with North Carolina General Statutes (NCGS §159 - Local Government Budget and Fiscal Control Act). This act requires that City Council adopt a balanced budget in which estimated revenues and appropriated fund balances equal expenditures. The City Manager must submit a balanced budget proposal to the City Council by June 1 of each year, and City Council must adopt the Budget Ordinance by July 1. A formal public hearing is required to obtain taxpayer comment before City Council adopts the budget. By state law, the fiscal year begins on July 1 and ends on June 30.

### Budget Amendments & Revisions

After the Budget Ordinance is enacted, state law permits City Council to amend it at any time during the fiscal year. Each amendment must continue to adhere to the balanced budget statutory requirements. Amendments may in no way change the property tax levy or alter a taxpayer's liability.

Budget revisions are transfers within a fund which do not change the total fund appropriation. Budget revisions do not require City Council approval.

### Basis of Budgeting

As required by the North Carolina Local Government Budget & Fiscal Control Act, the budget is prepared and adopted using the modified accrual basis of accounting. Briefly, this means that obligations of the City are budgeted as expenditures, but revenues are recognized only when they are measurable and available. The City considers all revenues available if they are collected within 60 days after year end, except for property taxes. Those revenues susceptible to accrual include investment earnings, sales tax, and grants-in-aid earned.

During the year, the City's accounting system is maintained on the same basis as the Adopted Budget. This enables departmental budgets to be easily monitored via monthly accounting system reports. At fiscal year-end, the City's Comprehensive Annual Financial Report (CAFR) is prepared on a basis consistent with generally accepted accounting principles (GAAP). This basis of accounting conforms to the way the City prepares its budget, with a couple of notable exceptions. First, certain items that are referred to as revenues and expenditures in the budget

## BUDGET PROCESS

are included as other financing sources and uses in the CAFR. In addition, for financial statement presentation, proprietary (enterprise) funds are adjusted to the full accrual basis. The most significant differences between the budget and CAFR for proprietary funds are:

- a) capital outlay & debt service principal payments are recorded as expenditures for budgetary purposes, as opposed to adjustments of balance sheet accounts in the CAFR (GAAP); and
- b) depreciation is recorded as an expense in the CAFR (GAAP) and not recognized for budgetary purposes.

All outstanding encumbrances on the accounting system on June 30 are carried over into the next year's budget. Outstanding encumbrances at the end of the year do not constitute expenditures or liabilities.



# FY 2024-25 Budget Calendar

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Item	Date/Deadline
City Council Capital Improvement Work Session	December 12, 2023
City Council Formal Meeting - Adoption of Budget Calendar	December 12, 2023
City Council Formal Meeting - FY 2024-25 Budget Priorities Public Comment	January 23, 2024
Management Team Retreat	January 25, 2024
Internal review of existing programs and services (operating) and infrastructure and facility needs (capital)	January – March 2024
City Council Retreat	February 22-23, 2024
Finance & HR Committee - Review of FY 2024-25 Fees & Charges	March 12, 2024
City Council Budget Work Session	March 12, 2024
City Council Budget Work Session	March 26, 2024
City Council Formal Meeting - Adoption FY 2024-25 Fees & Charges	March 26, 2024
City Council Budget Work Session	April 9, 2024
Proposed Budget Document Published	May 10, 2024
City Council Formal Meeting - Proposed Budget Presentation	May 14, 2024
City Council Formal Meeting - Budget Public Hearing	May 28, 2024
City Council Formal Meeting - Budget Adoption	June 11, 2024

# Financial Policies

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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

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

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

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

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

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

## B. Reserves

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

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

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

## FINANCIAL POLICIES

### C. Interfund Transfers

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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

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

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

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

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

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

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

### E. Capital Improvement Policy

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

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

## FINANCIAL POLICIES

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

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

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

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

### F. Accounting Policy

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

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

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

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

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

### G. Audit Policy

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

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

## FINANCIAL POLICIES

### H. Water Utility Policy

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

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

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

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

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

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- **Health Fund**
  - **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 exceed the aggregate potential liability funded from current rate resources, would be paid from reserves.

## FINANCIAL POLICIES

- 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.

- 100% of the incurred but not reported claims liability with the lag factor based on the prior 12-month average, and
- 100% of reported and not yet paid claims computed as two weeks of annual claims benefits costs, and
- 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

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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.

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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:



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

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

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

Institution provides employment within the city limits

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

### Comprehensive Debt Management Policy

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#### 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

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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 the 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

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Finance Director. The Assistant Finance Director, 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.

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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.

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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



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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).

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### 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.



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*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 ratio 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 statutes, 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.

*Defeasance:* 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.

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*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 which voters determine the City's ability to sell General Obligation Bonds. This generally occurs in connection with November elections.

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*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

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>REVENUES</b>						
General Fund	154,336,719	162,641,659	172,740,968	172,743,968	161,900,137	179,714,209
Water Resources	36,699,404	40,895,448	44,005,580	44,005,580	42,984,116	47,140,150
Transit Services	12,891,753	11,998,173	14,023,720	14,023,720	15,201,926	14,547,242
Stormwater	6,585,700	7,511,027	8,953,561	9,353,561	8,624,979	8,839,605
Parking Services	6,524,016	7,083,453	7,153,860	7,153,860	6,866,067	8,167,300
Harrah's Center	8,189,661	6,236,694	5,530,847	7,130,847	5,102,363	6,147,937
Street Cut Utility	1,737,201	3,006,454	2,386,979	2,386,979	2,262,118	2,908,696
<b>Total</b>	<b>226,964,454</b>	<b>239,372,907</b>	<b>254,795,515</b>	<b>256,798,515</b>	<b>242,941,706</b>	<b>267,465,139</b>
Interfund Transfers	(13,241,884)	(15,185,450)	(14,877,573)	(14,777,573)	(15,121,252)	(16,588,942)
<b>Net Revenues</b>	<b>213,722,570</b>	<b>224,187,458</b>	<b>239,917,942</b>	<b>242,020,942</b>	<b>227,820,455</b>	<b>250,876,197</b>
<b>EXPENDITURES</b>						
General Fund	144,931,275	155,472,578	172,740,968	172,743,968	167,511,392	179,714,209
Water Resources	36,731,401	39,329,482	44,005,580	44,005,580	42,084,354	47,140,150
Transit Services	11,577,631	12,852,055	14,023,720	14,023,720	13,758,699	14,547,242
Stormwater	6,036,047	7,245,539	8,953,561	9,353,561	7,950,959	8,839,605
Parking Services	4,264,357	5,043,855	7,153,860	7,153,860	6,864,395	8,167,300
Harrah's Center	5,021,075	5,050,328	5,530,847	7,130,847	6,178,339	6,147,937
Streety Cut Utility	1,703,294	1,861,275	2,386,979	2,386,979	2,161,261	2,908,696
<b>Total</b>	<b>210,265,080</b>	<b>226,855,111</b>	<b>254,795,515</b>	<b>256,798,515</b>	<b>246,509,400</b>	<b>267,465,139</b>
Interfund Transfers	(13,241,884)	(15,185,450)	(14,877,573)	(14,777,573)	(15,121,252)	(16,588,942)
<b>Net Expenditures</b>	<b>197,023,197</b>	<b>211,669,661</b>	<b>239,917,942</b>	<b>242,020,942</b>	<b>231,388,148</b>	<b>250,876,197</b>

*Note: The FY 2023-24 Amended Budget reflects the FY 2023-24 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: ALL FUNDS**

**Budget Sources and Uses by Fund**

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	General Fund	Water Resources	Transit Services	Stormwater Utility	Parking Services	Harrah's Cherokee Center	Street Cut Utility
<b>SOURCE OF FUNDS</b>							
Property Tax	86,141,790	-	-	-	-	-	-
Sales & Other Tax	44,450,000	-	-	-	-	-	-
Intergovernmental	13,698,675	-	3,862,949	-	-	-	-
Licenses & Permits	5,658,176	-	370,000	367,105	-	-	-
Charges for Services	15,464,086	45,637,150	635,000	8,370,000	360	4,697,500	2,508,696
Investment Earnings	2,100,000	1,373,000	-	100,000	115,000	125,000	-
Miscellaneous	3,958,690	130,000	-	2,500	8,051,940	200,000	-
Other Sources	8,242,792	-	9,679,293	-	-	1,125,437	400,000
<b>Total Revenues</b>	<b>179,714,209</b>	<b>47,140,150</b>	<b>14,547,242</b>	<b>8,839,605</b>	<b>8,167,300</b>	<b>6,147,937</b>	<b>2,908,696</b>
<b>USES OF FUNDS</b>							
Salaries & Wages	79,490,402	11,297,455	339,642	3,580,174	1,637,523	2,409,226	966,493
Benefits	34,962,718	5,372,987	133,604	1,724,586	813,286	934,749	487,060
Operating Costs	37,895,737	9,784,351	13,882,288	1,788,019	2,566,814	2,056,402	787,063
Interfund Transfers	9,679,730	3,696,447	184,208	1,361,368	950,000	499,109	218,080
Capital & Debt	17,685,622	16,988,910	7,500	385,458	2,199,677	248,451	450,000
<b>Total Expenditures</b>	<b>179,714,209</b>	<b>47,140,150</b>	<b>14,547,242</b>	<b>8,839,605</b>	<b>8,167,300</b>	<b>6,147,937</b>	<b>2,908,696</b>

# Budget Summary: Expenditures

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES BY CATEGORY</b>						
Salaries & Wages	75,929,789	80,753,856	93,052,751	92,698,751	88,757,500	99,720,915
Benefits	32,811,523	36,576,263	41,175,275	41,142,445	38,873,016	44,428,990
Operating Costs	55,179,410	62,073,675	69,005,376	69,804,687	65,198,408	68,760,674
Capital & Debt	33,102,475	32,265,867	36,684,540	38,375,059	38,559,224	37,965,618
<b>Net Expenditures</b>	<b>197,023,197</b>	<b>211,669,661</b>	<b>239,917,942</b>	<b>242,020,942</b>	<b>231,388,148</b>	<b>250,876,197</b>

## Expenditure Highlights

Overall, the City’s net FY 2024-25 Adopted Budget, which totals \$250.9 million, shows a \$11 million or 4.6% increase compared to the 2023-24 Original Budget. The City’s Adopted General Fund Budget totals \$179.7 million, an increase of \$7 million or 4% compared to the FY 2023-24 Original Budget.

## Personnel Costs (Salaries, Wages, and Benefits)

The personnel budget includes the following salary adjustments for employees:

- A flat dollar increase of \$4,053 for beginning on-shift Firefighters to increase the lowest paid on-shift Firefighter by 8.8% and a 2.5% separation between steps in the Fire Play Plan to maintain the integrity of the step plan;
- An annual increase of 6.0% for employees on the Police Pay Plan; and
- An annual increase of \$2,400 or 4.11% whichever is greater for all regular full-time permanent employees on the City’s other pay plans to increase the lowest paid employee pay by 6.3%.

Based on claims trends, both employer and employee contributions to the health insurance program increased for the first time in six years. Employer contributions increased by \$1.3 million and employee contributions increased by an average of 6% for all plans. The Adopted Budget includes \$1.2 million to fund a required increase of 1% for law enforcement personnel and 0.75% for other employees in the employer contribution to the Local Government Employee Retirement System (LGERS).

## BUDGET SUMMARY: EXPENDITURES

### Operating Costs

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Citywide operating costs are down \$245,000 or 0.3% compared to the 2023-24 Original Budget. The bulk of this decrease is in the Water Services Fund, driven by the addition of a new Capital Improvement Project Manager position that will reduce the need for external engineering services by approximately \$200,000.

### Debt Service/Capital Costs

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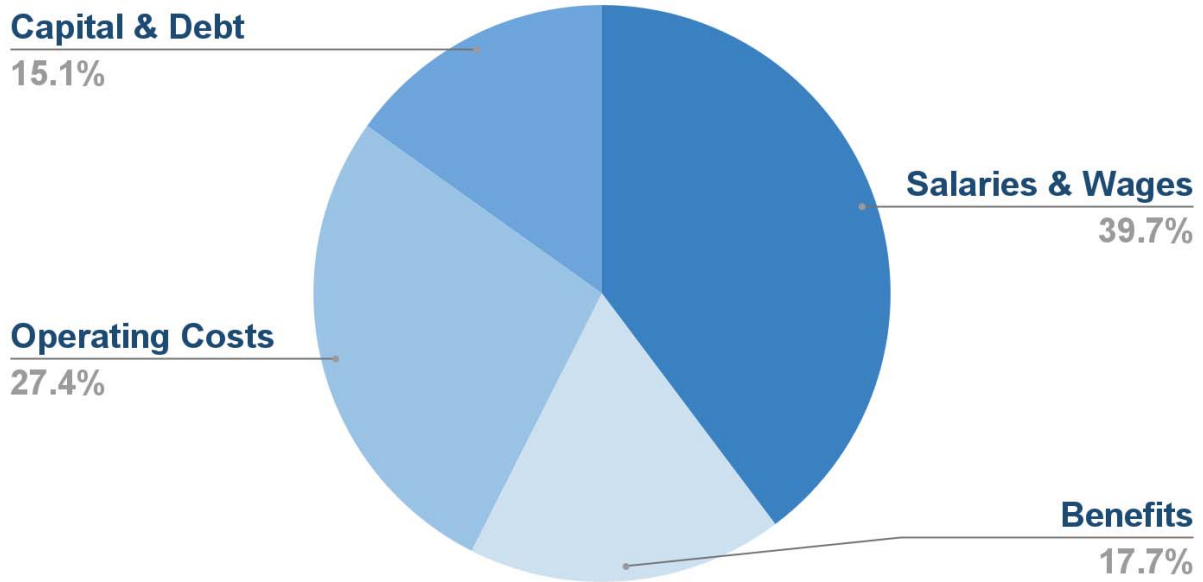
The debt service and capital expenditure category includes annual debt service payments on the City's existing and planned debt issuances, as well as capital purchases in departmental operating budgets, pay-as-you-go transfers to the City's various capital project funds, and funding for the General Fund multi-year capital model. For FY 2024-25 Adopted Budget, the Citywide total for these expenses is approximately \$37.9 million. This is down slightly from the prior fiscal year due to one-time capital investments included in the FY 2023-24 Adopted Budget.

In the enterprise funds, additional pay-go contributions to capital projects in the Water Resources and Parking Services funds will begin to address significant maintenance needs identified for water treatment plants and parking garages respectively. These investments are primarily funded by approved fee increases in both funds.



## BUDGET SUMMARY: EXPENDITURES

### FY 2024 - 2025 Net Total Expenditures by Category



### Budget-to-Budget Expenditure Comparison

	2023-24 Original Budget	2024-25 Adopted Budget	\$ Change	% Change
<b>EXPENDITURES BY CATEGORY</b>				
Salaries & Wages	93,052,751	99,720,915	6,668,164	7.2%
Benefits	41,175,275	44,428,990	3,253,715	7.9%
Operating Costs	69,005,376	68,760,674	(244,702)	-0.4%
Capital & Debt	36,684,540	37,965,618	1,281,078	3.5%
<b>Net Expenditures</b>	<b>239,917,942</b>	<b>250,876,197</b>	<b>10,958,255</b>	<b>4.6%</b>

# Budget Summary: Revenues

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>REVENUE SOURCES</b>						
Property Tax	79,908,773	80,459,049	82,908,724	82,908,724	82,903,690	86,141,790
Sales & Other Tax	37,875,658	40,206,823	44,112,824	44,112,824	40,279,471	44,450,000
Intergovernmental	19,609,983	16,204,178	16,349,529	16,749,529	17,959,390	17,561,624
Licenses & Permits	7,313,824	6,283,038	6,180,389	6,180,389	5,447,422	6,395,281
Charges for Services	61,363,594	68,654,929	73,018,824	73,278,824	70,440,905	77,312,792
Investment Earnings	(596,040)	4,555,671	1,192,500	1,232,500	3,542,627	3,813,000
Miscellaneous	10,289,589	11,289,030	10,764,295	10,767,295	10,802,944	12,343,130
Other Sources	11,199,072	11,720,190	20,268,430	21,568,430	11,565,258	19,447,522
<b>Grand Total</b>	<b>226,964,454</b>	<b>239,372,907</b>	<b>254,795,515</b>	<b>256,798,515</b>	<b>242,941,706</b>	<b>267,465,139</b>
Interfund Transfers	(13,241,884)	(15,185,450)	(14,877,573)	(14,777,573)	(15,121,252)	(16,588,942)
<b>Net</b>	<b>213,722,570</b>	<b>224,187,458</b>	<b>239,917,942</b>	<b>242,020,942</b>	<b>227,820,455</b>	<b>250,876,197</b>

## Property Taxes

The property tax, which comprises 34.3% of total revenue, is the single largest source of revenue for the City. The adopted ad valorem tax rate was increased by 0.63 cents to 40.93 cents per \$100 of assessed value to generate an additional \$1.26 million in the General Fund to fund compensation adjustments.

## Sales & Other Taxes

Sales tax revenues performed exceptionally well during both the height of the pandemic and during the economic recovery afterwards, but growth has slowed in the current fiscal year. From FY 2020-21 to FY 2022-23, sales tax revenues grew substantially year-over-year, exceeding budget estimates. Current fiscal year sales tax revenue is flat compared to FY 2022-23. Sales tax revenue for FY 2024-25 is projected to increase by 1%.

## Other Revenues

Charges for service revenue shows a \$4.3 million or 5.9% increase in the Adopted FY 2024-25 Budget. Just over half of that increase (\$2.4 million) is generated by the rate increase for Water services that City Council approved at its March 26, 2024 meeting. Other major fee increases

## BUDGET SUMMARY: REVENUES

approved at the meeting include an increase to Solid Waste and Stormwater fees, which result in increases to the sales and services revenues of \$400,000 and \$240,000 respectively.

Compared to the FY 2023-24 Original Budget, intergovernmental revenue increased approximately \$1.2 million or 7.1%. An increase of \$550,000 is due to the City's Powell Bill allocation, state funding that supports roadway, sidewalk and greenway maintenance. Additionally, 5307 Urbanized Area Apportionment federal funding for Transit increased approximately \$700,000.

Miscellaneous revenue also increased in the FY 2024-25 Adopted Budget, up \$1.6 million or 14.7% over the prior year. Approximately \$900,000 of the increase is from Parking fee increases that City Council approved at its March 26, 2024 meeting including the increase of on-street hourly rate from \$1.50 to \$2.50 and the policy is updated to the first hour is only free if a patron parks for 60 minutes or less. The prior policy was that the first hour of garage parking was free, regardless of how long a patron parks. Approximately \$650,000 of the increase is from the alcohol control board revenues.

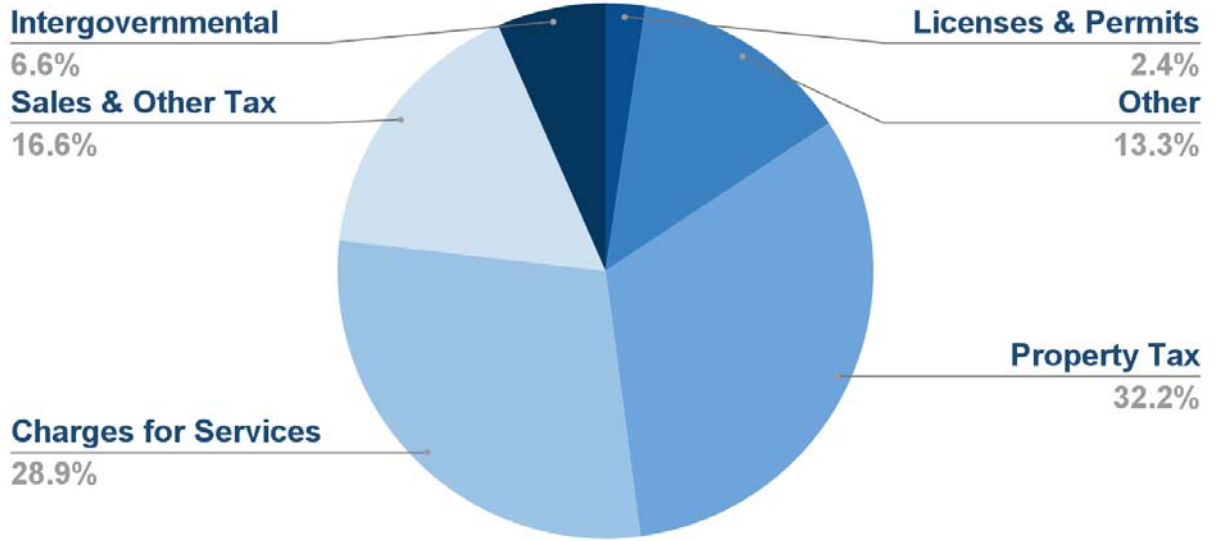
Investment Earnings revenues increased \$2.6 million in the FY 2024-25 Adopted Budget which reflects the revenue increase realized in the current fiscal year.

