

City of Hendersonville



Adopted Budget FY2015-2016

Vision Statement

Hendersonville is a vibrant mountain city where the government and citizens work together for a high quality of life.

Mission Statement

The City of Hendersonville is committed to providing quality, efficient services to all citizens, visitors, and businesses through open communication, timely responses, and quality results.



About the Cover

“Think Big Bear”

Sponsor – Champion Hills

Artist – Veronika Hart

To Benefit the Henderson County Educational Foundation

Auction Date – October 24th, 2015

Bearfootin’ Public Art

Started in 2003, Bearfootin’ was created as a fun way to raise money for local charities, while displaying colorful artwork along the downtown sidewalks. A yearly event, the public display of art begins every April and continues through October. Local artists create unique and beautiful artwork, made of fiberglass and hand painted, and every year the new art display is unveiled for exhibition in the spring.

The Bearfootin’ Public Art Walk has consistently brought joy to visitors of Historic Downtown Hendersonville while raising a considerable amount of money for local charities and art in Historic Downtown. Sponsored by downtown businesses, each year has a different theme. While most of the years have been bears, there have been several that were other animals. In 2009 it was the year of goats.

Each work is unique and creative, with their personal theme. They are displayed along the sidewalks throughout Main Street in Downtown Hendersonville, and can be viewed at any time of the day or night.



Preface

No other aspect of public administration has undergone as much reform or been the focus of attention for political leaders, mayors to presidents, as the annual budget. The budget document and its preparation and adoption express the basic political values of a government. Budgets reflect the negotiations and compromises undergone during the continuous process of budget adoption. They define government's economic and political role in a community, guiding, sanctioning, and limiting administrative action. Budget not only represent plans for the future, they also mold that future by the policies they contain. A good budget establishes a vision for its respective community and communicates, with utmost transparency, the vision for the future.

The budget document is a tool for maintaining financial accountability. Yet as its preparation has evolved, it has become a forum for establishing strategic goals and performance expectations. The resulting budget has become the public record of a community dialogue for improving organizational performance and management oversight. These attributes demand accountability from administrators and policy makers alike. The budget's quality is dependent upon the quality of input provided throughout the budgeting process.

As the City of Hendersonville advances its organizational excellence and budgetary practices, ultimately making the leap from a good organization to a great one, it will be mindful of the aforementioned role of public budgeting. Providing a transparent document, setting policy and providing accountability will be common practice in this City. The most successful cities are helping citizens, customer, and partners discover budget linkages. Our City will provide the tools necessary to not only decipher this important document but also participate in its conception. This practice is not an accomplishment easily achieved however, by acknowledging the aforementioned criteria and goals the City of Hendersonville is well on its way to exemplary budget practices.

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the City of Hendersonville for its annual budget for Fiscal Year 2015 which began July 1, 2014. In order to receive this award, a governmental unit must publish a budget document that meets specific program criteria as a policy document, an operations guide, a financial plan, and a communications device.

The Fiscal Year 2016 budget will be submitted to GFOA for award consideration as well.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Hendersonville
North Carolina**

For the Fiscal Year Beginning

July 1, 2014

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The purpose of the *Budget Guide* is to introduce readers to the budget document and processes, assisting in the reader’s understanding of the information contained throughout. The Local Government Budget and Fiscal Control Act (LGBFCA) defines the annual budget as “a proposed plan for raising and spending money for specified programs, functions, activities, or objectives during a fiscal year” [G.S. 159-7(b)(1)]. The *Budget Guide* will briefly describe the sections contained within the budget document, explain the budget process, explain how to read charts and graphs and interpret numbers, as well as how to understand the effects of inflation. Note that sample charts and tables do not reflect accurate financial information for the City of Hendersonville.



The Budget Document

This annual budget provides local officials an opportunity to review and evaluate programs and services. During most of the year, local officials are hard pressed to maintain day-to-day duties and may not have time to evaluate how efficiently and effectively a particular program is achieving its established goals. Even if no changes are made, the City of Hendersonville benefits from the overview of programs and enhances perspective for decisions that must be made every day. The budget document for FY14-15 consists of eight major sections: Introduction, Community and Organizational Profile, Financial Summaries, General Fund, Enterprise Funds, Other Funds, Capital Improvements Plan, and Supplemental Information.

Budget Message & Ordinance

The Budget Message is a letter from the City Manager to the City Council that provides an overview of the upcoming fiscal year budget and how it fits with the City Council's priorities. This message should introduce and summarize the budget document, including issues facing the development of the budget, significant budgetary items and trends, and the budgetary effect on short and long-term plans. General Statute 159-11(b) states that the message should include the following:

- a concise explanation of the governmental goals fixed by the budget for the budget year,
- important features of the activities anticipated by the budget,
- reasons for stated changes from the previous year in program goals, programs, and appropriation levels
- any major changes in fiscal policy

The Budget Ordinance is a statute, legally adopted by the City Council to set spending limits for the coming fiscal year, which runs from July 1 to June 30. The Budget Ordinance also establishes the schedule of fees set for the coming fiscal year.

Community and Organization Profile

This section of the budget document highlights general information about the Hendersonville community including historical, geographical, demographic, and economic features. Within the organizational profile, the reader will find information about the City's governmental structure and the financial policies and management systems that guide the budget process.

Financial Summaries

The Financial Summaries provide a summary of revenues, expenditures, fund balance, and debt obligation for the City of Hendersonville's funds. Information provided in both numerical and narrative format increases the reader's ability to determine how much money each fund is spending and generating.

A fund is an independent fiscal and accounting entity. Funds make it easier to keep track of accounts that operate similar types of activity and share the same set of accounting records. The



City of Hendersonville operates two major funds, the General Fund and the Water and Sewer Fund and a variety of other non-major governmental funds.

General Fund

The General Fund accounts for all governmental services that do not generate sufficient revenue to support their activities, such as general government, public safety, and public works. The reader will find information on each department, including a description of the department's purpose, prior fiscal year accomplishments, coming fiscal year initiatives, budget highlights, budget trends, personnel counts, and performance measures.

Enterprise Funds

The Water and Sewer Fund is an enterprise fund, which means it operates as a public enterprise. Public enterprises operate off user charges and most are self-supporting. User charges refer to charges applied to those who voluntarily use or receive certain government services or facilities. City customers pay fees for water consumption and sewer usage to cover the cost of water distribution and wastewater treatment. The City is permitted by law to charge higher rates for customers outside their boundaries; such higher rates are common. The rates established by the Water and Sewer Fund are not subject to regulation by the State Utilities Commission. Additionally, the City operates an Environmental Services Fund. This is an enterprise fund that provides sanitation and stormwater services. The Fund is self-supporting, utilizing a base charge and other user fees.

Other Funds

The City of Hendersonville has a variety of other funds including the Downtown Tax District Fund, Environmental Services Fund, and the Historic Seventh Avenue Special Tax District Fund. Each fund accounts for revenues and expenditures associated with a special function or area.

Each fund consists of individual line items that represent specific expenditures and revenues. Examples of line item expenditures include, but are not limited to, salaries, insurance, maintenance and repair, supplies, and capital outlay. Examples of line item revenues include, but are not limited to, property tax revenues, sales tax revenues, grants, and fees. Line items are the most detailed way to list budgeted expenditure and revenue information.

Capital Improvement Plan (CIP)

A Capital Improvement Plan (CIP) is the center of planning for capital projects and acquisitions and is the basis for implementing and authorizing projects. This document is a central element in the financial planning of a city or county. The CIP is a multiyear forecast detailing major capital infrastructure, building and equipment needs, the appropriations needed to satisfy those needs, the sources of financing for specified projects, and the impact the projects will have on the organization. The CIP is a repeatable annual process, commonly reevaluating and including new capital requests, for not all capital needs can be recognized five to six years out.



Supplemental Information

This section contains other financial information about the City of Hendersonville, a glossary of terms used throughout the document, and other pertinent City information, such as personnel listings and summary information.



The Budget Process

In accordance with the Local Government Budget and Fiscal Control Act (LGBFCA), the budget document for fiscal year ending June 30, 2015, meets the balanced budget and inclusiveness requirements. The inclusiveness requirements means the City may only spend moneys that have been budgeted [G.S. 159-8(a)]. The balanced budget requirement means that any budget ordinance, project ordinance, financial plan, or internal service fund must balance. General Statute 159-8(a) defines a balanced budget as “the sum of estimated net revenues and appropriated fund balances is equal to the appropriations.” A final legal limit on this budget document is G.S. 159-15, addressing a local government’s ability to set a property tax levy and the regulations regarding that levy. Whether this budget is used primarily as a planning vehicle or as a means of reaching political agreement about budgetary policies, this document adheres to the three legal limits listed above and follows a process provided by the LGBFCA.

There are three general stages of budget preparation and enactment including departmental formulation of expenditure requests and revenue estimates, preparation of a recommended budget document by the budget officer, and review and enactment of the annual budget ordinance by the respective governing body.

At the start of the budgeting process, it is common for the budget officer to produce a budget calendar, detailing the dates by which each stage in the annual budget process is to be completed. The LGBFCA requires mandatory dates at which certain processes must be completed [G.S. 159-10-13]. Departmental requests must be submitted to the budget officer before April 30. A recommended budget must be given to the governing body no later than June 1, and the governing body must enact the budget ordinance at the start of the fiscal year, July 1.



The following is a copy of the City of Hendersonville’s proposed Budget Calendar for FY 2016:

City of Hendersonville Budget Calendar FY15-16		
Budget Procedure	Legally Required Date	Projected Date
✓ Distribution of Information to Department Heads	-	01/11/16
✓ Council Budget Retreat (Goal/Priority Setting)		02/05/16
✓ Budget Requests Due to Budget Officer	Before 04/30/16	02/19/16
✓ CIP Council Workshop	-	02/26/16
✓ Management Review	-	March – April
✓ Budget Workshop with City Council at City Hall 8a.m.-3p.m.	-	05/06/16
✓ Submission of Budget to City Clerk	By 06/01/16	05/18/16
✓ Turn in Budget to City Council	By 06/01/16	05/18/16
✓ Public Notice of Budget Hearing	By 06/01/16	05/18/16
✓ Public Budget Hearing	-	06/02/16
✓ Adopt Budget Ordinance	By 07/01/16	06/02/16



Upon submission of the annual budget document, the governing body must schedule a public hearing, detailing that a budget has been submitted and that copies are available for public inspection [G.S. 159-12(b)]. The notice will provide the time, date, and place of the budget hearing. The City of Hendersonville strives to provide ample time between notice and the hearing date in order to provide the public an opportunity to attend the hearing. These strong public participation practices will improve the City's responsiveness and accountability. Stakeholder input throughout the planning and budgeting process is highly recommended by the National Advisory Council on State and Local Budgeting Recommended Budget Practices.

Several legal provisions apply to the governing body review and adoption of the Budget Ordinance. First, ten days must elapse between submission of the budget and adoption of the Budget Ordinance [G.S. 159-13(a)]. Also, the governing body may conduct its review in both special and regular meetings. Open meetings laws (see G.S. 143-318.12) apply to the aforementioned situations, each board member must be notified of said meetings, and only budget matter may be discussed during said meetings (G.S. 159-17). There is no provision allowing for closed sessions for the local budget process.

Another process in budget preparation and enactment is amending the budget. A policy statement detailing the procedures required in amending the budget is found in the *Community & Organization Profile* section of this document. A budget may need to be amended because revenue forecasts are developed months in advance of the fiscal year, these revenue collections may deviate, and expenditures and emergencies may arise requiring extra funding. A policy should specify the exact circumstances under which the legislative body may amend the budget. Most budget amendments follow the same deliberative process: the Manager first proposes a package of amendments, the appropriate committee of the Council then holds hearings and marks up the legislation, and the full Council then considers and acts upon the proposal.

Finally, the budget is enacted upon official adoption of the Budget Ordinance, not later than July 1. If the budget is not adopted, then G.S. 159-16 requires that an interim budget be adopted. The purpose of an interim budget is to ensure normal operations continue without any changes in program funding. Upon adoption of the Budget Ordinance, G.S. 159-13(d) requires the budget be entered into governing body's minutes within five days of adoption.



Reading the Budget Document

The budget document contains an abundance of diverse and valuable information. The hefty amount of numbers and information can make navigating and deciphering the document a difficult task for any reader. This section is meant to assist the reader in understanding the data presented and other supplemental information.

Sections of the budget are identified in the top right corner of each page. These headings identify the subject, fund, department, or division being discussed and assist the reader in locating the information for which they are looking. Within each section, bold and underlined headings identify major topics related to that section. Under these headings, the reader may find written information as well as information presented in table or chart form. The document highlights other important terms and categories by identifying them in bold or italic. This document also provides a glossary of terms located in the *Supplemental Information* section located at the end of this document.

Interpreting Tables & Charts

The budget document uses tables and charts to provide visual representations of data. The tables and charts allow readers to easily compare funds and departments as well as observe historical trends. Most sections contain tables and charts similar to the examples depicted in this section. The diagrams identify the major characteristics of each table and chart and explain what information the reader can find.



The following are examples of summary tables which a reader may encounter in reading this budget document (all data is fictional):

Prior year actual
budget data from
audit reports

Current year
budget, including
amendments

Adopted budget
for the upcoming
year

Description	2014 ACTUAL	2015 REVISED BUD	2016 ADOPTED	DOLLAR CHANGE
Governing Body				
Personnel	\$ 49,757.50	\$ 28,123.76	\$ 27,012.00	\$(1,111.76)
Operating	\$ 35,092.51	\$ 48,529.00	\$ 67,018.00	\$18,489.00
Capital	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 84,850.01	\$ 76,652.76	\$ 94,030.00	\$17,377.24

Includes salaries, FICA costs,
insurance, 401k, & retirement
costs

Includes all items not associated
with personnel, benefits, or
capital such as utilities, dues,
phone, supplies, etc...

Description	2014 ACTUAL	2015 REVISED BUD	2016 ADOPTED	DOLLAR CHANGE
Governing Body				
Personnel	\$ 49,757.50	\$ 28,123.76	\$ 27,012.00	\$(1,111.76)
Operating	\$ 35,092.51	\$ 48,529.00	\$ 67,018.00	\$18,489.00
Capital	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
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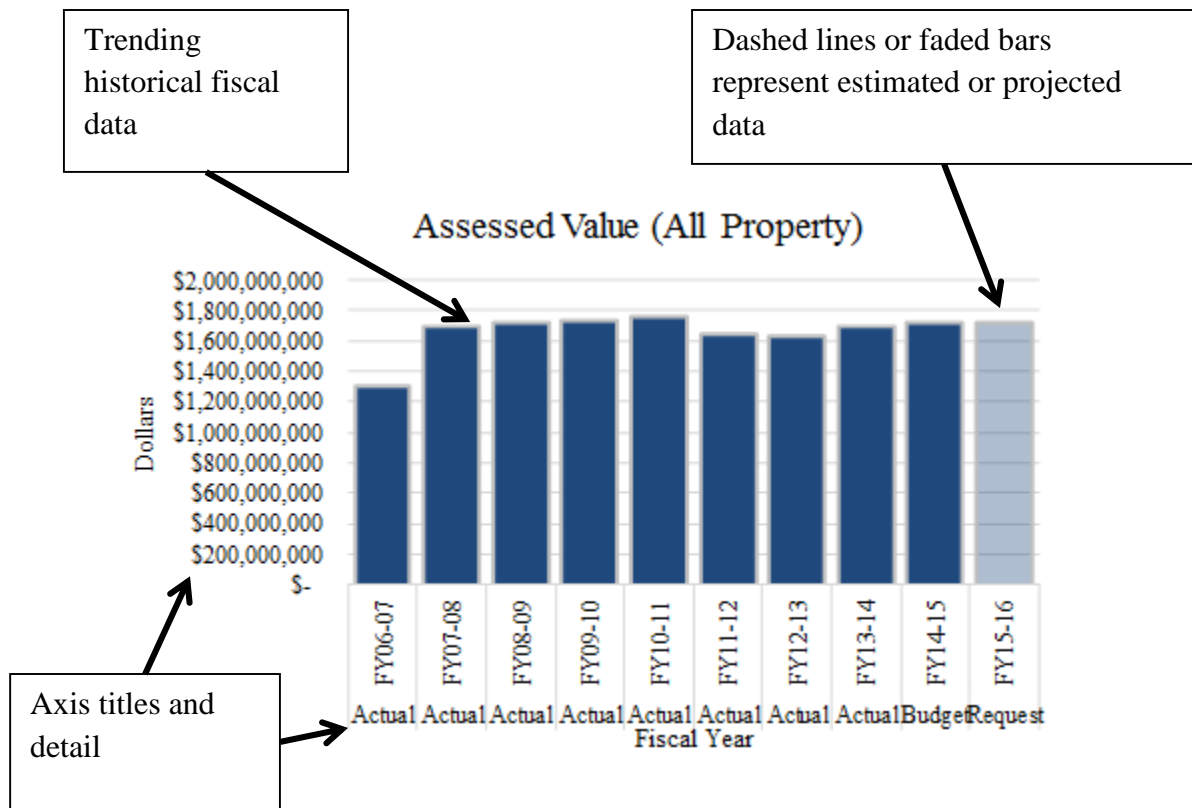
Includes capital
items such as
land, vehicles,
equipment, etc...

Includes annual
debt service
payments

Change between
current year and
adopted budgets



The following is an example of a historical chart which a reader may encounter in reading this budget document (all data is fictional):



Performance Budgeting

Performance measurement is the creation of criteria for reporting the quality or quantity of performance by a specific individual or organization. In response to heightened public scrutiny and pressure for increased service quality, the public sector has seen an equal increase in performance measurement initiatives. A good set of performance measures will reveal how efficiently a given service was rendered, at what level of quality it was delivered, and what effect it is having on the recipients of the service and the community as a whole. The following is a list of some of the advantages of engaging in performance measurement:

- ✓ Accountability/communication
- ✓ Support of planning/budgeting efforts
- ✓ Catalyst for improved operations
- ✓ Program evaluation
- ✓ Reallocation of resources
- ✓ Directing operations
- ✓ Contract monitoring
- ✓ Benchmarking



The City of Hendersonville is fully aware that without considerable thought and planning a performance measurement initiative can produce externalities, or unwanted/anticipated results. For example, say the City adopts a *tons of asphalt used per employee* performance measure. If not monitored and communicated effectively, then the City may experience employees digging cutouts wider and deeper than necessary (i.e., using more asphalt) to “improve” their performance ratings. The overall implication of any performance measurement is that managers and supervisors can select the appropriate measure by narrowly defining the function they want to know more about and effectively communicating the purpose to which they want to put that information. A reader will find a *Performance Budgeting* section in the City’s budget which will further detail the growing initiative.

Current Dollars, Constant Dollars, and Inflation Comparisons

Comparing the amount of revenues received or expenditures spent by a local government one year to the amount received or spent in another year can be misleading. Although the more recent number may be large, it might represent resources with less buying or spending power than the smaller figure from an earlier year. This is the result of market inflation. So, steadily increasing expenditures may be more attributable to inflation rather than loss of efficiency or service expansion. Meaningful comparisons can be made possible by controlling for inflation and converting current dollars to constant dollars. Comparisons can also be seen by converting revenue and expenditure numbers to an index.

The saying “a dollar doesn’t go as far as it used to,” is exactly right. Now consider this in the case of current dollars and constant dollars. First, current dollars are those dollars that are represented in financial statements. They are real and represent the actual spending that year. Constant dollars are a conversion of the current dollars, controlling for the effects of inflation. So, a current dollar is \$1.00; however, a constant dollar may be worth \$0.85. This conversion is done using a price index. There are two good indexes that provide representative effects of inflation. They are the Consumer Price Index (CPI) and the Implicit Price Deflator (IPD); this document utilizes the CPI. It is important to remember that these gauges are not perfect but do provide more meaningful values for comparisons.

The formula to calculate constant dollars is as follows:

To start, one must take their index (in this case the CPI) and convert it to 100.0 for the base year. The 100.0 base essentially represents a starting point for comparison. Imagine that this base value represents 0% change in inflation.



This is calculated by taking the CPI index current year and dividing it by the base year, then multiplying that by 100:

$$[(\text{CPI Current Year} = 123.3) / (\text{CPI Base Year} = 123.3)] * 100 = \text{CPI Index } 100.0$$

Or

$$(123.3 / 123.3) * 100 = 100.0$$

INFLATION COMPARISON EXAMPLE

	Actual FY04-05	Actual FY05-06	Actual FY06-07	Actual FY07-08
General Fund Revenues	\$ 10,643,142	\$ 10,892,299	\$ 11,239,049	\$ 11,904,221
Effective Rate of Revenues	\$ 10,643,142	\$ 10,441,766	\$ 10,500,717	\$ 10,407,746
Deescalating Percent GF	100%	98%	94%	88%
Deescalating Percent CPI	100%	96%	93%	87%
CPI	123.3	128.4	131.4	138.8
CPI Index	100.0	104.1	106.6	112.6
GF Index	100.0	102.3	105.6	111.8

Next, one must find the deescalating rate or percent of dollar value. This calculated value is the effective spending power of a dollar shown as a percent. So, if in year three the value is “93%,” then a dollar (\$1.00) is worth 93% (\$0.93) of what it was in year one. This is calculated by taking the CPI Index base year, subtracting it from the CPI Index current year, adding the CPI Index base year, and dividing it all by 100:

$$[(\text{CPI Index base year} = 100.0) - (\text{CPI Index current year} = 112.6) + (\text{CPI Index base year} = 100.0)] / 100 = \text{Deescalating Percent } 93\%$$

Or

$$(100.0 - 112.6 + 100.0) / 100 = 93\%$$

INFLATION COMPARISON EXAMPLE

	Actual FY04-05	Actual FY05-06	Actual FY06-07	Actual FY07-08
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Next, one must convert the current revenues to effective revenues. This shows the actual spending level for an organization, controlling for inflation. This is done by multiplying the current revenues by the deescalating percent:

$$(\text{Revenues} = \$11,904,221) * (\text{Deescalating Percent} = 87\%) = \text{Effective Revenues } \$10,407,746$$

Or

$$\$11,904,221 * 87\% = \$10,407,746$$

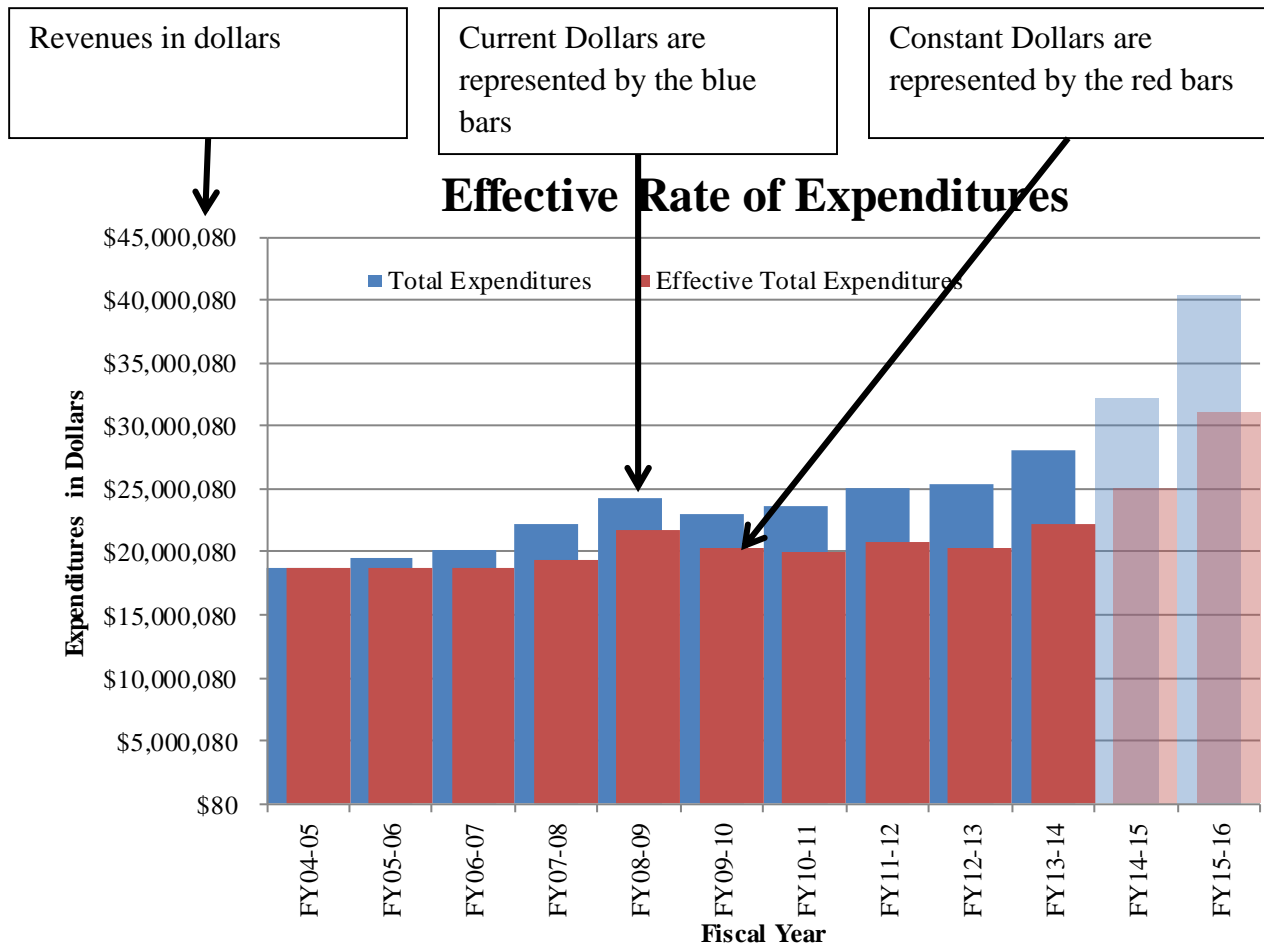
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With this calculation you can view the effective revenues compared to the actual revenues which is presented in an example on the next page.



Below is an example of charts found throughout this document:



In addition to the revenue comparison, one can look at the percent differences which is presented with an index.



The steps to calculating the index are as follows:

This step requires the individual to convert the actual revenues into an index. By doing so, one can then compare the CPI Index with the General Fund Index and see if the organization has kept pace with the rate of inflation in the market. This is calculated by dividing actual revenues current year by actual revenues base year, then multiplying that by 100:

$$[(\text{Actual Revenues Current Year} = \$11,904,221) / (\text{Actual Revenues Base Year} = \$10,643,142)] * 100 = \text{General Fund Revenues Index } 111.8$$

Or

$$(\$11,906,221 / \$10,643,142) * 100 = 111.8$$

INFLATION COMPARISON EXAMPLE

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GF Index	100.0	102.3	105.6	111.8

By using the same steps for calculating the deescalating percent for the CPI, one can calculate the deescalating percent for the General Fund. With these two deescalating percent's and indexes a reader has two options to view the effects of inflation.