Licenses and Permits revenues are all essentially flat compared to the FY 2023-24 Original Budget.

The Other Financing Sources category includes items such as interfund transfers and fund balance appropriations. The FY 2024-25 Adopted Budget for Other Financing Sources is decreasing by \$820,000, preliminary due to the decreased appropriation of General Fund and Stormwater Fund balances.

BUDGET SUMMARY: REVENUES

FY 2024 - 2025 Total Revenues by Source



Budget-to-Budget Revenue Comparison

	2023-24 Original Budget	2024-25 Adopted Budget	\$ Change	% Change
<b>REVENUE BY SOURCE</b>				
Property Tax	82,908,724	86,141,790	3,233,066	3.9%
Sales & Other Tax	44,112,824	44,450,000	337,176	0.8%
Intergovernmental	16,349,529	17,561,624	1,212,095	7.4%
Licenses & Permits	6,180,389	6,395,281	214,892	3.5%
Charges for Services	73,018,824	77,312,792	4,293,968	5.9%
Investment Earnings	1,192,500	3,813,000	2,620,500	219.7%
Miscellaneous	10,764,295	12,343,130	1,578,835	14.7%
Other Sources	20,268,430	19,447,522	(820,908)	-4.1%
<b>Grand Total</b>	<b>254,795,515</b>	<b>267,465,139</b>	<b>12,669,624</b>	<b>5.0%</b>
Interfund Transfers	(14,877,573)	(16,588,942)	(1,711,369)	11.5%
<b>Net</b>	<b>239,917,942</b>	<b>250,876,197</b>	<b>10,958,255</b>	<b>4.6%</b>

# Budget Summary: Staffing

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2024-25 Adopted Budget
<b>FULL-TIME EQUIVALENT POSITIONS BY FUND TYPE</b>					
General & Grant Funds	1,046.64	1,053.02	1,059.52	1,060.52	1,068.89
Enterprise Funds	285.49	286.74	300.24	300.24	321.24
<b>Citywide Total</b>	<b>1,332.13</b>	<b>1,339.76</b>	<b>1,359.76</b>	<b>1,360.76</b>	<b>1,390.13</b>

## Staffing Highlights

The budget includes the addition of 29.4 full-time equivalent (FTE) positions. These include:

Department	FTEs	Positions
Fire	+7.4	Senior Firefighter (3.0) Fire Engineer Fire Lieutenant Peer Support Specialists (2.0) Radio Technician (.4)*
Public Works	+1.0	Sanitation Driver II
Stormwater Enterprise Fund	+8.0	Equipment Operator II (2.0) Equipment Operator III Equipment Operator III, Lead Crew Supervisor Field Operations Specialist Plane Review Supervisor Senior Plan Reviewer
Streetcut Utility Fund	+7.0	Equipment Operator II (2.0) Equipment Operator III (3.0) Equipment Operator III, Lead Crew Supervisor
Water Services Fund	+5.0	Water Maintenance Worker I (2.0) Water Maintenance Worker III Water Maintenance Supervisor Capital Improvement Projects Manager
Harrah's Center Enterprise Fund	+1.0	Events & Operations Manager

\*The Radio Technician is being converted from a part-time position to a full-time position.

## BUDGET SUMMARY: STAFFING

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

### Staffing Summary by Fund and Department

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2024-25 Adopted Budget
<b>GENERAL FUND</b>					
Admin. Services/CMO	11.00	10.00	11.00	11.00	11.00
Asheville Fire Department	292.00	292.63	292.63	293.63	301.00
Asheville Police Department	269.00	269.00	269.00	270.00	270.00
CAPE	10.00	10.00	10.00	11.00	11.00
Capital Management	38.00	38.00	39.00	38.00	38.00
City Attorney	7.00	7.00	8.00	8.00	8.00
Comm. & Econ. Development	19.00	21.00	21.00	20.00	20.00
Comm. & Regional Facilities	18.50	18.50	19.50	19.50	19.50
Development Services	57.50	58.50	47.00	47.00	47.00
Equity & Inclusion	4.00	4.00	4.00	4.00	4.00
Finance & Mgmt. Services	34.00	37.00	37.50	37.50	37.50
Human Resources	21.00	18.00	18.00	18.00	18.00
Information Tech. Services	29.00	27.00	27.00	27.00	27.00
Parks & Recreation	100.50	102.50	102.50	102.50	102.50
Planning & Urban Design	13.50	13.50	25.00	25.00	25.00
Public Works	105.30	109.05	111.05	111.05	112.05
Sustainability	3.00	3.00	3.00	3.00	3.00
Transportation	14.34	14.34	14.34	14.34	14.34
<b>Total</b>	<b>1,046.64</b>	<b>1,053.02</b>	<b>1,059.52</b>	<b>1,060.52</b>	<b>1,068.89</b>
<b>ENTERPRISE FUNDS</b>					
Harrah's Center	25.75	25.75	27.75	27.75	28.75
Transit Services	4.00	4.00	4.00	4.00	4.00
Parking Services	28.66	28.66	28.66	28.66	28.66
Stormwater	52.60	53.85	54.85	54.85	62.85
Street Cut Utility	10.60	10.60	10.60	10.60	17.60
Water Resources	163.88	163.88	174.38	174.38	179.38
<b>Total</b>	<b>285.49</b>	<b>286.74</b>	<b>300.24</b>	<b>300.24</b>	<b>321.24</b>
<b>Citywide Total</b>	<b>1,332.13</b>	<b>1,339.76</b>	<b>1,359.76</b>	<b>1,360.76</b>	<b>1,390.13</b>

# General Fund Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>REVENUES</b>						
Property Tax	79,908,773	80,459,049	82,908,724	82,908,724	82,903,690	86,141,790
Sales & other Taxes	37,875,658	40,206,823	44,112,824	44,112,824	40,279,471	44,450,000
Intergovernmental	13,102,436	14,255,988	13,249,805	13,249,805	13,250,715	13,698,675
Licenses & Permits	6,531,732	5,563,718	5,508,256	5,508,256	4,859,558	5,658,176
Charges for Services	12,390,273	13,531,276	14,308,074	14,308,074	13,989,667	15,464,086
Investment Earnings	(372,058)	2,706,098	673,500	673,500	2,350,659	2,100,000
Miscellaneous	4,422,185	4,225,887	3,335,162	3,338,162	3,735,448	3,958,690
Other Sources	477,720	1,692,821	8,644,623	8,644,623	530,929	8,242,792
<b>Total</b>	<b>154,336,719</b>	<b>162,641,659</b>	<b>172,740,968</b>	<b>172,743,968</b>	<b>161,900,137</b>	<b>179,714,209</b>
<b>EXPENDITURES</b>						
Admin & CMO	1,779,455	1,986,473	1,956,543	1,956,543	1,936,279	2,112,487
Fire	32,828,768	35,939,556	38,365,836	38,365,836	37,290,842	41,508,424
Police	28,334,987	30,644,807	33,819,371	33,819,371	33,042,891	35,453,392
CAPE	885,411	975,718	1,139,719	1,139,719	1,067,489	1,249,919
Capital Management	2,910,880	2,946,211	3,615,564	3,615,564	3,749,375	4,012,066
City Attorney	1,141,481	1,265,278	1,500,871	1,500,871	1,349,157	1,635,302
Community/Econ Dev	2,368,287	2,663,747	3,902,643	3,905,095	3,125,461	3,454,089
CREF	1,914,748	2,690,073	2,975,095	3,120,095	2,726,247	3,094,184
Development Svcs	5,053,829	4,993,907	4,864,960	4,864,960	4,254,123	4,754,737
Equity & Inclusion	328,419	412,225	518,509	518,509	431,044	552,348
Finance	3,027,681	3,578,593	4,085,377	4,085,377	3,886,350	4,478,430
Human Resources	1,623,348	1,964,746	2,181,848	2,181,848	2,064,992	2,424,110
Information Technology	4,303,531	4,454,085	4,484,934	4,559,934	4,148,506	4,823,370
Non-Departmental	3,915,371	4,961,182	5,688,222	5,564,739	6,083,645	5,787,190
Parks & Recreation	10,891,806	12,263,923	13,559,551	13,562,551	12,914,206	14,170,634
Planning/Urban Design	1,468,254	1,339,099	2,937,083	2,938,114	2,736,974	2,665,559
Public Works	13,770,762	13,744,464	15,502,753	15,502,753	15,233,228	16,217,053
Transportation	2,452,425	2,612,985	3,057,358	3,057,358	2,985,852	3,081,093
Sustainability	878,539	960,841	839,879	839,879	839,879	839,870
Transit Transfer	6,916,932	6,916,932	7,049,000	7,049,000	7,049,000	8,429,293
HTF Transfer	500,000	500,000	500,000	500,000	500,000	500,000
HCCA Transfer	1,204,420	860,437	1,125,437	1,025,437	1,025,437	1,125,437
CIP/Debt Service	16,431,941	16,797,296	19,070,415	19,070,415	19,070,415	17,345,222
<b>Total</b>	<b>144,931,275</b>	<b>155,472,578</b>	<b>172,740,968</b>	<b>172,743,968</b>	<b>167,511,392</b>	<b>179,714,209</b>



# Analysis of Fund Balance

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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 an unassigned fund balance in the chart above.

According to the Local Government Commission, cities should have a minimum fund balance of at least 8% or one month of operating expenditures. This 8% requirement is a minimum standard, and most government sector entities prefer to maintain fund balance between 10% and 20%. Falling below this preferred standard would have substantial financial implications, the most costly of which would be a lower bond rating. This rating characterizes the risk of city-issued debt for potential buyers. A lower rating implies less faith and trust in the City's financial position, resulting in more costly borrowing at higher interest rates.

If a local government's fund balance drops to 8% or below, the State will issue a letter of warning giving the government a time frame to bring the fund balance back up. Should the government not comply, the State can step in and assume financial management.

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

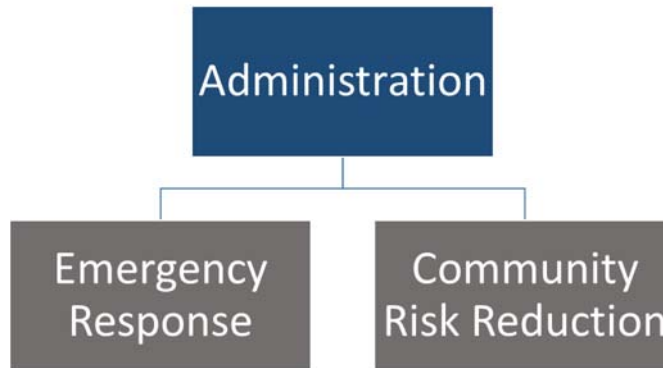
- The predictability of revenues and volatility of expenditures: a higher level of unreserved funds may be needed if significant revenue sources are subject to unpredictable fluctuations.
- The availability of resources in other funds as well as the potential drain upon General Fund resources from other funds may require a higher level of unreserved fund balance.
- Liquidity: a disparity between when financial resources actually become available to make payments and the average maturity of the related liabilities may require a higher level of resources to be maintained.

The City of Asheville Financial Management Policy recommends that the City maintain a fund balance in the General Fund equal to 15% of expenditures. Year-end unassigned fund balance levels have remained between fifteen and twenty percent (15%-20%) in each year since 2011. We are anticipating that unassigned fund balance in the General Fund for FY 2024-25, will end the year around 18.7%. This will provide the flexibility to utilize a \$7.8 million fund balance appropriation to fund some key investments in FY 2024 - 2025, this appropriation may result in year-end FY 2024-25 unassigned fund balance falling below the City's 15% policy threshold

# Asheville Fire Department

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The Asheville Fire Department mitigates loss and suffering due to fires, medical emergencies, and disasters through education, prevention, and response. The department has three bureaus: Support Services, Operations, and Emergency Management.



## Budget Summary

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	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	20,582,661	21,785,133	23,865,284	23,865,284	23,430,021	25,915,131
Benefits	8,975,544	10,003,390	10,825,564	10,825,564	10,406,227	11,820,994
Operating Costs	3,733,830	4,507,779	3,674,988	3,664,988	3,454,593	4,046,440
Cost Transfers	(470,190)	(378,396)	-	-	-	(274,141)
Capital Outlay	6,923	21,650	-	10,000	-	-
<b>Total</b>	<b>32,828,768</b>	<b>35,939,556</b>	<b>38,365,836</b>	<b>38,365,836</b>	<b>37,290,842</b>	<b>41,508,424</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>292.00</b>	<b>292.63</b>	<b>292.63</b>	<b>293.63</b>	<b>293.63</b>	<b>301.00</b>

## Budget Highlights

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- The Adopted Budget includes \$419,000 of General Fund and \$175,000 in Opioid Settlement Funding for seven new positions for the Community Responder Program to focus collective efforts to assist persons that are unsheltered and/or experiencing addiction or behavioral issues. The program proactively addresses concerns and quality of life issues before they escalate, and the cost will be partially offset by Opioid Settlement funding. This funding includes the five AFD positions that have been

## ASHEVILLE FIRE DEPARTMENT

providing this service since the Summer 2023 pilot, and adds two peer support specialists.

- The Continuity and Emergency Operations Plans that the Asheville Fire Department has been working on since 2022 will serve as the basis for effective response, recovery, and resiliency to any hazards faced by the City, and the FY 2024-25 Adopted Budget includes \$25,000 to train departments on how to implement and utilize the plans.
- The Adopted Budget includes \$13,000 for a part-time communications specialist to become full-time staff and perform work on the radio system for the Fire and Police departments.

### Division Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Administration	4,728,302	5,850,392	5,208,036	5,072,564	5,022,755	6,268,147
Emergency Response	26,249,059	28,080,562	30,789,588	30,925,060	30,011,932	32,618,833
Community Risk Reduction	1,851,407	2,008,602	2,368,212	2,368,212	2,256,154	2,621,444
<b>Total</b>	<b>32,828,768</b>	<b>35,939,556</b>	<b>38,365,836</b>	<b>38,365,836</b>	<b>37,290,842</b>	<b>41,508,424</b>
<b>POSITIONS</b>						
Administration	13.00	13.00	13.00	13.00	13.00	13.00
Emergency Response	260.00	260.63	260.63	261.63	261.63	269.00
Community Risk Reduction	19.00	19.00	19.00	19.00	19.00	19.00
<b>Total</b>	<b>292.00</b>	<b>292.63</b>	<b>292.63</b>	<b>293.63</b>	<b>293.63</b>	<b>301.00</b>

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

The **Emergency Response Division** is responsible for response to emergency calls for service throughout the city and all contractual areas. Around the clock emergency response to fires, medical emergencies, technical rescue incidents, hazardous materials spills, natural disasters, and other emergencies is provided through three distinct work shifts. The department operates 13 fire stations with 18 response companies, responding to over 22,000 emergencies annually.

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

## ASHEVILLE FIRE DEPARTMENT

### Department Priorities

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- Test a multidisciplinary response team to proactively assist people who are unsheltered and/or experiencing addiction or behavioral health issues to better connect them to services, reduce the number of business interruptions, and reduce load on public safety employees.
- Conduct a comprehensive review and update the City's emergency operations and continuity of operations plans to ensure that we can effectively respond to and recover from any hazards that threaten our community.
- Continue to focus on employee wellness. Develop programs which prevent illness and physical and emotional injuries for all members, increase fitness for all members, and standardize fitness for duty evaluations.
- Maximize stakeholder investment and increase our relevance within the community through increased educational and outreach activities.
- Establish a recruitment and hiring culture that provides a sustainable pool of candidates that reflect the community.
- Develop an equitable and competitive promotional process for members of the department based on job qualifications, personal development, skills, and demonstrated performance. This includes providing clear feedback and opportunities for staff to develop skills required for advancement.
- Continue to develop and improve emergency management processes and relationships that allow the City to plan for, prevent, respond to, and recover from both manmade and natural disasters.

# Asheville Police Department

The Asheville Police Department is devoted to ensuring public safety and order, enforcing the laws of North Carolina, upholding the United States Constitution, and enhancing national security. The Asheville Police Department is deeply committed to cultivating a secure, safe city and neighborhoods where all residents feel safe and thrive.



## Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	15,957,739	16,734,825	19,209,443	19,209,443	18,768,575	20,314,764
Benefits	6,856,490	7,427,800	8,395,082	8,395,082	8,303,050	8,606,821
Operating Costs	5,421,766	6,393,705	6,214,846	6,202,571	5,971,266	6,531,807
Cost Transfers	(47,574)	(41,740)	-	-	-	-
Capital Outlay	146,566	130,218	-	12,275	-	-
<b>Total</b>	<b>28,334,987</b>	<b>30,644,807</b>	<b>33,819,371</b>	<b>33,819,371</b>	<b>33,042,891</b>	<b>35,453,392</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>269.00</b>	<b>269.00</b>	<b>269.00</b>	<b>270.00</b>	<b>270.00</b>	<b>270.00</b>

## Budget Highlights:

- The Adopted Budget reallocates two vacant sworn officer positions to establish two new drone operator roles. While this change maintains the department’s budgeted position count, it has a budgetary impact of \$170,000, as the two sworn positions were not expected to be filled and unbudgeted for FY 2024-25. Additionally, funding of \$100,000 is required licensing and maintenance for previously purchased drones to support the recently expanded drone program.

## ASHEVILLE POLICE DEPARTMENT

- In FY 2023-24 the Axon contract was renegotiated, which provides for items such as dash cams, car radios, interview room video, and drone video. The Adopted Budget includes an increase of \$214,000 for this contract renewal.
- While turnover within sworn positions has slowed, the Adopted Budget continues to assume an average of 37 vacancies throughout the fiscal year.

### Division Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Administration	9,752,451	9,509,698	11,069,575	10,856,075	10,461,282	11,544,330
Community Engagement	1,229,165	1,049,867	1,027,380	1,026,155	1,541,351	1,676,820
Criminal Investigation	3,806,687	4,485,540	5,152,848	5,200,848	5,086,293	5,748,701
Patrol Bureau	13,546,684	15,599,703	16,569,568	16,736,293	15,953,965	16,483,541
<b>Total</b>	<b>28,334,987</b>	<b>30,644,807</b>	<b>33,819,371</b>	<b>33,819,371</b>	<b>33,042,891</b>	<b>35,453,392</b>
<b>POSITIONS</b>						
Administration	40.00	40.00	40.00	41.00	41.00	43.00
Community Engagement	26.00	26.00	26.00	26.00	26.00	26.00
Criminal Investigation	50.00	50.00	50.00	50.00	50.00	50.00
Patrol Bureau	153.00	153.00	153.00	153.00	153.00	151.00
<b>Total</b>	<b>269.00</b>	<b>269.00</b>	<b>269.00</b>	<b>270.00</b>	<b>270.00</b>	<b>270.00</b>

The **Administration Bureau** includes the Special Services Division, the Administrative Services Division, and the Finance and Support Division, which are all crucial for project management and policy direction for the department. The Special Services Division's functions include planning and research, property and evidence management, recruitment, and career development. The Administrative Services Division offers crime analysis, technology support, and police records services. The Finance and Support Division oversees the police operations budget, vehicle fleet, equipment tracking, and all procurement activities.

The **Operations Bureau** includes the following divisions:

The **Community Engagement Division** has three units: the Community Resource Officers who oversee outreach programs, collaborate with service providers, and lead problem-solving initiatives addressing complex community issues, as well as the Public Housing Unit and the School Resource Officers, both to enhance our engagement with the community.

The **Criminal Investigations Division** is staffed with detectives dedicated to investigating various reported offenses, including identifying and prosecuting the city's most violent criminals.

The **Patrol Operations Division** consists of uniformed police officers deployed across different areas of the city. They promptly respond to service calls, maintain round-the-clock patrols, and conduct investigations into criminal incidents and traffic collisions. This division shoulders the primary responsibility for the bulk of police services provided by our department.

# ASHEVILLE POLICE DEPARTMENT

## Department Priorities

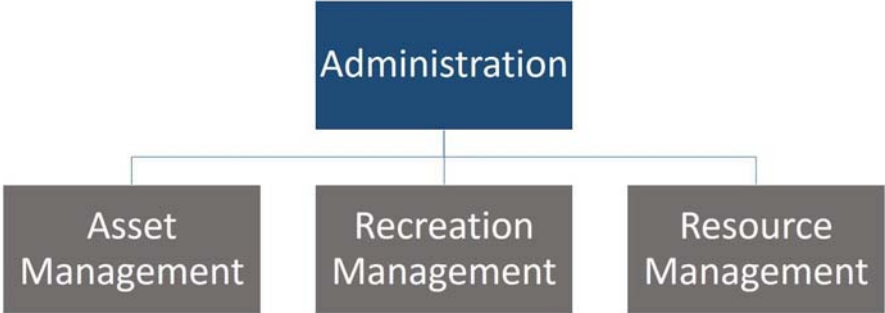
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- Develop and execute effective recruitment strategies to attract and onboard a diverse pool of highly qualified candidates with the goal to cultivate a workforce that reflects the vibrant diversity of our community, ensuring a more inclusive and effective law enforcement agency.
- Maintain steadfast dedication to our employees' health and wellness including exploring innovative strategies such as enhancing financial wellness initiatives to further develop our wellness program. Equip our officers with the essential tools to navigate the inherent challenges of police work effectively through health screenings, mental health assessments, updated training sessions, and comprehensive employee wellness programs.
- Select, implement, and integrate technological and equipment advancements to enhance operational efficiency and overall outcomes. Recognizing the potential of technology to harness its capabilities to foster positive changes in policing practices and cultivate trust and legitimacy within our communities.
- Support and fund impactful training opportunities and programs for officers. Such training enhances officers' comprehension and responsiveness to community needs and safeguards their well-being and that of the individuals they serve.



# Parks & Recreation Department

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



## Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	5,254,271	5,965,189	7,065,617	7,065,617	6,917,158	7,239,141
Benefits	2,009,019	2,412,704	2,593,071	2,593,071	2,807,276	3,014,495
Operating Costs	3,318,550	3,759,086	3,900,863	3,760,609	3,046,518	3,916,998
Capital Outlay	309,966	126,943	-	143,254	143,254	-
<b>Total</b>	<b>10,891,806</b>	<b>12,263,923</b>	<b>13,559,551</b>	<b>13,562,551</b>	<b>12,914,206</b>	<b>14,170,634</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>100.50</b>	<b>102.50</b>	<b>102.50</b>	<b>102.50</b>	<b>102.50</b>	<b>102.50</b>

## Budget Highlights

- Maintains existing services with no significant budget changes.

## Division Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						

## PARKS & RECREATION DEPARTMENT

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
Resource Management	2,081,229	2,190,183	2,424,169	2,382,086	2,128,720	2,488,181
Asset Management	4,833,960	5,460,781	6,065,213	6,060,173	5,830,011	6,380,678
Recreation Management	3,976,617	4,612,959	5,070,169	5,120,292	4,955,475	5,301,775
<b>Total</b>	<b>10,891,806</b>	<b>12,263,923</b>	<b>13,559,551</b>	<b>13,562,551</b>	<b>12,914,206</b>	<b>14,170,634</b>
<b>POSITIONS</b>						
Resource Management	12.00	12.00	12.00	12.00	12.00	12.00
Asset Management	42.75	42.75	42.75	42.75	42.75	42.75
Recreation Management	45.75	47.75	47.75	47.75	47.75	47.75
<b>Total</b>	<b>100.50</b>	<b>102.50</b>	<b>102.50</b>	<b>102.50</b>	<b>102.50</b>	<b>102.50</b>

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

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

The **Resource Management Division** 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.

## PARKS & RECREATION DEPARTMENT

### Department Priorities

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- Develop a comprehensive system wide plan for the long-term use and development of the City Parks and Recreation facilities and programming to ensure that community needs are served well and efficiently.
- Build healthy and safe neighborhoods with programs and events for community recreation opportunities by developing responsive programming to address under activated park spaces, by identifying internal and external partnerships, and by tracking customer satisfaction.
- Provide a quality and diverse park system reflective of neighborhood identity that supports equitable opportunities for active and passive recreation by developing a park system plan that identifies community recreational needs, park improvements, and future growth priorities.
- Identify initiatives and strategic plans that promote parks and recreation services and the capacity required for levels of standards.
- Provide targeted athletic and outreach programming for teens and young adults in vulnerable neighborhoods that create safe spaces and aid in improving community safety.

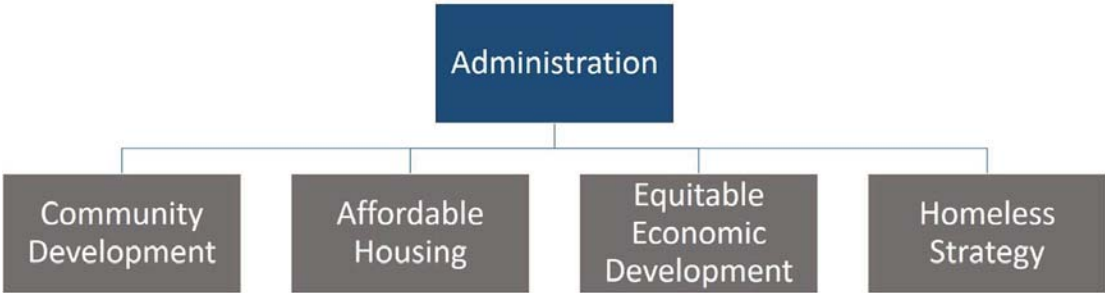
### Performance Measures

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MEASURE	FY	FY	FY
	2020-21	2021-22	2022-23
Percent of Population Living Within 10 Minutes of a Park or Facility	32.30%	32.30%	32.30%
Total Number of Participants in Recreational Facilities	4,172	25,437	31,838
Total Number of Participants in Parks Community Events	5,408	10,885	5,615
Number of Playgrounds	20	20	20
Number of Recreation Centers	8	8	8
Miles of Greenway	10	10	11

# 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

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	978,627	1,086,091	1,476,798	1,476,798	1,130,269	1,514,943
Benefits	390,516	459,189	554,381	554,381	456,495	588,742
Operating Costs	1,468,603	1,626,401	2,475,672	2,478,124	1,963,697	2,082,740
Cost Transfers	(469,459)	(507,934)	(604,208)	(604,208)	(425,001)	(732,336)
<b>Total</b>	<b>2,368,287</b>	<b>2,663,747</b>	<b>3,902,643</b>	<b>3,905,095</b>	<b>3,125,461</b>	<b>3,454,089</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>19.00</b>	<b>21.00</b>	<b>21.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>

## Budget Highlights

- During FY 2023-24 one position was transferred from Community and Economic Development to the Asheville Fire Department to support the Community Responder Program.
- The Adopted Budget includes the reclassification of an existing vacant position to a Homeless Strategy Specialist to support the expanded Continuum of Care program.

## COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

- The Adopted Budget includes a \$300,000 decrease to the Land Use Incentive Grant (LUIG) program based on which properties will be eligible for payments in FY 2024-25.

### Division Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Equitable Economic Development	1,777,984	2,098,871	2,482,904	2,489,279	2,195,653	2,380,405
Community Development	307,325	315,478	973,228	969,305	495,058	587,214
Homeless Support	282,978	249,398	446,511	446,511	434,750	486,470
<b>Total</b>	<b>2,368,287</b>	<b>2,663,747</b>	<b>3,902,643</b>	<b>3,905,095</b>	<b>3,125,461</b>	<b>3,454,089</b>
<b>POSITIONS</b>						
Equitable Economic Development	9.00	9.00	9.00	9.00	9.00	9.00
Community Development	10.00	12.00	12.00	11.00	11.00	11.00
<b>Total</b>	<b>19.00</b>	<b>21.00</b>	<b>21.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>

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

The **Homeless Strategy Division** serves as the designated Lead Agency for the NC-501 Asheville-Buncombe Continuum of Care, and in that role facilitates community access to federal funding for homeless and housing programs, manages the Homeless Management Information System, and supports the Continuum of Care governance board overseeing policy, strategy, and federal resource allocation.

The **Equitable Economic Development Division** includes the following programs: the City of Asheville Youth Leadership Academy (CAYLA) program, 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 Asheville Business Inclusion Office, which seeks to build capacity for government contracting with minority- and women-owned business enterprises (MWBE); the Real Estate Office, which manages City-owned properties and leads efforts to acquire, sell, and lease property to support core services; Economic Development, which supports business recruitment, retention, and expansion; and the **Affordable Housing Program** leads City-funded affordable housing initiatives including the development of affordable housing on City-owned land and the funding resources including the Land Use Incentive Grant program (LUIG), Housing Trust Fund and Bond funding for affordable housing.

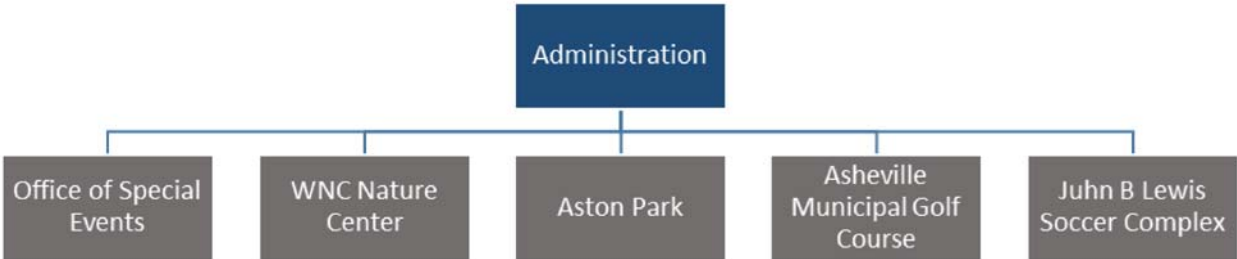
### Department Priorities

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- Continue to implement the recommendations of the National Alliance to End Homelessness report on unsheltered homelessness in Asheville-Buncombe County through improved system governance, data collection, efficiency and coordination of government agencies and community partners to improve prospects for a long-term reduction in the number of people experiencing homelessness.
- Implement recommendations from the 2023 Disparity Study to improve the City's utilization of minority and women-owned businesses.
- Create a new Consolidated Plan as required by the U.S. Department of Housing and Urban Development in order to implement federal funding programs that support affordable housing, community development, and economic development activities. These programs include the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grants (ESG).
- Implement a federally required allocation plan for \$4.7M in supplemental funding provided through the American Rescue Plan Act for use in Buncombe, Henderson, Transylvania, and Madison Counties to address homelessness.
- Engage with the community to ensure that residents are informed about the roles of Duke Energy and the City and have influence on downtown substation design outcomes through public meetings and through input into existing plans, priorities, and vision.
- Implement key strategies from the Affordable Housing Plan. Recognizing the need to intentionally build a more just, equitable, diverse, and inclusive future, the City of Asheville has developed a ten-year affordable housing plan. The plan identifies and prioritizes tangible strategy recommendations that the City of Asheville can lead or support.
- Administer the Strategic Partnership Grant program and continue to improve the program by reducing barriers to participation and building a foundation for consistent program impact on the opportunity gap for school-aged youth from low- and moderate-income households.
- Pursue the strategic disposition of specific City-owned, underutilized properties, with a focus on future uses that support affordable housing and economic development in key areas of the City.

# Community & Regional Entertainment Facilities

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



## Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	1,078,614	1,292,679	1,538,194	1,538,194	1,413,186	1,574,396
Benefits	363,136	447,453	505,512	505,512	517,755	549,501
Operating Costs	472,998	949,941	931,389	1,076,389	795,306	970,287
<b>Total</b>	<b>1,914,748</b>	<b>2,690,073</b>	<b>2,975,095</b>	<b>3,120,095</b>	<b>2,726,247</b>	<b>3,094,184</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>18.50</b>	<b>18.50</b>	<b>19.50</b>	<b>19.50</b>	<b>19.50</b>	<b>19.50</b>

## Budget Highlights

- The Adopted Budget includes additional operating costs of \$40,000 to support the opening of the permanent Butterfly Garden at the WNC Nature Center as part of the Gateway to the Southern Appalachians Enhancement project funded through the Buncombe County Tourism Development Authority.



## COMMUNITY & REGIONAL ENTERTAINMENT FACILITIES

### Division Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Administration	83,082	236,116	359,658	404,658	322,138	350,615
Aston Park Tennis Center	264,011	321,241	355,980	355,980	303,616	390,185
Municipal Golf Course	-	273,083	75,000	175,000	75,000	75,000
WNC Nature Center	1,567,655	1,859,633	2,184,457	2,184,457	2,025,493	2,278,384
<b>Total</b>	<b>1,914,748</b>	<b>2,690,073</b>	<b>2,975,095</b>	<b>3,120,095</b>	<b>2,726,247</b>	<b>3,094,184</b>
<b>POSITIONS</b>						
Administration	1.00	1.00	1.00	1.00	1.00	1.00
Aston Park Tennis Center	2.00	2.00	2.00	2.00	2.00	2.00
WNC Nature Center	15.50	15.50	16.50	16.50	16.50	16.50
<b>Total</b>	<b>18.50</b>	<b>18.50</b>	<b>19.50</b>	<b>19.50</b>	<b>19.50</b>	<b>19.50</b>

- The **Administration Division** coordinates and oversees the department's programs, including support for event business recruitment, retention, and expansion. The **Office of Special Events** is part of this division and as well as the **John B. Lewis Soccer Complex**, managed by Asheville Buncombe Youth Soccer Association who host games, practices, and camps focusing on soccer and lacrosse in western North Carolina.
- The **Aston Park Tennis Center** is one of the finest public clay court facilities in the United States. There are 12 lighted clay courts providing recreation access and programming to all citizens.
- The **Asheville Municipal Golf Course**, home of the Skyview Golf Tournament is the last remaining affordable public fee golf course in Asheville.
- 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.

### Department Priorities

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

# Housing Trust Fund

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## Budget Summary

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	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
General Fund Contribution	500,000	500,000	500,000	500,000	500,000	500,000

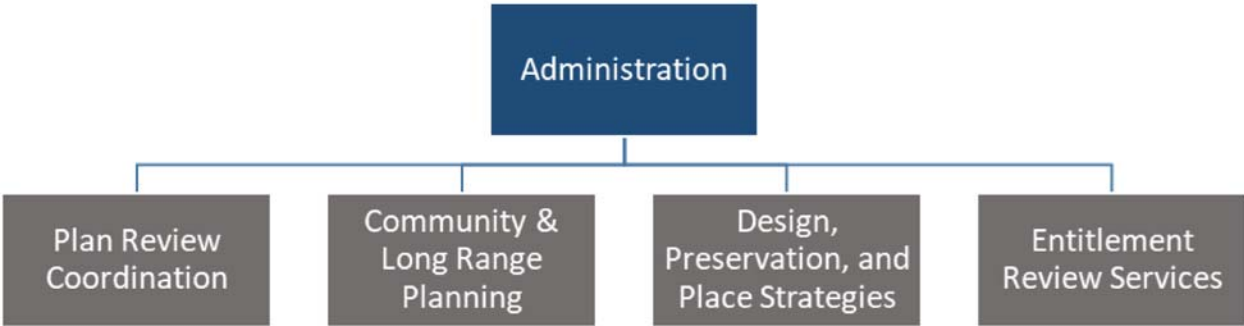
## Budget Highlights

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- Maintains existing services with no significant budget changes.

# Planning & Urban Design Department

The Planning & Urban Design Department works hand-in-hand with our community to create an equitable growth and development pattern that is consistent with the future vision outlined in Asheville’s Comprehensive Plan. The department provides: professional urban design, public art and culture, and historic preservation services; management of by-right and entitlement review processes for all proposed development; community engagement for special initiatives; and assistance in creating and implementing small area plans.



## Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	913,271	803,463	1,696,042	1,696,042	1,491,985	1,737,667
Benefits	386,312	351,526	634,743	634,743	638,691	744,082
Operating Costs	168,671	184,110	606,298	607,329	606,298	183,810
<b>Total</b>	<b>1,468,254</b>	<b>1,339,099</b>	<b>2,937,083</b>	<b>2,938,114</b>	<b>2,736,974</b>	<b>2,665,559</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>13.50</b>	<b>13.50</b>	<b>25.00</b>	<b>25.00</b>	<b>25.00</b>	<b>25.00</b>

## Budget Highlights

- Previous fiscal year one-time expenses of \$300,000 for the Urban Forestry Master Plan and \$50,000 for Design Guidelines were removed from the Adopted Budget.

**PLANNING & URBAN DESIGN DEPARTMENT**

**Division Summary**

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	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Plan Review Coordination	1,274,870	1,174,227	1,481,501	1,482,532	1,323,310	1,598,581
Entitlement Review Services	-	19,170	1,246,572	1,246,572	1,248,976	881,272
Community & Long Range Planning	188,410	97,593	149,010	149,010	104,688	145,706
Design, Preservation, and Place	4,974	48,110	60,000	60,000	60,000	40,000
<b>Total</b>	<b>1,468,254</b>	<b>1,339,099</b>	<b>2,937,083</b>	<b>2,938,114</b>	<b>2,736,974</b>	<b>2,665,559</b>
<b>POSITIONS</b>						
Plan Review Coordination	11.50	11.50	23.00	23.00	23.00	23.00
Entitlement Review Services	2.00	2.00	2.00	2.00	2.00	2.00
<b>Total</b>	<b>13.50</b>	<b>13.50</b>	<b>25.00</b>	<b>25.00</b>	<b>25.00</b>	<b>25.00</b>

The **Plan Review Coordination** division provides customer service for applicants seeking to develop and improve their properties through the by-right zoning process. These applications include the installation of signs, issuing a new address, subdividing land, or the review of a site plan for multifamily housing. This division also manages the Board of Adjustment.

The **Entitlement Review Services** division shepherds large scale or special use development applications, zoning map and text amendments, and use and rezoning applications through the public process required for approvals. This review process ensures consistency with design and development standards, the city’s Comprehensive Plan, and other adopted plans. The division manages the Planning and Zoning Commission, the Design Review Committee, and the Technical Review Committee.

The **Community and Long Range Planning** division uses data-driven research, community engagement, innovations in best practices, and an equity lens to develop and implement planning, zoning and urban design policy that aligns with the city's Comprehensive Plan and City Council and community goals. In addition to leading planning efforts related to residential neighborhoods, transportation corridors, and citywide development, this team provides urban forestry services.

The **Design, Preservation, and Place Strategies** division implements the public’s vision for Asheville by providing high-quality urban design advice and active management of the public realm, coordinates the visioning, design and implementation efforts for public spaces and city-owned properties, and provides guidance and assistance on the coordination of strategic projects and investments. The division supports the Downtown Commission, Historic Resources Commission, the Asheville Buncombe Riverfront Commission, and the Public Art and Culture Commission.

## PLANNING & URBAN DESIGN DEPARTMENT

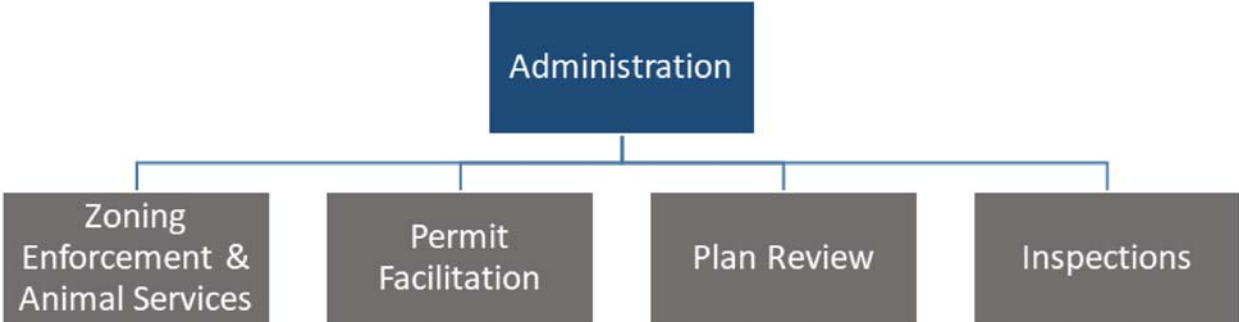
### Department Priorities

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- Help the community implement findings from the adopted Pack Square Plaza Vision Plan through the Boosting the Block and Reshaping Pack Square Projects.
- Complete the community-driven concept plan for the Patton Avenue corridor-downtown's western gateway, in alignment with NCDOT's kickoff of the design/build process for I-26 Connector Project.
- Implement findings from The Missing Middle Housing Report and recommend anti-displacement strategies for consideration.
- Provide project scoping and urban design support for the City's capital projects.
- Update the Unified Development Ordinance (UDO) to remove regulatory barriers to increasing housing supply, and to better reflect the City's Comprehensive Plan.
- Begin the process of creating an Urban Forestry Master Plan for Asheville
- Continue administrative improvements that improve the performance of the eight volunteer boards and commission under the department's management.
- Update existing design guidelines for downtown.