Let's look at what can be observed:

Difference between GF and CPI shown as a percent

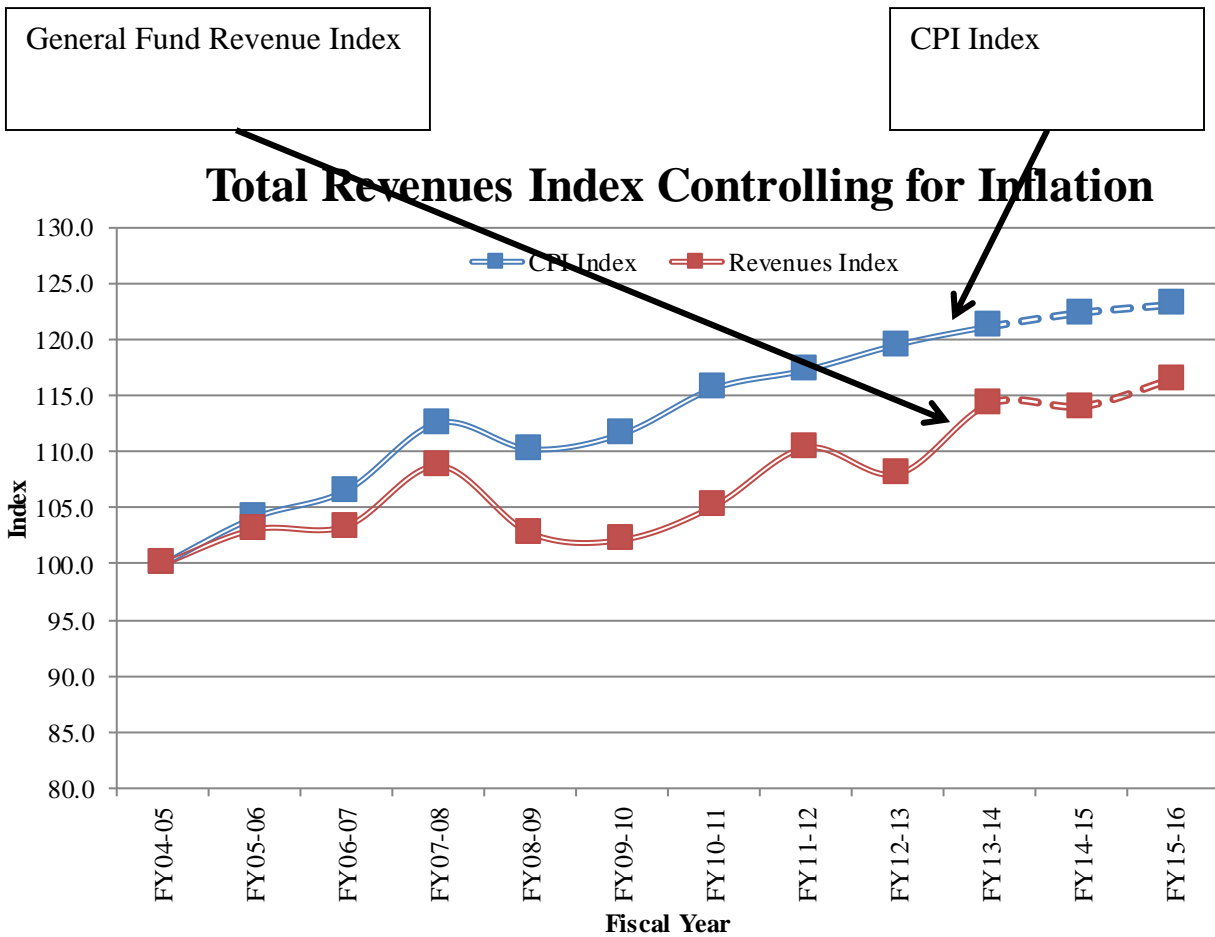
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CPI Index	100.0	104.1	106.6	112.6
GF Index	100.0	102.3	105.6	111.8

Difference between GF and CPI shown as an index



The following is an example of charts found throughout this document:



This chart represents a wealth of information. To start, one can identify the rate of inflation detailed by the “CPI Index” or the blue line. Also, one can identify the rate of general fund revenues detailed by the “GF Index” or the red line. This chart shows that the organization maintained revenue generation equal to or close to that of the CPI for the first three to four years. However, in year five one can see that the organization’s revenue generation dropped dramatically. This can be due to a variety of variables, however what it tells the reader is that the organization’s revenues are no longer keeping pace with inflation. The organization essentially has less buying power.

This type of information can be very useful when realizing actual dollar values. The value of a dollar has increased quite a bit in the past ten years, and it is important for municipalities to convey these effects in their budget documents. This information is also useful in justifying employee wage changes, adjustments in multi-year service contracts, and understanding actual costs of vehicles and equipment.



CITY COUNCIL:
BARBARA G. VOLK
Mayor
RON STEPHENS
Mayor Pro Tem
STEVE CARAKER
JERRY A. SMITH, JR.
JEFF MILLER

CITY OF HENDERSONVILLE

The City of Four Seasons

OFFICE OF THE CITY MANAGER
JOHN F. CONNET

OFFICERS:
JOHN F. CONNET
City Manager
SAMUEL H. FRITSCHNER
City Attorney
TAMMIE K. DRAKE
City Clerk

May 20th, 2015

The Honorable Barbara G. Volk, Mayor
Members of the City Council
Hendersonville, North Carolina

Dear Mayor Volk and Members of the City Council,

Pursuant to section 159-11 of the North Carolina General Statutes, I am pleased to present the recommended budget for Fiscal Year (FY) 2015-2016 for your review and consideration.

The FY15-16 Budget is based upon information presented and discussed during our City Council/Staff Retreat on February 13th, 2015. In addition, the City Council attended a formal Capital Improvements Plan meeting on February 27th, 2015 and a formal Budget Workshop on May 8th, 2015. These meetings provided an avenue for priority setting, fact finding, and general inquiries regarding the City's Budget for FY15-16.

The City maintains six focus areas, provided as follows:

Economic Vitality: Hendersonville is a good place for all business and promotes policies that encourage growth in all areas of our City.

Strong Partnerships: Hendersonville will develop strong partnerships with residents, businesses, other local governments, non-profits and visitors to ensure there is effective two-way communication and effective interaction with City Departments.

Sound Infrastructure: Hendersonville will construct and maintain efficient and accessible roadway, sidewalk, and greenway systems to extend internal and regional connectivity.

Hendersonville will provide high quality water and wastewater services while protecting natural resources and ensuring capacity for sustainable growth.

Numerous Amenities: Hendersonville will advance the beauty, diversity, and well-being of Hendersonville by supporting the community's ability to provide an array of educational, recreational, and cultural activities, events, and programs for residents and visitors of all ages, abilities, and interests.

Great Public Services: Hendersonville will provide high quality public services by utilizing excellent customer service to enhance the safety, health, and quality life for our citizens and visitors.



Financial Sustainability: Support fiscal policies and controls that ensure the long-term financial health of the City and enable it to respond to unforeseen challenges and opportunities.

Promote responsible management of public resources to ensure efficient and effective delivery of quality services.

Prior to presenting the 2015-2016 Budget in its entirety, I would like to take this time to review some of our accomplishments for the 2014-2015 Fiscal Year. The City has approved a partnership with Henderson County to create a “one-stop shop” for all development in the County by relocating the City’s Planning Department to the County building where building inspections and planning services are located, as well as, the City’s Zoning office (Strong Partnerships and Great Public Services). The City’s Zoning and Planning Departments will be merged and called the Development Assistance Department. The City has continued to resurface streets and construct new sidewalks within the City, a majority of work performed on 5th Avenue (Sound Infrastructure). The City upgraded its Maple Parking Lot with new sidewalks, asphalt, landscaping, and the installation of a parking kiosk (Sound Infrastructure and Great Public Services). In addition, new financial policies has earned the City a better bond rating with national rating agencies (Financial Sustainability). The City has also taken on a new Information Technology (IT) contract to provide a more sound internal and external technological presence (Sound Infrastructure and Numerous Amenities). The City has approved the creation of a Seventh Avenue Advisory Committee which created two grant programs for the area, as to encourage the revitalization and prosperity of the area (Economic Vitality). Additionally, the Water and Sewer Fund has pursued the repair and maintenance of City lines as well as a variety of capital projects to further enhance and support the growing system (Great Public Services and Sound Infrastructure). Finally, the City has pursued a customer service excellence initiative. It is now in the second stage of the process and the City’s customer focus, be that businesses, resident, fellow employees, or visitors, has increased greatly (Great Public Services and Strong Partnerships). This list is not inclusive of all our accomplishments this year, but it is a good sample of the types of projects and activities the City has undertaken in the past twelve months.



Introduction

The following document contains the City Managers final recommendation for the City’s Budget for FY15-16. These schedules/tables provide the budget requests after final adjustments from management. To briefly describe the process, department heads submit budget requests, management evaluates and adjusts the requests, and finally, the departments meet with management to discuss the adjustments. This process has brought the City to the level detailed throughout this document. The City’s Budget Workshop provided recommendations to further manipulate the proposed budget and City Council provided guidance on final adjustments. This document reflects that guidance and recommendations.

Budget Overview

The City’s FY15-16 Budget includes five (5) major funds. The table below presents the operating budget for each City fund:

General Fund	\$13,570,033
Downtown Tax District	\$593,145
Seventh Avenue District	\$23,839
Water/Sewer Fund	\$24,763,376
Environmental Services Fund	\$1,511,248
TOTAL APPROPRIATIONS	\$40,461,641
Less: Interfund Transfers	\$8,005,600
TOTAL NET APPROPRIATIONS	<u>\$32,456,041</u>

This year was a revaluation year for Henderson County and the effects of this revaluation are discussed in detail for each effected Fund. One-page summaries of each fund will be provided in the next section, followed by budget detail and highlights. The City’s CIP is provided as well as the Fee Schedule and other supplemental attachments.



General Fund “In a Nut-Shell”

General Fund requested **expenditures** total **\$13,570,033** for FY15-16.

General Fund projected **revenues** total **\$12,948,636** for FY15-16.

General Fund **fund balance** will require an appropriation of **\$621,397** to balance for FY15-16.

Overview

Management provided the following in cuts for the FY15-16 Budget:

- Personnel/Benefits ≈ **\$62,520**
- Professional Services ≈ **\$52,000**
- Special Appropriations ≈ **\$113,020**
- Capital Improvement Program ≈ **\$318,800**

The total expenditures are cut by **\$546,340**.

Management provided the following increases in revenues:

- A 2.0c property tax increase, increase of ≈ **\$340,000**

The total revenues increase by **\$340,000**. This assumes that the tax rate is not brought to revenue neutral after the revaluation. The total proposed tax rate for FY15-16 Budget is \$0.46 per \$100 valuation. A revenue neutral tax rate is \$0.4333 at an assumed 97% collection rate.

This recommendation impacts the City’s operation’s greatly. The City will be operating in an extremely limited capacity. The opportunity to pursue City Council priorities and goals will also be extremely limited. Some priorities that will remain unfunded are:

- Berkeley Mills Park
- 7th Avenue Revitalization/Parking Lot
- Enhanced Police Protection
- Enhanced Fire Protection
- City Beautification and Maintenance
- Enhanced internal employee services

The bottom line is that the City has historically relied on fund balance and debt to operate. This reliance has hurt the City and the resources to continue this reliance are dwindling. This reliance combined with inflation, personnel growth, and N.C. legislation have pushed the General Fund’s financial capacity to a tipping point. It is now up to City Council and Staff to address these issues and create a long-term financial plan for a sustainable future.



Downtown Fund “In a Nut-Shell”

Downtown Fund requested **expenditures** total **\$593,145** for FY15-16.

Downtown Fund requested **revenues** total **\$585,614** for FY15-16.

Downtown Fund **fund balance** will require an appropriation of **\$7,531** to balance for FY15-16.

Overview

The City Manager recommends adopting the Downtown Fund Budget for FY15-16 as presented. The fund balance level will drop a small amount, however in the following fiscal years the City will be able to put off one or two CIP items. In such a limited year for the General Fund, it is important for the Downtown Fund to continue expanding on services for the public. A large majority of the citizens of the City benefit from the MSD and projects in this area will not go unnoticed. In future years the City will need to prioritize which items to limit, be that electric panel upgrades, lighting along the avenues, or parking kiosks. However, if parking kiosks are financed that will require their funding for the length of the note. This should all be considered when making decisions around the Downtown Fund.

The Downtown Fund is estimated to increase by less than a percent, approximately 0.82%. This equates to an estimated \$1,914 in revenue that is budgeted for FY15-16. A revenue neutral tax rate would be \$0.277 per \$100 valuation at an assumed 95.78% collection rate. The City Manager recommends that the tax rate remain at \$0.28 per \$100 valuation.



7th Avenue Historic District Fund “In a Nut-Shell”

7th Avenue Historic District Fund requested **expenditures** total **\$23,839** for FY15-16.

7th Avenue Historic District Fund requested **revenues** total **\$23,839** for FY15-16.

7th Avenue Historic District Fund will not require a **fund balance** appropriation to balance for FY15-16.

Overview

The City Manager recommends adopting the 7th Avenue Historic District Fund Budget for FY15-16 as presented. The Seventh Avenue Advisory Committee continues to do an effective and efficient job of prioritizing goals and setting a vision, which is recommended to City Council, for the MSD. Major projects on the horizon are parking, an urban redevelopment area (URA), further MSD expansion, and working with the Downtown Fund MSD to create a unified vision. The MSD expansion is estimated to bring in an additional \$6,206 in revenue. Any major initiative will require funding from the General Fund or other revenue sources.

The County-wide revaluation resulted in a 0.3% drop in property value for the 7th Avenue MSD. A revenue neutral tax rate would be realized at \$0.1204 per \$100 valuation at an assumed 92.4% collection rate. It is recommended that the tax rate remain at \$12 per \$100 valuation and the MSD will lose an estimated \$30 in revenue.



Water & Sewer Fund “In a Nut-Shell”

Water and Sewer Fund requested **expenditures** total **\$24,763,376** for FY15-16.

Water and Sewer Fund requested **revenues** total **\$14,373,050** for FY15-16.

Water and Sewer Fund **fund balance** will require an appropriation of **\$10,390,326** to balance for FY15-16.

Overview

The City Manager recommends adopting the Water and Sewer Fund Budget for FY15-16 as presented. The substantial fund balance appropriation is being utilized for seven capital project ordinances that will be completed over the next two to three years. This is part of a long-term strategy to bolster the system and draw down part of the growing fund balance. Once the fund balance is at a comfortable level the City will pursue a rate study and gauge the appropriate rates for conducting business of the growing system.

This recommended budget addresses personnel, operating, and capital needs without incurring any additional debt. The City’s water and sewer system strives to continue to provide excellent service to the citizens, residents, and businesses within Henderson County.



Environmental Services Fund “In a Nut-Shell”

Environmental Services Fund requested **expenditures** total **\$1,511,248** for FY15-16.

Environmental Services Fund requested **revenues** total **\$1,511,248** for FY15-16.

Environmental Services Fund will not require a **fund balance** appropriation to balance for FY15-16.

Overview

The City Manager recommends adopting the Environmental Services Fund Budget for FY15-16 as presented. The major initiative being requested is the expansion of the Fund’s stormwater function. Stormwater projects are coming to the surface and the ability to fund these projects is limited. This request provides an additional \$1 base charge to begin to enhance the City’s stormwater services. This \$1 will produce approximately **\$82,125** in revenue for FY15-16. In addition, to the new revenue, it is recommended that fund balance reserves be utilized to help support these projects and initiatives.

Additionally, this request provides the financing of a waste disposal truck and begin this practices for future replacements. A replacement schedule will be established, and this will provide a consistent stream of debt service payment in years to come without detracting from the fund balance.



General Fund

The General Fund is the largest and most important of the governmental funds. It is the primary operating fund and the most important in terms of the operating budget. It is “general” because any transaction that cannot be accounted for in another fund must be recorded in the General Fund. The General Fund Budget’s totals \$13,570,033 for FY15-16.

General Fund Revenues

As detailed, in “Budget Memo #3” the City has two major factors playing into the General Fund revenue trends. First, is the historical reliance on fund balance and debt. The City maintained a total fund balance, hovering around \$10 million in the early 2000’s. In FY07-08, the City benefited the results of a positive revaluation and dropped its tax rate by \$0.05 per \$100 valuation. In the immediate following year, the nation as a whole experienced a substantial shift in the economy, termed as the “Great Recession”. From this point forward, the City has not addressed the needed tax increase to provide for this downswing and has instead relied on its, then, healthy fund balance. Since the FY07-08 revaluation, the City has appropriated close to \$2 million worth of fund balance. The City is now experiencing the long-term consequences for this reliance, as our available fund balance is beginning to drop below the City’s available fund balance goal of 45%. The next revaluation FY11-12 boasted a \$100 million (+/-) loss in property value. At this point, the City raised taxes by \$0.03 per \$100 valuation. However, this increase barely scratched the surface as the City continued to rely on substantial amounts of fund balance and debt to operate.

	Actual FY04-05	Actual FY05-06	Actual FY06-07	Actual FY07-08	Actual FY08-09	Actual FY09-10	Actual FY10-11	Actual FY11-12	Actual FY12-13	Actual FY13-14
Total Fund Balance	\$ 10,191,000	\$ 10,973,057	\$ 11,017,826	\$ 10,096,572	\$ 9,837,010	\$ 9,027,234	\$ 9,202,096	\$ 8,369,120	\$ 8,921,295	\$ 8,395,233
Difference Year-to-Year		\$ 782,057	\$ 44,769	\$ (921,254)	\$ (259,562)	\$ (809,776)	\$ 174,862	\$ (832,976)	\$ 552,175	\$ (526,062)
<i>Compounded Sub-Total</i>		\$ 782,057	\$ 826,826	\$ (94,428)	\$ (353,990)	\$ (1,163,766)	\$ (988,904)	\$ (1,821,880)	\$ (1,269,705)	\$ (1,795,767)

In FY12-13 a half of a million dollars are re-appropriated to the fund balance. This was only made possible because of \$600,000 worth of debt proceeds. The general trend has been substantial reliance on fund balance for operations.

Second, the City’s revenues have not maintained pace with inflation. Currently, the dollar has inflated close to 20% since FY03-04, and the cost of goods and services mirrors this inflation. The City’s revenues have increased close to 15%, leaving an average 5% gap since FY07-08.

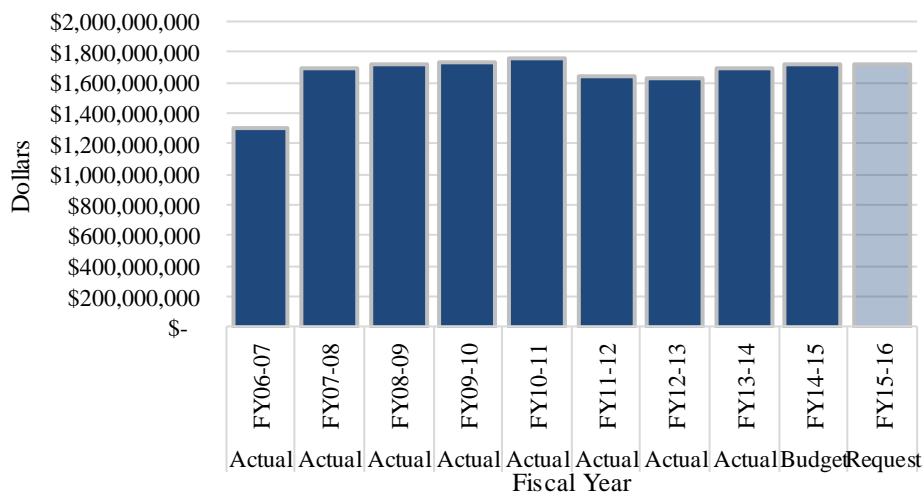
	Actual FY04-05	Actual FY05-06	Actual FY06-07	Actual FY07-08	Actual FY08-09	Actual FY09-10	Actual FY10-11	Actual FY11-12	Actual FY12-13	Actual FY13-14
% Increase Short of Inflation	0.00%	1.80%	0.97%	0.72%	5.97%	7.96%	8.08%	6.63%	8.17%	6.01%
\$'s Short of Inflation	\$ -	\$ 195,543.26	\$ 109,059.99	\$ 85,974.41	\$ 662,189.73	\$ 877,861.25	\$ 924,632.64	\$ 781,014.28	\$ 968,738.14	\$ 736,468.81
Equivalent # of Pennies	0.00	1.58	0.83	0.51	3.84	5.06	5.27	4.77	5.94	4.33



The table above shows the number of dollars and equivalent pennies the City is short of inflation. Ever since the tipping point the City has not captured the 4-5 pennies needed to maintain the same level of service, nonetheless expand services. This drove the reliance on fund balance and debt. The City has been managing a revenue shortfall, compared to operating expenditures, for the past 7 to 8 fiscal years. The gap has been a steady 4 to 5 pennies short of inflation and revenue to fund 100% normal operations.

Ad Valorem Tax: Ad valorem taxes encompass the largest portion of the General Fund revenues. These are the most controllable revenues in the City budget. This year is a revaluation year, meaning all of the property in the City has been evaluated and the majority of properties have different values than in years past. Initial estimates from the County provide that the City of Hendersonville should see a 1.68% increase in property value. This equates to approximately \$114,872, or 0.676 pennies on the tax rate. A revenue neutral tax rate would be \$0.4333 per \$100 valuation. Maintaining the tax rate at \$0.44 per \$100 valuation is estimated to produce \$6,879,872 in ad valorem taxes (real property). This is 93% of the total ad valorem taxes, totaling \$7,402,357 (includes motor vehicles, tax interest, prior years, etc...). The City Manager is recommending setting the tax rate at \$0.46 per \$100 valuation, a two (2) cent increase over last fiscal year.

Assessed Value (All Property)



Sales Taxes: Two and one-half percent of sales tax paid on retail sales in North Carolina represents the local sales tax portion levied by the City and County. These taxes consist of a one percent tax that was first levied in 1971, a one-half cent levied in 1983, a one-half cent levied in 1986 and a one-half cent levied in 2001. Effective October 1, 2007, the state repealed one quarter of the Article 44 local option sales tax authorized in 2003 and effective October 1, 2009, the state repealed the remaining one-quarter cent of that local tax. The first one-quarter cent will be replaced by a payment equal to 50% of the amount each municipality receives from the Article 40 (1983) local sales tax, and the second one-quarter cent will be replaced by a payment equal to 25% of the amount each municipality



receives for the Article 39 (1971) local sales tax. The legislation provides for municipalities to be completely reimbursed for the loss of their share of these tax revenues, including growth. The State of North Carolina collects the sales tax and distributes it to the local units. Sales tax revenues are distributed on a proportional ad valorem tax evaluation basis in Henderson County. The City of Hendersonville has the second largest ad valorem tax evaluation in Henderson County and receives the second largest proportional share of sales tax revenues behind Henderson County.

Local sales tax collections, which closed Fiscal Year 2013-14 strong, have remained perhaps even stronger in Fiscal Year 2014-15. Through the first six months of FY14-15, sales tax distributions were up a robust 12.4 percent over the same period in FY13-14. And while there is still variance as to where this growth is taking place geographically, unlike past years, the growth on a county by county basis was almost universally positive. Only one county had received less in sales tax distributions than it had through the same time period in FY13-14; 8 counties had experienced growth between 2 and 5.9 percent, and 91 counties had seen sales tax distributions grow by at least 6 percent.

There are multiple pieces of legislation coming from the General Assembly that can have major effects on the City of Hendersonville. First, S.B. 369 would change the way sales tax is distributed in the state to a per capita basis and eliminate the point of sale distribution method. If the bill is revised, as proposed by local leaders, the City of Hendersonville stands to gain an estimated \$868,068 in sales tax revenue. This is phased in over three years starting in FY2018 going to FY2021. This also includes an assumed 3.5% increase due to growth each year.

Sales Tax Redistribution Steps (3-Year Outlook)

				Assumptions	
				FY16-17 Estimate	\$ 2,660,967.95
				Growth	3.50%
Year 1	<i>3.5% Growth</i>	Growth	\$ 93,133.88	New Sales Tax	\$ 2,754,101.83
	<i>S.B. 369</i>		\$ 172,962.92		\$ 2,833,930.87
	Sub-Total		\$ 266,096.80		\$ 2,927,064.75
Year 2	<i>3.5% Growth</i>	Growth	\$ 102,447.27	New Sales Tax	\$ 2,856,549.09
	<i>S.B. 369</i>		\$ 190,259.21		\$ 3,024,190.08
	Sub-Total		\$ 292,706.47		\$ 3,219,771.22
Year 3	<i>3.5% Growth</i>	Growth	\$ 112,691.99	New Sales Tax	\$ 2,969,241.09
	<i>S.B. 369</i>		\$ 196,572.35		\$ 3,220,762.43
	Sub-Total		\$ 309,264.35		\$ 3,529,035.57

The cumulative total, three-year, gain due to the bill, not including growth, is estimated to reach \$559,795 by FY2021.

Second, H.B. 903 would provide Cities and Counties the ability to leverage a \$0.0025 sales and use tax. Based on a brief understanding of the bill, the City would gain a substantial amount of revenue if



the bill passes. The last year of taxable sales data available is from FY08-09. By taking this data as a percent of the total sales in Henderson County we can establish an estimated baseline.

	Hendersonville Sales	Henderson County Sales	% of Total
Actual FY08-09	\$ 501,198,313	\$ 778,897,590	64.35%
Actual FY13-14	x	\$ 903,517,325	64.35%

By using 64.35% as a baseline estimate for the portion of sales that make up the total sales in the County we can solve for “X” and provide the estimated total sales for the City.

$$X = \$580,961,639$$

Based off of these estimated total sales for the City, we can apply a \$0.0025 sales and use tax.

$$\$580,961,639 * \$0.0025 = \mathbf{\$1,452,404}$$

Simply based off of broad assumptions and a basic understanding of H.B. 903, the City stands to profit a substantial amount of new revenue.

These pieces of legislation may improve the City’s revenue shortfalls, however nothing is certain until it is signed into law. We do not know if and when that may be, so we cannot budget based on speculation.

The budget for FY15-16 is based on a 2.5% increase in sales tax revenue (3.5% sales tax growth minus 1% from Mills River and Fletcher property growth) and totals an estimated \$2,537,900.

Utility Sales Tax: Of all the projections in this memo, that for electricity sales and tax and the sales tax on piped natural gas (below) are the most uncertain. Fiscal Year 2014-15 marked the first year of a new distribution method for both of these revenue sources. As of the current fiscal year, the general sales tax rate was applied to the sale of both electricity and natural gas, and a percentage of the 8 proceeds were to be returned to cities and towns. In the case of electricity, that percentage is 44 percent. That number was chosen with the intention that every municipality could receive the same amount of electricity franchise tax revenues that they received in Fiscal Year 2013-14. If there were excess revenues, those were to be distributed statewide on an ad valorem basis. This revenue source is expected to be \$640,625 for FY 2015-2016.

Powell Bill Street Allocation: These funds represent redistribution by the State of a portion of the motor fuels tax. The use of these funds is restricted to maintaining, repairing, constructing, reconstructing or widening any public street or thoroughfare within the city limits. Bridges, drainage improvements, curb and gutter and other necessary appurtenances are also approved uses of these funds. One quarter of the distribution is based on the number of miles of local streets in the city and the remainder is distributed on a population basis. These funds are expected to be \$306,280 in FY 2015-2016. Due to falling gas prices this reduction is estimated to be \$77,000.



Parking Revenues: Parking revenues are generated from our four (4) metered parking lots, leased parking spaces and parking enforcement activities. The rates for parking revenue are undergoing major changes, as a result of a parking study conducted by Dixon Resources Unlimited. The proposed fees are still undergoing revision, however the City expects a preliminary estimate of \$30,000 increase in revenue for FY15-16. This increase reflects the requested increase in parking meter rates from \$0.25 to \$0.50 per half hour. The fee schedule sets the level of this revenue and City Staff currently needs more time to finalize a rate structure for parking. This will be presented at the final budget adoption meeting or in an additional fee schedule amendment meeting. The initial recommendations will be presented in the meeting.

Privilege License Taxes: Each business that conducts activity within the city limits is required to purchase a privilege license to conduct such business. These taxes have been revoked by the North Carolina General Assembly. This will cost the City an estimated \$386,000 in recurring revenue each year. The City is proposing a “Business Registry Fee” set at \$100 to generate an estimated \$100,000 in revenue for FY15-16.

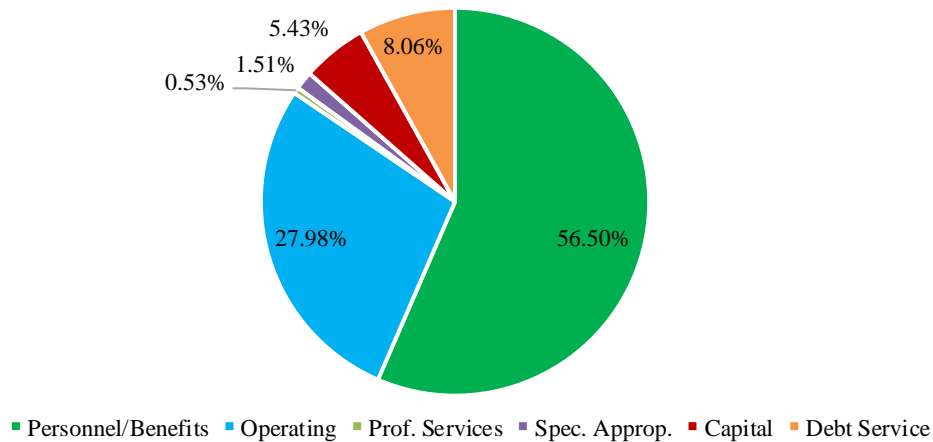
Fund Balance: The North Carolina Local Government Commission recommends that local governments maintain a minimum undesignated fund balance of no less than eight percent (8%) of expenditures. The City of Hendersonville is revising its formal fund balance policy establishing a goal of maintaining a fund balance of at least forty-five percent (45%) of expenditures. Any funds in excess of the 45% may be transferred to the Capital Reserve Fund for capital purchases. The new goal, established at the first budget workshop meeting in May, is now a range between 25-35%. Anything in excess of 35% can be transferred to the Capital Reserve Fund at the City Manager’s discretion. If the available fund balance drops below the 25% mark, then the City Manager has to present a plan to Council as to how to achieve the adopted goal. The City of Hendersonville’s unassigned fund balance on June 30, 2014 is \$6,405,951 or 45.4% of expenditures. If the full **\$1,172,300** budgeted in fund balance for the FY 2014-2015 Budget is used, then the available fund balance will drop to \$5,233,651 or 37.1% of expenditures. This Budget proposes appropriating **\$621,397** of fund balance. This would drop the available fund balance even further, to \$4,662,254 or 33.99% of expenditures by the end of FY15-16.



General Fund Expenditures

The total budget for requested General Fund expenditures is **\$13,570,033**. This is \$542,649 less than the current year’s revised budget. Expenditures have been broken down into six major categories, personnel/benefits, operating, professional services, special appropriations, capital, and debt service. The graph below details the percent of the total budget that each makes up:

Expenditures FY15-16



Personnel/Benefits make up the largest portion of the initial proposed expenditures for FY15-16.

The following shows the equivalent number of pennies on the tax rate, appropriated to each major category:

Expenditure	Penny Equiv.
Personnel/Benefits	24.86
Operating	12.31
Prof. Services	0.23
Spec. Approp.	0.66
Capital	2.39
Debt Service	3.55
Sub-Total	44.00

Again, this shows that the Personnel/Benefits category makes up the largest portion of expenditures.



Personnel/Benefits: The City of Hendersonville has seen growth in personnel count and total expenditures over the past ten years.

The first trend is the number of personnel supporting City operations.

	Actual FY04-05	Actual FY05-06	Actual FY06-07	Actual FY07-08	Actual FY08-09	Actual FY09-10	Actual FY10-11	Actual FY11-12	Actual FY12-13	Actual FY13-14
Administration	3	3	3	3	3	3	3	3	3	3
Finance	12	12	12	12	12	12	12	12	12	12
Support Services	10	10	10	10	10	10	10	12	14	14
Police	45	45	50	50	50	50	50	50	50	51
Fire	17	17	17	17	20	20	20	27	27	27
Public Works	29	29	29	31	31	31	31	31	31	31
<i>Sub-Total</i>	<i>116</i>	<i>116</i>	<i>121</i>	<i>123</i>	<i>126</i>	<i>126</i>	<i>126</i>	<i>135</i>	<i>137</i>	<i>138</i>
Personnel Increase Year-to-Year	0	0	5	2	3	0	0	9	2	1
Personnel Increase Compounded		0	5	7	10	10	10	19	21	22

The table above details the total number of personnel in the General Fund. The “Personnel Increase Compounded” row provides that the total number of personnel has grown by 22 positions in the past 10 years. The largest increases, in counts, were in Fire (10) and Police (6). In FY11-12 the City received a firefighter grant and hired seven additional employees in the Fire Department. The effects of this are observed in FY13-14, and added an approximate additional \$325,000 in recurring salary/benefit expenditures.

In addition to employee counts, the City has provided pay and classification revisions (the last increased personnel expenditures by \$1,248,594), medical and life insurance coverage (rates fluctuate; 12% increase in FY15-16), as well as, merit and market increases for their personnel (historically 3% increase).

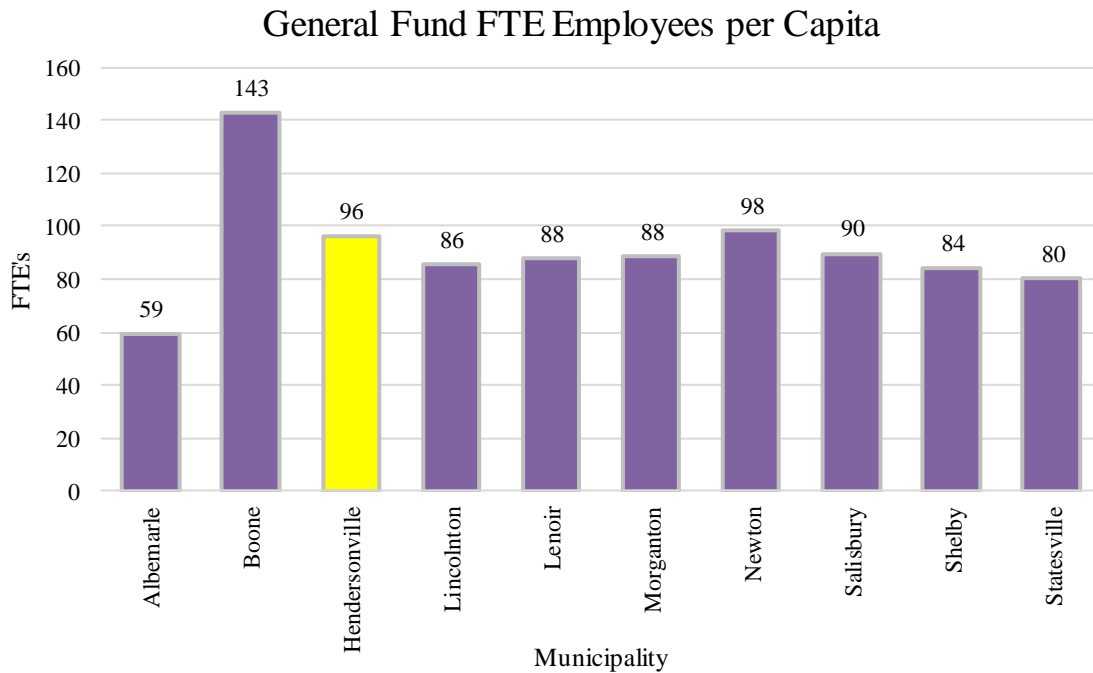
	Actual FY04-05	Actual FY05-06	Actual FY06-07	Actual FY07-08	Actual FY08-09	Actual FY09-10	Actual FY10-11	Actual FY11-12	Actual FY12-13	Actual FY13-14
<i>Sub-Total</i>	<i>\$ 6,200,820</i>	<i>\$ 6,373,300</i>	<i>\$ 6,933,575</i>	<i>\$ 7,621,894</i>	<i>\$ 7,800,828</i>	<i>\$ 7,900,443</i>	<i>\$ 7,932,128</i>	<i>\$ 8,016,588</i>	<i>\$ 7,963,799</i>	<i>\$ 8,669,685</i>
Expenditure Increase Year-to-Year	\$ -	\$ 172,480	\$ 560,275	\$ 688,319	\$ 178,934	\$ 99,615	\$ 31,685	\$ 84,460	\$ (52,789)	\$ 705,886
Expenditure Increase Compounded		\$ 172,480	\$ 732,755	\$ 1,421,074	\$ 1,600,008	\$ 1,699,623	\$ 1,731,308	\$ 1,815,768	\$ 1,762,979	\$ 2,468,865

The total Personnel/Benefits Expenditures have increased by \$2,428,865 in the past 10 years. These figures are expected to increase if the City plans to grow and provide a beneficial work environment that is competitive with other governments. This growth is common and should be considered when planning for the future.

The current year’s, **FY14-15**, budget for personnel/benefits totals **\$8,095,755**, original budget. This is \$727,653 less than FY13-14. The requested budget, **FY15-16**, for personnel/benefits totals **\$7,964,975**, another \$130,780 decrease. These decreases are due to a shift in budget philosophy. The City now accounts for the indirect costs through salary splits conducted at the beginning of the year. The departments are all tracking hours and projects that will justify the percent of salary split between funds. This change in practice is expected to be fully established in three years.



The following chart provides an estimated FTE per capita comparison:



As the chart provides, the City of Hendersonville is well staffed in comparison with other municipalities. However, it is important to consider the effects of non-permanent residents that are not accounted for in this graph.

Major Impacts

It is important to remember that personnel costs will continue to grow if the City is to remain competitive with other agencies in the State. Some items that are requested but will not be funded, under final recommendations, are:

1. Full implementation of the Performance Pay Program
 - a. Initial recommendations call for merit increases ranging from 1.5% - 3.00%, this has been cut to 1.00% - 2.50%. In addition, the market increase is expected to be 1.0%, the final recommendation will cut this to 0.5%.
2. Pay and Classification study
 - a. Many employee’s moral has been low due to perceived inequities in pay. A pay and classification study would address this, however the last study cost the City over, an estimated, \$1 million.
3. Additional Positions
 - a. The City’s human resource department is struggling to maintain with best and even some common practices. We have a new Director, however this individual cannot address all of the opportunities at once. An additional HR/Safety



Coordinator would provide the City with a more effective, equitable, and safe Human Resources Department and City as a whole.

- b. Other positions requested but are not able to funded are, an additional police officer, additional firefighters, an administrative aide in the Fire Department, a buildings maintenance employee and an additional grounds maintenance employee.

In addition to the items that we are unable to fund, the following variables are effecting the budget for FY15-16:

- 1. Health Insurance Premium
 - a. Expected to increase by 12%.
- 2. Employer Retirement Contribution
 - a. Dropped by 0.4% for LGERS (Local Gov’t Employees Retirement System).
 - b. Dropped by 0.4% for LEO (Law Enforcement Officers).

These variables effect all Funds and not just the General Fund.

Operating Expenditures: The City’s initial operating expenditures total \$3,936,475 for FY15-16. These expenditures have increased in the past years due to the expansion of City services. Some items like park restrooms, a new fire station, and maintenance associated with growth have driven the price of doing business up. In addition, inflation has played a role in the cost of supplies and materials. Every initiative undertaken by the City has operating impacts, including land acquisition, signage installation, additional personnel, grants, and project construction. It is important to evaluate these impacts when pursuing City initiatives.

Major Impacts

The following Department’s operating budgets were cut by the provided amounts:

- 1. PW-Fleet Maintenance = \$9,070
- 2. PW-Buildings Maintenance = \$2,000
- 3. Police = \$9,330
- 4. Fire = \$23,420
- 5. PW-Patton Pool = \$2,600

The departments are already operating at a tight level of expenditures and cutting these amounts have been critical. It is critical in that it will begin to start effecting the department’s ability to operate efficiently and effectively.

Professional Services: The City utilizes professional services to provide expertise and knowledge in the pursuit of various initiatives and projects. The initial request totals \$73,900 for FY15-16 and includes six professional services.



Major Impacts

We would delay or eliminate the following professional services contracts from the proposed budget and provide an estimated savings of \$52,000.

1. Dogwood Parking Deck Study
2. Bicycle Grant Match
3. Pay and Classification Study
 - a. Future costs associated; detailed in Personnel section

The professional services the City would fund include the 9th Avenue Circulation Study, an approximate cost of \$35,000, \$5,000 for the Bicycle Grant Match, a Website Redesign at \$14,000 and the Service Excellence Program, an approximate cost of \$7,000.

Special Appropriations: Each fiscal year the City budgets a specific amount of funding for special appropriations. A special appropriation is a provision within an expenditure line item that provides authority to spend money for particular purposes. The special appropriations budget request totals \$212,440 for FY15-16. The initial recommendation is to cut this expenditure total to \$100,000. The City Council, in their Budget Workshop meeting, cut these expenditures to \$99,380.

Major Impacts

It is important for the City to establish a policy governing the use of these expenditures. As it stands the process requires the requesting agency fill out a form which is then provided to City Council for review and approval or denial. The number of requests has been growing each year. As one can imagine if this number continues to grow and the funds available to be appropriated remain the same, then certain organizations will be removed or receive substantially less funding. It is recommended that the City establish a policy governing the appropriation of these expenditures. In addition, it is important for the City to have a safeguard against these funds being utilized in an unintended manner. The new policy should include a section governing the use of the funds.

Capital Expenditures: The City has a Capital Improvements Program (CIP) that is adopted in part with the FY15-16 Budget. The CIP details a five-year plan for the expansion and improvement of capital assets. Please reference the CIP for more detail and background. The total requests total \$764,245 for FY15-16. This request has already been modified multiple times throughout the CIP process. Please reference the CIP for the changes executed during this process.

Major Impacts

The final recommendation delays the following purchases or projects and reduces the proposed CIP by an estimated \$318,800. The following projects are recommended to be delayed:



1. Automated Time Keeping Software
2. Police Vehicle Replacement (2)
3. Public Works Backhoe
4. Gateway Signage
5. Ground Maintenance Equipment Shed
6. Grey Hosiery Mill Roof Patching
7. Public Works Vehicle Replacement (1)
8. Whitmire Center Floor Replacement

This final recommendation leaves the following CIP projects to be completed in FY15-16:

1. County Building Upgrades
2. Council Chamber Technology Upgrade
3. Bank Reconciliation Software
4. Police Vehicle Replacement (3)
5. Pool Cover
6. Salt Spreaders
7. Snow Blades
8. Tracey Grove Bridge Replacement
9. Public Works Vehicle Replacement (1)
10. Zero Turn Mower

These remaining CIP items total an estimated \$445,445 for FY15-16. This reflects a final recommendation made by the City Manager and is subject to change at the City Council's budget adoption on June 4th, 2015.

Debt Service: The cash required for a particular time period to cover the repayment of interest and principal is referred to as debt service. Debt service is often calculated on a yearly basis. An organization that is unable to make payments to service the debt can be said to be “unable to service its debt”. The City's debt service payments have grown substantially in the immediate prior years. The debt service budget totals \$1,133,791 for FY15-16.

Major Impacts

In FY13-14 the City took on debt service payments for phase III of the Main St. project and the construction of Fire Station #2. This added a \$300,000 principal payment and an interest payment of \$196,313. The interest payment will decrease each year as the principal is paid down. In addition, the City took on debt service payments for a variety of capital purchases in FY14-15. This added a \$95,576 principal payment and an interest payment of \$3,562. The interest payment will decrease each year as the principal is paid down.

The City will pay off two debt service notes by year end FY17-18. This will free up an approximate \$180,000 in principal payments. This additional debt capacity will assist in



combating natural expenditure growth in the organization. However, the City Hall Renovation note is utilizing Capital Reserve funding to pay its principal and interest payments. The Capital Reserve only has enough to cover \$936,107 of the remaining estimated \$1,159,234 in principal and interest payments. When the previously mentioned notes drop off in FY17-18, the City Hall Renovation note will require an estimated \$223,127 be funded by the General Fund. This remaining payment will be the first priority if and when fund balance has the capacity to make a transfer to the Capital Reserve Fund.

In all, debt service payments have grown to a level that is affecting the City's operating and capital budgets as well as its fund balance. Without additional revenue, this burden is expected to continue for the next four to five years.



Downtown Fund

The Downtown Fund is a municipal service district (MSD) within the City of Hendersonville. The tax rate for the MSD is \$0.28 per \$100 valuation. The Fund supports one full-time and one part-time employee which execute and supervise the Downtown budget, events, and services. This Fund is working towards financial sustainability. The special events of the Downtown Fund for FY15-16 include:

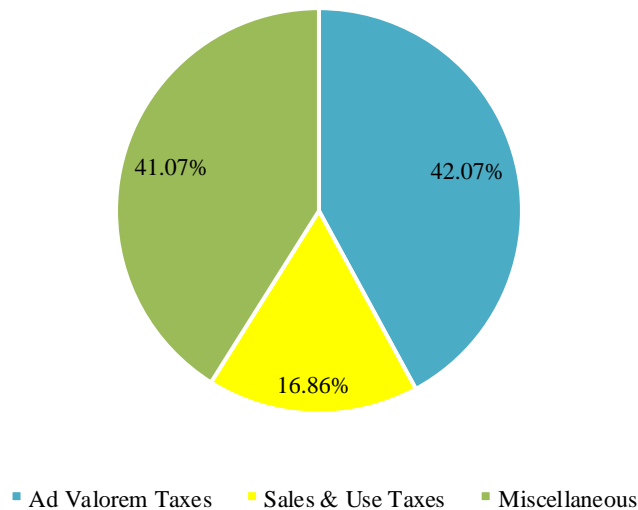
- Bearfootin’
- Rhythm & Brews
- Sidewalk Antique Festival
- Trick or Treat
- Holiday Events

These events are funded through event driven revenue and the revenue brought in by the MSD.

Downtown Fund Revenues

The Downtown Fund has three primary revenue sources which include ad valorem taxes, sales tax, and miscellaneous revenues.

Downtown Revenues



Ad valorem taxes make up the greatest share of revenue \$249,564 or 42.07% of all revenue. In addition, there is a large portion of debt proceeds that are effecting the normal distribution of revenues. The County-wide revaluation also applies to MSDs. The Downtown Fund saw little growth totaling less than a percent, approximately 0.82%. This equates to an estimated \$1,914 in revenue that is budgeted for FY15-16. A revenue neutral tax rate would be \$0.277 per \$100 valuation. The City Manager recommends that the tax rate remain at \$0.28 per \$100 valuation.



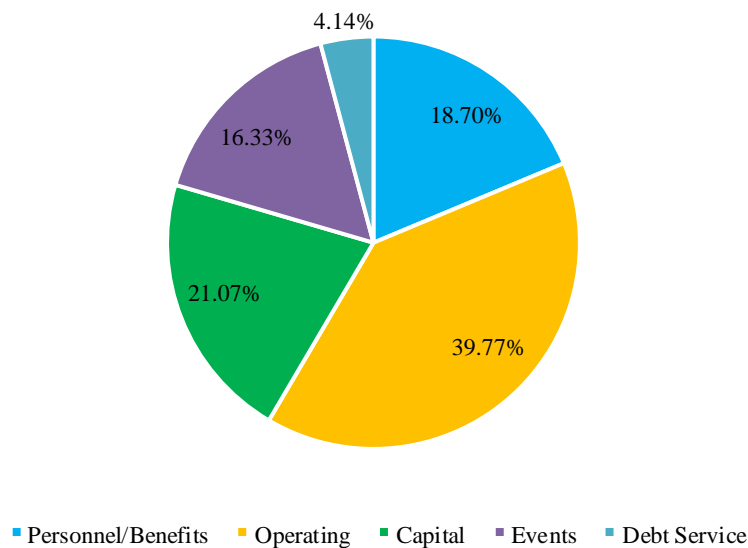
The second largest portion is generated from events and miscellaneous revenues, making up 41.07% of total revenues. The final portion of revenue comes from a distribution of sales and use tax from the General Fund. In years past this distribution has been redistributed back to the General Fund. This practice is recommended to stop and the Downtown Fund is recommended to retain its \$100,000 sales tax distribution.

The final source, miscellaneous revenue, has typically included a fund balance appropriation. With the retention of the sales and use tax distribution the Downtown Fund will rely less on this source of revenue. However, expenditures have expanded and this year will require \$7,531 of fund balance appropriation. The Downtown Fund’s fund balance totals \$98,725, and is estimated to reach \$32,725 by the end of FY14-15. The Downtown Fund will need to budget conservatively in order to lessen the burden on its fund balance.

Downtown Fund Expenditures

The expenditures in the Downtown Fund total \$593,145 for FY15-16. Similar to the General Fund the Downtown Fund has major expenditure categories, these include, personnel/benefits, operating, capital, events, and debt service.

Downtown Expenditures



Operating expenditures make up the largest portion of total expenditures at 39.77% while personnel/benefits make up another large portion at 18.70% of total expenditures for FY15-16. Events are a major expense related with the Downtown Fund totaling 16.33% of all expenditures. The final large portions are appropriated in capital, 21.07%, which is a result of the debt proceeds received, and debt service payments at 4.14%.



Personnel/Benefits: The two personnel that support the Downtown Fund will be serving in expanded roles going forward. The Director will now serve on the City’s Management Team and will be given a more visible role in the organization. With the focus on Downtown events and services increasing the City Manager recommends increasing the part-time Special Events Coordinator’s hours from 20 hours a week to 25 hours a week. In addition, the recent parking study recommends the development of a parking ambassador program for the MSD. This budget provides enough funding for two seasonal parking ambassadors to serve this program. The total increase from these changes totals an estimated **\$27,217** for FY15-16. Total personnel/benefits expenditures are recommended at \$110,899 for FY15-16.

Operating Expenditures: There are a couple major factors that make up the operations for the Downtown Fund. Advertising is a major factor that is recommended at a \$5,000 level for FY15-16. Another major factor is contracted services. The City contracts with a landscaping company, costing over \$100,000 per year, to maintain and the planters along Main St. as well as cleaning Main St. furniture. The City is looking into the cost associated with doing these duties in-house but will not know the feasibility until the following fiscal year FY16-17. Utilities are another major cost for the Downtown Fund’s operating expenditures, totaling \$21,000 for FY15-16. Total operating expenditures are recommended at \$195,871 for FY15-16.

Capital: There are three major priority areas for capital improvements in the MSD Downtown Fund. The three major priorities are listed below:

Electric Panel Upgrade on Main Street: \$10,000

Several electric panels on Main Street need to be upgraded in order to handle the vendors during the special events. We plan to upgrade two panels the first year and three panels the second year. The total cost per panel is estimated at \$5,000.

Lighting on Downtown Avenues: \$15,000

Recognizing the importance of businesses on Avenues, also in the Downtown Municipal Service District, it is recommended that their street lighting be upgraded to match Main Street. Each decorative LED street light is \$2,400. Each Avenue will need 4-6 lights (per side East & West) depending on the Avenue. This cost includes conduit and wire which could cost from \$1,000 to \$1,400 per avenue (per side East & West). The cost will cover the lighting of one avenue the first year. It is recommended that this be a CIP item until all the Avenues are completed. There is only enough funding available to provide **\$6,453** towards this project. Management is discussing a long-term plan for the full installation and a majority of funding will need to come from the General Fund and other sources of revenue.

Parking Kiosks: \$108,500



Six parking kiosks will be bought by the Downtown Fund for FY15-16. These kiosks will be financed by a bank loan and are further highlighted in the debt service section.

This Fund's capital expenditures total \$124,953 for FY15-16.

Events: The total cost for all of the events is \$10,275 in FY15-16. The detailed revenues and expenditures associated with each event is listed in the budget detail section.

Debt Service: The City has opted to finance the installation of parking kiosks in the Downtown MSD.

A parking kiosk will eliminate the need for parking meters and create a more efficient up to date parking meter solution. They cost approximately \$16,000 a piece and the Downtown Fund will need to purchase approximately seven (7) kiosks over the next five years. The first year payment for six (6) kiosks is a \$21,687 principal payment and a \$2,860 interest payment, totaling \$24,547 in FY15-16. This cost will decrease each year as the principal is paid down.



7th Avenue Historic District Fund

The City of Hendersonville has a second municipal service district (MSD) that runs along 7th Avenue. The tax rate for the MSD is \$0.12 per \$100 valuation. The Fund supports street and traffic lights, beautification efforts, advertising, and general supplies and materials. This budget recommends expanding the MSD in accordance with recommendations made by the UNCSOG and modified by the Seventh Avenue Advisory Committee (SAAC).

7th Avenue Historic District Fund Revenues

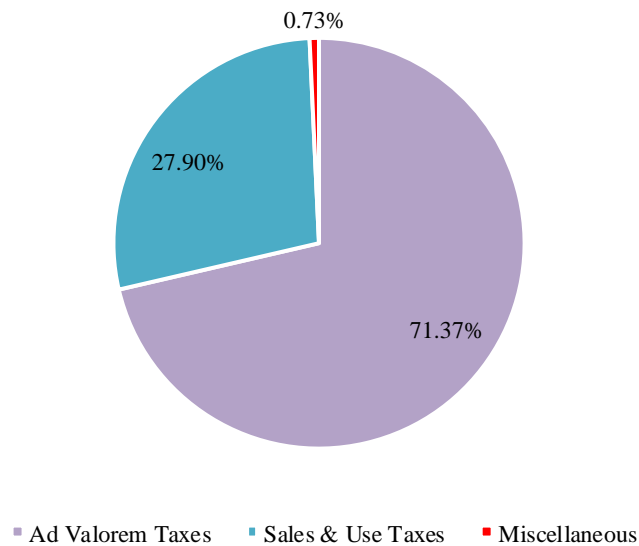
The County-wide revaluation resulted in a 0.3% drop in property value for the 7th Avenue MSD. A revenue neutral tax rate would be realized at \$0.1204 per \$100 valuation. It is recommended that the tax rate remain at \$12 per \$100 valuation and the MSD will lose an estimated \$30 in revenue. The MSD expansion is estimated to provide an additional \$6,206 in revenue. These funds will be utilized to provide funding for a tax incentive program and a façade grant program. Both of which are being developed by the Seventh Avenue Advisory Committee. The table below details the effected properties:

PROPOSED MSD EXPANSION - INDIVIDUAL PROPERTY EFFECTS				
Owner	Address	Value	Estimated Payment	
1 Hunter Creek Associates LLC	0 Locust St.	\$54,900	\$66	
2 Asheville Temporary Services	790 North Grove St.	\$13,900	\$17	
3 Caruso, Karen M.	305 8th Avenue	\$152,100	\$183	
4 Edney, Faye Lance	801 Locust St.	\$112,500	\$135	
5 Hills, Jerry	0 No Address Assigned	\$54,900	\$66	
6 Hills, Jerry	322 8th Avenue	\$367,500	\$441	
7 Locust Street Properties	806 Locust St.	\$782,100	\$939	
8 Dunlap, Dennis	415 8th Avenue East	\$130,900	\$157	
9 Hunting Creek Associates	822 300 Locust St.	\$123,800	\$149	
9 Hunting Creek Associates	822 200 Locust St.	\$207,200	\$249	
9 Hunting Creek Associates	A NN LL CO - 822 100 Locust St.	\$146,800	\$176	
9 Hunting Creek Associates	822 400 Locust St.	\$105,700	\$127	
9 Hunting Creek Associates	822 Locust St.	\$100	\$0	
9 Hunting Creek Associates	0 No Address Assigned	\$61,000	\$73	
10 Hunting Creek Associates	0 No Address Assigned	\$78,400	\$94	
11 Locust Street LLC	824 100 Locust St.	\$368,000	\$442	
12 Breck Holding LLC	824 200 Locust St.	\$112,600	\$135	
13 Hunting Creek Associates	824 300 Locust St.	\$129,300	\$155	
14 Hunting Creek Associates	824 Locust St.	\$273,200	\$328	
15 Miller	826 Locust St.	\$469,700	\$564	
16 Miller, C.D.	No Address	\$5,400	\$6	
17 Hitch Towers LLC	425 Tower 8th Avenue East	\$355,700	\$427	
18 JH Reaben Oil	0 Unknown	\$296,600	\$356	
19 Waddell, J.	753 Ashe St.	\$250,100	\$300	
20 Henderson Oil	745 Ashe St.	\$353,600	\$424	
21 Henderson Oil	0 No Address Assigned	\$165,800	\$199	
		Sub-Total	\$5,171,800	\$6,206
		Propert Tax Rev. at \$0.12 per \$100 value	\$6,206	



Much like the Downtown Fund the 7th Avenue Historic District Fund has three main revenue sources, ad valorem taxes, sales and use taxes, and miscellaneous revenues.