# Development Services Department

The Development Services Department promotes safety, livability, and positive economic growth to build a better and safer Asheville by processing permits and inspections, maintaining records, and providing exceptional customer service in a responsive, resourceful and results-oriented manner that helps customers navigate the development process. Development Services regulates the North Carolina State Building Codes, North Carolina General Statutes related to development, Asheville Housing Code, local development ordinances and related environmental codes to protect public safety and support economic development.



## Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	3,070,753	3,087,462	2,833,281	2,773,281	2,586,915	2,930,660
Benefits	1,475,211	1,472,644	1,555,309	1,555,309	1,185,952	1,388,811
Operating Costs	452,610	433,800	476,370	536,370	481,256	435,266
Capital Outlay	55,255	-	-	-	-	-
<b>Total</b>	<b>5,053,829</b>	<b>4,993,907</b>	<b>4,864,960</b>	<b>4,864,960</b>	<b>4,254,123</b>	<b>4,754,737</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>57.50</b>	<b>58.50</b>	<b>47.00</b>	<b>47.00</b>	<b>47.00</b>	<b>47.00</b>

## Budget Highlights

- The Adopted Budget includes a decrease of approximately \$170,000 in health care benefits to complete the reorganization of the land development planning functions, including 11.5 positions, from Development Services into the Planning and Urban Design Department started in FY 2023-24.

## DEVELOPMENT SERVICES DEPARTMENT

### Division Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Permitting & Inspections Div	4,609,076	4,269,117	4,085,418	4,085,418	3,472,965	3,877,668
Code Enforcement	444,753	724,789	779,542	779,542	781,158	877,069
<b>Total</b>	<b>5,053,829</b>	<b>4,993,907</b>	<b>4,864,960</b>	<b>4,864,960</b>	<b>4,254,123</b>	<b>4,754,737</b>
<b>POSITIONS</b>						
Permitting & Inspections Div	51.50	51.50	40.00	40.00	40.00	40.00
Code Enforcement	6.00	7.00	7.00	7.00	7.00	7.00
<b>Total</b>	<b>57.50</b>	<b>58.50</b>	<b>47.00</b>	<b>47.00</b>	<b>47.00</b>	<b>47.00</b>

### Department Priorities

- Maintain and improve departmental core services.
- Initiate 18-month project to implement new Clariti permitting platform.
- Develop and deploy processes to identify, prioritize and document affordable housing, City Council, and City development projects.
- Coordinate across departments to identify inefficiencies and improvements in existing permit close-out processes.
- Develop curricula for departmental on-boarding and apprenticeship programs

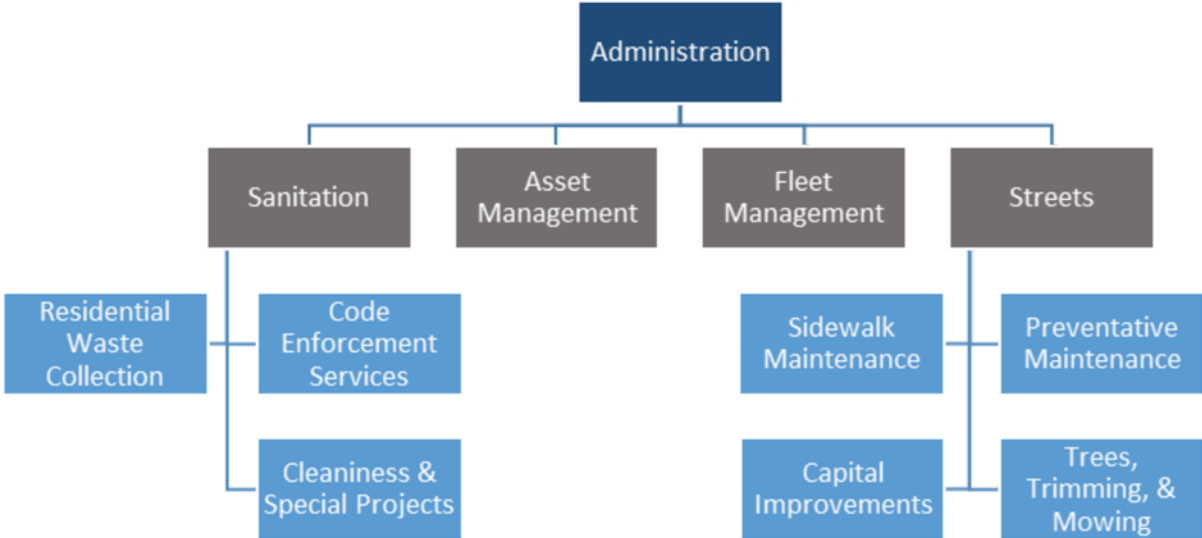
### Performance Measures

MEASURE	FY 2020-21	FY 2021-22	FY 2022-23
Total number of residential inspections completed	20,043	20,479	16,778
Total number of commercial inspections completed	11,342	12,166	12,261
Total number of multi-family inspections completed	1,263	426	286
Total number of residential permits issued	6,776	6,638	5,406
Total number of commercial permits issued	5,625	6,536	5,622
Average processing time for residential permits	127 Days	90 Days	35 Days
Average processing time for commercial permits	138 Days	108 Days	56 Days
Total number residential plan reviews	1,501	1,707	1,689
Total number commercial plan reviews	794	1,005	948



# 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

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	5,801,551	5,249,202	6,290,137	6,290,137	5,930,882	6,780,733
Benefits	2,315,783	2,597,672	2,916,060	2,916,060	2,776,556	3,252,291
Operating Costs	7,912,216	10,018,112	10,196,133	10,525,473	10,196,133	10,450,820
Cost Transfers	(2,267,337)	(4,151,453)	(3,899,577)	(4,228,917)	(3,670,344)	(4,311,791)
Capital Outlay	8,549	30,931	-	-	-	45,000
<b>Total</b>	<b>13,770,762</b>	<b>13,744,464</b>	<b>15,502,753</b>	<b>15,502,753</b>	<b>15,233,228</b>	<b>16,217,053</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>105.30</b>	<b>109.05</b>	<b>111.05</b>	<b>111.05</b>	<b>111.05</b>	<b>112.05</b>

## PUBLIC WORKS DEPARTMENT

### Budget Highlights

- The Adopted Budget includes \$79,000 for one new collection staff and \$45,000 for equipment to support additional routes needed to service residential growth (offset by additional revenue).
- The Adopted Budget increases by \$200,000 the funding for the Fleet Management division to recognize increased costs due to inflation.

### Division Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Administration	1,052,819	1,102,847	1,149,675	1,149,675	971,168	1,151,002
Fleet Management	1,451,220	877,031	707,050	707,050	596,484	906,509
PW Asset Management	145,123	157,441	180,318	180,318	144,688	170,808
Sanitation	7,252,673	7,145,984	8,363,665	8,363,665	8,319,697	8,474,069
Streets & Sidewalks	3,868,927	4,461,162	5,102,045	5,102,045	5,201,190	5,514,665
<b>Total</b>	<b>13,770,762</b>	<b>13,744,464</b>	<b>15,502,753</b>	<b>15,502,753</b>	<b>15,233,228</b>	<b>16,217,053</b>
<b>POSITIONS</b>						
Administration	4.25	4.00	4.00	4.00	4.00	4.00
Fleet Management	16.00	16.00	16.00	16.00	16.00	16.00
PW Asset Management	1.05	1.05	1.05	1.05	1.05	1.05
Sanitation	37.00	41.00	43.00	43.00	43.00	44.00
Streets & Sidewalks	47.00	47.00	47.00	47.00	47.00	47.00
<b>Total</b>	<b>105.30</b>	<b>109.05</b>	<b>111.05</b>	<b>111.05</b>	<b>111.05</b>	<b>112.05</b>

- The **Administration Division** oversees, leads, and directs 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** uses 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. The division strives to deliver excellent customer service and to enhance the community and the environment through the implementation of an effective integrated waste management plan.
- The **Streets Division** constructs and maintains the City's streets, sidewalks, trees, and rights-of-way in an efficient manner and provides emergency response services in all

## PUBLIC WORKS DEPARTMENT

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.

### Department Priorities

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- Engage contractors to carry out ongoing cleanup of roadside litter and sites containing biohazardous material to address community cleanliness concerns.
- 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.
- With the support of data from a new Fleet Asset Management software system, 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; implement measures to improve operational efficiency, customer service, and waste reduction programming; and contract with a consultant to develop a comprehensive Solid Waste Master Plan.
- Pursue investments in employee recruitment and retention, including:
  - Continuing to develop career ladders for employees, with enhanced opportunities for professional development and Public Works-focused training for supervisors.
  - Standardizing the onboarding process to create a more welcoming experience for new employees across all Public Works divisions.
- Continue to make improvements and investments in safety policies, procedures, and equipment to minimize on-the-job hazards and ensure that all employees go home safely.

### Performance Measures

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MEASURE	FY 2020-21	FY 2021-22
Total number of lane miles	811	793
Total number of lane miles rated 85 or better	123	121
Average PCI or PCR	61	60
Potholes reported	2,438	1,728

# Capital Management Department

The Capital Management 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, Capital Management endeavors to collaboratively deliver projects identified in the annual Capital Improvement Program to benefit the quality of life for Asheville residents and visitors.



## Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	1,710,438	1,780,154	2,487,913	2,487,913	1,746,005	2,557,603
Benefits	819,233	866,046	1,110,372	1,110,372	801,712	1,096,133
Operating Costs	1,076,193	1,352,420	1,426,935	1,331,935	1,426,935	1,425,548
Cost Transfers	(1,019,929)	(1,073,205)	(1,484,656)	(1,484,656)	(300,276)	(1,312,618)
Capital Outlay	324,945	20,796	75,000	170,000	75,000	245,400
<b>Total</b>	<b>2,910,880</b>	<b>2,946,211</b>	<b>3,615,564</b>	<b>3,615,564</b>	<b>3,749,375</b>	<b>4,012,066</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>38.00</b>	<b>38.00</b>	<b>39.00</b>	<b>38.00</b>	<b>38.00</b>	<b>38.00</b>

## CAPITAL MANAGEMENT DEPARTMENT

### Budget Highlights

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- To provide additional outreach and engagement for capital projects, a vacant position was transferred from Capital Management to CAPE during FY 2023-24.
- The Adopted Budget includes an annual increase of \$45,000 for the City Hall security contract .
- Capital outlay expenditures vary year to year based on planned replacements. The FY 2024-25 Adopted Budget includes roof and boiler replacements at Fire Station #5 and HVAC replacement at Shiloh Recreation Center.

### Division Summary

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	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Administration & Project Mgmt.	694,347	442,486	693,861	693,881	1,154,412	851,816
Public Facilities Management	2,216,533	2,503,725	2,921,703	2,921,683	2,594,964	3,160,250
<b>Total</b>	<b>2,910,880</b>	<b>2,946,211</b>	<b>3,615,564</b>	<b>3,615,564</b>	<b>3,749,375</b>	<b>4,012,066</b>
<b>POSITIONS</b>						
Administration & Project Mgmt.	18.00	18.00	18.00	17.00	17.00	17.00
Public Facilities Management	20.00	20.00	21.00	21.00	21.00	21.00
<b>Total</b>	<b>38.00</b>	<b>38.00</b>	<b>39.00</b>	<b>38.00</b>	<b>38.00</b>	<b>38.00</b>

The **Administration Division** supports the department through personnel management, budget management, and contract coordination. This division is responsible for coordination with the executive management of the organization and with the City Council. The efforts of this division are supported by the Business Services group. The **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 division provides general engineering support, surveying, contract administration, and right-of-way acquisition support.

The **Public Facilities Management Division** manages an array of services including maintenance, operations, planning, and asset management for the City's 60+ building inventory. Facility Maintenance tasks include work on mechanical, electrical, and plumbing systems to ensure City facilities operate efficiently and consistently. Direct operations services include custodial work, building security, and mail management and delivery services.

## CAPITAL MANAGEMENT DEPARTMENT

### Department Priorities

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- Installation of a downtown public restroom facility to increase public access to clean, safe facilities that are open 24/7.
- Complete design and commence the construction of the McCormick Field project with a focus on inclusive business involvement.
- Support the City's project scoping process to ensure that project estimates are accurate and appropriately prepared for inclusion in the annual CIP budget and/or future bond referendum.
- Develop a long range facility management plan that shows a 10 year comprehensive facility maintenance and replacement plan for the entire building inventory.
- Support the development of the new Facility Management Division. Prioritize the facility management needs and work to implement strategies for the delivery of services as envisioned.

# Sustainability

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The Sustainability Department works with all departments across the City to incorporate City Council’s strategic goals and resolutions pertaining to sustainability, climate change mitigation, and adaptation into municipal operations, infrastructure, and services.

## Budget Summary

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	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	206,595	204,841	253,497	253,497	214,286	268,294
Benefits	94,722	77,990	108,797	108,797	85,898	117,287
Operating Costs	341,801	324,735	480,085	480,085	255,228	456,789
<b>Total</b>	<b>643,118</b>	<b>607,566</b>	<b>842,379</b>	<b>842,379</b>	<b>555,413</b>	<b>842,370</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>

*Note: The 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.*

## Budget Highlights

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- Maintains existing services with no significant budget changes.

## Department Priorities

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- Continue implementation of phase one of the Municipal Climate Action Plan (MCAP).
- Advance the Climate Justice Initiative by refining and applying tools to internal projects and engaging residents to improve and utilize resources to increase neighborhood awareness of and capacity for climate resilience.
- Advance the Blue Horizons Project through implementation of the Electrify Asheville-Buncombe pilot program.



# Equity & Inclusion

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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

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	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	182,882	263,333	302,412	302,412	272,735	347,399
Benefits	70,033	105,231	102,237	102,237	97,845	120,089
Operating Costs	75,504	43,662	113,860	113,860	60,464	84,860
<b>Total</b>	<b>328,419</b>	<b>412,225</b>	<b>518,509</b>	<b>518,509</b>	<b>431,044</b>	<b>552,348</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>

## Budget Highlights

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- Maintains existing services with no significant budget changes.

## Department Priorities

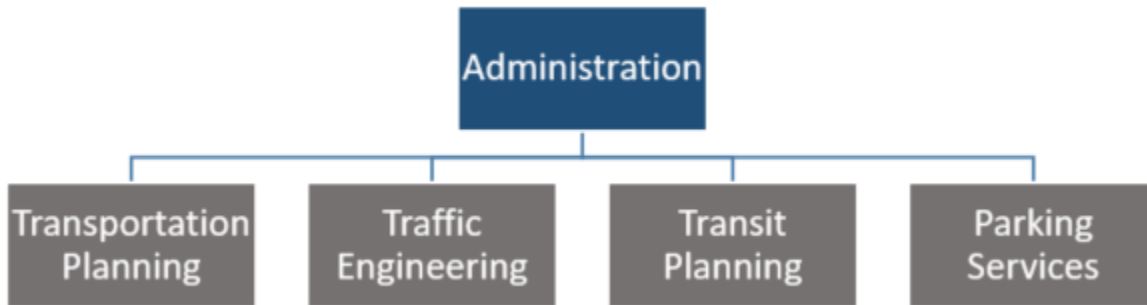
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- Use tools from the Government Alliance on Racial Equity to develop equity actions plans for each department and for the City as a whole to ensure that equity is incorporated into all City policies, procedures, and practices, leading to more equitable service delivery.
- Support the work of the Reparations Commission to develop clear recommendations on actions to repair harm done by public and private systemic racism to the Black community in Asheville, including strategies to create generational wealth and boost economic mobility.
- Develop and use tools to promote equitable policies, practices, and procedures in City operations.
- Partner and collaborate with public, nonprofit, and private entities to advance equity and inclusion in the Asheville and Buncombe Area.

# Transportation Department

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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

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	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	838,756	921,109	995,868	995,868	957,501	1,027,854
Benefits	376,593	430,397	456,230	456,230	427,975	484,568
Operating Costs	1,237,076	1,261,479	1,605,260	1,583,176	1,600,376	1,568,671
Capital Outlay	-	-	-	22,084	-	-
<b>Total</b>	<b>2,452,425</b>	<b>2,612,985</b>	<b>3,057,358</b>	<b>3,057,358</b>	<b>2,985,852</b>	<b>3,081,093</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>14.34</b>	<b>14.34</b>	<b>14.34</b>	<b>14.34</b>	<b>14.34</b>	<b>14.34</b>

## Budget Highlights

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- Maintains existing services with no significant budget changes.

## TRANSPORTATION DEPARTMENT

### Division Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Administration	347,310	354,607	398,039	398,305	325,470	387,999
Signs, Markings & Signals	541,392	622,203	738,082	738,082	735,533	776,154
Street Lighting	995,204	973,141	1,171,720	1,167,720	1,171,720	1,121,470
Traffic Engineering	293,105	320,436	342,990	343,640	345,624	381,313
Traffic Safety	27,241	13,179	35,000	32,000	35,000	35,000
Transportation Planning	248,173	329,418	371,527	377,611	372,505	379,157
<b>Total</b>	<b>2,452,425</b>	<b>2,612,985</b>	<b>3,057,358</b>	<b>3,057,358</b>	<b>2,985,852</b>	<b>3,081,093</b>
<b>POSITIONS</b>						
Administration	2.34	2.34	2.34	2.34	2.34	2.34
Signs, Markings & Signals	6.00	6.00	6.00	6.00	6.00	6.00
Traffic Engineering	3.00	3.00	3.00	3.00	3.00	3.00
Transportation Planning	3.00	3.00	3.00	3.00	3.00	3.00
<b>Total</b>	<b>14.34</b>	<b>14.34</b>	<b>14.34</b>	<b>14.34</b>	<b>14.34</b>	<b>14.34</b>

The **Administration Division** provides administrative support to all four 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 multimodal transportation planning services, including conducting public engagement, prioritization, grant-writing, and feasibility/concept studies for pedestrian, bicycle, greenway, and transportation safety projects.

### Department Priorities

- Work with other departments and the NCDOT to implement identified action steps within the approved GAP plan (Greenways, ADA Transition, & Pedestrian), to communicate and prioritize work to create a connected, safe, and accessible pedestrian network.
- Continue to work closely with the NCDOT as the I-26 Connector project construction begins and progresses.
- Continue to partner with the NCDOT to improve bicycle and pedestrian safety on City and State roadways.
- Update the Traffic Calming Policy and develop a more equitable and efficient process for responding to and resolving neighborhood traffic safety concerns.

# Non-Departmental Community & Resident Services

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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

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	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>STRATEGIC PARTNERSHIP FUNDING ALLOCATIONS</b>						
Partnership Funding	39,227	325,099	242,000	242,000	242,000	242,000
<b>DIRECT ALLOCATIONS</b>						
YMI Utilities	24,000	24,000	24,000	24,000	24,000	24,000
LEAF	40,000	40,000	40,000	40,000	40,000	40,000
In Real Life	69,900	45,000	45,000	45,000	45,000	45,000
<b>Direct Allocations Total</b>	<b>133,900</b>	<b>109,000</b>	<b>109,000</b>	<b>109,000</b>	<b>109,000</b>	<b>109,000</b>
<b>Grand Total</b>	<b>173,127</b>	<b>434,099</b>	<b>351,000</b>	<b>351,000</b>	<b>351,000</b>	<b>351,000</b>

## Budget Highlights

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- Maintains existing services with no significant budget changes.

# Administrative Services and City Manager’s Office

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Administration Services includes City Council, the City Manager’s Office (CMO), and the City Clerk. 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

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	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	1,263,352	1,314,008	1,325,709	1,325,709	1,318,088	1,379,813
Benefits	418,418	498,250	496,686	496,686	514,798	563,394
Operating Costs	97,685	174,216	134,148	134,148	103,393	169,280
<b>Total</b>	<b>1,779,455</b>	<b>1,986,473</b>	<b>1,956,543</b>	<b>1,956,543</b>	<b>1,936,279</b>	<b>2,112,487</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>11.00</b>	<b>10.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>

## Budget Highlights

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- Maintains existing services with no significant budget changes.

## ADMINISTRATIVE SERVICES

### Division Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
City Clerk	339,022	362,005	386,273	386,273	378,718	400,961
City Manager	1,219,734	1,367,955	1,308,196	1,308,196	1,305,285	1,448,260
Governing Body	220,699	256,514	262,074	262,074	252,276	263,266
<b>Total</b>	<b>1,779,455</b>	<b>1,986,473</b>	<b>1,956,543</b>	<b>1,956,543</b>	<b>1,936,279</b>	<b>2,112,487</b>
<b>POSITIONS</b>						
City Clerk	3.00	3.00	3.00	3.00	3.00	3.00
City Manager	8.00	7.00	8.00	8.00	8.00	8.00
<b>Total</b>	<b>11.00</b>	<b>10.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>

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.