7th Avenue Revenues



Ad valorem taxes make up the greatest share of revenue \$17,014 or 71.37% of all revenue. The Fund's fund balance has been used some in the past but is so small that it cannot fund any substantial purchases. All revenues total \$23,839 for FY15-16.

7th Avenue Historic District Expenditures

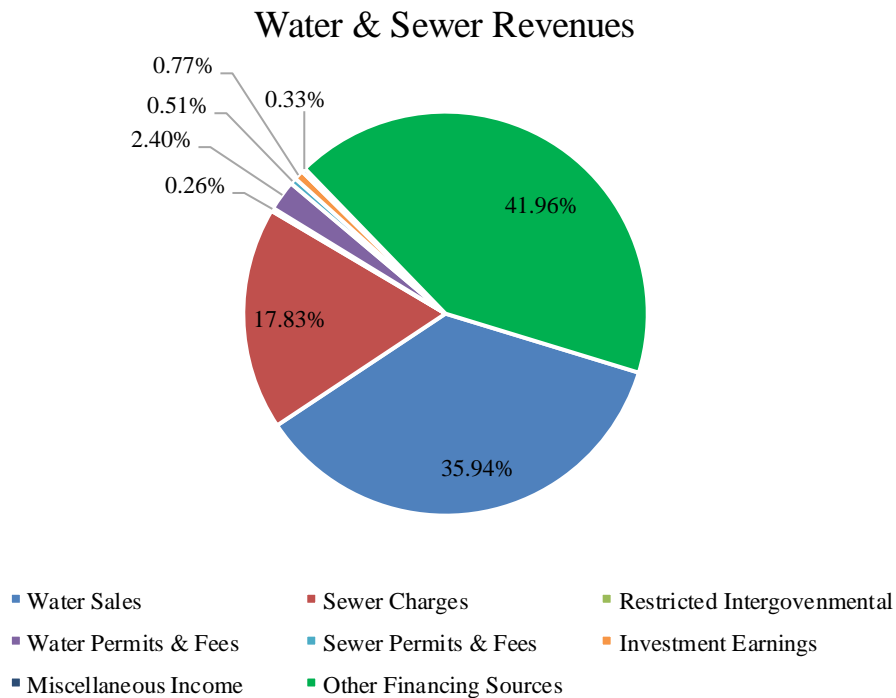
The expenditures in the Downtown Fund total \$23,839 for FY15-16. This Fund only has one main expenditure category, operating. The two new grant programs received \$6,825 worth of funding. The Council has expressed interest in the purchase of land and construction of a parking lot in the district however, this will require a substantial amount of funding. The 7th Avenue MSD cannot support this purchase without saving for over five years. This project will require support from the General Fund if it is to come to fruition. **The budget as presented does not include the 7th Avenue parking lot initiative.**

Water & Sewer Fund

The Water and Sewer Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the government’s council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Water and Sewer fund is the largest part of the City of Hendersonville’s operating budget, initial requests make up 61.4% or \$24,763,376 of the total \$40,334,141 budget for FY15-16. A major part of this budget are transfers to capital project ordinances. The Water & Sewer Fund is transferring \$7,855,600 to capital project ordinances in FY15-16. Without considering the transfers the Fund makes up 52.3% of the total requested budget for FY15-16.

Water & Sewer Fund Revenues

There are seven sources of revenue for the Water and Sewer Fund which include, water sales, sewer charges, water and sewer tap fees, system development charges, federal grants, other, and non-operating revenues. Sewer charges and water sales make up over 50% of all sources of revenue totaling \$4,415,000 and \$8,901,000 respectively, without including fund balance appropriations.



The pie chart above, includes fund balance appropriations, totaling \$10,390,326 or 41.96% for FY15-16. The City has been building fund balance in the Water and Sewer Fund so it could pay for major infrastructure maintenance and expansion projects. The fund balance currently stands slightly over \$23 million. The recommended fund balance appropriation will cut this number in



half, providing for seven major capital projects. More detail is available in the City’s CIP and capital project ordinances.

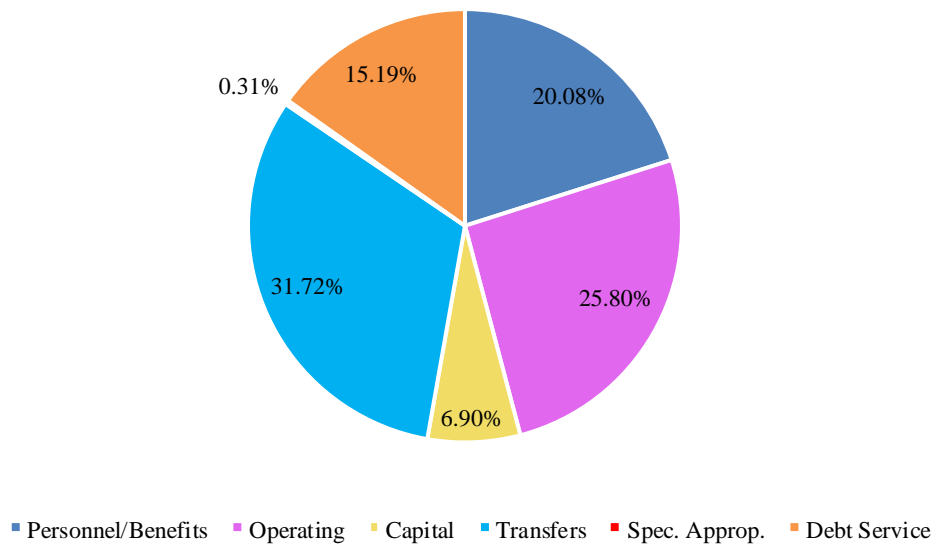
The City of Hendersonville’s Water and Sewer Fund also has one of the lowest rate structures in the State. The City plans to conduct a rate study in order to establish a new rate schedule for the future. This will provide the City with an avenue for further growth and improvements of the current system. It is recommended that the City wait to pursue this study until after a greater portion of its healthy fund balance is spent down and appropriated back into the system.

The overall state of revenues are strong for this Fund and the system continues to perform at a high level.

Water & Sewer Fund Expenditures

Hendersonville Water and Sewer is responsible for providing water service to more than 62,000 residents and businesses of Hendersonville and Henderson County and sewer service to more than 19,000 residents and businesses. The Department is also responsible for the operation and maintenance of over 580 miles of water mains (ranging in size from 2-inches to 24-inches), 57 water pumping stations, 24 water storage tanks (ranging in size from 100,000-gallons to 5,000,000-gallons), over 185 miles of sewer mains (ranging in size from 3-inches to 42-inches) and 37 sewer pumping stations. The Department has eleven divisions including Administration, Finance, Engineering, Information Technology, Fleet Maintenance, Facilities Maintenance, Water Treatment, Operations Support, Water Maintenance and Construction, Wastewater Treatment, and Sewer Maintenance and Construction.

Water & Sewer Expenditures



Similar to the revenue pie graph, the Fund's greatest expenditures are transfers (31.72%) for FY15-16. This reflects the \$7,855,600 being transferred to various capital project ordinances.

Personnel/Benefits: The personnel/benefits expenditures make up 20.08% of the Fund's total budget for FY15-16. This Fund has a couple major impacts for personnel/benefits expenditures.

Major Impacts

First, the water treatment plant and wastewater treatment plant employees were experiencing turnover due to a lack of substantial compensation. City Staff studied the issue and have produced a policy to address the concern. It is typical for treatment plants to offer compensation for attaining certain certifications. Rather than provide a compensation for each certification the City has determined it is best to pursue an organization restructure, reclassifying the positions to include certifications as a requirement for that level of work. The policy provides a much more detailed overview. In summary, we will go from two levels of operators to three and provide additional compensation at the top level for high level certifications. In addition, to the organizational structure, it is recommended that second shift and third shift workers receive compensation in the form of shift differential pay. Second shift will receive an additional \$0.50 an hour, total approximate cost of \$4,160 to the Fund, and third shift will receive an additional \$0.75 per hour, total approximate cost of \$4,680 to the Fund. This is common practice in many organizations and will provide our employees the compensation they deserve for such a high level of work.

Second, it is recommended that the Fund's request for two additional personnel be fulfilled. The positions requested are a **Leak Detection Technician** and **Inflow Infiltration Technician** positions, possibly Grade 10 or 11. These would be technical positions that would work directly with the Utilities Engineer and CCTV crew to assist in the **identification of leaks** in the City's water system and the identification of **inflow (storm water or potable water) and infiltration (groundwater)** into the City's sewer system. **The average water losses in our distribution system in FY2014 was about 27% or 677,000,000-gallons annually or 1.855-MGD. The cost for these water losses, based strictly on cost of treating the water only, is about \$475,000. If we can reduce these losses from 27% to just 24%, we can save approximately \$62,000 annually.** **The average inflow and infiltration for sewer collection system in FY2014 was about 44% or approximately 516,000,000-gallons annually or 1.414-MGD. The cost for this inflow and infiltration to treat, based strictly on cost of treating the wastewater only, is about \$634,000. If we can reduce these losses from 44% to just 41%, we can save approximately \$53,000 annually.** We have vehicles that are already in our fleet that these employees can utilize. These positions would add operations costs of approximately \$30,000. The Water and Sewer Fund Staff are currently developing the job descriptions for both of these positions.

Operating Expenditures: Operating expenditures continue to grow with inflation and expansion of the system. As addressed in the revenues section, there are plans to perform a comprehensive



rate study. For the moment, the Fund will continue to operate in a growing capacity until the fund balance has been drawn down to a reasonable level.

Major Impacts

One major initiative that is effecting operating expenditures is the pursuit of leaks and replacement of aging lines. The Fund is growing its personnel base enough to be able to achieve this initiative and the operating expenditures will grow to reflect that. In addition, there are a variety of technological efficiencies that are combatting this operational growth.

Capital: The Water and Sewer Fund requested capital outlay totals \$1,707,688 for FY15-16. The complete capital outlay for this Fund can be found in the City’s CIP document. Some improvements includes equipment purchases, software upgrades, system upgrades, vehicle purchases, and line installation or upgrades.

Major Impacts

The City has identified that the Water and Sewer Fund’s fund balance is at a level for major capital expansion. This level has supported the purchase of the \$1,707,688 in addition to the major projects that are budgeted in the transfers accounts. The major projects being budgeted for in separate capital project ordinances, reflected in the transfers accounts are:

Eastside Transmission Main, Phase 2: \$400,000

This project will extend off of U.S. Highway 64 East project (Phase 1) and will place this portion of the City’s water distribution on a higher pressure gradient thus relieving some of the existing flow and low pressure concerns in this part of the water distribution system. The whole project will cost \$1,978,000, with \$150,000 used for land acquisition and professional services in year 1. The remaining \$2,820,000 used for construction will be allocated in year 2.

Gravity Filter Replacement: \$1,250,000

Replace existing gravity sand filters with a new technology, utilizing membrane. These filters are approaching 12 years of use. We would like to have an evaluation performed on the existing filters before proceeding with new filters. The evaluation will cost approximately \$20,000, included in the total \$1,250,000.

Northside (Fletcher Area) Water System Improvements: \$3,121,000

Installation of a 16” DIP water main, a booster pumping station and 1.0-MG ground storage tank. This project will increase the elevation of the pressure gradient in this area, in addition to adding more water storage capacity in this portion of Henderson County.

Rugby Drive 12-Inch Interconnection: \$97,200



Install approximately 4,600-ft. of 12” ductile iron pipe water main along Rugby Dr. from N. Rugby Rd. to U.S. Highway 25 North. This will complete a system loop that will connect NC Highway 191 (Haywood Rd.) to U.S. Highway 25 N. thus improving pressure and providing an additional feed to the Fletcher line helping to reduce outages when the line has to be shut down for repairs. The total project costs \$769,200.

Rutledge Rd. Water System Improvements: \$30,200

This will complete a system loop that will connect Rutledge Dr. with Trenholm Subdivision and with Greenville Highway 225 thus improving pressure and providing an additional feed to the Flat Rock area helping to reduce outages when the line has to be shut down for repairs. The total cost of the project is \$375,200.

SCADA System Upgrade: \$793,000

This project will allow departmental staff to remotely monitor and control all water and sewer infrastructure including pump stations, storage tanks, and metering vaults from either treatment plant or the City Operations Center. Staff is currently installing the upgrades site by site and at the current pace will take 5+ years to complete. This request will hire a contractor complete the installation in a two year period, total cost \$1,586,000.

WTP High Service Pump Station: \$2,164,000

This project includes upgrading all four high service pumps and motors with high efficiency motors and variable frequency drives (VFDs). This project also includes upgrading the backwash motor and pump.

Debt Service: The Water and Sewer Fund budgeted debt service totals \$3,761,032 for FY15-16. This number will drop as the principal on the notes is paid down.

Major Impacts

There are three new note payments this year for state revolving loan funds for the Wolfpen, Jackson Park, and Atkinson/Shepherd Creek sewer projects conducted in FY14-15. The following table details the debt service for this Fund:

**Water & Sewer Fund
Debt Service Outlook**

Project	Finance Type	Outstanding Principal	Interest	End Date	FY14-15 Payment	FY15-16 Payment
WTP Renovation	Bank Loan	\$3,946,566	4.75%	FY17-18	\$1,217,241	\$1,217,240
SRLF Sewer Lines	SRLF	\$302,640	3.43%	FY16-17	\$111,261	\$107,800
SRLF WWTP Project	SRLF	\$5,300,000	2.91%	FY21-22	\$816,730	\$797,451
SRLF Bright Water Project	SRLF	\$486,013	2.91%	FY30-31	\$40,642	\$39,933
AMR Project	Bank Loan	\$10,867,220	2.58%	FY26-27	\$1,023,357	\$1,005,051
SRLF Jackson Park Sewer	SRLF	\$4,340,600	2.00%	FY34-35	\$0	\$283,863
SRLF Wolfpen Sewer	SRLF	\$2,867,595	2.00%	FY34-35	\$0	\$187,219
SRLF Shepherd/Atkinson	SRLF	\$1,815,000	2.00%	FY34-35	\$0	\$122,475
Sub-Total					\$3,209,231	\$3,761,032



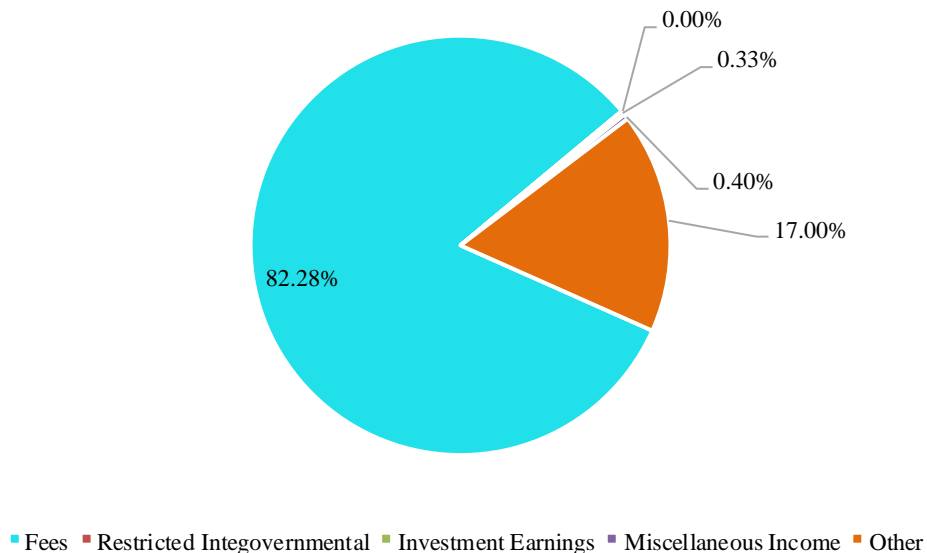
Environmental Services Fund

The Environmental Services Fund is an enterprise fund that provides sanitation and stormwater services. The Fund has a total of fifteen employees and is managed by the Public Works Director and the Environmental Services Fund Supervisor. The Environmental Services Fund Budget totals \$1,511,248 for FY15-16. Sanitation is the largest division of the Fund and makes up an estimated 84.8% of the total budget. Stormwater services were planned to be developed in future years. This Fund makes up 3.8% of the total budget, less interfund transfers, for FY15-16.

Environmental Services Fund Revenues

The Environmental Services Fund has five main revenue sources including, fees, restricted intergovernmental, investment earnings, miscellaneous income, and other financing sources. Of these the largest is fees which contain waste disposal fees for commercial and residential, waste disposal fees recycling, and a base charge. This revenue source makes up an estimated 82.28% of all revenue for FY15-16.

Environmental Services Revenues



One major change in the direction of Environmental Services Fund revenue is the requested addition of recycling service for commercial developments. The fee schedule contains an additional section detailed below:

<i>Commercial Services</i>	
Commercial Recycling Collection (up to four 65 gallon carts emptied once per week)	\$10.00
Commercial Recycling Collection (up to four 65 gallon carts emptied twice per week)	\$20.00

The requested fees provide two options for commercial customers, if they chose to utilize the service. This new service will offer commercial customers in the City recycling pick-up to help



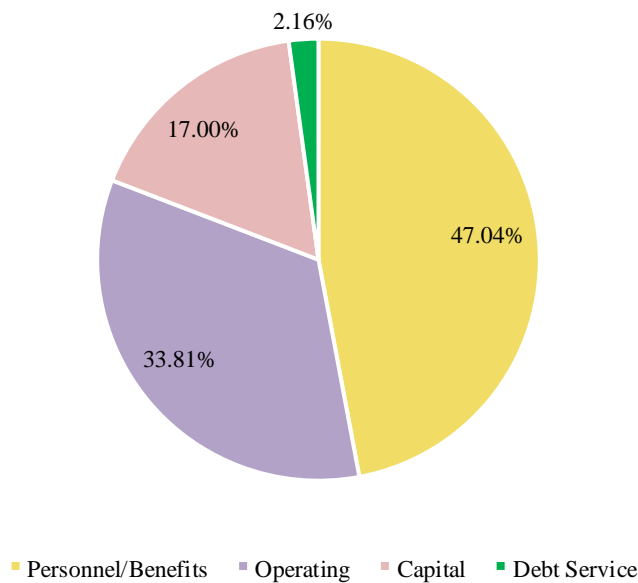
them comply with the ABC recycling laws. This is for businesses who need recycling only collection and it will not affect our commercial customers who have garbage service with us.

Another major shift in this Fund’s revenue base is the requested addition to the base charge. Currently, the base charges is \$1 and provides funding for sanitation services. As originally intended, the City would like to expand its stormwater services as well. This request will add another \$1 to the base charge and provide funding for this Fund to pursue stormwater improvements that are needed within the City. For instance this year’s CIP identified one major stormwater project which we currently do not have the funding to execute. The additional dollar will provide an estimated \$82,125 in revenue. This revenue will go directly towards developing the City’s stormwater services.

Environmental Services Fund Expenditures

The Environmental Services Fund serves two major functions stormwater and sanitation. In addition, it provides funding for fleet maintenance, non-departmental services, and debt service payments. The Fund has been broken down into three major categories including, personnel/benefits, operating, and debt service.

Environmental Services Expenditures



Personnel/benefits make up the largest portion of expenditures at 47.04% for FY15-16. In addition, operating makes up 33.81% and debt service makes up 2.16% for FY15-16. Also, there is a capital purchase for a dump-truck which is being funded by debt proceeds. Additionally, a contingency of \$63,268 has been provided to support the growth of stormwater services.



Personnel/Benefits: The Environmental Services Fund supports twelve sanitation employees, one stormwater employee, an administrative aide and division supervisor, as well as, contributes the Fund's portion of work done for fleet maintenance. Personnel costs total \$710,896 for FY15-16.

Major Impacts

The Fund has one employee who supports the stormwater function of the Fund. This employee operates the streets sweeper and keeps the curb and gutter clear of any debris. The major stormwater projects will be managed by the supervisor of this Fund and other Public Works employees but the bulk of the work will have to be done through contractors. The funds additional dollar base charge cannot support additional personnel but can provide the funding for major capital purchases/projects and contractual agreements.

Operating Expenditures: The operating expenditures for this Fund total \$510,917 for FY15-16. These expenditures includes things such as, drug testing, travel, professional development, telephone/internet costs, vehicle parts and fuel, as well as, other various supplies and materials. The operational costs have not increased dramatically or seen any major impacts in the past years and are projected to remain steady.

Debt Service: This Fund has requested to take on a new debt service note, to fund a garbage truck, for FY15-16. There currently are no debt service notes within the Fund. The total debt service cost is \$32,585 for FY15-16.

Major Impacts

The Fund is requesting to finance a major capital purchase, a new garbage truck. These trucks cost anywhere from \$200,000 to \$400,000 and require regular replacement, approximately every eight years. The Fund has a fund balance that can support these purchases for approximately two trucks. Financing the trucks is another option for funding the future purchases. By financing the trucks, the Fund will maintain a healthy fund balance that can be used for major stormwater projects. In addition, the principal payment will remain low and steady as trucks are regularly replaced on a schedule. This provides for a steady expenditure stream that can be planned for.



In summary, this proposed budget is balanced in accordance with State statutes and attempts to address the priorities, which have been set by the City Council for the 2015-2016 Fiscal Year. The budget is fiscally sound, and although it does not fund all the requests made by departments or external agencies, it does address the top priority needs of the City and is set at a level to maintain a high level of service for Hendersonville citizens, customers, and partners.

My appreciation is expressed to Brian Pahle, Lisa White, and other Staff members who helped in preparing this budget.

I recommend this proposed budget for Fiscal Year 2015-2016 to the Mayor and City Council.

Respectfully submitted,



John F. Connet
City Manager



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BUDGET ORDINANCE

**AN ORDINANCE MAKING APPROPRIATIONS FOR CERTAIN EXPENSES,
CAPITAL IMPROVEMENTS AND INDEBTEDNESS OF
THE CITY OF HENDERSONVILLE, NORTH CAROLINA
FOR THE YEAR BEGINNING JULY 1, 2015 AND ENDING JUNE 30, 2016**

WHEREAS, the City of Hendersonville is coming to the conclusion of its fiscal year and will enter into a new fiscal year on July 1, 2015; and

WHEREAS, it is necessary and required that prior to entering into a new fiscal year a budget must be passed and adopted for the operation of the city government; and

WHEREAS, a public hearing and a work session have been held wherein the public has been notified and invited to be present.

THEREFORE, BE IT ORDAINED BY THE PEOPLE OF THE CITY OF HENDERSONVILLE, NORTH CAROLINA:

SECTION 1: The following amounts are hereby appropriated for the operating budget for the City of Hendersonville and its activities for the fiscal year beginning July 1, 2015, and ending June 30, 2016, in accordance with the chart of accounts heretofore established for this City:

General Fund	\$13,570,033
Downtown Tax District	\$593,145
Seventh Avenue District	\$23,839
Water/Sewer Fund	\$24,763,376
Environmental Services Fund	\$1,511,248
TOTAL APPROPRIATIONS	\$40,461,641
Less: Interfund Transfers	\$8,005,600
TOTAL NET APPROPRIATIONS	<u>\$32,456,041</u>

SECTION 2: That the attached detailed budget document be, and the same reflects the estimated revenues, revenue contributions, and budget appropriations of the City of Hendersonville, North Carolina, for the period beginning July 1, 2015, and ending June 30, 2016. A copy of said document will be available for inspection in the Office of the City Clerk.

SECTION 3: That the City Clerk has published notice of this public hearing and a summary of the proposed budget in a newspaper of local circulation.

SECTION 4: That no appropriations for salaries shall be changed unless authorized by the Council. Appropriations between departments or divisions within one fund, other than salaries, including contingency appropriations, may be transferred therein by the City Manager for the purpose of equalizations when necessary as long as the original total appropriated balance for the fund is not changed. Appropriations within a departments,



other than salaries, may be transferred by the department head to make equalizations when necessary.

SECTION 5: There is hereby levied a tax at the rate of forty-six cents (\$0.46) per one hundred dollars valuation of property as listed for taxes as of March 1, 2015. This rate is based on an estimated total valuation of property for the purpose of taxation of \$1,720,595,753 and estimated collection rate of 97%.

Also levied is a tax rate of twenty-eight cents (\$0.28) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2015, for a special service district established for the purpose of a Downtown Revitalization Project. This rate is based on an estimated total valuation of property for the purpose of taxation of \$81,700,000 and an estimated collection rate of 95.78%.

A tax rate is also levied of twelve (\$0.12) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2015, for the Seventh Avenue Municipal Service District formed upon a petition of some of the property owners, established for the purpose of landscaping improvements and special events in the district. The rate is based on an estimated total valuation of property for the purpose of taxation of \$9,200,000 and an estimated collection rate of 92.40%.

There is hereby adopted an official *Fee Schedule* listing specific fees, business licenses, and utility rates charged by the City of Hendersonville for:

- a) the use of City facilities and equipment for the purposes of making them available to public
- b) specific utility rates the proceeds of which are for the maintenance and expansion of its water and sewer system
- c) the administration of a system of business licenses taxation to generate revenue for the General Fund under the authority of North Carolina General Statutes (NCGS) §160A-211,
- d) the reproduction of public records and other miscellaneous services to cover the actual cost of producing these documents and information under the provision of NCGS §132-6.2.

The *Fee Schedule* is incorporated by reference and placed on file in the Office of the City Clerk.

SECTION 6: That the capital items identified on the following schedule and forecasted for acquisition over the upcoming five-year period be adopted as the official Capital Improvement Plan of the City of Hendersonville.

The *Capital Improvement Plan* is incorporated by reference and placed on file in the office of the City Clerk.

SECTION 7: The following amounts are hereby appropriated for the special budgets for the City of Hendersonville and its activities for the fiscal year beginning July 1, 2015, and ending June 30, 2016, in accordance with the chart of accounts heretofore established for this City:



Health & Welfare Fund	\$356,765
Historic Preservation Commission	\$15,094
Fire Dept. Community Fund	\$1,500
Capital Reserve Fund – GF	\$264,960
Capital Reserve Fund – WS	\$0
Police – DARE	\$4,271
Police – KENNEL	\$3,133
Police – MOTOR UNIT	\$2,188
Police – NEEDY PERSONS	\$23,868
Police – RAD	\$2,459
Police – YOUTH EXPLORERS	\$5,414
Police – DRUG FORFEITURES	\$36,357

SECTION 8: That copies of this Budget Ordinance shall be furnished to the City Clerk, City Manager and Finance Officer to be kept on file by them for their direction in the disbursement of funds.


SECTION 9: This ordinance shall become effective on and after July 1, 2015.

SECTION 10: That all ordinances and parts of ordinances in conflict herewith be and the same hereby repealed.

Passed and adopted at the regular meeting of the City Council of the City of Hendersonville, North Carolina, held this fourth day of June, 2015.