### Department Priorities

- Facilitate administrative support and training needs for City Council, Council committees, and advisory boards.
- Work with stakeholders to recommend structural and operational improvements to the Boards and Commissions program to provide the community with a broader array of accessible ways to participate in policy discussions, and to give Council and board and commission members a clear path for connecting community ideas and input to Council policy decisions.
- Continue to implement Council's Strategic Plan and management objectives.

# City Attorney’s Office

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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

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	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	750,174	800,117	906,283	906,283	854,413	944,961
Benefits	276,037	303,162	352,158	352,158	312,291	373,431
Operating Costs	115,270	161,999	242,430	242,430	182,452	316,910
<b>Total</b>	<b>1,141,481</b>	<b>1,265,278</b>	<b>1,500,871</b>	<b>1,500,871</b>	<b>1,349,157</b>	<b>1,635,302</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>7.00</b>	<b>7.00</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>

## Budget Highlights

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- The Adopted Budget increased by \$72,000 to add a contract for a federal lobbyist.

## Department Priorities

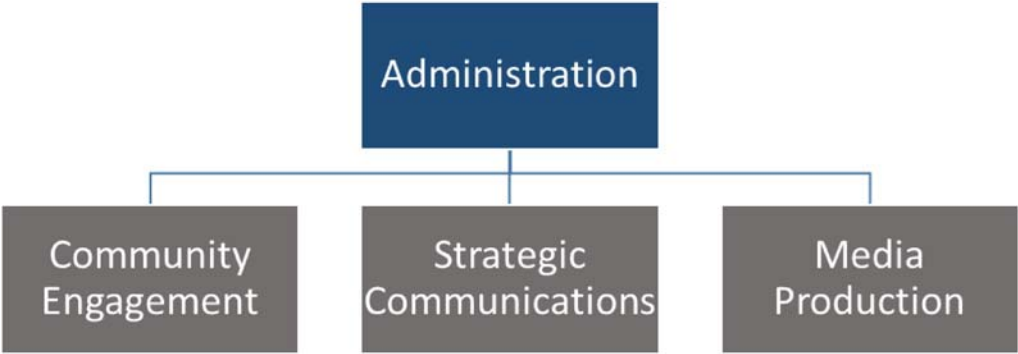
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- Provide a set of comprehensive services to City staff, and members of City Council
- Assist in development and pursuit of legislative programs, including management of governmental relations.
- Prosecute and Defend litigation claims involving the City of Asheville and its employees
- Ensure compliance with Federal, State, and Local laws and regulations for City policies and initiatives.
- Minimize City legal costs by providing the vast majority of legal services in house.



# 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, and internal communications. The department uses best practices in accessibility and inclusion to communicate organizational priorities in achieving policy objectives. Additionally, the department designs and supports public engagement and community outreach efforts to inform and meaningfully engage residents, stakeholders and the media on City services, programs, and policy.



## Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	473,046	561,184	567,158	567,158	582,317	663,210
Benefits	209,812	257,252	264,321	264,321	262,539	302,163
Operating Costs	189,306	157,282	308,240	308,240	222,633	284,546
Capital Outlay	13,247	-	-	-	-	-
<b>Total</b>	<b>885,411</b>	<b>975,718</b>	<b>1,139,719</b>	<b>1,139,719</b>	<b>1,067,489</b>	<b>1,249,919</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>

## Budget Highlights

- To provide additional outreach and engagement for capital projects, a vacant position was transferred from Capital Management to CAPE during FY 2023-24.

## COMMUNICATIONS & PUBLIC ENGAGEMENT

- The FY 2023-24 Budget included \$30,000 for the National Community Survey. Operating costs in FY 2024-25 decreased by \$30,000 as the survey is performed every other year.

### Division Summary

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The **Community Engagement Division** is responsible for coordinated and supporting the planning and execution of inclusive engagement across the organization. This includes the Neighborhood Services function and administration of the Neighborhood Matching Grants program.

The **Strategic Communications Division** is responsible for external mass communication, internal communication support, media relations and the development of communication and engagement plans which aim to maximize accessibility of information and opportunities for community input in decision making.

The **Media Production Division** is responsible for programming and maintaining the Government television station, Channel 193. Additionally, this division produces video and graphic design content and oversees the City's online engagement platform.

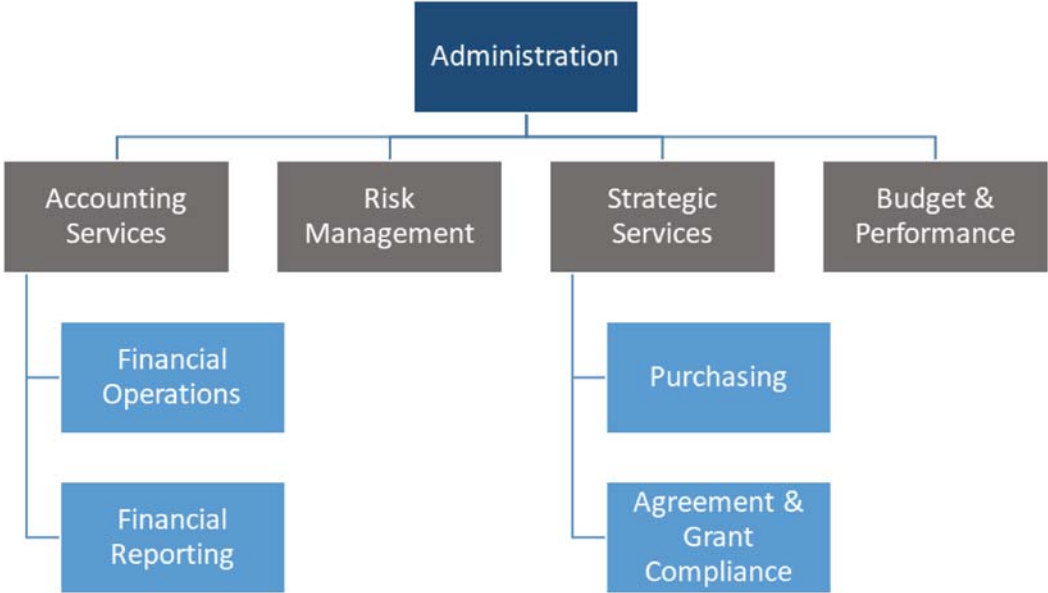
### Department Priorities

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- Create accessible educational materials for the November 2024 bond referendum.
- Work collaboratively with departments and external focus groups to standardize the use of the City's online engagement platform to include standardization of project pages, engagement goals, and reporting.

# 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

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	1,895,873	2,204,400	2,525,087	2,525,087	2,475,619	2,673,700
Benefits	828,393	957,806	1,077,152	1,077,152	1,055,944	1,199,695
Operating Costs	303,415	416,387	483,138	483,138	354,787	605,035
<b>Total</b>	<b>3,027,681</b>	<b>3,578,593</b>	<b>4,085,377</b>	<b>4,085,377</b>	<b>3,886,350</b>	<b>4,478,430</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>34.00</b>	<b>37.00</b>	<b>37.50</b>	<b>37.50</b>	<b>37.50</b>	<b>37.50</b>

## Budget Highlights

- During the current fiscal year, the Internal Audit program was moved from the City Manager’s Office to Finance and Management Services. The program was also enhanced to a co-sourced model that includes both staff and an external auditor for a

## FINANCE & MANAGEMENT SERVICES

total additional cost of \$115,000. Prior year costs for the program, previously reflected in the City Manager’s Office, are included above for consistency.

- The Adopted Budget includes continued participation in the North Carolina Benchmarking Project at the cost of \$10,000.

### Division Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Administration	820,653	951,016	954,450	986,347	895,956	1,162,830
Budget	281,440	571,218	852,705	852,705	840,553	930,089
Accounting Services	938,461	902,427	1,052,026	1,051,451	988,183	1,080,333
Purchasing	455,435	485,150	503,911	504,486	509,948	557,433
Risk Management	401,106	452,221	461,222	461,222	465,930	492,771
Internal Audit	130,586	216,562	261,063	229,166	185,779	254,974
<b>Total</b>	<b>3,027,681</b>	<b>3,578,593</b>	<b>4,085,377</b>	<b>4,085,377</b>	<b>3,886,350</b>	<b>4,478,430</b>
<b>POSITIONS</b>						
Administration	5.00	5.00	5.00	5.00	5.00	5.00
Budget	4.00	7.00	7.00	7.00	7.00	7.00
Accounting Services	14.00	14.00	14.00	14.00	14.00	14.00
Purchasing	5.00	5.00	5.50	5.50	5.50	5.50
Risk Management	5.00	5.00	5.00	5.00	5.00	5.00
Internal Audit	1.00	1.00	1.00	1.00	1.00	1.00
<b>Total</b>	<b>34.00</b>	<b>37.00</b>	<b>37.50</b>	<b>37.50</b>	<b>37.50</b>	<b>37.50</b>

The **Finance Administration Division** provides leadership for the variety of responsibilities assigned to the department. The Administration Division also includes the Strategic Services team. Services delivered by this team include: Internal Audit program management, agreements, partnerships & grants support, operational improvement reviews and support, as well as special projects.

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

The **Risk Management Division** analyzes relative loss exposure for all City operations and activities and provides advisory services to City staff and departments. Risk Management places all non-health care insurance coverages for the City and leads alternative risk financing, risk transfer, loss prevention, and loss control techniques. It administers the City's self-insured claim program, including: workers’ compensation and liability. In addition, Risk Management

## FINANCE & MANAGEMENT SERVICES

administers the City's occupational health/safety program and serves as the City's Title II ADA Coordinator.

The **Budget and Performance Division** plans, prepares, and monitors the City's operating and capital budgets including reviewing the efficiency of City activities and providing assistance in planning and budget forecasting to other departments. The Budget Division also provides assistance to the City Manager and other departments in performance management and evaluation through the organization-wide work plans. The organizational work plans prioritize, coordinate, communicate, and balance work throughout the fiscal year to provide the community and Council with improved transparency and accountability and to ensure that staff work is aligned with Council priorities.

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

### Department Priorities

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- Continue to manage \$26.3M in American Rescue Plan (ARPA) funding designed to significantly impact affordable housing, homelessness, neighborhood resilience, and other Council priorities while creating a more collaborative grantmaking model for increased impact and transparency.
- Complete the fiscal year 2023-24 Audit & development of the Annual Comprehensive Financial Report (ACFR).
- Utilize the internal audit work plan to complete 3-4 internal audits to determine compliance with internal controls, City policies, and all laws and regulations.
- Lead the development of the City's FY 2025-26 Operating and Capital Budgets, with an internal emphasis on connecting the budget process to the organizational work plan.
- Work with the City's financial advisors and bond counsel to issue Water Revenue Bonds, LOBs Refunding Bonds, the FY 2025-26 equipment loan, and other potential financings.
- Implement work planning software purchased during fiscal year 2023-24.
- Continue to review, update, revise and create administrative financial policies for use throughout the organization.

# 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

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	1,037,170	1,131,561	1,271,768	1,271,768	1,190,837	1,359,384
Benefits	454,008	543,492	562,685	562,685	567,955	669,631
Operating Costs	132,170	289,694	347,395	347,395	306,200	395,095
<b>Total</b>	<b>1,623,348</b>	<b>1,964,746</b>	<b>2,181,848</b>	<b>2,181,848</b>	<b>2,064,992</b>	<b>2,424,110</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>21.00</b>	<b>18.00</b>	<b>18.00</b>	<b>18.00</b>	<b>18.00</b>	<b>18.00</b>

## Budget Highlights

- Maintains existing services with no significant budget changes.

## Division Summary

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

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

## HUMAN RESOURCES

The **People, Culture and Development Team** is focused on creating a culture where everyone can thrive. The team focuses on the people experience, from pre-boarding & new hire orientation to fun engagement events; curating culture, from creating people strategy to facilitating programming; performance, from people development to HR system modules; and people data from core HR systems to team people metrics.

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

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

### Department Priorities

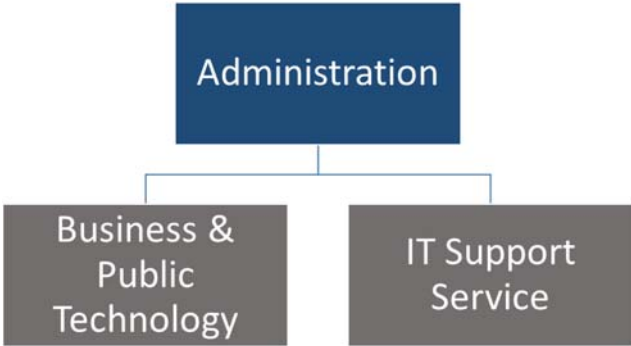
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- Implement a new HR system and train all users to successfully utilize the full suite of modules.
- Launch a City leadership strategy based on City values, expectations, and leadership competencies to include leadership development programs for all leaders and new leader orientation. Enhance employee orientation in alignment with the leadership strategy.
- Analyze people performance needs of the organization and develop a strategic plan to reimagine people performance to include individual work plans that align with organizational priorities.
- Establish schedule for regular pay plan review utilizing market analysis. Formalize process for position reclassification requests in collaboration with Finance.
- Implement Recruitment and Retention strategies across the organization and provide training and resources to supervisors.



# Information Technology Services

The Information Technology Services 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

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	2,168,890	2,267,753	2,190,115	2,190,115	2,110,428	2,297,063
Benefits	873,126	916,723	890,161	890,161	790,705	953,743
Operating Costs	1,653,543	1,709,188	1,855,668	1,951,412	1,703,613	2,026,564
Cost Transfers	(475,774)	(495,094)	(476,010)	(476,010)	(476,010)	(504,000)
Capital Outlay	83,746	55,514	25,000	4,256	19,769	50,000
<b>Total</b>	<b>4,303,531</b>	<b>4,454,085</b>	<b>4,484,934</b>	<b>4,559,934</b>	<b>4,148,506</b>	<b>4,823,370</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>29.00</b>	<b>27.00</b>	<b>27.00</b>	<b>27.00</b>	<b>27.00</b>	<b>27.00</b>

## Budget Highlights

- The Adopted Budget includes an increase of \$96,000 in the cost of the Motorola Radio Security System contract for required updates to software and hardware for the City’s radio system.

## INFORMATION TECHNOLOGY SERVICES

### Division Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Administration	326,330	281,629	274,141	273,764	228,872	274,967
Business & Public Technology	1,599,145	1,649,825	1,789,901	1,714,816	1,589,015	1,735,489
IT Support Services	2,378,056	2,522,631	2,420,892	2,571,354	2,330,619	2,812,914
<b>Total</b>	<b>4,303,531</b>	<b>4,454,085</b>	<b>4,484,934</b>	<b>4,559,934</b>	<b>4,148,506</b>	<b>4,823,370</b>
<b>POSITIONS</b>						
Administration	3.00	3.00	3.00	3.00	3.00	3.00
Business & Public Technology	6.00	8.00	8.00	8.00	8.00	8.00
IT Support Services	20.00	16.00	16.00	16.00	16.00	16.00
<b>Total</b>	<b>29.00</b>	<b>27.00</b>	<b>27.00</b>	<b>27.00</b>	<b>27.00</b>	<b>27.00</b>

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.

### Department Priorities

- Modernize infrastructure and strengthen cybersecurity to improve service speed, accessibility, resiliency, and redundancy.
- Improve staff and community ability to use GIS, asset management, and data for equitable outcomes, accountability, and communication.
- Support transparency by providing community access to key City data and services.
- Improve access to digital services, especially for those who have been most impacted historically by inequities.
- Maintain excellent customer service for both staff and community technology needs.

# Non-Departmental Management & Support Services

## Budget Summary

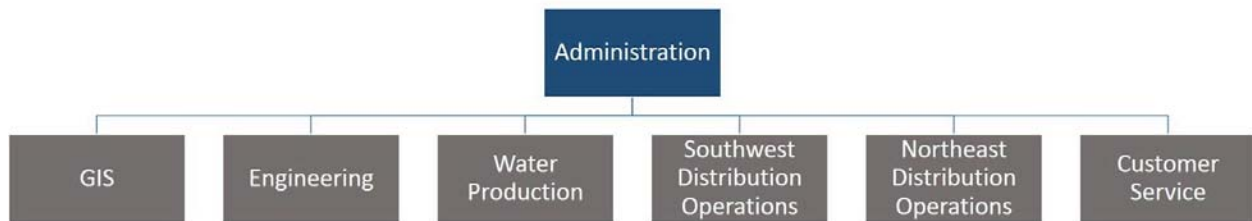
	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
911 Dispatch	842,018	2,068,877	2,112,334	2,112,334	2,560,790	2,400,000
City Stormwater Costs	101,292	138,588	125,000	125,000	350,438	125,000
Contingencies	-	-	195,000	-	-	195,000
County Tax Collections	1,060,006	1,087,459	1,121,608	1,121,608	1,121,609	1,139,600
Employee Transit Passes	1,109	2,052	5,000	5,000	1,251	5,000
Quality of Service Awards	-	-	316,000	316,000	-	100,000
Police ID Bureau	474,016	535,083	582,280	582,280	582,280	582,280
Reparations	1,015,000	500,000	510,000	510,000	510,000	520,200
Homeowner Grant Program	90,600	48,800	150,000	75,000	101,200	150,000
Other	158,203	146,223	220,000	366,517	505,078	219,110
<b>Total</b>	<b>3,742,244</b>	<b>4,527,083</b>	<b>5,337,222</b>	<b>5,213,739</b>	<b>5,732,645</b>	<b>5,436,190</b>
<b>GENERAL FUND TRANSFERS TO OTHER FUNDS</b>						
CIP/Debt Service	16,302,249	16,575,557	18,841,888	18,841,888	18,841,888	17,116,695
HCCA Capital	129,692	221,739	228,527	228,527	228,527	228,527
Transit Transfer	6,916,932	6,916,932	7,049,000	7,049,000	7,049,000	8,429,293
HCCA Transfer	1,204,420	860,437	1,125,437	1,025,437	1,025,437	1,125,437
<b>Total</b>	<b>24,553,293</b>	<b>24,574,665</b>	<b>27,244,852</b>	<b>27,144,852</b>	<b>27,144,852</b>	<b>26,899,952</b>

## Budget Highlights

- The Adopted Budget includes a \$520,200 investment in reparations, an increase of 2% over the current fiscal year allocation.
- The \$17.1 million budgeted for the City’s general capital program supports current debt payments, future debt issuance, and pay-go funding for capital projects.

# 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

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	8,017,243	9,012,779	10,326,417	10,326,417	9,961,384	11,297,455
Benefits	3,827,694	4,399,396	4,885,820	4,885,820	4,582,549	5,372,987
Operating Costs	11,692,386	12,764,278	14,509,183	14,480,533	12,972,973	13,480,798
Capital Outlay	7,018,662	6,047,726	7,066,000	7,088,000	7,342,639	9,176,000
Debt Service	6,175,416	7,105,304	7,218,160	7,224,810	7,224,810	7,812,910
<b>Total</b>	<b>36,731,401</b>	<b>39,329,482</b>	<b>44,005,580</b>	<b>44,005,580</b>	<b>42,084,354</b>	<b>47,140,150</b>
<b>REVENUES</b>						
Utility Charges	32,427,793	36,075,722	39,713,580	39,713,580	38,767,466	42,137,150
Investment Earnings	(148,298)	1,454,746	432,000	432,000	915,305	1,373,000
Other Operating	4,419,910	3,364,980	3,860,000	3,860,000	3,301,345	3,630,000
<b>Total</b>	<b>36,699,404</b>	<b>40,895,448</b>	<b>44,005,580</b>	<b>44,005,580</b>	<b>42,984,116</b>	<b>47,140,150</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>163.88</b>	<b>163.88</b>	<b>174.38</b>	<b>174.38</b>	<b>174.38</b>	<b>179.38</b>

## WATER RESOURCES FUND

### Budget Highlights

- During FY 2023-24, Water Resources undertook a cost of service study, with the goal of ensuring an equitable rate structure for all customer classes served by the water system. Based on the results of this study, new rates were approved in March 2024 and are estimated to result in an additional \$2.4 million in revenue. Increased revenue will support:
  - An increase of \$2.7 million for capital funding to continue the replacement of the discontinued capital fee.
  - One new Project Manager/Engineer position to design and oversee capital improvement projects, with a total cost of \$143,000.
  - Four new positions and equipment for a South District crew to improve response time for emergency water main breaks and provide better customer service, with a total cost of \$1.02 million.

### Division Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Administration	19,392,394	20,333,419	21,240,143	21,327,072	20,771,243	23,691,971
Customer Service	1,511,865	1,682,260	1,862,857	1,878,857	1,803,886	1,948,905
Engineering	768,873	858,511	857,730	826,230	950,775	1,223,427
Water Production	5,975,605	7,133,337	9,655,606	9,617,606	8,414,237	8,714,917
Northeast Operations	5,384,924	5,222,208	6,488,047	6,253,324	5,597,853	6,905,448
Southwest Operations	3,697,740	4,099,747	3,901,197	4,102,491	4,546,361	4,655,482
<b>Total</b>	<b>36,731,401</b>	<b>39,329,482</b>	<b>44,005,580</b>	<b>44,005,580</b>	<b>42,084,354</b>	<b>47,140,150</b>
<b>POSITIONS</b>						
Administration	13.00	13.00	14.50	14.50	14.50	14.50
Customer Service	24.00	24.00	25.00	25.00	25.00	25.00
Engineering	8.00	8.00	8.00	8.00	8.00	9.00
Water Production	45.88	45.88	48.88	48.88	48.88	48.88
Northeast Operations	40.00	40.00	45.00	45.00	45.00	45.00
Southwest Operations	33.00	33.00	33.00	33.00	33.00	37.00
<b>Total</b>	<b>163.88</b>	<b>163.88</b>	<b>174.38</b>	<b>174.38</b>	<b>174.38</b>	<b>179.38</b>

## WATER RESOURCES FUND

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

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

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

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

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

The **Customer Service Division** processes utility bill payments, establishes new water and sewer service, and assists customers with 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, designing waterline replacements for neighborhoods, and inspecting newly installed water lines.

The **GIS Division** supports the department and external stakeholders by maintaining an accurate asset management and mapping system, including all water mains and lines, meters, pump stations, storage tanks, and other various assets, and responding to requests for data and maps of assets.

## WATER RESOURCES FUND

### Fund Priorities

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- Replace aging water meters with state of the art equipment (AMI) to reduce water loss, allow customers to proactively monitor their usage, and reduce staff burden.
- Convene a multidisciplinary body to review the December 2022 prolonged water outage, assess the city's operational and emergency response and communication efforts, and analyze infrastructure and process and policy change needs.
- Develop a service line inventory, replacement plan, consumer education campaign, and consumer funding options for lead pipe replacement in accordance with the Environmental Protection Agency's 2021 Lead and Copper Rule Revisions.
- Integrate the Water Master Plan Model projects into the Capital Improvement Program.
- Complete next phase(s) of infrastructure replacement projects.
- Continue implementation of a unidirectional system flushing program.

### Performance Measures

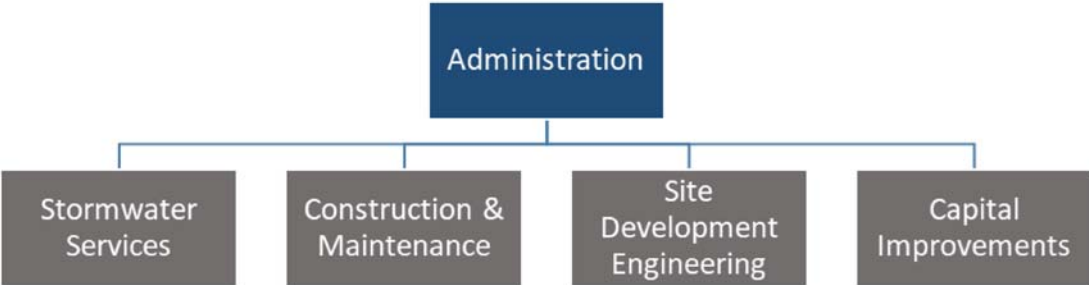
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MEASURE	FY 2020-21	FY 2021-22
Finished Water (Millions of Gallons per Day)	22	22
Filter Run Volume (Millions of Gallons Total)	7,903	8,227
Number of Plants	3	3
Number of Pump Stations	41	41
Total Miles of Pipe	1,710	1,710
Total Number of Breaks and Leaks in the Water System	628	649
Total Number of Residential Meters at End of Year	51,680	52,558
Total Number of Other Meters at End of Year	7,340	7,415
Number of Regulatory Violations Incurred During Fiscal Year	1	0



# 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

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	2,318,415	2,387,780	3,117,802	3,122,802	2,461,431	3,580,174
Benefits	1,130,654	1,213,228	1,459,111	1,459,111	1,168,334	1,724,586
Operating Costs	2,036,599	2,976,873	3,517,791	3,912,791	3,462,337	3,149,387
Capital Outlay	229,777	350,000	423,800	423,800	423,800	-
Cost Transfers	(40,171)	(36,481)	-	-	-	-
Debt Service	360,774	354,139	435,057	435,057	435,057	385,458
<b>Total</b>	<b>6,036,047</b>	<b>7,245,539</b>	<b>8,953,561</b>	<b>9,353,561</b>	<b>7,950,959</b>	<b>8,839,605</b>
<b>REVENUES</b>						
Utility Charges	6,170,634	7,012,371	8,129,017	8,129,017	7,826,841	8,370,000
Development Fees	413,456	332,681	302,433	302,433	315,292	367,105
Investment Earnings	(17,417)	103,386	15,000	15,000	80,750	100,000
Other	19,027	62,589	17,633	417,633	402,095	2,500
Appropriated Fund Balance	-	-	489,478	489,478	-	-
<b>Total</b>	<b>6,585,700</b>	<b>7,511,027</b>	<b>8,953,561</b>	<b>9,353,561</b>	<b>8,624,979</b>	<b>8,839,605</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>52.60</b>	<b>53.85</b>	<b>54.85</b>	<b>54.85</b>	<b>54.85</b>	<b>62.85</b>

## STORMWATER FUND

### Budget Highlights

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- In March 2024, City Council approved increases in the Stormwater fees assessed on all properties in the city. The additional \$300,000 in revenue from the fee increase, in combination with the fund balance appropriation noted above, will fund:
  - Five new positions are funded for half of the fiscal year for \$226,000 and operating costs for \$96,000 for a Preventative Maintenance crew to advance the City's stormwater infrastructure and provide better customer service, with a total cost of \$322,000.
  - Two new positions and operating with a total cost of \$207,000 for Stormwater Plan Review to support timely development review.
  - One new Field Operations Specialist for \$96,000 to increase operational efficiency.

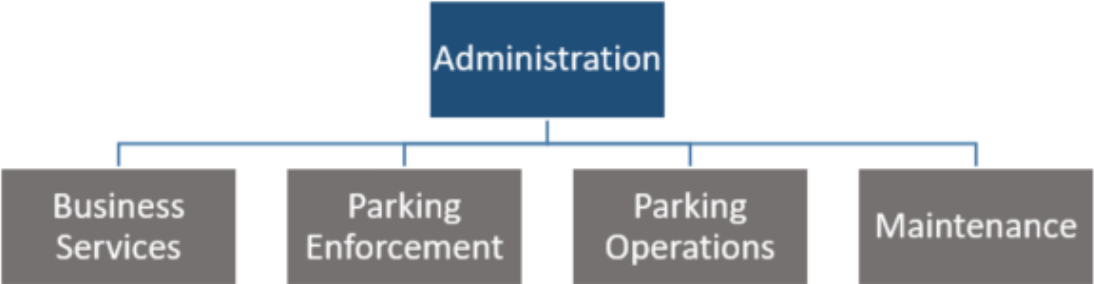
### Fund Priorities

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

# Parking Services Fund

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



## Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	871,037	1,225,394	1,550,870	1,251,870	1,151,308	1,637,523
Benefits	401,111	518,504	756,539	723,709	487,002	813,286
Operating Costs	1,598,285	1,454,987	2,118,178	2,450,008	2,497,813	2,566,814
Capital Outlay	526,920	261,432	1,216,659	1,216,659	1,216,659	1,658,212
Debt Service	867,005	583,538	559,722	559,722	559,722	541,465
Transfer to Transit Fund	-	1,000,000	951,892	951,892	951,892	950,000
<b>Total</b>	<b>4,264,357</b>	<b>5,043,855</b>	<b>7,153,860</b>	<b>7,153,860</b>	<b>6,864,395</b>	<b>8,167,300</b>
<b>REVENUES</b>						
Garage Parking	2,393,229	4,075,742	4,050,000	4,050,000	4,040,858	4,597,280
Lots & Peripheral Parking	105,516	133,850	75,000	75,000	114,577	130,000
Parking Meters	1,646,687	1,748,349	2,200,000	2,200,000	1,901,567	2,513,660
Citations	744,612	951,292	700,000	700,000	664,935	700,000
Miscell Revenue	10,937	29,714	-	-	27,002	-
Appropriated Fund Balance	1,600,000	-	-	-	-	-
Other	23,035	144,507	128,860	128,860	117,128	226,360
<b>Total</b>	<b>6,524,016</b>	<b>7,083,453</b>	<b>7,153,860</b>	<b>7,153,860</b>	<b>6,866,067</b>	<b>8,167,300</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>28.66</b>	<b>28.66</b>	<b>28.66</b>	<b>28.66</b>	<b>28.66</b>	<b>28.66</b>

## PARKING SERVICES FUND

### Budget Highlights

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- In March 2024, Council approved a number of parking rate changes, which are estimated to generate approximately \$900,000 in additional revenue. Increased funding will support repairs and improvements to the parking garages as identified in the recent condition assessment.

### Fund Priorities

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- Assess existing public parking garages to identify repair needs and their associated costs, as well as forecast for future repairs and upgrades of these structures.
- Complete a Parking Operations Assessment for the purpose of evaluating the Parking Services Division's organizational structure and service levels, operational priorities, financial performance of parking assets, and development of recommendations for improving Parking Services operations.

# 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

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	162,829	189,961	251,414	251,414	214,423	339,642
Benefits	71,380	87,050	118,055	118,055	75,278	133,604
Operating Costs	11,337,026	12,538,587	13,642,251	13,642,251	13,456,999	14,066,496
Capital Outlay	6,175	11,631	-	-	-	-
Debt Service	221	24,826	12,000	12,000	12,000	7,500
<b>Total</b>	<b>11,577,631</b>	<b>12,852,055</b>	<b>14,023,720</b>	<b>14,023,720</b>	<b>13,758,699</b>	<b>14,547,242</b>
<b>REVENUES</b>						
Federal/State Grants	5,066,497	1,948,190	3,099,724	3,099,724	4,308,675	3,862,949
Operating Revenue	552,493	607,397	545,404	545,404	611,386	635,000
Motor Vehicle Licenses	368,636	386,640	369,700	369,700	272,571	370,000
Other	(12,805)	1,139,014	2,008,000	2,008,000	2,008,401	300,000
General Fund Subsidy	6,916,932	6,916,932	7,049,000	7,049,000	7,049,000	8,429,293
Parking Fund Subsidy	-	1,000,000	951,892	951,892	951,892	950,000
<b>Total</b>	<b>12,891,753</b>	<b>11,998,173</b>	<b>14,023,720</b>	<b>14,023,720</b>	<b>15,201,926</b>	<b>14,547,242</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>

## Budget Highlights

- The largest Transit operating expenses are increasing in FY 2024-25, including the Transit Management and Operations contract increased by \$650,000 over the prior year, and the Paratransit contract increased \$200,000 over the prior year.
- The Adopted Budget includes \$70,000 in one time funding for a consultant to assist with developing the Request for Proposals for the Transit Management and Operations contract, which is due for renewal in FY 2024-25.
- Federal grant revenue is increased by \$700,000 due to an update to Section 5307 Urbanized Area apportionment funding.
- State grant revenue is increased by \$47,000 to support a time-limited Transit Apprentice.

## TRANSIT SERVICES FUND

- The FY 2023-24 budget included \$2 million in ARPA funding. Year-end projections indicate that approximately \$300,000 will not be needed in the current fiscal year, so these funds are being reappropriated in FY 2024-25.

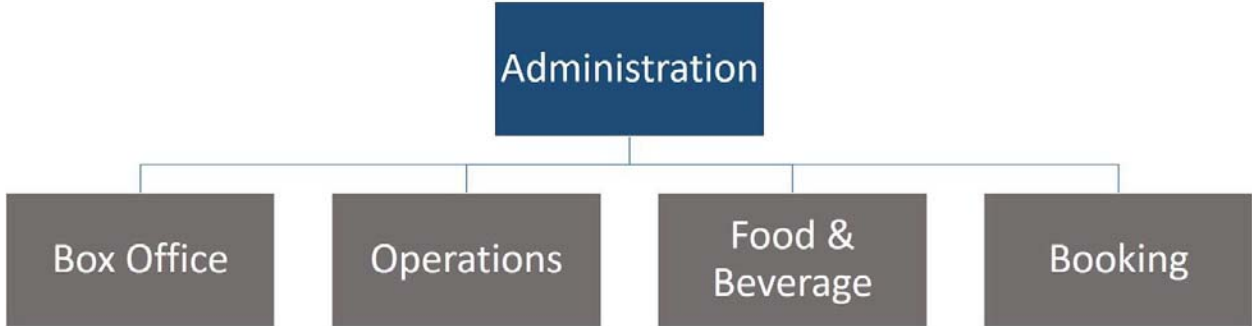
### Fund Priorities

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- Complete a limited preliminary planning and community engagement for the “ART Place” Project, a mixed-use transit-oriented development of a new, larger Downtown Transit Center for Asheville’s transit system, on-site affordable housing, and other potential compatible uses.
- Collaborate with Buncombe County to prepare a joint Transit Master Plan to improve the quality, accessibility, and long-term economic sustainability of public transit services in the City and County. The joint effort will evaluate service options, financial resources, fleet and capital needs, connectivity opportunities, and potential governance models to improve transit services for residents and visitors.

# Harrah’s Cherokee Center - Asheville

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



## Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amende d Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	1,727,416	1,831,611	2,124,573	2,124,573	1,760,032	2,409,226
Benefits	524,163	623,059	821,274	821,274	606,445	934,749
Operating Costs	2,407,582	2,300,143	2,327,273	2,527,273	2,100,763	2,555,511
Capital Outlay	-	28,000	-	1,400,000	1,453,372	-
Debt Service	361,915	267,514	257,727	257,727	257,727	248,451
<b>Total</b>	<b>5,021,075</b>	<b>5,050,328</b>	<b>5,530,847</b>	<b>7,130,847</b>	<b>6,178,339</b>	<b>6,147,937</b>
<b>REVENUES</b>						
Admissions & Other Sales	1,296,918	1,605,116	1,352,000	1,477,000	1,330,108	1,538,000
Food & Beverages Sales	2,128,162	2,108,611	1,760,310	1,820,310	1,535,835	1,891,000
Rent	917,181	1,311,248	1,014,100	1,089,100	965,426	1,237,000
Intergov Revenue	2,441,050	-	-	-	-	-
Other	201,929	351,281	279,000	1,719,000	245,557	356,500
General Fund Subsidy	1,204,420	860,437	1,125,437	1,025,437	1,025,437	1,125,437
<b>Total</b>	<b>8,189,661</b>	<b>6,236,694</b>	<b>5,530,847</b>	<b>7,130,847</b>	<b>5,102,363</b>	<b>6,147,937</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>25.75</b>	<b>25.75</b>	<b>27.75</b>	<b>27.75</b>	<b>27.75</b>	<b>28.75</b>



## HARRAH'S CHEROKEE CENTER - ASHEVILLE

### Budget Highlights

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- The year end estimates for FY 2023-24 include expenses associated with a mid-year fund balance appropriation of \$1.4 million to address emergency repairs for the Thomas Wolfe Auditorium HVAC system.
- The Adopted Budget includes a staffing restructure including the reclassifications of six positions and the addition of one new Events & Operations Manager, at a cost of \$105,000. This restructure balances operational responsibilities more effectively to address the high vacancy rate the department has experienced in FY 2023-24.

### Fund Priorities

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

# Street Cut Utility Fund

The Street Cut Utility Fund is responsible for the repair of all street cuts on publicly maintained streets made by partner agencies including the Metropolitan Sewerage District (MSD), Dominion Energy, Duke 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

	2021-22 Actual	2022-23 Actual	2023-24 Original Budget	2023-24 Amended Budget	2023-24 Estimate	2024-25 Adopted Budget
<b>EXPENDITURES</b>						
Salaries & Wages	550,533	498,759	682,674	682,674	581,184	966,493
Benefits	244,483	210,286	327,085	327,085	239,816	487,060
Operating Costs	733,806	1,103,822	1,052,220	1,052,220	1,015,261	1,005,143
Capital Outlay	125,249	-	275,000	275,000	275,000	400,000
Debt Service	49,224	48,408	50,000	50,000	50,000	50,000
<b>Total</b>	<b>1,703,294</b>	<b>1,861,275</b>	<b>2,386,979</b>	<b>2,386,979</b>	<b>2,161,261</b>	<b>2,908,696</b>
<b>REVENUES</b>						
Utility Charges	1,739,656	2,982,272	2,386,979	2,386,979	2,241,921	2,508,696
Other Financing Sources	(2,455)	24,182	-	-	20,197	400,000
<b>Total</b>	<b>1,737,201</b>	<b>3,006,454</b>	<b>2,386,979</b>	<b>2,386,979</b>	<b>2,262,118</b>	<b>2,908,696</b>
<b>POSITIONS</b>						
<b>Total</b>	<b>10.60</b>	<b>10.60</b>	<b>10.60</b>	<b>10.60</b>	<b>10.60</b>	<b>17.60</b>

## Budget Highlights

- The Adopted Budget includes the addition of Duke Energy as a Utility Cut Partner, a program for agencies that regularly cut into the publicly maintained streets. The addition of Duke as a partner reduces both the time and the cost associated with their street cuts. As a result, the Adopted Budget includes \$230,000 to support a half year of funding for five new positions for a Concrete Crew as well as operating and capital outlay funding to address the increased repairs.
- The Adopted Budget includes an increase of \$160,000 for two new positions to align with the Public Works Department standard crew structure.

# Capital Improvement Program

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Projects in the Capital Improvement Program were selected based on 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.

During this year's CIP process, departments submitted ten-year capital requests of \$804 million. As shown on the next several pages, the City is anticipating investing \$105.5 million into our General CIP over the next five fiscal years. Even at this funding level, additional investment in capital is essential for effective service provision.

To help address these needs, Council directed staff to begin the process of preparing for a November 2024 GO Bond Referendum as part of this budget process. That extensive planning process led to the initial recommendation that Council move forward with a \$75 million GO Bond package in November 2024. At their June 11, 2024 meeting, Council increased this amount to \$80 million with funding directed to the following categories:

- Affordable Housing: \$20 million
- Transportation: \$20 million
- Parks and Recreation: \$20 million
- Public Safety: \$20 million

City Council will finalize the amounts at their July 23, 2024 meeting. The November 2024 GO Bond amounts are not currently shown in the five-year CIP but will be added via a mid-year budget amendment during FY 2024-25 if the bonds pass.

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](http://dashboards.ashevillenc.gov/capital_projects).

## Capital Funding Resources

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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 2024-25 the citywide total budget for debt service and capital expenses is approximately \$38 million, with \$17.7 million supporting general fund capital investments.

# CAPITAL IMPROVEMENT PROGRAM

## CIP Impact on Sustainability Goals

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Many of the projects considered for funding in the Capital Improvement Plan meet the goals of the MCAP (Municipal Climate Action Plan). Projects funded in FY 2024-25 that align with the plan include fleet and transit bus replacements.

The fleet replacement program will examine both carbon mitigation strategies and renewable fleet technologies, addressing the City’s renewable energy goals. Funding for EV charging stations for the City fleet at multiple locations was included in the FY 2022-23 CIP and installed in FY 2023-24. Now that they are installed, these charging stations will allow the City to begin shifting more fleet replacements to electric vehicles, further reducing our carbon footprint.

## Relationship to the Annual Operating Budget

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An important aspect of capital improvement budgeting is planning for the impact that capital projects have upon the annual operating budget. CIP projects at the City of Asheville are primarily funded through a mix of pay-as-you-go contributions, debt financing, and grants. Projects funded with pay-as-you-go contributions (from the General Fund and the Water Resources Fund, for example) are directly linked since project funding is authorized with the adoption of the annual operating budget. Projects funded through debt financing also impact the operating budget through ongoing debt service expenses. The chart below summarizes the pay-as-you-go contributions and the debt service amounts budgeted in the FY 2024-25 annual operating budgets.

IMPACT OF PAY-GO & DEBT ON THE FY 2024-25 OPERATING BUDGET	
General Fund Pay-Go/Debt	17,705,822
Enterprise Fund Pay-Go/Debt	20,279,996
<b>Total</b>	<b>37,279,996</b>

In addition, some completed CIP projects will impact the operating budget through ongoing expenses for staffing and operations. For example, when a new fire station or recreation center is built, the costs of maintaining and staffing the new facility must be funded in the operating budget. Advance knowledge of these costs aids in the budgeting process. Some CIP projects, such as new parking decks, may impact the operating budget by generating additional revenue as well as additional costs. Other projects may create cost savings by reducing annual operating expenses.