ATTEST:


 Barbara G. Volk, Mayor, City of Hendersonville


 Tammie K. Drake, MMC, City Clerk

Approved as to form:


 Samuel H. Fritschner, City Attorney

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History, Geography, and Demographic Background

This section will briefly describe the City of Hendersonville's history, geography, and current demographics as provided by local history resources and the annual national census.

History

The first presence of settlers in Henderson County began to take shape in 1785, legally acquiring Cherokee lands with the Treaty of Hopewell. The Treaty only designated half of present day Henderson County; however, the settlers and newcomers migrated beyond that set boundary and came to inhabit the area. Among the new inhabitants were veterans of the American Revolution who received land grants. Early settlers encountered a terrain distinguished by wide and fertile river valleys, located along the southeast edge of the North Carolina Blue Ridge Mountains. Despite the area's beauty, the absence of navigable waterways and poor condition of land routes hampered long distance trade and stunted growth. In response to the poor land access the Buncombe Turnpike was created. This access road provided the basis for growth and an emergence of a cash-crop economy. Finally in 1838, the General Assembly created Henderson County. Hendersonville was created two years later as the county seat. It was not until 1847 that the City of Hendersonville was officially chartered.

The original design of Hendersonville consisted of 40 lots enclosed by present day King Street, Washington Street, Caswell Street, and 7th Avenue. The plot consisted of a square with a 100ft. wide Main Street, which provided enough space for a horse and carriage to turn around without backing up. Upon the City's chartering, the City attracted a small population of merchants, lawyers, innkeepers, and other professionals. The City also saw a growing presence of religious and scholastic institutions, including the St. James Episcopal Church and the Western North Carolina Female College. The architecture in this period exemplified the Greek revival or the antebellum period. The C.M. Pace House at 813 Fifth Avenue West is one of the few remaining antebellum buildings in Hendersonville.

Entering the 20th Century, the City of Hendersonville had experienced union raids during the Civil War and reaped benefits from the establishment of the first railroad in 1879. The presence of the railroad was said to be the beginning of the modern era in Henderson County. The County and City profited from produce and livestock, and became a tourist destination in the cool western North Carolina Mountains. The area also experienced economic growth due to its excess supplies of lumber and clay. This profit resulted in new streets, buildings, and an extension of the City's legal jurisdiction.

As the 1900s progressed, Hendersonville suffered dramatically due to the Great Depression. The 1930s saw all three banks close, anemic growth rates, and the loss of tourism. Although times were hard, the City continued to pursue civic improvements including Hendersonville Country Club, the Civilian Conservation Corps, Asheville-Hendersonville airport, street repairs along 7th Avenue, improvements to the Patton Memorial Hospital, and the creation of public parks. The



Second World War provided the backbone for economic recovery, however, the tourist industry remained stunted.

After World War II, the County emerged as an economic leader in the western part of the State. During this time, major construction projects continued, including the construction of the Margaret R. Pardee Memorial Hospital, the tourist industry recovered, population began to grow, and the school systems continued to expand. In recent years, the downtown business core has seen a large amount of demolition and construction of public parking areas. The suburbs and neighborhoods have fared much better than the downtown district; however, rapid and widespread development threatens to overwhelm these early neighborhood areas.

The historic heritage of the City of Hendersonville continues to be a treasured asset, enjoyed by residents and visitors alike. The Mayor and Council recognize the role that historic properties play in that heritage, and believe that the conservation of historic properties stabilizes and increases property values and strengthens the overall economy of the City. As a result of this attitude the Mayor and Council have adopted a Historic Preservation Ordinance.

Geography

The City of Hendersonville is located in the center of Henderson County, along the Eastern Escarpment of the southern Blue Ridge Mountains, and serves as the county seat. This rural mountain region consists of a total area of 6.0 square miles, 0.17% of that being water. The City is approximately 19 miles south of Asheville, N.C., and 90 miles west of Charlotte, N.C. Residents and visitors take advantage of the beautiful mountain landscape and wide variety of recreational destinations surrounding the area.

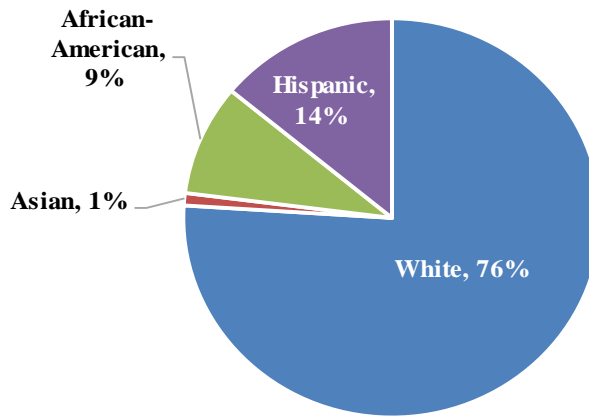


Demographics

The population in the City of Hendersonville as of 2012 was 13,288. This is a 25.7% increase since 2000. The median resident age is 48.7 years and the median household income was \$37,251 as of 2011.

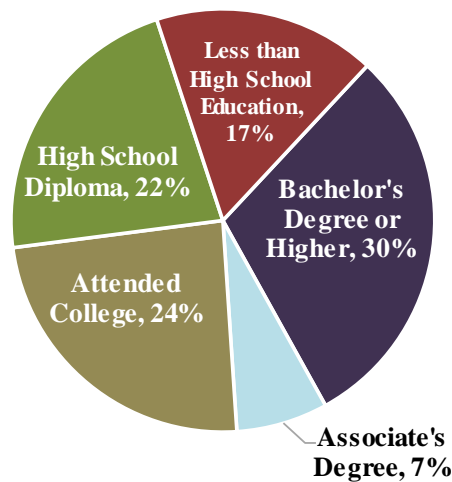
The following pie chart details the percent each race comprises of the total population:

Hendersonville Race Breakdown (2010)



Below is another pie chart detailing the percent each level of education comprises of the total population:

Education in Hendersonville (2006 - 2010)



Other demographic factors in the City of Hendersonville include a poverty rate of 22% (2010), and a homeownership rate of 48% (2010).



The Local Economy & Government Structure

The following section will briefly highlight the local economy, including the largest tax payers in the City, and provide a macro overview of the City's governing structure.

Local Economy

The economy of the area is sustained by the local government employment markets, community college system, agricultural production, and industries located within the County. Henderson County has a diversified economic environment with many different industrial and commercial companies augmented by a strong agricultural community. There are more than 100 manufacturing and industrial companies in the County that support the economy. Among the largest companies in the area are General Electric Lighting Systems, Inc., ITT Automotive, Selee Corporation, Wilson Art International, Eaton Corporation, Kimberly-Clark Corporation, Pardee Memorial Hospital, LeMan's Corporation, Park Ridge Hospital, Kyocera Industrial, and Arvin Mentor Automotive. Sierra Nevada Brewing Company is currently expanding its operations in Chico, California, with a second facility located on 90 acres in Mills River and is expected to be online in the fall of this year. Also, Saint Paul Winery and Burntshirt Vineyards opened for production in fall of last year.

In the third quarter of 2012, manufacturers in Henderson County paid \$246,205,072 in payroll, resulting in an average manufacturing wage that was an estimated 29 percent higher than the total average wage in the County. There are several industrial parks located within the county. They include Broadpointe Industrial near I-26 and Highway 280, Brickton Industrial Park located in Fletcher, Lakewood Industrial Park at Highway 64 and I-26 and Ferncliff Industrial Park located near the west side of Asheville Regional Airport. Micro brewing is becoming a big business in Henderson County and craft beer is providing a substantial industry for Western North Carolina. The Southern Appalachian Brewing Company is open and operating near downtown Hendersonville.

Apples, which were first planted at the end of the 18th century, continue to be an important part of the economy today with sales averaging \$24 million per year. Early settlers in Henderson County staked claims to their land by planting apple trees. The County produces about 65 percent of the apples grown in North Carolina on approximately 6,000 acres of land and is the largest apple producer in the state with about 150 apple orchards. The mountain climate is conducive to producing excellent fruit color and flavor. Rome Beauty is the most widely grown apple variety followed by Red and Golden Delicious. Winesap, Jonathans, and Granny Smith types are also grown in addition to the newest varieties, Ginger Gold, Gala, Honey Crisp, Empire, Fuji, and Jonagolds. Agriculture in Henderson County is more than just apple production. The County has more than 500 farms that produce milk and field crops in addition to livestock and horses. Henderson County is second in the state in ornamental plant production. Van Wingerden Greenhouse Company, located in the County, is not only a major supplier of greenhouse products but also ranks high among the nation's top 100 growers. More than 20



greenhouses, 85 nurseries, 5 cut-flower farms and two sod farms produce an estimated 4,200 species of plants on about 4,000 acres of land. Henderson County is second in the state in ornamental plant production. It has exceeded apple production for the past ten years and is expected to continue to grow in the near future. However, North Carolina is still ranked seventh in the nation in apple production.

The organic farming of apples and vegetables is becoming an emerging market for wholesale and retail sales. In all its various forms, agricultural production means more than a \$103 million dollars to our local economy each year. Gross income for the past year totaled about \$60 million in farm gate sales with another \$50 million from the landscaping and ecosystem restoration sector. This sector should continue to prosper as more and more people become environmentally conscious. The County also has a different kind of agricultural market known as "entertainment farming" that began taking root several years ago. It includes hay rides, petting zoos, corn mazes, educational tours, and pumpkin carving. In addition the City of Hendersonville throws an annual Apple Festival in September, typically Labor Day weekend. The festival is held on Main Street and lasts the entirety of the holiday weekend. This type of farming is a natural for the area and is expected to grow as more tourist and outdoor enthusiasts discover its existence.

The City of Hendersonville's Downtown Tax District supplies a variety of events that bring tourists and revenue to the area. The yearly events include Rhythm and Brews, an award-winning concert series that occurs each month from May to September, Bearfootin' Public Art, an event that involves the sponsoring and painting of ceramic bears that are displayed throughout downtown and then auctioned in late October, Sidewalk Antique Festivals, which bolster downtown business owners and antique sales people alike, and Trick or Treat Street, an event aimed at providing downtown business owners with trick or treaters and an opportunity to market their business. There are various other events that are conducted mostly in accordance with holidays throughout the year.

Hendersonville's quality of life, moderate climate, and plentiful water supply have played an important part in attracting tourism and industry to the region. The City has a very vibrant economy with a strong residential, commercial, and industrial tax base. The City has also extended its corporate limits several times by annexation in the past. Hendersonville's financial position remains strong and should remain strong in the foreseeable future based on current trends and economic indicators. The City still needs to continue to explore new methods of securing financial resources and seek ways to control expenditures in order to provide its citizens with a high quality of service.



The following tables detail the ten largest property and real estate tax payers in the City of Hendersonville, year end June 30, 2014:

Ten Largest Property Tax Payers by Assessed Valuation as of June 30, 2014

Tax Payer	Assessed Value	Percent of Total Assessed Value	Total Tax Paid
Duke Energy Corp.	\$ 10,506,081	0.61%	\$ 46,113
Ingles Markets Inc.	\$ 9,523,131	0.55%	\$ 41,902
Bellsouth Tel. Co.	\$ 9,858,462	0.57%	\$ 38,235
Morris Broadband LLC	\$ 8,251,154	0.48%	\$ 36,305
Public Service Company of NC Inc.	\$ 4,106,151	0.24%	\$ 17,694
Harris Teeter #79	\$ 2,532,963	0.15%	\$ 11,145
First Citizens Bank	\$ 1,688,316	0.10%	\$ 9,636
Wal-Mart Stores East LP	\$ 1,805,887	0.10%	\$ 7,946
Fresh Market	\$ 1,649,939	0.10%	\$ 7,260
Lowes of Hendersonville	\$ 1,483,891	0.09%	\$ 6,529
<i>Total</i>	\$ 51,405,975	2.99%	\$ 222,764
Total City Assessed Value	\$1,720,595,753		

Ten Largest Real Estate Tax Payers by Assessed Valuation as of June 30, 2014

Tax Payer	Assessed Value	Percent of Total Assessed Value	Total Tax Paid
Triangle Real Estate of Gastonia Inc.	\$ 33,428,900	1.94%	\$ 147,087
Wal-Mart Real Estate Business Trust	\$ 17,551,700	1.02%	\$ 77,227
Hyder, Boyd L	\$ 16,286,300	0.95%	\$ 71,812
Highland Investors Limited Partnership	\$ 16,231,000	0.94%	\$ 71,416
First Citizens Bank & Trust Co.*	\$ 8,061,900	0.47%	\$ 55,880
Ingles Markets Inc.	\$ 11,694,000	0.68%	\$ 51,454
Ingles Markets Incorp.	\$ 11,486,900	0.67%	\$ 50,542
Rubin, Stuart I*	\$ 7,622,100	0.44%	\$ 46,372
Lake Pointe Landing Real Estate Investor	\$ 10,329,200	0.60%	\$ 45,448
Home Depot USA Inc.	\$ 10,209,400	0.59%	\$ 44,921
<i>Total</i>	\$ 142,901,400	8.31%	\$ 662,161
Total City Assessed Value	\$1,720,595,753		

Those tax payer's with a star "*" after their name denotes that they pay additional municipal service district (MSD) taxes via location in one of the City's two MSDs.

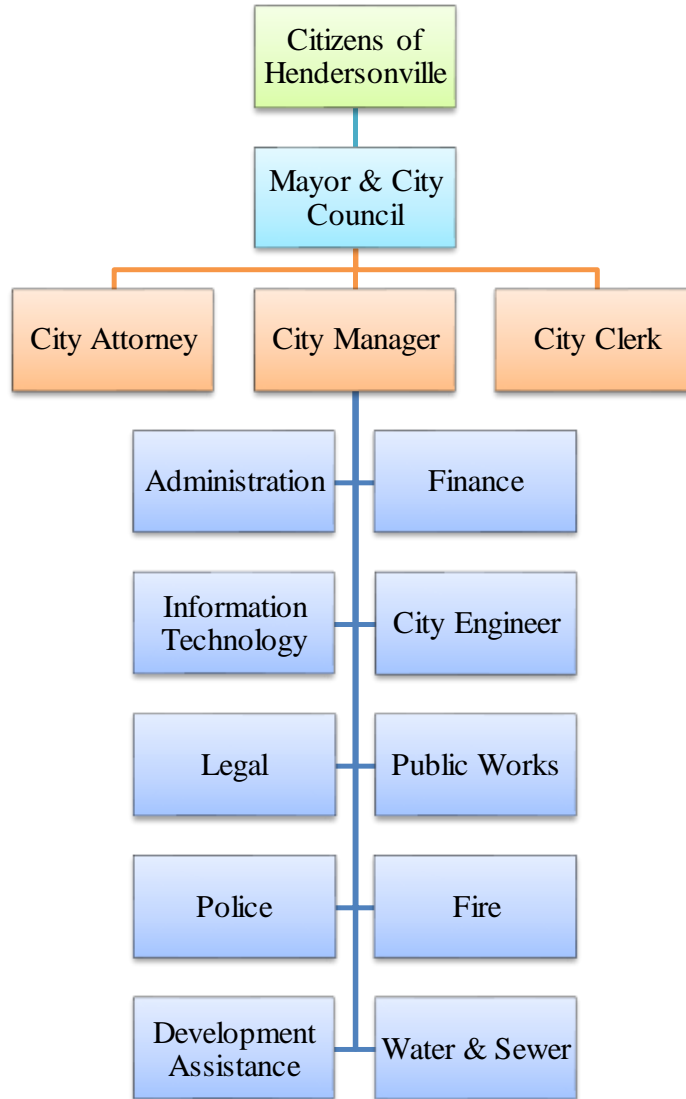


Government Structure

The City of Hendersonville operates under a council-manager form of government, whereby the City Council has the legal authority to confer powers on both the Mayor and Manager. The City Manager serves as a professional and assists the Council and Mayor in the efficient and effective execution of law and policy. The City Manager also abides by a code of ethics, originally developed by the International City County Management Association (ICMA) in 1924. The Mayor is elected every four years and each Councilmember serves a four-year term. The Mayor is the presiding officer of the City Council. A Mayor Pro Tem is selected by the five Councilmembers and serves as Mayor in the absence or incapacity of the current Mayor. The City Council sets and directs policy regarding the operations of the City of Hendersonville's government. Elections are non-partisan and are staggered occurring every two years. The City of Hendersonville provides full services to its citizens including fire and police protection, recreation, public works, and water and sewer services.



The following is a chart detailing the organizational structure of the City of Hendersonville:



Strategic Planning & Financial Impacts

The City of Hendersonville has created a strategic plan for fiscal year 2016, detailing a variety of priorities, goals, and objectives to be achieved. This section will include a brief overview of the City Council’s priorities and goals, short-term factors influencing budget development, a summary of long range financial plans, and a performance budgeting overview which details how the City is achieving its goals.

Vision Statement

Hendersonville is a vibrant mountain city where the government and citizens work together for a high quality of life.

Mission Statement

The City of Hendersonville is committed to providing quality, efficient services to all citizens, visitors, and businesses through open communication, timely responses, and quality results.

City Priorities, Focus Areas, & Strategic Goals

The following chart details the priorities, goals, and objectives laid out in the City’s strategic plan:



Priority: Economic Vitality

Focus Areas

✓ New Industry	✓ Existing Industry	✓ Commercial Growth	✓ Small Businesses	✓ Travel & Tourism
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Strategic Goals

1. Work closely with Henderson County Partnership for Economic Development to promote economic development.
2. Support the redevelopment of the Grey Hosiery Mill.
3. Support the revitalization of Historic Seventh Avenue District.
4. Actively promote Hendersonville as great community to live, work, and visit.
5. Perform a comprehensive parking study to evaluate downtown parking needs.
6. Implement a communitywide way finding program.
7. Produce a small area plan for downtown Hendersonville.

Priority: Strong Partnerships

Focus Areas

✓ Citizens	✓ Businesses	✓ Non-Profits	✓ Visitors
	✓ Local Governments	✓ Community Partners	

Strategic Goals

1. Improve partnerships with Henderson County and surrounding local governments.
2. Strengthen partnerships with local businesses and non-profits.
3. Schedule community meetings throughout the City of Hendersonville.
4. Distribute checklist for developers and contractors to inform them of land development requirements.
5. Develop a Hendersonville Design Standards Manual to incorporate all design standards in one manual for placement on our website.
6. Improve the Police Department’s relationship with the Green Meadows neighborhood.



Priority: Sound Infrastructure

Focus Areas

✓ Water	✓ Sewer	✓ Parks	✓ Information Technology
✓ Vehicles	✓ Equipment	✓ Main Street	✓ Streets & Sidewalks

Strategic Goals

1. Develop a W&S System Master Plan.
2. Update infrastructure monitoring systems (SCADA).
3. Improve our water leak detection programs.
4. Implement a strong Inflow and Infiltration (I & I) program.
5. Improve capacity throughout the W&S system.
6. Update the City phone system to improve customer service and reliability.
7. Re-evaluate the City website design to maintain its effectiveness.
8. Improve street maintenance program to improve our pavement condition rating (PCR).

Priority: Numerous Amenities

Focus Areas

✓ Main Street	✓ Patton Park	✓ Sullivan Park	✓ Rotary Park
	✓ Berkeley Mills Park	✓ Oklawaha Greenway	

Strategic Goals

1. Implement Berkeley Mills Park Master Plan.
2. Improve the appearance of all parks.
3. Support the development of the Ecusta Trail.
4. Seek grant opportunities to expand the Oklawaha Greenway.
5. Continue to support downtown activities by providing in-kind support to community-wide events.



Priority: Great Public Services

Focus Areas

✓ Proactive Police Protection	✓ Sound Planning & Land Use Regulations	✓ Water and Sewer Utility
✓ Preventive Fire Protection	✓ Excellent Customer Service	✓ Public Works

Strategic Goals

1. Better educate citizens regarding solid waste rules and regulations.
2. Develop a comprehensive Emergency Operations Plan.
3. Implement a customer service program.
4. Expand the City website to improve transparency and provide easy access to information.
5. Update the City Code to ensure all laws and regulations are current.
6. Develop a strategic plan for Hendersonville Fire Department.
7. Seek CPSE Fire Department Accreditation.
8. Teenage driver diversion program.

Priority: Financial Sustainability

Focus Areas

✓ Long- Range Planning	✓ Improve Organization Efficiencies	✓ Utilize Technology
✓ Financial Policies	✓ Protect Existing Infrastructure & Property	✓ Teamwork

Strategic Goals

1. Develop an annually funded apparatus and equipment replacement program.
2. Implement sound financial policies that support and improve Hendersonville’s bond rating.
3. Evaluate all current and new programs to ensure they are financially sustainable.
4. Implement long range equipment and vehicle replacement programs.
5. Implement comprehensive preventive maintenance programs.
6. Encourage the formation of interdepartmental teams to improve communication and organization efficiencies.



Short-term Factors

The General Fund is the main operating fund for the City of Hendersonville. In that, other funds often rely upon the General Fund for financial support. Therefore, the financial stability of the General Fund is of the utmost importance to City Council and Staff. With that in mind, most of these factors directly affect the General Fund and have indirect effects on the other funds of the City.

North Carolina General Assembly – Legislative Actions

A good starting point, is to address the legislative factors that have had powerful impacts on the Budget for FY15-16. Starting July 1st, 2015, the City of Hendersonville will no longer have the authority to leverage a privilege license tax. This tax was leveraged on businesses. Those above \$250,000 in gross receipts would pay a percent of those total receipts and those below \$250,000 would pay a flat rate of \$35. This revenue source generated an approximate \$386,000. This loss resulted in City Council approving a \$0.02 property tax increase to make up for a portion of this lost revenue. Two cents on the property tax rate will generate an approximate \$340,000. In addition to the property tax, the City has adopted a business registry fee of \$50 per business, estimated to produce \$50,000 in revenue. This registry fee is permitted by the State and is considered reasonable for an organization needs the ability to keep detailed information on the legitimate businesses in their jurisdiction. The N.C. General Assembly has not said anymore on the use of this fee besides that it be reasonable, or no more than \$100 per business.

In addition, the N.C. General Assembly has, recently, been active in dictating municipal and county board organization, annexation powers, sales tax authority, and authority to operate enterprise funds, like water and sewer. For example, the General Assembly has revoked the City of Asheville's authority to operate their water and sewer enterprise fund. In reaction to the State's involvement in City affairs, the City of Hendersonville is performing a variety of due diligence in its enterprise funds. The Water and Sewer Fund is working on a master plan, has expanded its capital improvements plan by reinvesting a portion of its cash reserves into the system, providing avenues for financial sustainability through fair rate structures, and managing indirect costs equitably and accurately.

Debt Service

The City historically has maintained a low debt service ratio, approximately 4%-6%. This ratio has grown substantially since the taking on of a new not in FY13-14. This note added an approximate \$490,000 debt service payment to the City's General Fund. This has upped the City's projected debt service ratio to 8%. This burden was attempted to be paid for with a \$0.03 property tax increase in FY14-15, however one penny was dedicated to street improvements and the other two pennies only generated an approximate \$320,000. This growing debt added to the General Fund's reliance on fund balance to fund normal operations and cut into the total amount of funding being appropriated for capital improvements. This burden will continue to effect this



budget and future budgets until large portions of principal are paid down and other notes are paid in full.

Personnel and Benefit Expenditures

In the past, the City had budgeted for indirect costs by transferring a set amount from other funds to the General Fund for internal services provided like legal, finance, fleet maintenance, human resources, engineering services, and administration. These employees provide services to other funds, not just the citizen or consumer. The problem with the past strategy is that there is no immediate evidence of a justification system and the transfer levels from past years appear sporadic. In response to this, the City has begun budgeting for indirect costs through salary splits. Each internal service department tracks a justification variable, be it hours worked, or projects worked, etc... These variables are then used to set the level of salary split, for example 80% General Fund and 20% Water and Sewer Fund. As a result, one can find a fleet maintenance department, in the Water and Sewer Fund, which will budget a portion of the Fleet Department's employee's salaries. The salary split levels will be tracked and evaluated every three years. This practice has relieved some of the personnel and benefit expenditures burden on the General Fund. The total cumulative decrease in the General Fund, after the initial splits in FY14-15, are approximately \$669,000. Without these justified indirect cost measures, the City's General Fund would desperately require fund balance appropriations, new revenue sources, or expenditure cuts to balance.

Another factor coming into the FY15-16 Budget is a large increase in health insurance premiums. The City has had a poor year for claims and is expected to see an increase of 15% in premium payments. This equates to approximately \$280,000. In response to this, the City met with their insurance provider and revised their plan, dropping the increase to only 12%, an approximate \$50,000 savings. This increase has added to the burden incurred from the legislative and debt service factors.

A final personnel related factor, is the effects incurred from the expiration of a firefighter grant received in FY11-12. This grant provided enough funding to support an additional seven (7) full-time personnel in the Fire Department. This grant expired in FY13-14 and the effects were immediate, an approximate \$350,000 increase in personnel and benefit expenditures. This increase is recurring and will grow with merit and market increases for City employees. Again, this is another short-term factor that is having long-term effects on the City's Budget.

Information Technology

The City has opted to contract with VC3 for information technology services. This contract is resulting in a variety of increased short-term and recurring costs. Some recurring costs deal with maintenance fees for service, the contract with the company itself, and costs for hardware and software installed and uploaded within the City. Some short-term costs include a variety of capital and non-capital upgrades (phone system, website, etc...). This investment in information



technology will hopefully add to the City's ability to provide strong infrastructure and great public services. This investment is estimated to increase information technology expenditures by \$50,000 to \$75,000 annually.

Fund Balance Policy

In a response to the City's available fund balance dropping below the Council specified goal of 45% of expenditures the City Manager asked the City Council to amend the City's Available Fund Balance policy. This process provided the backbone for budget development and provided a more detailed look into fund balance and its purposes for City Council. Ultimately the City Council adopted a policy setting the available fund balance to a range of 25% to 35%. Anything above this range can be transferred to a capital reserve fund by the City Manager. If the percent available falls below this range, then the City Manager must submit a plan, to return to the set range, to the City Council. It is estimated at year end FY14-15 the City's fund balance will drop to an approximate 37% available. If the City Council did not reevaluate their previous goal the City Manager would have had to undertake more drastic budget strategies to balance the budget and move towards the 45% mark. Since this is not the case, the adopted budget utilizes \$621,397 of fund balance appropriations to balance. If the full amount is appropriated the available fund balance level is estimated to drop to 34%. This falls within the City Council's target range and alleviates some of the budgetary constraints for FY15-16. However, this level of fund balance appropriation is not financially sustainable and the City is developing a strategy to balance the budget without such a large appropriation (discussed in the next section).

There are a variety of short-term factors that have affected the development of the FY15-16 Budget. Above are some of the more prevalent. For more detail on factors impacting budget development please reference the *Budget Message* section of this budget document and the *Capital Improvements Program* section.



Long-Term Financial Plan

The City's long-term financial health is contingent upon prudent planning and management which aided by increases in revenue through growth and new sources will alleviate if not fully eliminate the General Fund's reliance on fund balance. The City's current financial condition has been communicated in the *Budget Message*, *Capital Improvements Program*, and *Financial Summaries* sections, in addition to the summary short-term factors discussed above. This section will first, briefly describe the future priorities and operating expenditures for the City, and provide a financial forecast of revenues and expenditures that will detail the City's capacity to fund the priorities. This plan will be reviewed, modified, and prioritized in and up to the City's first budget meeting for the FY16-17 budget process.

Future Priorities

The following will provide a list of future priorities, some currently unfunded or partially funded, that will be of high consideration in future City budgets. (Includes Priority Linkage)

7th Avenue Rehabilitation: (Economic Vitality & Sound Infrastructure)

The Historic Seventh Avenue District (HSAD) is a municipal service district within the City of Hendersonville with a tax rate of \$0.12 per \$100 valuation. The City has identified this area as needing a variety of infrastructure improvements and is considering the development of an urban redevelopment area (URA). This are will require a variety of capital and operating costs including (descriptions and cost estimates):

- Streetscape with bulb-outs and planters ≈ \$1 million per block,
- Decorative lighting ≈ \$50,000 - \$250,000
- Signage/Banners ≈ \$25,000
- Land acquisition and maintenance ≈ \$25,000 - \$100,000

This list is a basic estimate of some of the primary improvements associated with the 7th Avenue rehabilitation initiative.

Berkeley Mills Park Improvements: (Sound Infrastructure & Numerous Amenities)

The City has identified Berkeley Mills Park as a priority to upgrade and preserve as a historic park within the City. The initial plan provides different facets of improvements including a new entryway, greenway connection, bike paths/course, gazebos, a destination playground, and parking improvements. The initial estimates total over \$1 million. The City has applied for a Parks and Recreations Trust Fund (PARTF) grant to assist in the funding of the project. In addition to the initial costs, there are recurring repair and maintenance costs on an expanded area and new equipment. These costs are estimated to by \$30,000 per year. This is partially due to the need for additional staff as a result of the increased time required to maintain the area.



Corridor/Entryway Improvements: (Sound Infrastructure & Numerous Amenities)

The City has four main/prominent entryways. These are located along major highways that intersect the City from the north, south, east and west. The north and south ends of the City's Main Street have recently undergone such improvements. The estimated cost for the signage and beautification efforts are \$15,000 in initial costs per sign/area. Some of the areas will require additional maintenance and repair estimated to cost \$30,000, recurring. The City has identified/prioritized at least three locations to undergo improvements.

Existing Park and Recreation Improvements: (Sound Infrastructure & Great Public Services)

City Staff have identified a variety of wearing infrastructure at City parks and other recreation facilities. These infrastructure improvements range from tennis court surfaces to storage sheds, pool fencing, and park lighting. The variety of improvements are detailed in the City's Capital Improvements Program (CIP) and the identified improvements are estimated to cost over \$1 million over the next five years.

Human Resources Personnel: (Sound Infrastructure & Great Public Services)

During the last budget year, FY14-15, the City suffered the dismissal of its Human Resources Director. The City hired a new Director and an interim director/consultant to attend to the numerous issues with the City's Human Resources Department. The director/consultant identified a wealth of opportunities and provided that the City should expect issues to be discovered for at least another year. One major aspect that is lacking in this Department is occupational health and safety compliance, as well as, safety training programs. The City would like to hire a safety coordinator to serve as an organizational coach and assist the Human Resources Director in improving this City service. The estimated recurring cost is \$25,000.

Lighting Improvements along Downtown Avenues: (Sound Infrastructure)

The City recently upgraded the Main Street to include decorative LED lights. As it stands, the majority of the avenues off of Main Street that are in the MSD have not seen any decorative light installation. The City has identified this as a high priority. City Staff are articulating a plan to update the lighting in cohesion of the City's street and sidewalk replacement schedule, as well as, the City's planned water and sewer infrastructure upgrades. The decorative lighting is estimated to cost \$30,000 per avenue (there are 6 avenues that require lighting upgrades), \$180,000 total. There will also be an additional, recurring, maintenance and repair cost, estimated at \$2,500 per year.

Parking Infrastructure Improvements: (Sound Infrastructure & Great Public Services)

The City hired a consultant to perform a parking study in the City's downtown corridor. The study provided a variety of recommendations, one specifically being the upgrading of parking meter and signage infrastructure. The City has already budgeted the financing of parking meter



upgrades costing an estimated total of \$100,000. These meters are kiosks and provide a more efficient way for visitors to pay for parking. In addition, new signage will be needed to highlight the City's public parking areas. This could cost anywhere from \$25,000 to \$100,000 or greater.

Pay and Classification Study: (Financial Sustainability & Economic Vitality)

The City last conducted a pay and classification study in FY07-08. These studies provide an updated pay scale for employee job classifications, comparative to State and nationwide standards and averages. Other comparable municipalities that have recently undergone a pay and classification study were provided that their public safety employee's salaries were behind standards by up to 15% and regular employee's salaries were behind anywhere from 5% to 10%. The City has identified that if it wants to continue to be a competitive and desirable place to work, a pay and classification study should be conducted. The costs for such a study are typically \$25,000 for the consultant and then implementation can range from an estimated \$500,000 to \$2 million. This will be detailed in further analysis in this section of the Budget.

Public Safety Personnel: (Great Public Services)

The City has finished construction on the new Fire Station #2 and is realizing the need for additional staff to fulfill agency requirements. This lack of staffing is driving up overtime and temporary salary costs. Additionally, the City has identified the need for enhanced police presence at City parks. The addition of two public safety employees is estimated to cost \$90,000 in recurring salary and benefit expenditures.

Public Works Personnel: (Great Public Services & Sound Infrastructure)

With the ever expanding capital improvements and infrastructure improvements, the Public Works Department's capacity to serve the City has been stretched thin. Additional personnel would be advantageous in the Grounds Maintenance Division and Buildings Maintenance Division. The need for these personnel will grow with the pursuit and execution of other City goals and priorities. Two additional public works employees is estimated to cost \$80,000 in recurring salary and benefit expenditures.

Stormwater Improvements: (Sound Infrastructure, Strong Partnerships, & Great Public Services)

The City is working to identify stormwater improvement projects within the City. Recently, a small number of problems have been identified however, the City does not currently have the funding capacity to attend to each problem. The City raised its base charge in the Environmental Services Fund from \$1 to \$2 per customer in order to, build a sinking fund that can pay for expensive stormwater improvement projects.



Street Improvements: (Sound Infrastructure)

The City currently allocates the estimate worth of one penny, or \$150,000, to street paving each year. The City plans to continue to fund street paving in this manner and utilizes sidewalk bond funds and general fund cash to improve the sidewalks along the updated streets. These expenditures total an estimated \$400,000 each year.

Tracey Grove Road Bridge Replacement: (Sound Infrastructure)

The City is working with the State of North Carolina to replace a dilapidated bridge on Tracey Grove Road. This project is part of the State's Transportation Improvement Program and the State will provide a 80% refund for the cost of the replacement. The City will be responsible for approximately \$150,000 of the cost in FY16-17.

Vehicle/Equipment Replacement Schedule: (Sound Infrastructure & Financial Sustainability)

The City is currently looking into establishing a vehicle/equipment replacement schedule that will replace assets on at optimal replacement, just before repair and maintenance costs outweigh the costs of depreciation. This schedule has not been established as of yet, and once it is there will be an estimated cost each year for the next ten years. The largest of these costs will be fire truck replacements, estimated to cost around \$1 million.

Water and Sewer Infrastructure Improvements: (Sound Infrastructure, Strong Partnerships, Economic Vitality, Financial Sustainability, and Great Public Services)

The City's water and sewer system is vast and its footprint expands into all areas of Henderson County. It serves as a regional system. The City has invested a large amount of cash reserves back into various infrastructure improvement projects, adopted by capital project ordinances. These projects are estimated to cost close to \$10 million. In addition to the major project initiatives, the City invests funding, approximately \$1 million, in City system repairs each year. The City has also hired a leak detection technician to begin the process of identifying lost water. Projects like this will continue into the future and a growing regional system will require prudent investment. The City has directed the Water and Sewer Fund Staff to generate a master plan detailing future projects, goals, strategies, and endeavors.

Way-finding Improvements: (Great Public Services, Strong Partnerships, & Sound Infrastructure)

The City along with the Tourism Development Authority, County, and other municipalities county-wide are pursuing a way-finding initiative to assist in the navigation of places of interest and destinations within the County. The major costs are associated with the study itself and the signage as a result of a recommendation. The signage could cost anywhere from an estimated \$25,000 to \$100,000.



The following table provides a summary of the costs associated with City priorities and initiatives:

Description	One-Time Cost	Recurring Cost
7th Avenue Rehabilitation Initiatives	\$ 1,375,000	\$ 10,000
Berkeley Mills Park	\$ 1,000,000	\$ 30,000
Corridor/Entryway Improvements	\$ 45,000	\$ 30,000
Existing Park Infrastructure Improvements	\$ 1,000,000	\$ -
Human Resource Personnel	\$ -	\$ 25,000
Lighting Improvements Along DT Avenues	\$ 180,000	\$ 2,500
Parking Infrastructure Improvements	\$ -	\$ 150,000
Pay and Classification Study	\$ 25,000	\$ 1,500,000
Public Safety Personnel	\$ -	\$ 90,000
Public Works Personnel	\$ -	\$ 80,000
Stormwater Improvements	\$ -	\$ 250,000
Street Improvements	\$ -	\$ 400,000
Tracey Grove Road Bridge Replacement	\$ 150,000	\$ -
Vehicle/Equipment Replacement Schedule	\$ -	?
W/S Infrastructure Improvements	\$ 500,000	\$ 500,000
Wayfinding Improvements	\$ -	\$ 50,000
<i>Sub-Total</i>	\$ 4,275,000	\$ 550,000

Revenues Forecast

A forecast is the estimated value for a period based on information from previous periods. It is important to control for historical outliers when generating and analyzing forecasts. The City utilizes an exponentially weighted moving average to control for outliers, commonly referred to as “exponential smoothing”. As previously mentioned, this forecast will focus mainly on the General Fund because of its primary function in the City’s operations. This section will not only provide a general forecast of revenues utilizing the exponential smoothing techniques mentioned above, but will also provide possible changes to that forecast via legislation or City action to expand revenues through tax increases and fees.

First, let’s briefly describe the process involved in creating a forecast with exponentially weighted moving averages. This process involves taking historical data, controlling for outliers, and then weighting the importance of data by time period. To begin, one would generate a scatter plot of all the data, the City utilized ten years of actual data detailing total revenues in the General Fund. Fund balance appropriations have been excluded from this data for the purpose of realizing recurring revenue available for operating expenditures. Next, a calculation is performed to weight the data according to sets of averages (sets of three years data). This calculation produces the moving average of data.

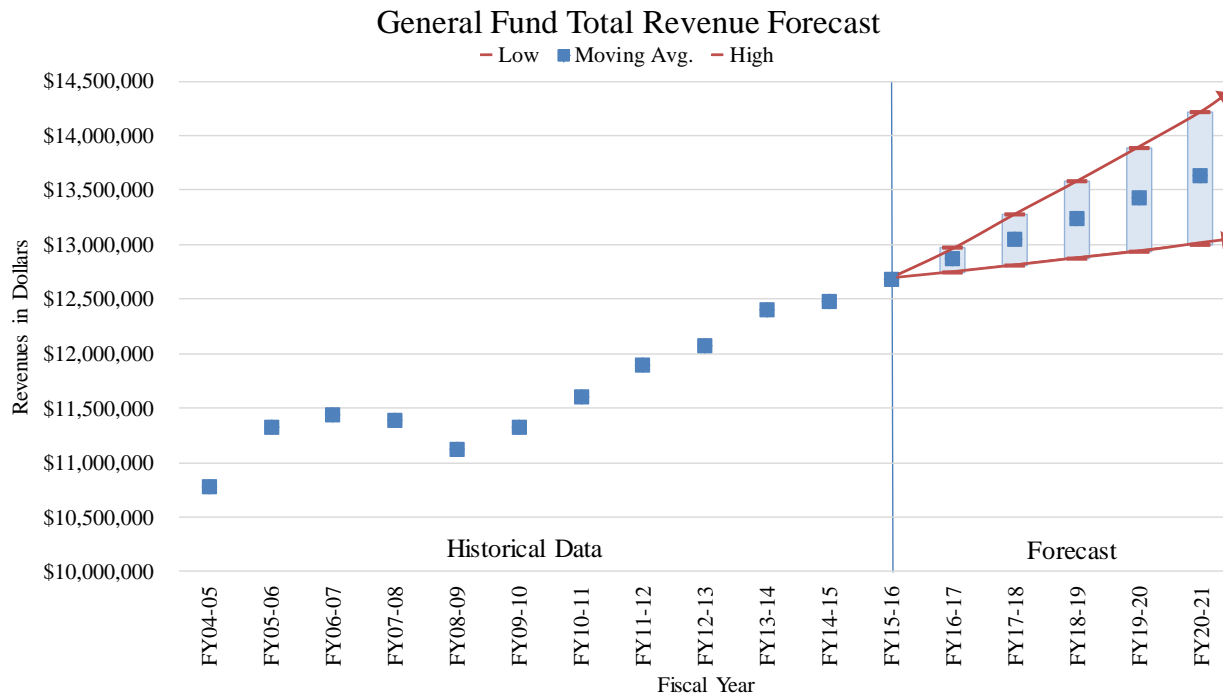


The following is the calculation utilized to create the moving average:

1. Calculate the average of the first three observations.
2. Calculate the average of the next three observations.
3. Subtract the first average from the second and divide it by three, which produces the initial trend.
4. Multiply the initial trend times 2 and subtract the result from the average of the first three observations, which produces the initial level.
5. Finally, add the initial trend to the initial level and continue this for each time period.

This produces our moving average. Once the moving average is identified, one can calculate an average percent change based off of weighted time periods. Our average percent change is 1.45%, and we will utilize an exponential standard error to estimate high and low values.

The following is the result of the exponentially weighted moving averages forecast:



The range presented in the “Forecast” section of the graph is representative of the following data:

	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
Low	\$ 12,747,094.38	\$ 12,810,829.85	\$ 12,874,884.00	\$ 12,939,258.42	\$ 13,003,954.71
Moving Avg.	\$ 12,867,306.51	\$ 13,053,882.45	\$ 13,243,163.75	\$ 13,435,189.62	\$ 13,629,999.87
High	\$ 12,975,400.55	\$ 13,273,834.76	\$ 13,579,132.96	\$ 13,891,453.02	\$ 14,210,956.44

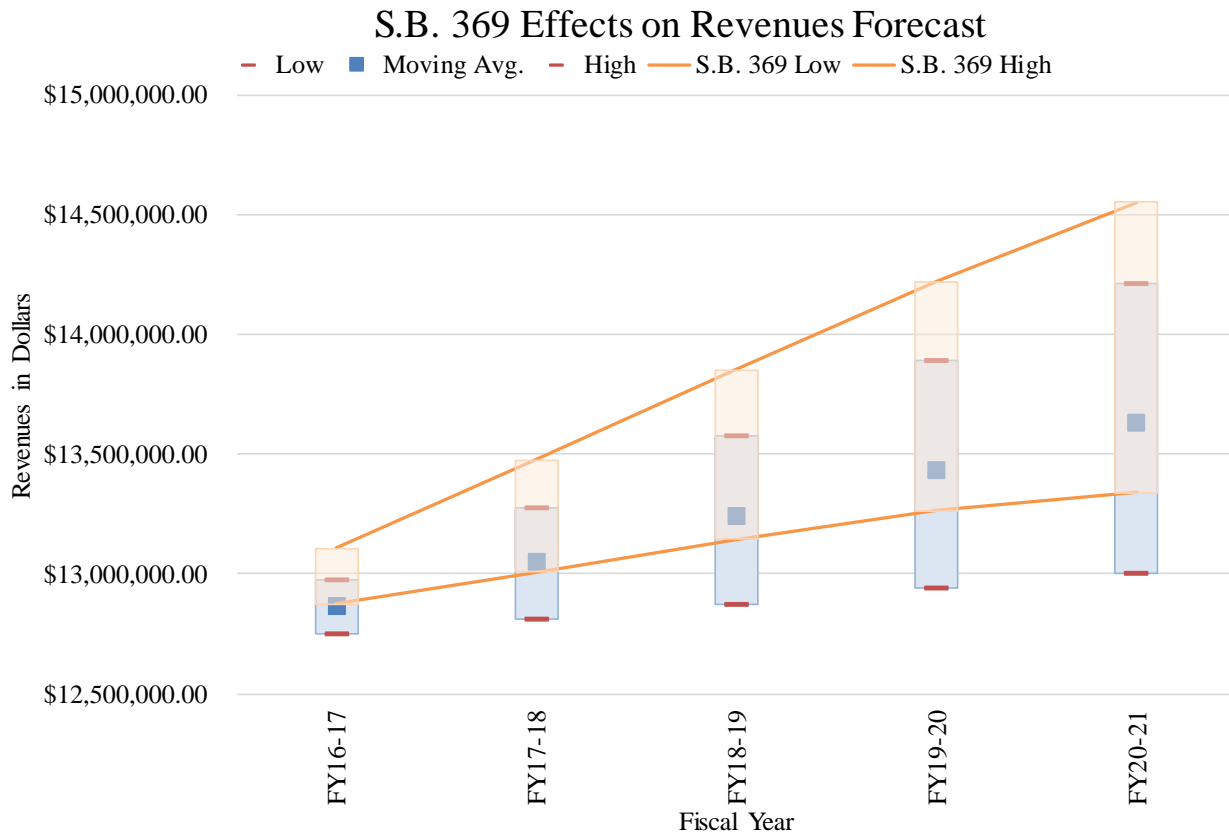
The information provides that in five years the City’s General Fund is estimated to produce \$13,629,999 in revenues. This is an estimated \$800,000 increase over five years.



S.B. 369 Sales Tax Fairness Act

A bill introduced in the N.C. Senate introduced a revision of sales tax distribution, from a point of sale method to a per capita method.

If the law were to pass and be enacted, the City of Hendersonville is estimated to be effected in the following manner:



The chart details a significant increase in the forecasted revenues, as the new revenue totals are displayed in the table below:

	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
S.B. 369 Low	\$ 12,876,399.69	\$ 13,008,799.78	\$ 13,143,842.10	\$ 13,264,879.43	\$ 13,340,972.45
S.B. 369 High	\$ 13,107,021.77	\$ 13,475,350.42	\$ 13,852,908.22	\$ 14,222,906.04	\$ 14,554,010.32

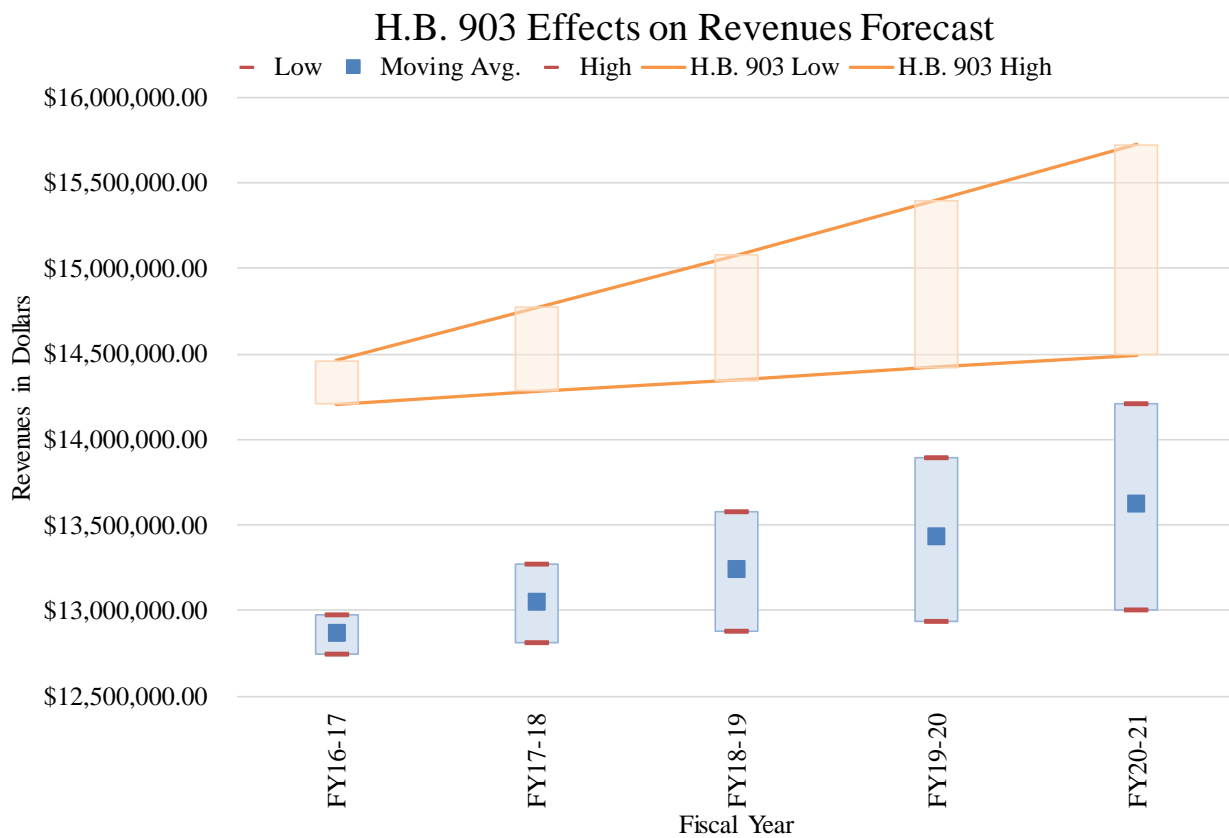
The orange lines and shaded area is the expected range of new revenue under S.B. 369. The calculation applies the forecasted percent increase to the expected amount of new revenue from the bill. This bill has the possibility to increase revenues by approximately \$300,000 over five years.



H.B. 903 County Tax Flexibility/Municipal Revenue Options

A bill was filed in the House that would allow municipal governing boards, by resolution, to levy a city-only, one-quarter cent sales and use tax. The bill also would allow a separate county quarter-cent sales tax for general purposes, revenue that would not be shared with municipalities. This legislation would address a top legislative priority adopted by League members in December, providing a new revenue stream to replace the \$62 million lost due to the pending repeal of the privilege license tax.

If the law were to pass and be enacted, the City of Hendersonville is estimated to be effected in the following manner:



As detailed in the *Budget Message* H.B. 903 would provide a substantial future funding source. The table below provides the detail of the new expected revenue under H.B. 903:

	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
H.B. 903 Low	\$ 14,206,760.40	\$ 14,281,443.37	\$ 14,348,416.85	\$ 14,420,819.43	\$ 14,492,814.05
H.B. 903 High	\$ 14,461,209.84	\$ 14,770,787.62	\$ 15,079,057.44	\$ 15,399,549.45	\$ 15,726,481.92

The total increase is estimated to be in the range of \$1 million to \$1.5 million. The orange lines and shaded area is the H.B. 903 forecast.

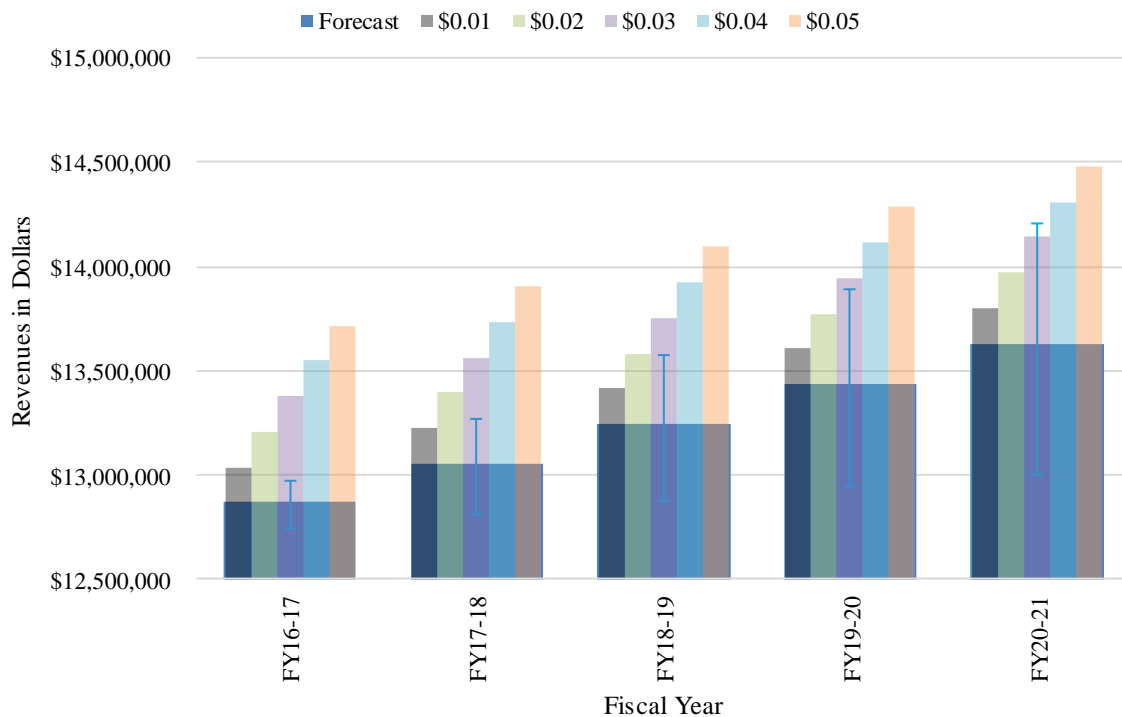


Ad Valorem Tax Increases

This forecast will compare the base revenue forecast with one that includes property tax increases, ranging from \$0.01 to \$0.05 per \$100 valuation. It is assumed that one penny on the property tax will produce \$170,000 in revenue.

If City Council were to pass a tax increase ranging from \$0.01 to \$0.05, the revenue forecast is estimated to be effected in the following manner:

Effects of Tax Increases on Revenue Forecast



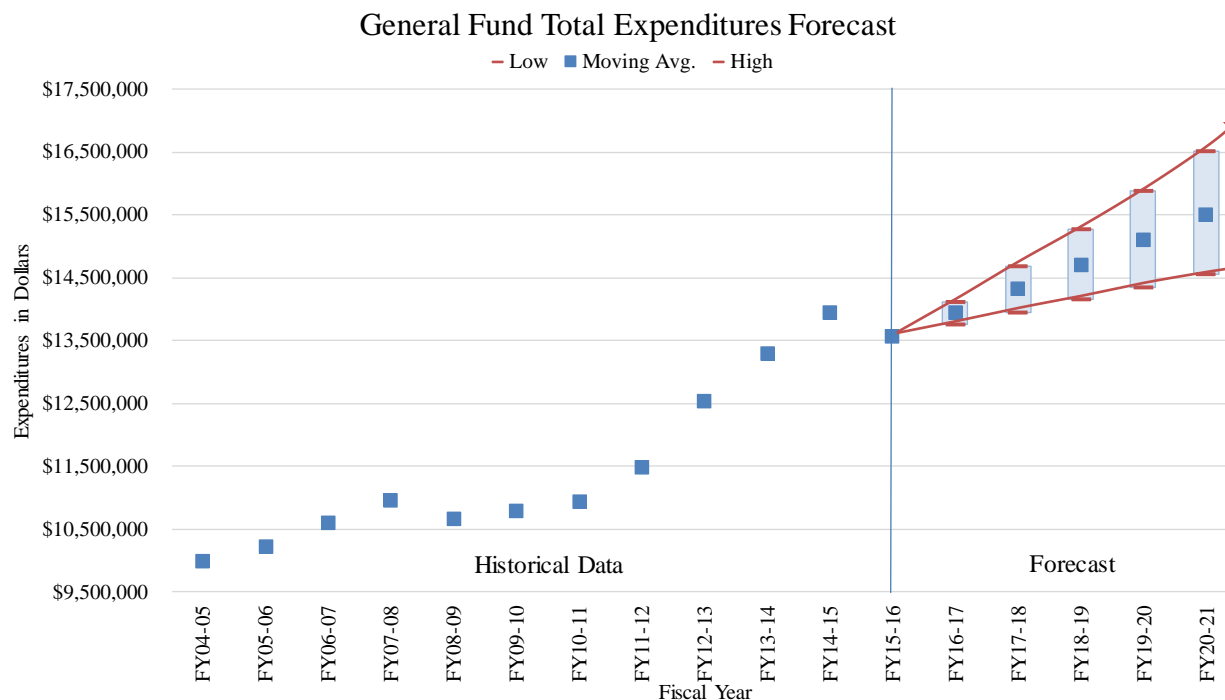
Please notice that the different levels of property tax increase are made transparent and the large dark blue bars represent the original revenue forecast. In addition, small light blue error bars can be identified. There represent the standard error for the original revenue forecast. The chart details that a \$0.05 property tax increase would create a substantial increase in revenues for the City. This chart simply represents a tool for visualizing where revenues might reach in future years and how the City can influence that forecast.