As projects are added to the five-year CIP, staff continue to evaluate ongoing operating impacts, refine estimates, and ensure appropriate operating resources are included in the annual budget.

In the Capital Improvement Plan , there is an annual Public Art Project Allocation. Per policy, one percent of total annual pay-go and long-term debt capital funding is set aside for public art. These funds are then used for installation and maintenance of public art throughout the City. The annual allocation in FY 2024-25 is \$171,680.

## CAPITAL IMPROVEMENT PROGRAM

The General Fund Capital Improvement Program is divided into functional categories, including facility maintenance, fleet and equipment, greenways, recreation and entertainment facilities, and streets and sidewalks. This breakdown allows prioritization of similar projects while also ensuring all core services benefit from capital investments. The tables below outline Adopted and planned investments for each category.

### FY 2025-2029 Capital Improvement Plan Summary

FIVE YEAR CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET					
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>REVENUE SOURCES</b>					
Pay-go (Cash)	16,511,680	13,952,500	13,490,000	13,140,000	12,690,000
Short-Term Installment Debt	6,569,630	7,394,000	4,859,000	5,163,000	5,180,390
Long-Term Debt	38,003,600	33,926,500	27,941,824	126,790,500	11,670,220
State Loan	-	8,000,000	-	-	-
Grants & Donations	13,486,820	300,000	1,896,000	100,000	100,000
<b>Revenue Total</b>	<b>74,571,730</b>	<b>63,573,000</b>	<b>48,186,824</b>	<b>145,193,500</b>	<b>29,640,610</b>
<b>PLANNED PROJECTS</b>					
<b>General Fund</b>					
Facility Maintenance	5,025,000	2,815,000	3,435,300	1,575,000	1,575,000
Fleet & Equipment	7,818,150	7,533,000	5,587,000	5,701,000	8,169,910
Greenways	4,000,000	-	-	-	-
Recreation & Entertainment Facilities	836,000	858,000	1,180,000	903,000	926,640
Streets & Sidewalks	17,491,000	3,157,000	16,362,024	3,152,000	3,279,560
Public Art Allocation	171,680	162,500	-	-	-
Contingency	750,000	750,000	750,000	750,000	750,000
Water Resources Fund	33,650,000	37,500,000	12,100,000	126,950,000	11,500,000
Parking Services Fund	2,635,600	6,188,000	5,110,000	875,000	300,000
Stormwater Fund	2,194,300	4,609,500	3,662,500	5,287,500	3,139,500
<b>CIP TOTAL</b>	<b>74,571,730</b>	<b>63,573,000</b>	<b>48,186,824</b>	<b>145,193,500</b>	<b>29,640,610</b>

# General Capital Improvement Program

## Facility Maintenance

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>REVENUE SOURCES</b>					
Pay-go (Cash)	75,000	75,000	275,000	75,000	75,000
Long-Term Debt	4,950,000	2,740,000	3,160,300	1,500,000	1,500,000
<b>Revenue Total</b>	<b>5,025,000</b>	<b>2,815,000</b>	<b>3,435,300</b>	<b>1,575,000</b>	<b>1,575,000</b>
<b>PLANNED PROJECTS</b>					
City Hall HVAC	200,000	1,240,000	-	-	-
City Hall Main Roof	-	-	1,860,300	-	-
Facilities Improvements	-	1,500,000	1,500,000	1,500,000	1,500,000
Harrah's Cherokee Center - Asheville Maintenance & Repairs	75,000	75,000	75,000	75,000	75,000
Municipal Building Repairs	4,750,000	-	-	-	-
<b>Total</b>	<b>5,025,000</b>	<b>2,815,000</b>	<b>3,435,300</b>	<b>1,575,000</b>	<b>1,575,000</b>

Projects in the Facility Maintenance category fund major maintenance and renovations at all City facilities. The following projects are funded in FY 2024-25:

- Critical replacements of the City Hall HVAC system and structural elements of the Municipal Building will begin. Note - The Municipal Building Repairs amount was incorrect in the Proposed Budget Document but has been updated here in the Adopted Document.
- Harrah’s Cherokee Center - Asheville Maintenance & Repairs: This funding, generated from a portion of parking revenues collected at the HCCA parking garage during HCCA events, supports routine, ongoing maintenance at the Convention Center property.
- An additional \$1.5 million is included annually starting in FY 2025-26 to address maintenance needs identified in the 2023 Comprehensive Facility Study.

## GENERAL FUND CAPITAL IMPROVEMENT PROGRAM

### Fleet & Equipment

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>REVENUE SOURCES</b>					
Short-Term Installment Debt	4,375,330	6,343,000	4,349,000	4,413,000	4,580,390
Long-Term Debt	3,284,000	1,190,000	1,238,000	1,288,000	3,589,520
<b>Revenue Total</b>	<b>7,818,150</b>	<b>7,533,000</b>	<b>5,587,000</b>	<b>5,701,000</b>	<b>8,169,910</b>
<b>PLANNED PROJECTS</b>					
AFD Apparatus Replacement	2,140,000	-	-	-	2,250,000
Computer & Technology Replacement	500,000	500,000	500,000	500,000	500,000
Data Center End-of-Life	403,150	-	-	-	-
Fleet Replacement	3,581,000	3,688,000	3,799,000	3,913,000	4,030,390
GovTV Broadcast Equipment Replacement	50,000	-	50,000	-	50,000
Network Switch Replacement	-	355,000	-	-	-
Self Contained Breathing Apparatus Replacement	-	1,800,000	-	-	-
Transit Bus Replacement	1,144,000	1,190,000	1,238,000	1,288,000	1,339,520
<b>Total</b>	<b>7,818,150</b>	<b>7,533,000</b>	<b>5,587,000</b>	<b>5,701,000</b>	<b>8,169,910</b>

Fleet and Equipment capital projects support the replacement of city-owned vehicles, heavy equipment, transit fleet, fire apparatus and equipment, and computers and other technology. The following projects are funded in FY 2024-25:

- **Fleet Replacement:** This funding provides for vehicle and heavy equipment replacements managed by Fleet Services. Vehicles and equipment are replaced on a priority basis which considers equipment condition, age, frequency of use, and impact on City operations. Each year generally includes replacement of police cars, sanitation trucks, dump trucks, among other light vehicles and heavy equipment.
- **Transit Bus Replacement:** Current year funding will provide for the purchase of two diesel buses. Staff continues to search for available vendors of hybrid and electric buses as well as grants to allow replacement of more transit fleet annually.
- **AFD Apparatus Replacement:** Current year funding will provide for one ladder apparatus and related equipment.
- **Computer & Technology Replacement** provides for annual replacements of computers/laptops, IT infrastructure, and security equipment. Data Center End-of-Life Replacement updates data storage equipment for major technology applications.



## GENERAL FUND CAPITAL IMPROVEMENT PROGRAM

### Greenways

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>REVENUE SOURCES</b>					
Long-Term Debt	800,000	-	-	-	-
Grants & Donations	3,200,000	-	-	-	-
<b>Revenue Total</b>	<b>4,000,000</b>	-	-	-	-
<b>PLANNED PROJECTS</b>					
Wilma Dykeman Greenway	4,000,000	-	-	-	-
<b>Total</b>	<b>4,000,000</b>	-	-	-	-

This portion of the general fund CIP supports the City's greenway networks and implementation of the greenways portion of the GAP plan. Projects include funding greenway feasibility studies, land acquisition and construction of new greenways and greenway extensions. While projects do not generally fund ongoing maintenance for greenways, major repairs or renovations may be included.

- The Wilma Dykeman Greenway Extension is funded in conjunction with the North Carolina Department of Transportation. This project is one of the top ten greenways identified in the GAP plan.

## GENERAL FUND CAPITAL IMPROVEMENT PROGRAM

### Recreation & Entertainment Facilities

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>REVENUE SOURCES</b>					
Pay-go (Cash)	15,000	15,000	15,000	15,000	15,000
Long-Term Debt	721,000	743,000	1,065,000	788,000	811,640
Grants & Donations	100,000	100,000	100,000	100,000	100,000
<b>Revenue Total</b>	<b>836,000</b>	<b>858,000</b>	<b>1,180,000</b>	<b>903,000</b>	<b>926,640</b>
<b>PLANNED PROJECTS</b>					
Carrier Park Lawn Bowling Turf Replacement	-	-	300,000	-	-
JBL Turf Replacement	15,000	15,000	15,000	15,000	15,000
Park Facilities Upgrades	721,000	743,000	765,000	788,000	811,640
Western Carolina Nature Center Maintenance & Improvements	100,000	100,000	100,000	100,000	100,000
<b>Total</b>	<b>836,000</b>	<b>858,000</b>	<b>1,180,000</b>	<b>903,000</b>	<b>926,640</b>

Recreation & Entertainment Facilities CIP funding supports ongoing and major maintenance at City parks, sports fields, and special recreation facilities, such as McCormick Field and the Western North Carolina Nature Center. The following projects are funded in FY 2024-25:

- **Park Facility Upgrades:** An annual allocation is provided for maintenance and renovation of various facilities managed by the Parks and Recreation department. Each year, the department identifies priority needs based on asset condition, impact to users, and availability of grants, donations or other capital funding. In FY 2024-25 These funds have been allocated to these priority projects - Recreation Park, Harvest House, French Broad River Park, and Haw Creek Park. Future years' allocations will be identified as part of future budget processes.
- Parks and Recreation has funding for Weaver Ballfield and was awarded CDBG funding for Stephens Lee Park basketball and playground renovations in FY 2023-24.
- **John B. Lewis Soccer Complex Turf Replacement:** Per an agreement with the Asheville-Buncombe Youth Soccer Association (ABYSA), the City continues to set aside funds on an annual basis for turf replacement at this facility, ensuring funding for full replacement is available on an agreed upon schedule. The next replacement is scheduled for FY 2027-28.
- **Western Carolina Nature Center Maintenance & Improvements:** Funded by an agreement with the Friends of the WNC Nature Center, this project provides for ongoing maintenance and small capital repairs or improvements at the WNC Nature Center.

## GENERAL FUND CAPITAL IMPROVEMENT PROGRAM

### Streets & Sidewalks

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>REVENUE SOURCES</b>					
Pay-go (Cash)	800,000	800,000	800,000	800,000	800,000
Long-Term Debt	6,663,000	2,157,000	13,766,024	2,352,000	2,479,560
Grants & Donations	10,028,000	200,000	1,796,000	-	-
<b>Revenue Total</b>	<b>17,491,000</b>	<b>3,157,000</b>	<b>16,362,024</b>	<b>3,152,000</b>	<b>3,279,560</b>
<b>PLANNED PROJECTS</b>					
Coxe Avenue Complete Street	11,825,000	-	-	-	-
Deaverview Rd Pedestrian Improvements	710,000	250,000	2,245,000	-	-
I-26 Improvements	-	-	5,889,024	-	-
Livingston Street Complete Street	500,000	-	5,200,000	-	-
Neighborhood Sidewalks	443,000	456,000	470,000	484,000	498,520
Pedestrian Improvements	565,000	400,000	400,000	400,000	400,000
Streets Resurfacing	3,448,000	2,051,000	2,158,000	2,268,000	2,381,040
<b>Total</b>	<b>17,491,000</b>	<b>3,157,000</b>	<b>16,362,024</b>	<b>3,152,000</b>	<b>3,279,560</b>

The Streets & Sidewalks section of the CIP includes funding for ongoing maintenance of the City’s vehicular and pedestrian infrastructure, including street resurfacing, sidewalk replacement, and ADA improvements. The following projects are funded in FY 2024-25:

- **Pedestrian Improvements:** This project includes funding for sidewalk maintenance and repair, ADA infrastructure improvements, and implementation of other pedestrian projects prioritized by the GAP Plan.
- **Neighborhood Sidewalks:** This funding supports the installation and maintenance of sidewalks in residential neighborhoods. Locations are identified in collaboration with neighborhood groups and residents.
- **Street Resurfacing:** Annually, this project provides for resurfacing of a subset of City-maintained roadways. Locations are identified using pavement condition ratings, usage statistics, and traffic network considerations. Starting in FY 2025-26 of the plan, \$1.5 million of funding is shifted to facilities maintenance. Assuming the Transportation General Obligation Bond referendum is passed in November 2024, overall resources dedicated to resurfacing will still increase.

# Water Resources Capital Improvement Program

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>REVENUE SOURCES</b>					
Pay-go (Cash)	15,150,000	12,600,000	12,100,000	11,950,000	11,500,000
State Loan	-	8,000,000	-	-	-
Long-Term Debt	18,500,000	16,900,000	-	115,000,000	-
<b>Revenue Total</b>	<b>33,650,000</b>	<b>37,500,000</b>	<b>12,100,000</b>	<b>126,950,000</b>	<b>11,500,000</b>
<b>PLANNED PROJECTS</b>					
Candler Knob Control Valve	800,000	-	-	-	-
Fairview Service Area Improvements	150,000	150,000	150,000	-	-
Master Plan/Large Waterline Projects	500,000	875,000	1,500,000	1,000,000	1,000,000
Master Plan/Pressure Reduction & Open Systems Projects	-	-	-	1,000,000	1,000,000
Meter/Vault Repair	-	1,750,000	800,000	500,000	500,000
Mills River Filter Media Replacement	-	-	-	400,000	500,000
Mills River WTP Improvements - Phase 2	-	8,000,000	-	-	-
Mills River WTP Improvements - Phase 3	-	-	-	40,000,000	-
NCDOT Projects	1,000,000	-	1,000,000	1,500,000	1,500,000
North Fork & W. Debruhl Filter Enhancements & Building	5,000,000	-	-	75,000,000	-
North Fork & W. Debruhl Filter Rehabilitation	12,500,000	-	-	-	-
Pump Station/Storage Tank Projects	750,000	850,000	750,000	500,000	500,000
Ridgeview Tank PS & Storage Tank Replacement	1,800,000	-	-	-	-
SCADA Updates	-	200,000	200,000	250,000	200,000
Small Waterline Replacement	6,000,000	6,500,000	6,000,000	5,000,000	5,000,000
Sweeten Creek & Mills Gap Water Line Improvements	1,000,000	16,900,000	-	-	-
System Enhancement Projects	150,000	275,000	200,000	500,000	-
Water Treatment Plant Projects	1,500,000	2,000,000	1,500,000	1,300,000	1,300,000
William DeBruhl Water Treatment Plant Clearwell	2,500,000	-	-	-	-
<b>Total</b>	<b>33,650,000</b>	<b>37,500,000</b>	<b>12,100,000</b>	<b>126,950,000</b>	<b>11,500,000</b>

## WATER RESOURCES CAPITAL IMPROVEMENT FUND

### Water Resources Capital Project Descriptions

Funding programmed in the Water Resources CIP will support repair, maintenance, and improvements of the City's water treatment and distribution infrastructure. The following projects are funded in FY 2024-25:

- Mills River Water Treatment Plant Improvements: Provides major updates to infrastructure at the Mills River water treatment plant.
- Pump Station and Storage Tank Projects: Includes routine maintenance of pump stations and storage tanks throughout the system. Pump stations are used to move water to higher elevations, where water lines cannot be gravity-fed. Storage tanks are used to hold water at strategic locations to support gravity-fed lines or supply pump stations.
- Small Waterline Replacement: End of life replacements for water lines other than system mains. Often these might impact a small residential community or a portion of a neighborhood.
- System Enhancement Projects: Includes right-of-way clearing to allow easier maintenance access for water lines, and other work as needed that does not fit neatly into other project buckets.
- Water Treatment Plant Projects: Provides for routine maintenance at the three water treatment plants in the system.

# Parking Services Capital Improvement Program

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>REVENUE SOURCES</b>					
Pay-go (Cash)	300,000	300,000	300,000	300,000	300,000
Long-Term Debt	2,335,600	5,888,000	4,810,000	575,000	-
<b>Revenue Total</b>	<b>2,635,600</b>	<b>6,188,000</b>	<b>5,110,000</b>	<b>875,000</b>	<b>300,000</b>
<b>PLANNED PROJECTS</b>					
Biltmore Parking Garage	13,500	670,000	2,060,000	-	-
Harrah's Parking Garage	83,500	3,700,000	1,800,000	-	-
Parking Facility Maintenance	300,000	300,000	300,000	300,000	300,000
Rankin Parking Garage	971,600	880,000	-	575,000	-
Wall Street Parking Garage	1,267,000	638,000	950,000	-	-
<b>Total</b>	<b>2,635,600</b>	<b>6,188,000</b>	<b>5,110,000</b>	<b>875,000</b>	<b>300,000</b>

## Parking Services Capital Project Descriptions

Funding programmed in the Parking Services CIP will support general maintenance of the City's on- and off-street parking infrastructure. Examples of this infrastructure include street resurfacing in areas with on-street parking, restriping of on-street parking spaces, meter and other technology replacements and upgrades, resurfacing and restriping of surface lots, and parking garage maintenance and repairs, including structural maintenance, stairway and elevator maintenance, lighting, entry/exit equipment, space restriping, and other functional and aesthetic repairs.

The department completed a Parking Facility Assessment with support from the Capital Projects Department and an engineering consultant. The assessment focused on the parking garages and outlined both immediate and long-term maintenance needs and potential replacement timelines for all of the City-owned garages.

# Stormwater Capital Improvement Program

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>REVENUE SOURCES</b>					
Long-Term Debt	-	3,558,500	3,152,500	4,537,500	2,539,500
Short-Term Installment Debt	2,194,300	1,051,000	510,000	750,000	600,000
<b>Revenue Total</b>	<b>2,194,300</b>	<b>4,609,500</b>	<b>3,662,500</b>	<b>5,287,500</b>	<b>3,139,500</b>
<b>PLANNED PROJECTS</b>					
Druid Drive Phase 1 & 2	-	-	-	-	800,000
Edwin Place, Celia Place, and Canterbury Drive Drainage Phase 1	-	2,476,000	-	-	-
Edwin Place, Celia Place, and Canterbury Drive Drainage Phase 2	-	-	2,400,000	-	-
Edwin Place, Celia Place, and Canterbury Drive Drainage Phase 3	-	-	-	1,985,000	-
Lake Craig Sediment Removal	-	-	-	402,500	-
Onteora Blvd	-	-	-	-	105,000
Parks Stormwater Projects	-	920,000	-	-	-
Saint Dunstan's Infrastructure	-	-	-	-	160,000
Shelburne Road Decanting	-	162,500	-	-	-
Shiloh Neighborhood Infrastructure	-	-	752,500	2,150,000	-
Vehicle and Equipment Replacement	2,194,300	1,051,000	510,000	750,000	600,000
Watershed Studies	-	-	-	-	750,000
Waynesville Avenue Drainage	-	-	-	-	724,500
<b>Total</b>	<b>2,194,300</b>	<b>4,609,500</b>	<b>3,662,500</b>	<b>5,287,500</b>	<b>3,139,500</b>

## Stormwater Capital Project Descriptions

Funding programmed in the Stormwater CIP will support maintenance and improvements for the City’s stormwater infrastructure. Included in the FY 2024-25 Budget is funding for the equipment for a Preventative Maintenance crew to advance the City’s stormwater infrastructure and provide better customer service as well as the annual funding for equipment replacement.



# Glossary of Budget Terms

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**Accrual Basis** – Method of accounting in which transactions are recognized at the time they are incurred as opposed to when cash is received or spent.

**Adopted Budget** – The budget approved by City Council and enacted via a budget appropriation ordinance, on or before June 30 of each year.

**Ad Valorem Taxes** – Commonly referred to as property taxes, ad valorem taxes are levied on the value of real, certain personal, and public utility property according to the property's valuation and the tax rate.

**Appropriated Fund Balance** – The amount of fund balance appropriated as a revenue for a given fiscal year to offset operating expenses that exceed current revenue.

**Appropriation** – An authorization made by City Council which permits the City administrative staff to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

**Assessed Value** – The fair market value placed on personal and real property owned by taxpayers by the Buncombe County Tax Supervisor. Real property is reappraised and assessed value established every four years.

**Basis of Budgeting** – This refers to the form of accounting utilized throughout the budget process.

**Bond** – A written promise to pay a specified sum of money (principal) at a specific future date, along with periodic interest payments paid at a specified percentage of the principal.

**Bond Rating** – A rating designated by a credit rating agency (the two largest being Moody's and Standard and Poor's), which represents the creditworthiness of a bond and the likelihood that the debt will be repaid.