Expenditures Forecast

This section will forecast four aspects of the City’s General Fund expenditures. This includes a general expenditure forecast which accounts for inflation and personnel growth, debt service, and personnel with estimated pay and classification study effects. The general expenditure forecast will utilize exponentially weighted moving averages, in the same manner as the general revenues forecast.

The following is the result of the exponentially weighted moving averages forecast:



The forecast details a five-year increase in expenditures. Our average percent change is 2.70%, and we will utilize an exponential standard error to estimate high and low values. As the chart details, expenditures are expected to be anywhere in the range of \$14.5 million to \$16.5 million in FY20-21. This is a wide range however, this is a safe methodology for producing possible future values. Inflation and general increases are not the only factors that will play into expenditure growth over the next five years.

The range presented in the “Forecast” section of the graph is representative of the following data:

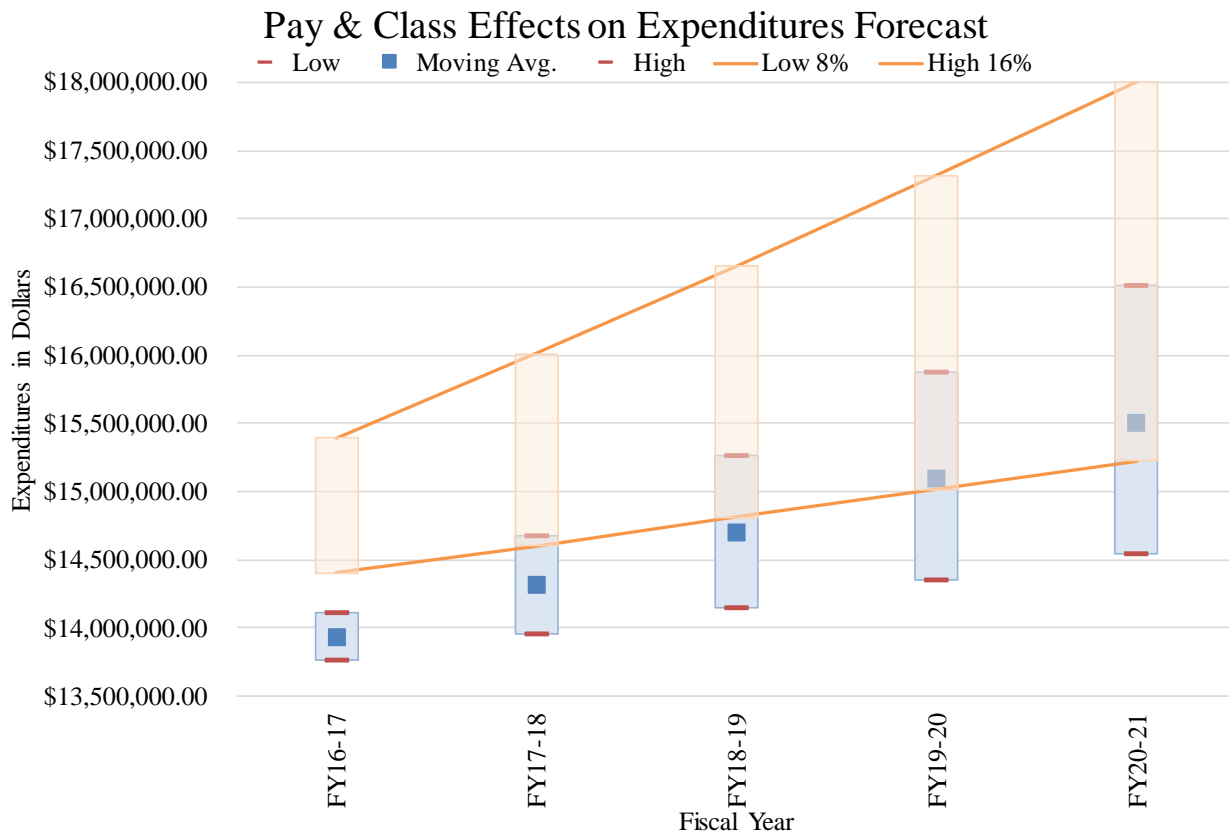
	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
Low	\$ 13,760,013.46	\$ 13,952,653.65	\$ 14,147,990.80	\$ 14,346,062.67	\$ 14,546,907.55
Moving Avg.	\$ 13,936,423.89	\$ 14,312,707.34	\$ 14,699,150.43	\$ 15,096,027.50	\$ 15,503,620.24
High	\$ 14,112,834.32	\$ 14,677,347.69	\$ 15,264,441.60	\$ 15,875,019.26	\$ 16,510,020.04



Personnel and the Effects of a Pay and Classification Study

All organizations that utilize human resources experience a variety of salary and benefit cost effects. As employees enter an organization they naturally move up through the pay scale through market and merit increases. In order to remain competitive for qualified employees, the City of Hendersonville provides a benefits package and market and merit increases to their employees based on performance. A common approach to maintaining pace with the pay ranges of the job market, state and nation-wide, is a pay and classification study. This is a priority of the City and will help increase the City’s ability to remain competitive for a qualified workforce. The last pay and classification study for the City was implemented in FY07-08. The result was a 10% to 15% increase in personnel related expenditures.

This forecast will assume an increase by a range, from 8% to 16%. This additional cost will be added to and overlay the general expenditures forecast, detailed below:



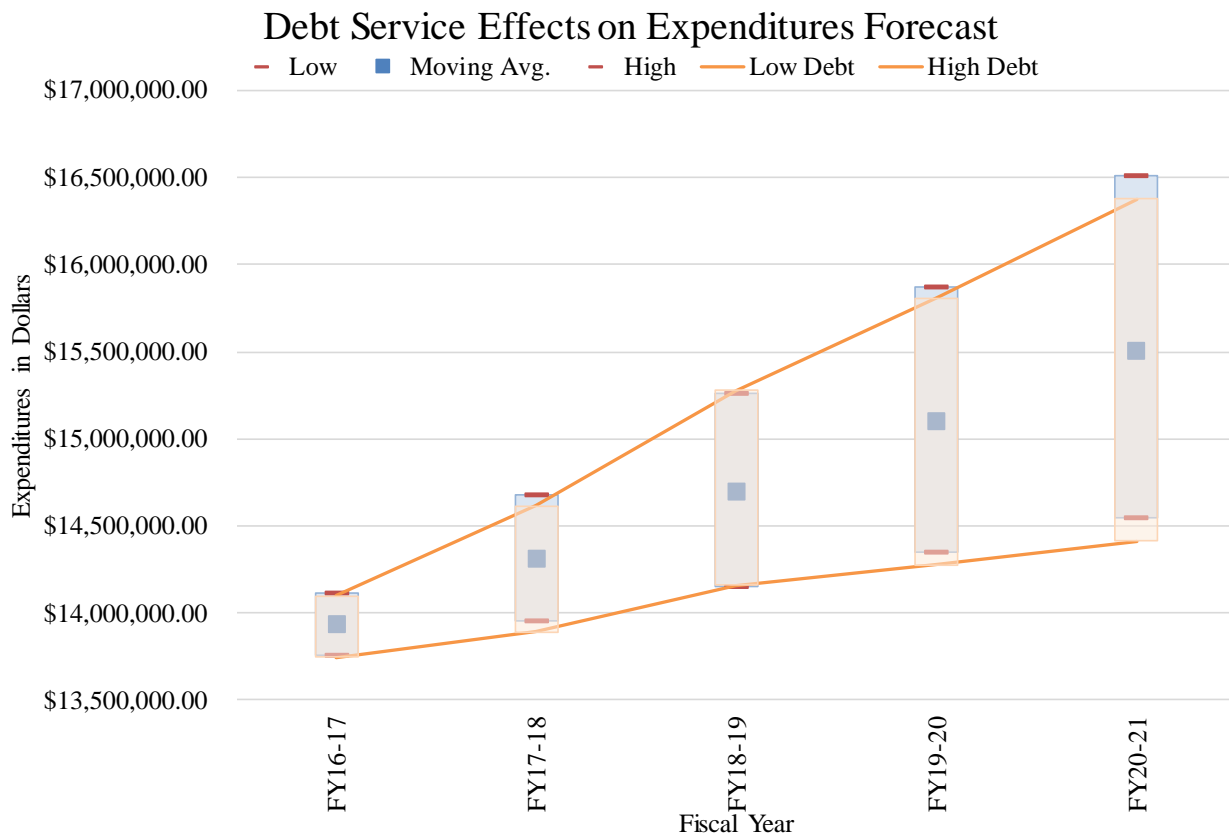
The orange areas depicts the new forecasted range based on a pay and classification study returning anywhere from an 8% to 16% in personnel expenditures. As with any forecast there are a variety of externalities that may cause actual results to vary. Some items to look out for when dealing with personnel expenditures are turnover and position addition, elimination, or freeze.



Debt Service

A final factor that the City forecasts are debt service payments. These payment typically decrease over time as the principal amount is paid down, resulting in lessened interest payments. The City’s General Fund has recently incurred a larger debt service burden than its historical average. The debt service payments for FY15-16 total \$1,118,791 or 8.26% of General Fund expenditures. The historical average has been between 4% and 6% for the General Fund. This additional debt service payment is approximately \$400,000 more than the City has historically paid. A sizeable increase, this funding has needed to come from fund balance or decreases in other operating expenditures.

The chart below details the effects paying off debt service has on the general expenditure forecast:



The orange lines provide the effects of paying off debt service on the General Fund’s expenditure forecast. The effects are minor and ultimately the burden taken off the General Fund only totals \$133,735 by FY20-21, detailed in the table below:

	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
Cumulative Savings \$	17,000.33	62,632.21	(11,076.72)	68,473.27	133,735.54

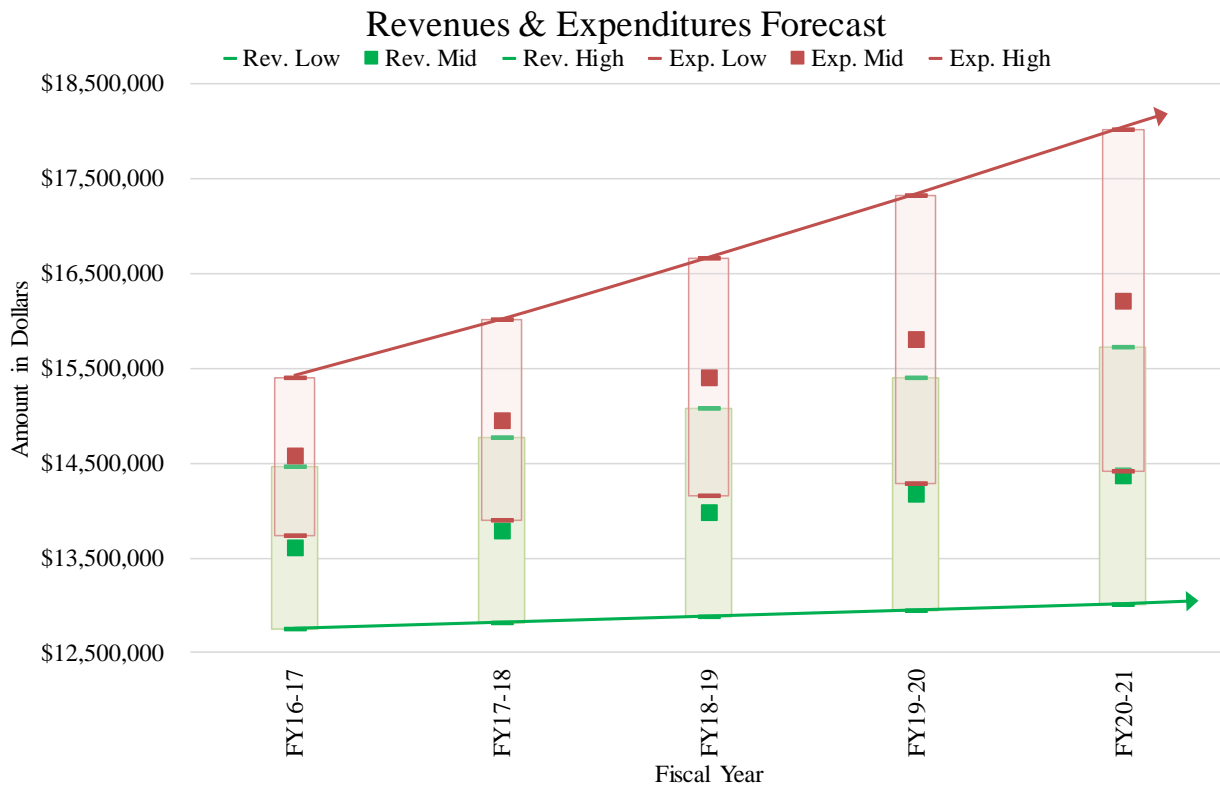


One will notice that in FY18-19 the City’s debt service burden actually increases, to a cumulative \$12,480 increase. This is caused by the depletion of the City’s Capital Reserve Fund. This Fund was created to utilize excess fund balance as a financing option for capital and debt. The Fund is currently being appropriated to pay off the City Hall Renovation note. However, the Fund has \$936,107.16 in it. The payment remaining on the City Hall Renovation note is \$1,050,000. The increase seen above is a result of the Capital Reserve Fund depleting and no longer having the capacity to make payments on the note. The note will require General Fund cash to pay the remainder. In all, paying off debt service will provide little relief to the General Fund’s expenditure burden.

Financial Planning

All of this information can be overwhelming. However, understanding the vast number of variables effecting the future financial condition of the City is extremely important. Financial plans encourage long-range thinking and discourage irresponsible decision making in the near term. Such an emphasis on the long-term becomes more important as dollars become scarce. The City of Hendersonville will continue to evaluate and analyze this information and create a more detailed long-term plan of how to combat fund balance reliance and accomplish goals and objectives.

This final chart displays a full range of all the expenditure variables overlaid a full range of all the revenue variables:



Performance Budgeting

The final piece to the *Strategic Planning and Financial Impacts* section of the budget is the City's pursuit of a performance budgeting initiative. Performance budgeting will be useful tool in linking the financial impacts of outcomes and results with the division, department, or fund's ability to meet and achieve City priorities. It focuses on goals, objectives, evidence, and results, shifts perspective from internal organizational imperatives to community needs, shifts emphasis from inputs (line-items) to objectives and outcomes (results), and justifies the allocation of resources to high priority initiatives.

Why does this approach matter?

1. It frames the question elected officials ask and the types of decisions they make...
 - a. Line-item budgeting: What are we buying?
 - b. Program Based budgeting: What are we doing?
 - c. Zero-Based budgeting: What can we cut?
 - d. Performance/Outcome Based budgeting: What is our strategy and desired outcome? What are we accomplishing?
2. It establishes a point of reference for the organization, and
3. It influences the political and organizational culture.

Establishing a performance budgeting takes time and resources. The City of Hendersonville is just beginning this process and have established a plan to move towards this methodology. Previously the City's departments had just tracked data. The City's Budget Office will begin leading the introduction of the process. This will include reviewing measures already tracked and then evaluating their ability to be linked to City outcomes. The City will use logic chains, a common tool, which are used to display the linkage between the measure and the ultimate goal. Once the departments establish logic chains, the City will take time to observe and tweak the measures that are leading to the selected City priority. It will be important to think critically and determine if the measure is a true representation of the desired outcome. If so, one can then learn what measure need improvement, what resources are needed to improve the measure, and how the ultimate priority can be achieved.

Departmental logic chains will be established by the FY16-17 budget. This budget will include some of the measures currently being tracked, but will not include any linkages to outcomes. Ultimately, once the process is more established, the City will create a yearly performance report presenting the City's success in achieving its priorities.

Financial Structure

The financial system exists to provide information. It provides the City Manager with the data needed to judge financial performance, as well as to plan and budget for future activities with projected resources. This system is also a crucial part of internal control procedures. Financial practices are set forth in G.S. 159-26, Generally Accepted Accounting Principles (GAAP) promulgated nationally by the Governmental Accounting Standards Board (GASB). As required by Generally Accepted Accounting Principles, the financial statements found herein present all funds and account groups that are controlled by or are financially dependent upon the City of Hendersonville. In addition, the North Carolina Local Government Commission (LGC) and the City's own rules, regulations, needs, and capabilities, directly impact its financial practices and structure.

Basis of Preparation

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and it is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. Not all of the funds listed are detailed in this budget document; non-major funds are detailed in the City's Comprehensive Annual Financial Report (CAFR).

Governmental Funds

Governmental funds account for the City's governmental functions. The City of Hendersonville's governmental funds include:

General Fund. The General Fund is the largest and most important governmental fund. It is the primary operating fund of the City. Any transaction that cannot be accounted for in another fund is recorded in the General Fund. The primary revenue sources are ad valorem taxes, state collected revenues, and various other taxes and licenses. The primary expenditures are for general government, public safety, and public works services.

Special Revenue Funds. Special Revenue Funds are used to account for the process of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The City of Hendersonville's Special Revenue Funds include the Downtown Tax District Fund, Seventh Avenue Tax District Fund, and the Governor's Highway Safety Program. The FEMA and Oakdale Cemetery Historic Nomination Grant Fund are now closed.

Capital Project Funds. Various Capital Project Funds are used to account for financial resources to be used for major acquisitions or construction. These funds include the Sidewalk Construction Project Fund, Eastside Transmission Main, Phase II Fund, Fletcher Area System Improvements Fund, Mud Creek Dump Cleanup Fund, Rugby Drive System Improvements



Fund, Rutledge Rd. System Improvements Fund, SCADA System Upgrade Fund, WTP High Service Pump Station Fund, WWTP Gravity Filter Replacement Fund, and the Etowah System Improvements Fund. The City will create a capital project fund for any project that costs more than \$1 million or lasts over one fiscal year.

Internal Service Funds. Internal Service Funds are used to report on any activity that provides goods or services to other funds, departments, or agencies of government, on a cost-reimbursement basis. The City has one internal service fund, the Health and Welfare Fund, which is used to administer payments for employee health claims.

Proprietary Funds

Proprietary funds account for the City's business-like activities. There are two types of proprietary funds—enterprise funds and internal service funds. Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises. Internal service funds are similar to enterprise funds except they account for services performed by one department for another. The City has two enterprise funds:

Water & Sewer Fund. This fund is used to account for the City's water and sewer operations. The major revenue sources in this fund are water and sewer user charges.

Environmental Services Fund. This fund accounts for the cost of the solid waste collection and the recycling program. This fund's revenues are generated through residential and commercial use, as well as base charges and miscellaneous income.

Fiduciary Funds

Fiduciary funds account for resources the City holds in trust for individuals or other governments. The City does not maintain any fiduciary funds.

Basis of Accounting & Budgeting

In accordance with the North Carolina Budget and Fiscal Control Act (NCBFCA), the budget is developed and adopted under the modified accrual basis of accounting, whereby revenues are recognized in the period they become available and measureable, and expenditures are recognized in the period the associated liability is incurred. During the fiscal year, budgets are maintained using the modified accrual basis of accounting. At fiscal year end, the City's Audited Financial Statements are prepared using Generally Accepted Accounting Principles (GAAP). G.S. 159-34 requires all local governments to have their accounts audited by independent auditors after the close of each fiscal year. All governmental funds are reported using the modified accrual basis of accounting. However, all proprietary funds are reported using the full accrual basis in the annual financial reports, whereby revenues are recognized when earned and expenses are recognized in the period incurred. In comparison, the budget document reports all propriety funds' prior year actuals using the modified accrual basis.



The following table details the fund type and its respective accounting method:

Fund Type	Fund Category	Class	Audit Statement Accounting	Budgetary Accounting
General Fund	Governmental	Major	Modified Accrual	Modified Accrual
Special Revenue Fund	Governmental	Non-Major	Modified Accrual	Modified Accrual
Capital Project Fund	Governmental	Non-Major	Modified Accrual	Modified Accrual
Enterprise Fund	Proprietary	Major	Full Accrual	Modified Accrual

The City considers all revenues available if they are collected within 90 days after year end, except for property taxes. Those revenues susceptible to accrual include investments, sales tax, and grants-in-aid earned. On a budgetary basis, revenues are recorded by department, function, or project. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the fund level for multi-year funds. Revenue sources include ad valorem taxes (property taxes), sales taxes, other taxes and licenses, restricted and unrestricted intergovernmental revenues, sales and services, investment earnings, other revenues, permits and fees, fund transfers, and fund balance appropriated. Expenditure functions are primarily budgeted at the departmental level but are grouped into six primary categories for the General Fund including general government, public safety, transportation, park maintenance, drainage, and lot clearing, culture and recreation, and debt service.



The following table details the relationship for all appropriated functions of City government and its respective fund and fund type:

Function/Fund Relationship

<i>Function</i>	<i>Fund</i>	<i>Type</i>
General Government	General Fund	General
Public Safety	General Fund	General
Transportation	General Fund	General
Park Maintenance, Drainage, & Lot Clearing	General Fund	General
Culture & Recreation	General Fund	General
Downtown Tax District	Downtown Fund	Special Revenue
Bearfootin' Public Art	Downtown Fund	Special Revenue
Rhythm & Brews	Downtown Fund	Special Revenue
Sidewalk Antique Festival	Downtown Fund	Special Revenue
Trick or Treat Downtown	Downtown Fund	Special Revenue
Holiday Events	Downtown Fund	Special Revenue
Seventh Avenue Tax District	7th Avenue Fund	Special Revenue
W&S IT	Water & Sewer Fund	Enterprise
W&S Finance	Water & Sewer Fund	Enterprise
W&S City Engineer	Water & Sewer Fund	Enterprise
W&S Fleet Maintenance	Water & Sewer Fund	Enterprise
W&S Admin.	Water & Sewer Fund	Enterprise
Facilities Maintenance	Water & Sewer Fund	Enterprise
Water Treatment Plant	Water & Sewer Fund	Enterprise
Shop Operations Center	Water & Sewer Fund	Enterprise
Water Maint. & Construction	Water & Sewer Fund	Enterprise
Wastewater Treatment Plant	Water & Sewer Fund	Enterprise
Wastewater Maint. & Construction	Water & Sewer Fund	Enterprise
Environmental Services Admin.	Environmental Services Fund	Enterprise
Stormwater	Environmental Services Fund	Enterprise



Financial Policies

The Local Government Budget and Fiscal Control Act (LGBFCA) governs all local government agencies in the State of North Carolina. The LGBFCA provides guidance on how governments should budget, disburse, and account for all monies received or expended. The City of Hendersonville budgets and accounts for its revenues and expenditures following the rules and regulations set forth in the LGBFCA, and maintain its funds in compliance with this statute.

General Policy

Ensuring a balanced budget ordinance is adopted by the governing board prior to the beginning of each new fiscal year, beginning July 1, is one of the manager's primary responsibilities. This ordinance requires budget summary figures, presented in line-item format, grouping by departments or categories.

Capital projects shall be budgeted for in a separate capital improvements plan, which will represent a spending plan for the acquisition of fixed assets. This plan is to be summarized in the Annual Operating Budget document. Capital projects allow for appropriations to carry over from year to year until the project has been completed.

The Annual Operating Budget Ordinance must balance, just the same as the funds contained within it. Balance is achieved by displaying surpluses as an appropriation to fund balance and deficits as appropriations from fund balance. The statutory formula for a balanced budget states: "A budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations. Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts" [G.S. 159-8].

An annual audit will be performed by an independent certified accounting firm, which will issue an official opinion on the annual financial statements, with a management letter explaining recommended improvements, if required.

Budget Amendment Policy

The adopted Budget Ordinance represents a legal gauge upon which expenditures must be measured. Expenditures are authorized by an appropriation in the ordinance, and sufficient moneys must remain in the appropriation to cover all expenditures. Three types of budget changes may be made during a fiscal year:

1. Modifications may be made without changing the ordinance.
2. Expenditures may be made from contingency appropriations.
3. The annual Budget Ordinance itself may be amended.



North Carolina General Statute 159 governs these types of changes. The annual Budget Ordinance may be amended any time after its official adoption; however, the amendments cannot increase or decrease the tax levy or alter a taxpayer's liability unless the City is ordered to do so by the courts or an authorized state agency. Total increases in appropriations should equal total increases in revenues if new revenues are involved. In all situations, a brief description of the circumstances surrounding the amendment will be included on the face of the amendment or in the minutes where the amendment was approved.

Capital Improvement Policy

The City will review and update annually a five-year Capital Improvement Plan (CIP), which details each capital project, estimated costs, project descriptions, and anticipated funding sources. Only the current year schedule, when adopted by City Council, becomes part of the operating budget. Future forecasts in the CIP serve the City by helping plan for capital repairs, replacements, and acquisitions, which aids in financial planning to ensure the City's fiscal health and credit. City staff will analyze each proposed project carefully before it is incorporated in the CIP.

Debt Policy

The City's indebtedness will not exceed eight percent of the assessed valuation of the taxable property of the City [G.S. 159-55]. The term of any City debt issue shall not exceed the useful life of the asset for which the debt is issued. A financial analysis will accompany the CIP to illustrate the City's capacity to repay debt and identify the effects on financial indicators. The City will seek to maintain financial indicators within an acceptable level as compared to peer cities and will strive to maintain a net debt service ratio close to ten percent. To reduce the amount of debt incurred, the City will attempt to use pay-as-you-go financing when possible, particularly for capital assets with costs less than \$75,000.

Fund Balance Policy

It is necessary for the City of Hendersonville to maintain undesignated available fund balance reserves and retained earnings to provide appropriate cash flow for operation of city services, to address emergencies and unexpected opportunities, to increase the potential for investment income, and to enhance the City's credit rating to provide the City the ability to borrow at the lowest possible interest rate.

General Fund – The North Carolina Local Government Commission (LGC) is charged with overseeing the fiscal health of cities and counties and recommends a minimum undesignated available fund balance reserve of no less than eight percent (8%) of expenditures. The City amended their fund balance policy for FY15-16, creating target range of 25% to 35% available. The old policy dictated a goal of 45%. Any revenue in excess of the 25%-35% range may be converted to the City's Capital Reserve Fund at the City Manager's discretion.



Water and Sewer Fund – All revenue in excess of expenditures realized at the end of any given fiscal year will be credited to unassigned retained earnings.

The City Manager is charged to annually monitor and report to City Council during the preparation of the annual operating budget regarding the status of available fund balance/retained earnings and compliance with the revised goals.

Investment Policy

Investment earnings are the interest collected on the City's idle cash. The criteria for selecting an investment will include safety, liquidity, and yield. The City only invests idle cash in accordance with G.S. 159-30, which is part of the Local Government Budget and Fiscal Control Act (LGBFCA). Typical investments for the City include CDs and interest bearing accounts. Please reference the City's *Cash and Investment Management Policy* for more information regarding the City's investment policy.

Operating Budget Policies

Pursuant to North Carolina General Statute 159-11, the City will adopt a balanced budget. The LGBFCA recognizes a balanced budget when the sum of estimated net revenues and appropriated fund balance in each fund is equal to appropriations in that fund.

The City operates under an annual Budget Ordinance adopted in accordance with the LGBFCA. The Budget Ordinance is the legal basis of the budgetary accounting system and the standard by which proposed expenditures are measured. All annual appropriations lapse at the fiscal year end. City Council must approve and adopt any revisions to the original budget ordinance, which is recorded in the City minutes.