**Budget** – A plan of financial operation comprised of an estimate of proposed expenditures for a fiscal year and the proposed means of financing those expenditures (revenue estimates).

**Budget Amendment** – Formal action by City Council to change an appropriation or revenue estimate during the fiscal year.

**Budget Calendar** – The schedule of key dates or milestones which the City follows in the preparation and adoption of the budget.

**Budget Document** – The official written statement prepared by the City's administrative staff which presents the proposed budget to the City Council.

## GLOSSARY

**Budget Message** – A general discussion of the proposed budget presented to the City Council by the City Manager as a part of the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the City Manager.

**Budget Ordinance** – The official enactment by City Council establishing the legal authority for City administrative staff to obligate and expend funds.

**Budget Process** – Activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital needs.

**Capital Outlay** – Items of significant value (more than \$1,000) and having a useful life of several years, also referred to as fixed assets.

**Capital Improvement Program (CIP)** – A plan to identify, prioritize, and approve capital needs (over \$25,000) for a six-year period.

**Capital Projects** – Projects established to account for the cost of capital improvements. Typically, a capital project encompasses a purchase of land and/or the construction of or improvements to a building or facility.

**Certificates of Participation (COPs)** – A financing mechanism in which certificates or securities are sold to investors who underwrite a project. The issuance of COPs is secured by lease-purchase agreements to which the City is a party.

**Community Development Block Grant (CDBG)** – A US Department of Housing & Community Development federal assistance grant to support the local provision of decent housing and a suitable living environment for persons of low and moderate-income.

**Comprehensive Annual Financial Report** – A financial document that describes the standing of a local government in accordance with accounting requirements from the Governmental Accounting Standards Board (GASB).

**Contingency Reserve** – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

**Cost Transfer** – A reallocation of cost from one activity to another. The City uses cost transfers to avoid double counting expenditures associated with internal transactions between City departments. For example, when fleet maintenance repairs a fire engine, that expense is recorded in both the fleet division and the fire department. A negative expense or cost transfer is then entered into the fleet division to eliminate the double counting. The remaining expenses in the fleet division after all cost transfers represent the net cost of that activity to the City.

**Debt Service** – Payment of interest and principal on borrowed funds, such as bonds or lease-purchase payments.

**Department** – A management unit of closely associated City divisions and activities.

## GLOSSARY

**Departmental Mission** – A brief statement explaining the general purpose and goal of the department in relation to the overall City mission.

**Depreciation** – An accounting charge associated with expiration in the service life of fixed assets. Depreciation is not recorded as an expense for budget purposes.

**Division** – A term used to describe a City cost center with distinct objectives and activities.

**Enterprise Fund** – A type of fund that accounts for governmental operations that are financed and operated in a manner similar to private business enterprises. It is financed primarily from charges to users for services provided. Included in this category are the US Cellular Center, Water Resources, Transit Services, and Parking Services Funds.

**Encumbrance** – The legal commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

**Expenditures** – The measurement focus of governmental fund accounting. Financial resources expended during a period for operations, capital outlay, and long-term principal retirement and interest. Expenditures reflect the cost incurred to acquire goods or services.

**Expenses** – The measurement focus of propriety fund accounting. Costs expired during a period, including depreciation and other allocations, as in business accounting. Expenses reflect the cost of goods or services used.

**Fiscal Year (FY)** – An accounting period extending from July 1 through the following June 30.

**Fixed Assets** – Assets, such as land, buildings, machinery, furniture, and other equipment, which are intended to be held or used over a long time period.

**Full-Time Equivalent (FTE) Position** – A unit for measuring staffing levels equal to one position working 37.5 hours per week for an entire year. Temporary/seasonal positions, such as summer Parks & Recreation staff, are not included in the FTE count.

**Fund** – A fiscal entity with a self-balancing set of accounts used to account for an activity(s) with common objectives.

**Fund Balance** – The cumulative excess of revenues over expenditures in a fund at the end of a fiscal year. With certain limitations, fund balance may be used to balance the subsequent year's budget.

**General Fund** – A type of governmental fund used to account for revenues and expenditures for regular day-to-day operations of the City, which are not accounted for in the proprietary funds; i.e., Enterprise and Intergovernmental Service Funds. The primary sources of revenue for this fund are local taxes and state-shared revenues.

## GLOSSARY

**General Obligation (GO) Bonds** – Bonds issued by City government, usually requiring approval from a majority of voters at a referendum, that are backed by the City’s full faith, credit, and taxing power.

**General Statutes of North Carolina (GS or NCGS)** – The compilation of state laws of North Carolina.

**Generally Accepted Accounting Principles (GAAP)** – The set of accounting rules and procedures used by governmental agencies to account for the receipt and expenditure of funds.

**Goal** – The underlying reason(s) for the provision of essential City services.

**Governmental Accounting Standards Board (GASB)** – The organization which sets forth the generally accepted accounting principles (GAAP) for state and local governments in the United States.

**HOME Fund** – A collection of funding provided by the US Department of Housing and Urban Development (HUD) to provide housing to low-income Americans. This fund is administered by the City.

**Interfund Transfer** – The movement of monies between funds of the same governmental entity.

**Internal Charges** – Charges for goods or services provided by one City department to other departments within the City on a cost-reimbursement basis.

**Internal Service Fund** – A type of proprietary fund used to account for the financing of goods or services provided by one City activity to other City activities on a cost-recovery basis.

**Institute for Transportation Research and Education (ITRE)** – An organization based at North Carolina State University, which uses a standard rating system to assess street pavement condition.

**Lease-Purchase** – A contractual agreement to purchase a fixed asset over a period of several years. Also known as installment purchasing.

**Limited Obligation Bonds (LOBs)** – A type of installment financing, also known as a Certificate of Participation, which the City can issue to finance real or personal property or improvements thereon, if it agrees to make debt service installment payments subject to the annual appropriation of City Council.

**Line-Item Budget** – A budget summarizing the detailed categories of expenditure for goods and services that the City intends to purchase during the fiscal year.

**Local Government Budget and Fiscal Control Act** – The legal guidelines of the State of North Carolina which govern budgetary and fiscal affairs of local governments.

## GLOSSARY

**Local Government Commission (LGC)** – Part of the North Carolina Department of State Treasurer; assists local governments on significant financing issues such as bonds.

**Modified Accrual Basis** – A method for recording receipts and expenditures in which expenditures are recognized when the goods or services are received, and revenues are recognized when measurable and available to pay expenditures in the accounting period.

**NCAC** – North Carolina Administrative Code; contains all administrative rules, which are written to fully interpret statutes.

**NCDOT** – North Carolina Department of Transportation.

**Net Interest Cost (NIC)** – A way to compute the average annual interest expense for a bond issue.

**Operating Budget** – The City's financial plan which outlines proposed expenditures for the fiscal year and estimates the revenues which will be used to finance them.

**Pay-As-You-Go Financing** – A method of paying for capital projects that relies on current revenue rather than on debt.

**Payment In Lieu of Taxes (PILOTs)** – Money transferred from an outside non-profit agency into the General Fund. The principle underlying such transfers is that the City would have received the equivalent amount in taxes had the service been provided by a private firm.

**Performance Measure** – Indicators used to determine how effectively and efficiently a department achieved its objectives.

**Performance Objective** – A statement of expected results or impacts which is specific, measurable, realistic, and consistent with overall departmental and organizational goals.

**Powell Bill** – A North Carolina statute that designates city and town streets as part of the state public roads system, and therefore allocates funding from the General Assembly to municipalities, to maintain, repair, and construct city streets that are not part of the state highway system.

**Proposed Budget** – The City Manager's recommended balanced budget, which is submitted to City Council prior to June 1.

**Proprietary Fund** – A type of fund that accounts for governmental operations that are financed and operated in a manner similar to a private business enterprise. It is financed primarily from charges to users for services provided. Proprietary funds used by the City of Asheville include the Enterprise and Internal Service Funds.

**Revenue** – A term used to represent actual or expected income to a specific fund.

## GLOSSARY

**Special Obligation Bonds (SOBs)** – A type of installment financing which the City can issue to finance downtown revitalization projects, urban area revitalization projects, drainage projects, or off-street parking facilities, pledging the revenue of any tax that it receives but does not levy (e.g., sales tax levied by Buncombe County and remitted to the City), and other fees received by the City (e.g., user fees).

**Strategic Partnership Funds** – A collection of funds which the City grants to partner organizations in the community to provide public services.

**Tax Collection Rate** – The percentage of the tax levy that can reasonably be expected to be collected during the fiscal year.

**Tax Rate** – The level at which taxes are levied. For example, the tax rate is \$0.46 per \$100 of assessed value.

**Tax Levy** – The total dollar amount of tax that optimally should be collected based on tax rates and assessed values of personal and real properties.

**True Interest Cost (TIC)** – The real cost of taking out a loan, including finance charges, possible late fees, discount points, and prepaid interest; also refers to the actual cost of issuing a bond.

**TIGER (Transportation Improvements Generating Economic Recovery) VI** – A grant from the Federal Highway Administration, which is being used in Asheville to fund a suite of capital projects aiming to revitalize transportation and improve the City economy.

**Transmittal Letter** – A letter from the City Manager summarizing the major differences between the proposed budget and the adopted budget.

# BUDGET ORDINANCE

ORDINANCE NO. 5084

AN ORDINANCE ADOPTING THE ANNUAL BUDGET AND FIXING THE TAX RATE FOR THE CITY OF ASHEVILLE FOR THE FISCAL YEAR 2024-25.

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WHEREAS, Article 3 of Chapter 159 of the N. C. General Statutes requires local governments in North Carolina to adopt ordinances establishing an annual budget, in accordance with procedures specified in said Article 3; and

WHEREAS, the Asheville City Council, following a public hearing as required by law has considered the proposed annual budget for the City of Asheville for the 2024-25 fiscal year;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

Section 1. The following anticipated revenues and authorized expenditures by fund, together with a financial plan for internal service funds, are hereby appropriated for operating City government for the fiscal year beginning July 1, 2024 and ending June 30, 2025.

## GENERAL FUND

### Revenues:

Taxes – Ad Valorem	\$86,881,790
Other Taxes	44,450,000
Intergov. Revenue	13,698,675
Licenses and Permits	5,658,176
Sales and Services	15,464,086
Investment Earnings	2,100,000
Miscellaneous Revenue	3,958,690
Other Financing Sources	<u>7,502,792</u>
Total Revenues	<u>\$179,714,209</u>

### Appropriations:

City Manager's Contingency	\$145,000
Departmental Operations	<u>179,569,209</u>
Total Expenditures	<u>\$179,714,209</u>



## BUDGET ORDINANCE

### WATER RESOURCES FUND

Revenues:

Sales and Services	\$42,137,150	
Investment Earnings	1,373,000	
Miscellaneous Revenue	<u>3,630,000</u>	
Total Revenues		<u>\$47,140,150</u>

Appropriations:

Water Resources Operations		<u>\$47,140,150</u>
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### PARKING SERVICES FUND

Revenues:

Sales and Services	\$7,940,940	
Investment Earnings	115,000	
Miscellaneous Revenue	<u>111,360</u>	
Total Revenues		<u>\$8,167,300</u>

Appropriations:

Parking Services Operations		<u>\$8,167,300</u>
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### STORMWATER FUND

Revenues:

Licenses and Permits	\$367,105	
Sales and Services	8,370,000	
Investment Earnings	100,000	
Miscellaneous Revenue	2,500	
Total Revenues		<u>\$8,839,605</u>

Appropriations:

Stormwater Operations		<u>\$8,839,605</u>
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## BUDGET ORDINANCE

### TRANSIT SERVICES FUND

Revenues:

Intergov Revenue	\$3,862,949	
Licenses and Permits	635,000	
Sales and Services	370,000	
Other Financing Sources	<u>9,679,293</u>	
Total Revenues		<u>\$14,547,242</u>

Appropriations:

Transit Services Operations		<u>\$14,547,242</u>
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### HARRAH'S CHEROKEE CENTER - ASHEVILLE FUND

Revenues:

Sales and Services	\$4,666,000	
Investment Earnings	125,000	
Miscellaneous Revenue	231,500	
Other Financing Sources	<u>1,125,437</u>	
Total Revenues		<u>\$6,147,937</u>

Appropriations:

HCCA Operations		<u>\$6,147,937</u>
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### STREET CUT UTILITY FUND

Revenues:

Sales and Services	\$2,508,696	
Other Financing Sources	<u>400,000</u>	
Total Revenues		<u>\$2,908,696</u>

Appropriations:

Street Cut Operations		<u>\$2,908,696</u>
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## BUDGET ORDINANCE

### HOUSING PARTNERSHIP FUND (GENERAL FUND)

Revenues:

Miscellaneous Revenue	\$226,800	
Other Financing Sources	<u>500,000</u>	
Total Revenues		<u>\$726,800</u>

Appropriations:

Housing Partnership Fund Operations		<u>\$726,800</u>
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### SUSTAINABILITY FUND

Revenues:

Sales and Services	\$2,500	
Other Financing Sources	<u>\$839,870</u>	
Total Revenues		<u>\$842,370</u>

Appropriations:

Sustainability Fund Operations		<u>\$842,370</u>
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### INTERNAL SERVICES FUNDS

Revenues:

Sales and Services	\$22,579,297	
Investment Earnings	225,000	
Miscellaneous Revenue	1,945,000	
Other Financing Sources	<u>981,573</u>	
Total Revenues		<u>\$25,730,870</u>

Appropriations:

Health Insurance	\$21,455,264	
Workers Compensation	1,639,267	
Property and Liability	<u>2,636,339</u>	
Total Expenditures		<u>\$25,730,870</u>

## BUDGET ORDINANCE

### **CAPITAL 2100 FUND (GENERAL FUND)**

Revenues:

Other Financing Sources	\$16,301,695
Total Revenues	\$16,301,695

Appropriations:

Capital 2100 Fund Operations	\$16,301,695
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Section 2. All appropriations included in the following Capital Project funds and other multi-year funds are approved for the financing life of each project, which may extend beyond one fiscal year.

<b><u>GENERAL CAPITAL PROJECTS FUND</u></b>		
<u>Revenues:</u>		
Intergovernmental Revenue	\$13,386,820	
Sales and Services	390,000	
Miscellaneous Revenue	30,000	
Other Financing Sources	<u>\$22,433,579</u>	
Total Revenues		<u>\$36,240,399</u>
<u>Appropriations:</u>		
Reparations	\$520,200	
General Capital Fund Expenditures	<u>35,720,199</u>	
Total Expenditures		<u>\$36,240,399</u>
<b><u>WATER CAPITAL PROJECTS FUND</u></b>		
<u>Revenues:</u>		
Transfer from Water Resources Fund	\$8,000,000	
Other Financing Sources	<u>\$25,650,000</u>	
Total Revenues		<u>\$33,650,000</u>
<u>Appropriations:</u>		
Water Capital Fund Expenditures		<u>\$33,650,000</u>

## BUDGET ORDINANCE

<b><u>TRANSIT SERVICES MULTI-YEAR FUND</u></b>			
	<u>Revenues:</u>		
	Intergovernmental Revenue	\$2,424,074	
	Other Financing Sources	<u>\$1,144,000</u>	
	Total Revenues		<u>\$3,568,074</u>
	<u>Appropriations:</u>		
	Transit Services Capital Expenditures	\$1,144,000	
	FY23 Section 5307 Subrecipient Grants	\$2,108,585	
	FY23 Section 5310 Subrecipient Grants	<u>\$315,489</u>	
	Total Transit Multi-Year Fund Expenditures		<u>\$3,568,074</u>
<b><u>STORMWATER CAPITAL PROJECTS FUND</u></b>			
	<u>Revenues:</u>		
	Other Financing Sources	<u>\$2,194,300</u>	
	Total Revenues		<u>\$2,194,300</u>
	<u>Appropriations:</u>		
	Stormwater Capital Fund Expenditures		<u>\$2,194,300</u>
<b><u>PARKING CAPITAL PROJECTS FUND</u></b>			
	<u>Revenues:</u>		
	Transfer from Parking Operating Fund	\$300,000	
	Other Financing Sources	<u>\$2,335,600</u>	
	Total Revenues		<u>\$2,635,600</u>
	<u>Appropriations:</u>		
	Parking Capital Fund Expenditures		<u>\$2,635,600</u>

## BUDGET ORDINANCE

<b>HARRAH'S CHEROKEE CENTER - ASHEVILLE CAPITAL PROJECTS FUND</b>			
	<u>Revenues:</u>		
	Miscellaneous Revenue	\$900,000	
	Intergovernmental Revenue	<u>2,261,000</u>	
	Total Revenues		<u>\$3,161,000</u>
	<u>Appropriations:</u>		
	HCCA Capital Fund Expenditures		<u>\$3,161,000</u>
<b>SPECIAL REVENUE FUND</b>			
	<u>Revenues:</u>		
	Taxes - Ad Valorem	\$340,000	
	Other Taxes	120,000	
	Intergovernmental Revenue	519,007	
	Miscellaneous Revenue	<u>43,000</u>	
	Total Revenues		<u>\$1,022,007</u>
	<u>Appropriations:</u>		
	Continuum of Care Grants	156,580	
	Fire Protection Districts	460,000	
	NCDEQ Community Waste Reduction & Recycling Grant	42,000	
	Land of Sky DHT Expanding Digital Opportunities Grant	185,000	
	Parks & Recreation Grants & Donations	60,352	
	Police Forfeiture Grants	<u>118,075</u>	
	Total Appropriations		<u>\$1,022,007</u>
<b>BUSINESS IMPROVEMENT DISTRICT FUND</b>			
	<u>Revenues:</u>		
	Taxes - Ad Valorem		<u>\$1,250,000</u>
	<u>Appropriations:</u>		
	Business Improvement District Operations		<u>\$1,250,000</u>

## BUDGET ORDINANCE

Section 3. It is estimated that revenues in the amounts indicated in the foregoing schedule will be available to support the foregoing appropriations. The fees and charges, as adopted on March 26, 2024 in ordinance number 5066, shall be set forth in a Fees and Charges Manual to be kept on file in the Office of the City Clerk.

Section 4. There is hereby levied for the fiscal year ending June 30, 2025, an Ad Valorem tax rate of \$0.4093 per \$100 assessed valuation of taxable property as listed on January 1, 2024 for purposes of raising the revenues from current year's property tax as set forth in the foregoing estimates of revenues and in order to finance the foregoing appropriations.

Section 5. There is hereby levied for the fiscal year ending June 30, 2025, an Ad Valorem tax rate of \$0.0877 per \$100 assessed valuation of taxable property as listed on January 1, 2024 for purposes of raising the revenues from current year's property tax for the Downtown Asheville Business Improvement District (BID).

Section 6. The City Manager is authorized to revise the budget by transfer of appropriations within each fund. All amendments affecting revenues, total fund appropriations, or the General Fund City Manager's Contingency amount shown in Section 1 shall be approved by ordinance by the City Council, to be acted on at any regular or special meeting and approved by a simple majority of those present and voting, a quorum being present. Only one reading will be required and a public hearing or publication of notice is not necessary unless requested by Council.

Section 7. The reserve for encumbrances at June 30, 2024 and carry-over appropriations, representing prior commitments as of that date shall be re-appropriated pursuant to North Carolina General Statute 159-13, to the departments within various funds, under which expenditures may be made during fiscal year 2024-25 as the previous commitments are satisfied.

Section 8. Copies of this ordinance shall be furnished to the City Manager and Director of Finance, to be kept on file by them for their direction in the collection of revenues and expenditures of amounts appropriated.

Section 9. The Pay & Classification Plan is amended to incorporate all personnel actions such as reclassifications and pay modifications recommended by the Human Resources department and approved by the City Manager. Funding for the plan and compensation items is included in the various departments. The amended plan will become effective with the pay cycle that begins on July 6, 2024.

Section 10. Base pay for the Mayor, Vice-Mayor and Councilmembers will be \$25,875 - \$28,275, \$21,474 - \$23,874, and \$19,010 - \$21,410, respectively. Travel for official activities will be reimbursed under the same plan used for City employees.

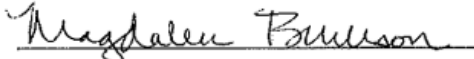
Section 11. Should any section, paragraph, sentence, clause or phrase of this ordinance be declared unconstitutional or invalid for any reason, the remainder of said ordinance shall not be affected thereby.

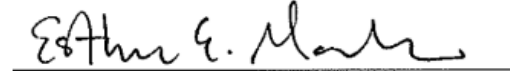


## BUDGET ORDINANCE

Section 12. That this ordinance shall be in full force and effect upon the date of final passage.

Read, approved and adopted this 11th day of June, 2024.

  
City Clerk

  
Mayor

Approved as to form:

  
City Attorney