Revenue Policy

The Budget Officer prepares conservative revenue estimates based on revenues reasonably expected to be realized in the upcoming budget year, including amounts to be realized from collection of taxes levied in prior fiscal years. Major estimated revenue sources include ad valorem taxes, privilege licenses, sales taxes including the hold harmless provision received from the State as a result of repealed reimbursements, ABC distribution, beer and wine taxes, utility franchise taxes, Powell Bill distribution, and sales and services including tipping fees and garbage fees. With each budget, the City Council adopts a fees schedule that the Finance Department reviews annually to determine appropriate fees related to the cost of providing services.

Other Policies

The City of Hendersonville is working to develop other policies that will enhance the financial stability. Some of these policies include a procurement policy, compensation time policy, revision of the personnel policy, and revision of the travel and reimbursement policy.



Revenue & Expenditure Summaries

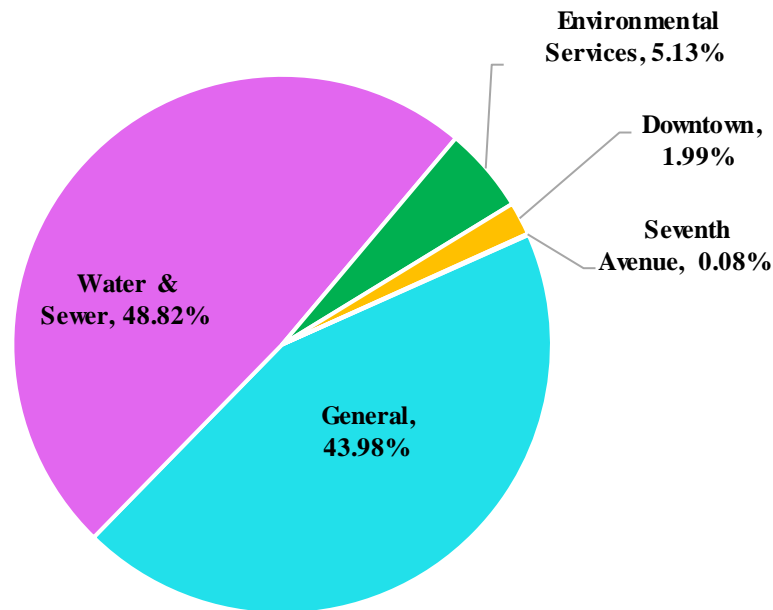
Financial summaries are windows into the financial health of an organization. These summaries will assess the financial activity for the City of Hendersonville.

Revenues

The following table and graph detail the City’s revenues by fund (excludes fund balance appropriations):

Fund	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
<i>General</i>	\$ (12,640,807)	\$ (12,947,781)	\$ (12,948,073)	\$ (292)
<i>Water & Sewer</i>	\$ (14,442,094)	\$ (14,241,550)	\$ (14,373,050)	\$ (131,500)
<i>Environmental Services</i>	\$ (1,308,625)	\$ (1,137,689)	\$ (1,511,248)	\$ (373,559)
<i>Downtown</i>	\$ (468,618)	\$ (467,475)	\$ (585,614)	\$ (118,139)
<i>Seventh Avenue</i>	\$ (18,253)	\$ (18,460)	\$ (23,839)	\$ (5,379)
TOTAL	\$ (28,878,397)	\$ (28,812,955)	\$ (29,441,824)	\$ (628,869)

City Revenues by Fund FY15-16

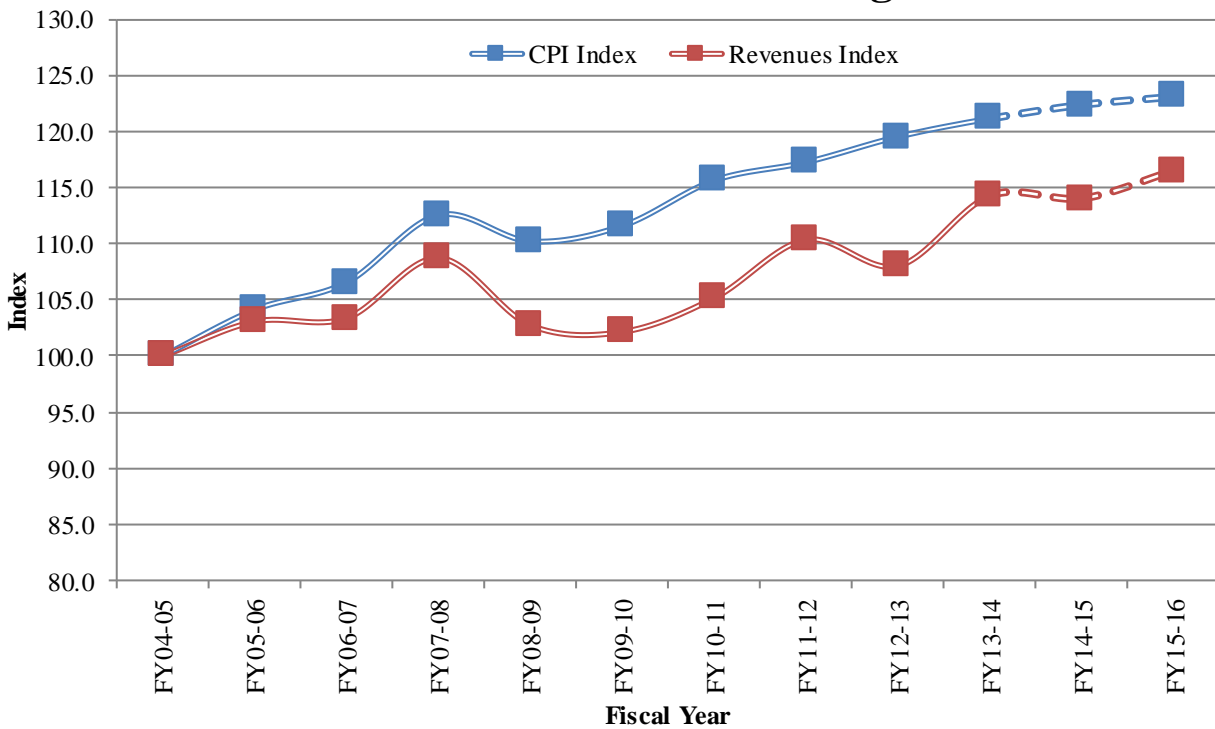


It is estimated that the City of Hendersonville will generate its largest portion of revenue from the Water & Sewer Fund for FY15-16, 48.82% of all revenues. The next largest fund is the General Fund, producing 43.98% of all revenues.

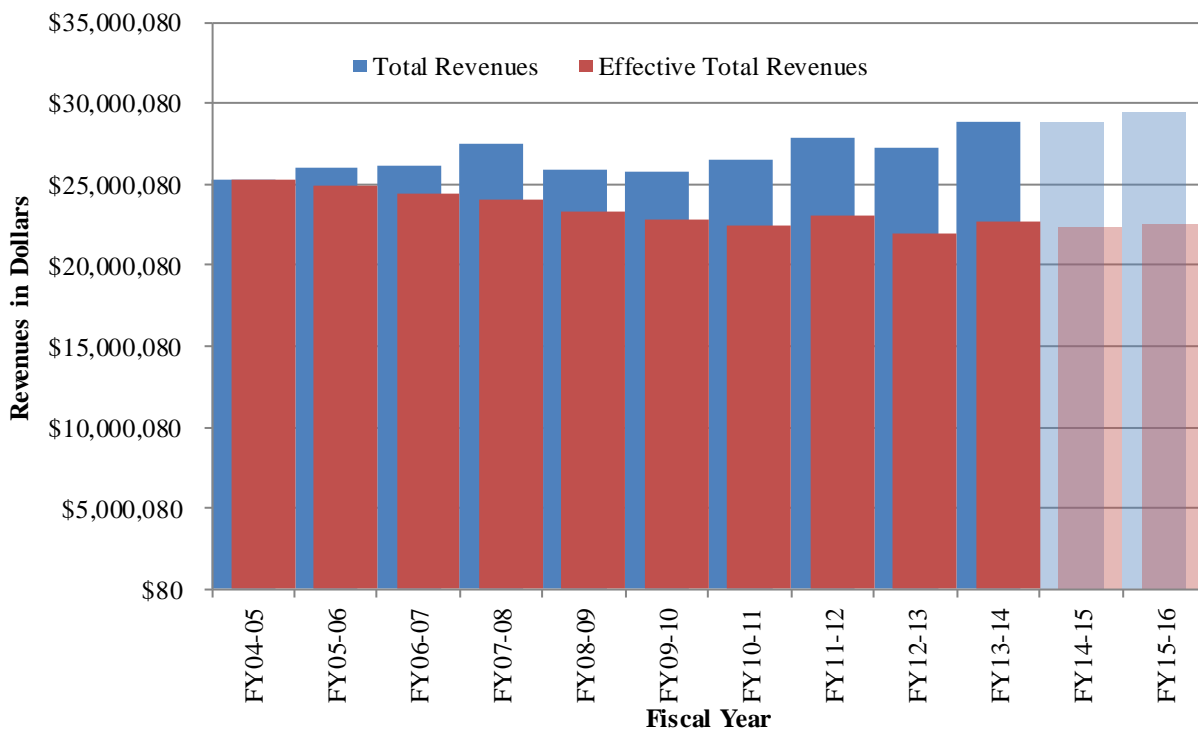


The following charts detail the City’s historical total revenues, adjusted for inflation:

Total Revenues Index Controlling for Inflation



Effective Rate of Revenues



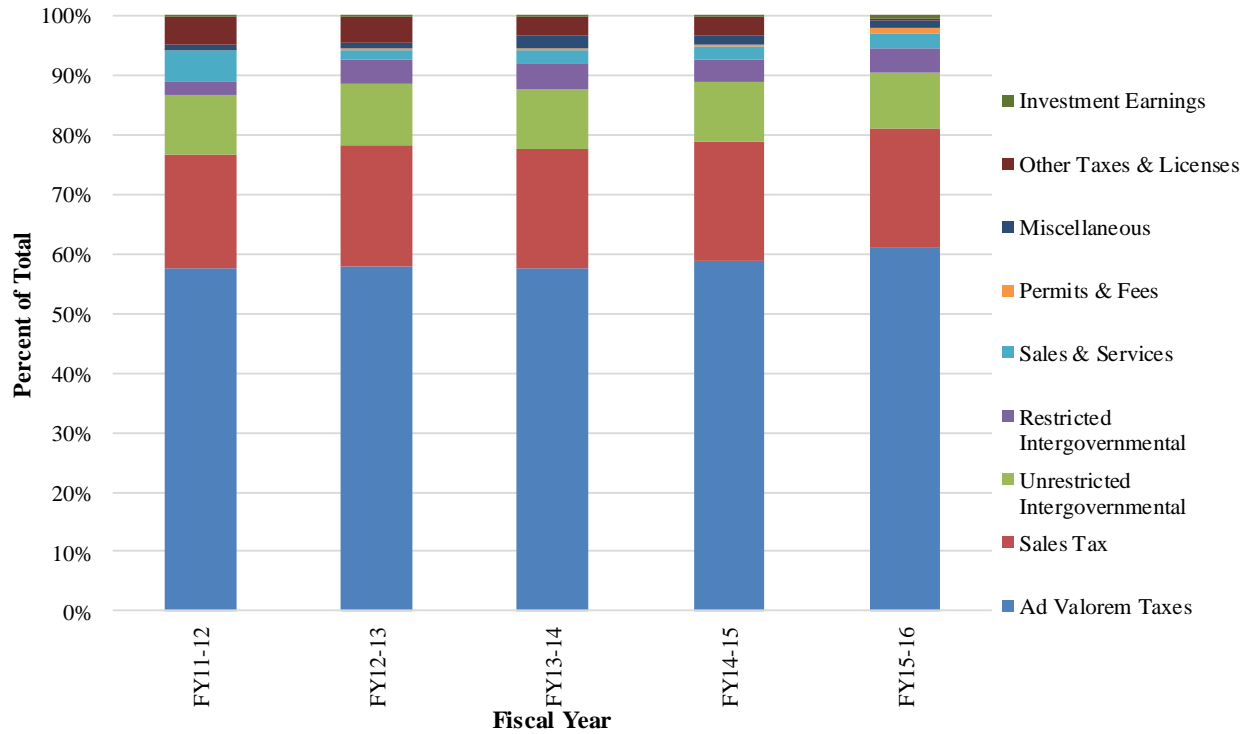
The Consumer Price Index (CPI) provides the effects inflation has on the market overtime. By using this data the City is able to adjust its revenues to actual levels, controlling for inflation. The chart shows that the City of Hendersonville’s effective revenues have not maintained levels equal to that of market inflation.

According to the data, the CPI details a 23% increase in inflation since FY04-05. The City’s total revenues have only increased approximately 16% over that same time period. The difference is approximately 7%. Total revenues need to total approximately \$31,086,547 in FY15-16 to make up for this difference. Inflation can have powerful effects on an organization’s dollar worth if not monitored.

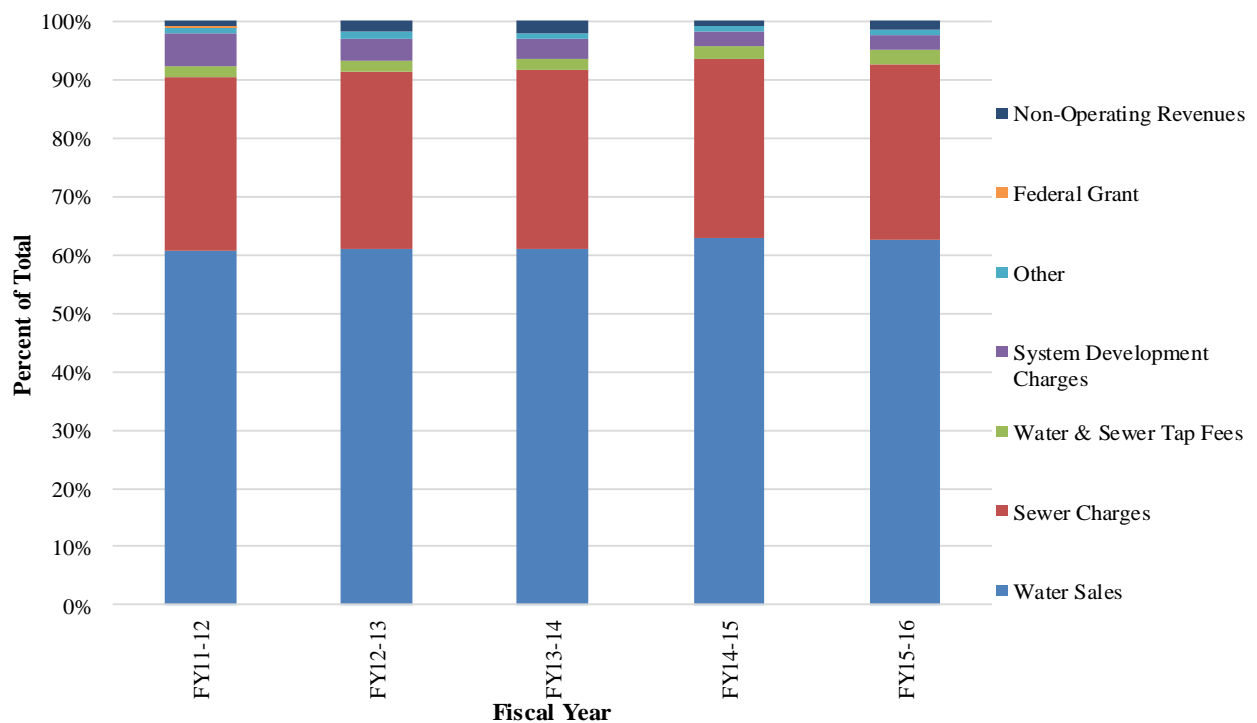


The following charts display the sources of revenue for the General Fund and Water and Sewer Fund:

General Fund Revenues by Source



Water & Sewer Revenues by Source



The charts highlight important contributing sources of revenue for the City of Hendersonville. Ad valorem taxes are the largest contributor to the general fund, at 60.9% of all General Fund revenues. Another main source of revenue for the General Fund is sales and use taxes, making up 20% of all General Fund revenues. The Water and Sewer fund receives 62.5% of its revenues from water sales. Reliance on these main sources has remained steady over the past five years.

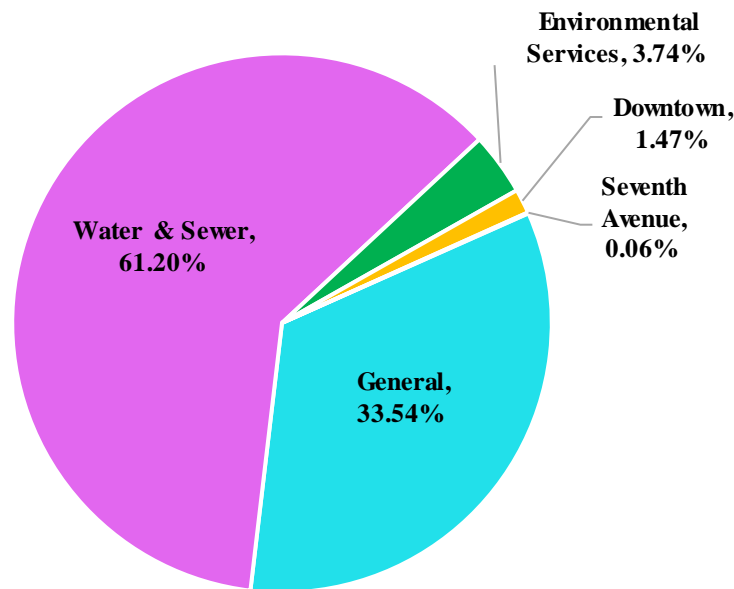


Expenditures

The following table and graph detail the City’s expenditures by fund:

Fund	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
<i>General</i>	\$ 12,882,812	\$ 14,115,082	\$ 13,570,033	\$ (545,049)
<i>Water & Sewer</i>	\$ 13,276,575	\$ 16,463,113	\$ 24,763,376	\$ 8,300,263
<i>Environmental Services</i>	\$ 1,433,701	\$ 1,137,689	\$ 1,511,248	\$ 373,559
<i>Downtown</i>	\$ 481,530	\$ 545,475	\$ 593,145	\$ 47,670
<i>Seventh Avenue</i>	\$ 67,193	\$ 18,460	\$ 23,839	\$ 5,379
TOTAL	\$ 28,141,811	\$ 32,279,819	\$ 40,461,641	\$ 8,181,822

City Expenditures by Fund FY15-16

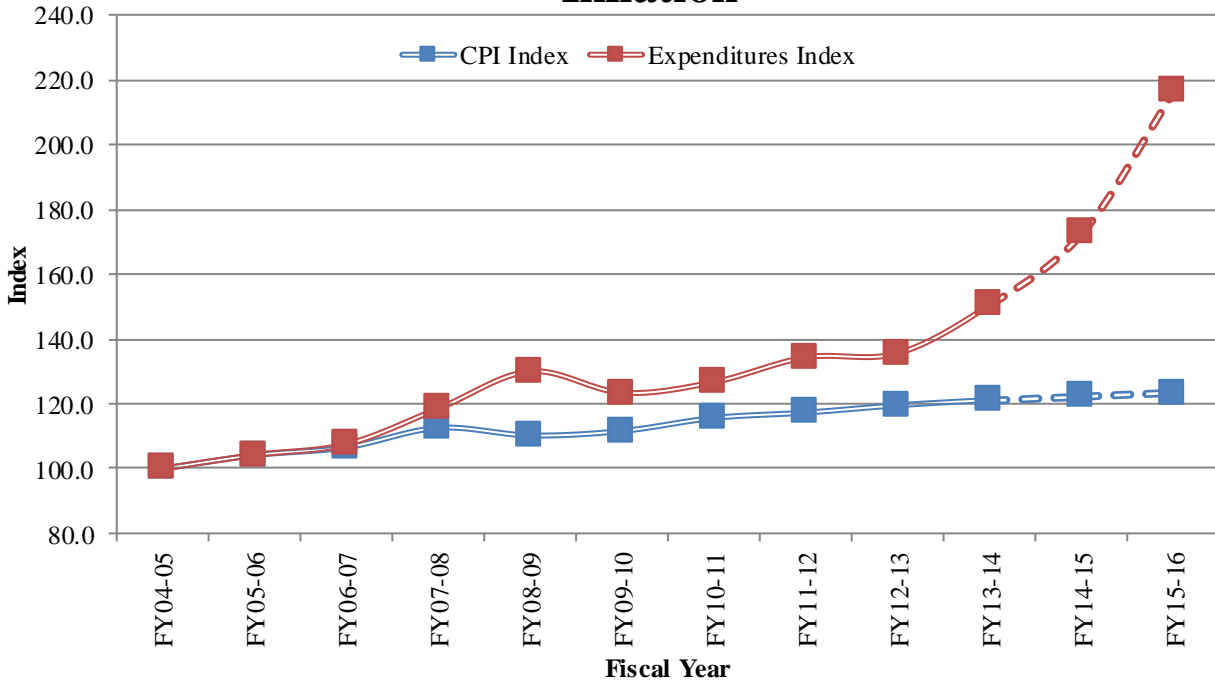


It is estimated that the City of Hendersonville will appropriate its largest portion of expenditures to the Water & Sewer Fund for FY15-16, 61.2% of all expenditures. The next largest fund is the General Fund, appropriating 33.5% of all expenditures.

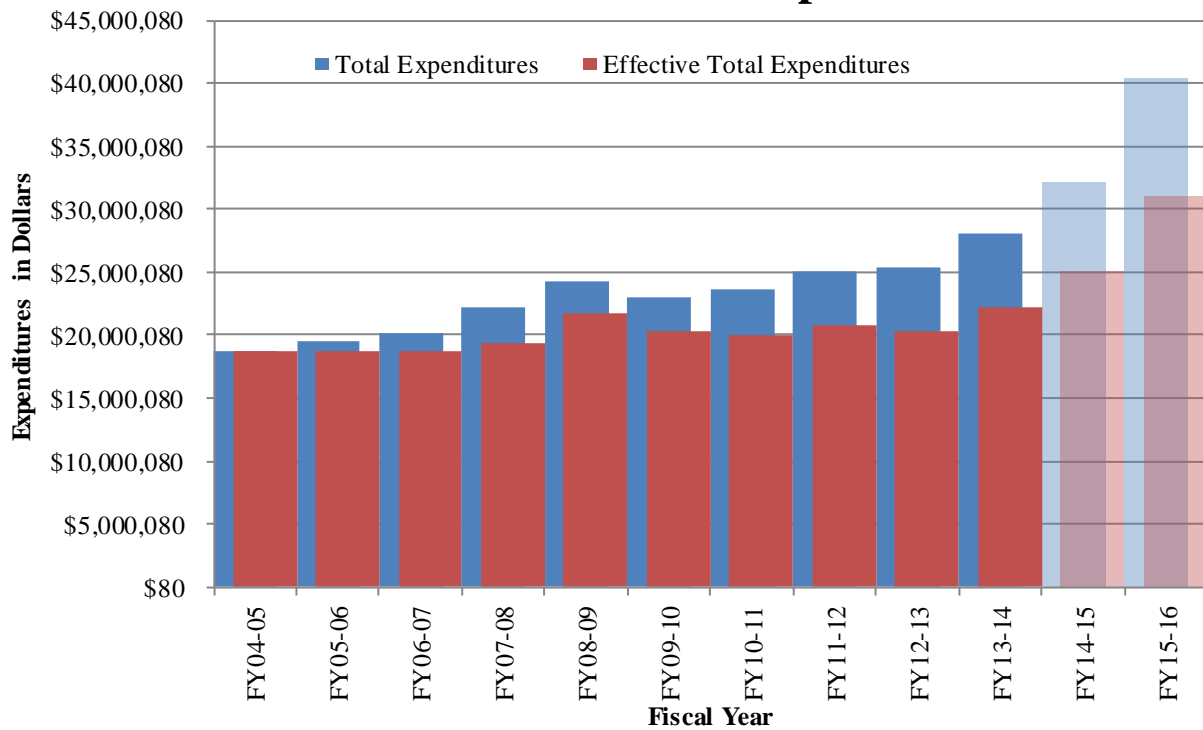


The following chart details the City’s historical total expenditures, adjusted for inflation:

Total Expenditures Index Controlling for Inflation



Effective Rate of Expenditures

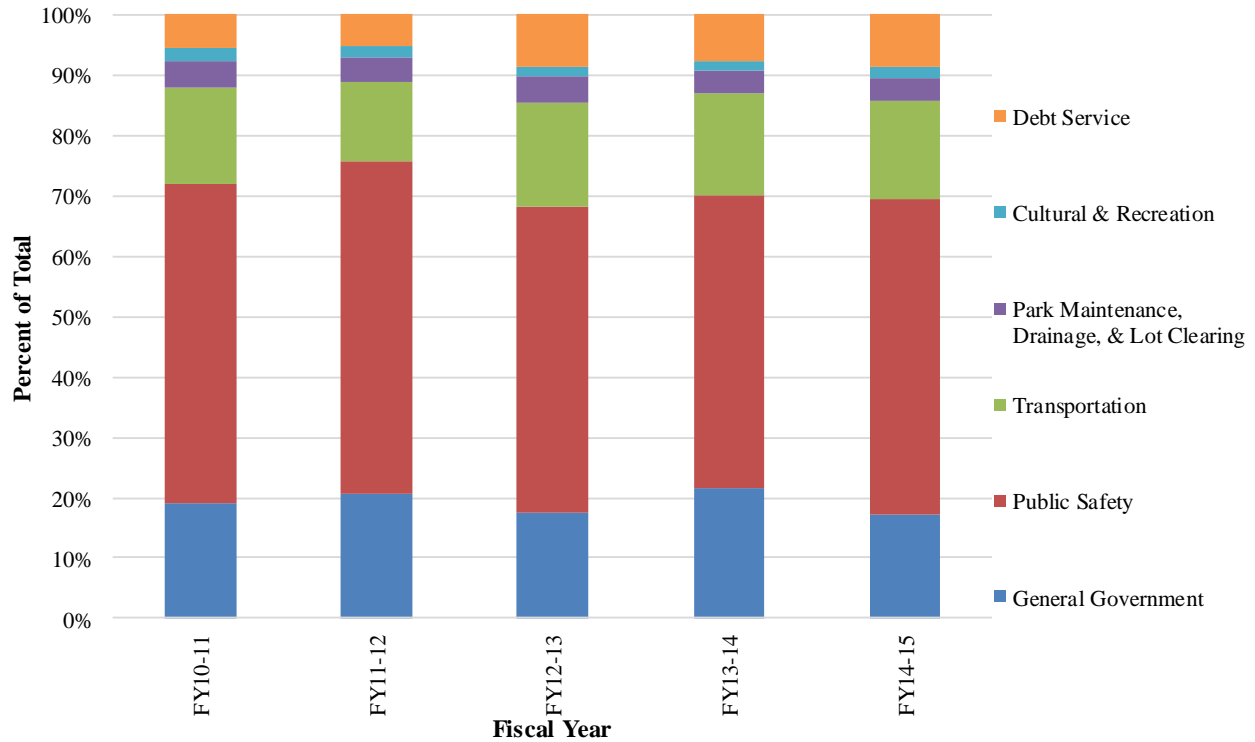


Similar to the “*Revenues*” section, the chart above displays the City’s total expenditures which include a calculation adjusting expenditures for inflation. Again, the Consumer Price Index (CPI) provides the effects inflation has on the market overtime. By adjusting the City’s expenditures accordingly one can see that the City’s spending habits have maintained levels equal to that of market inflation, if not exceeding the rate of inflation.



The following charts display the expenditures by function for the General Fund and reversion rates for the General Fund:

General Fund Expenditures by Function

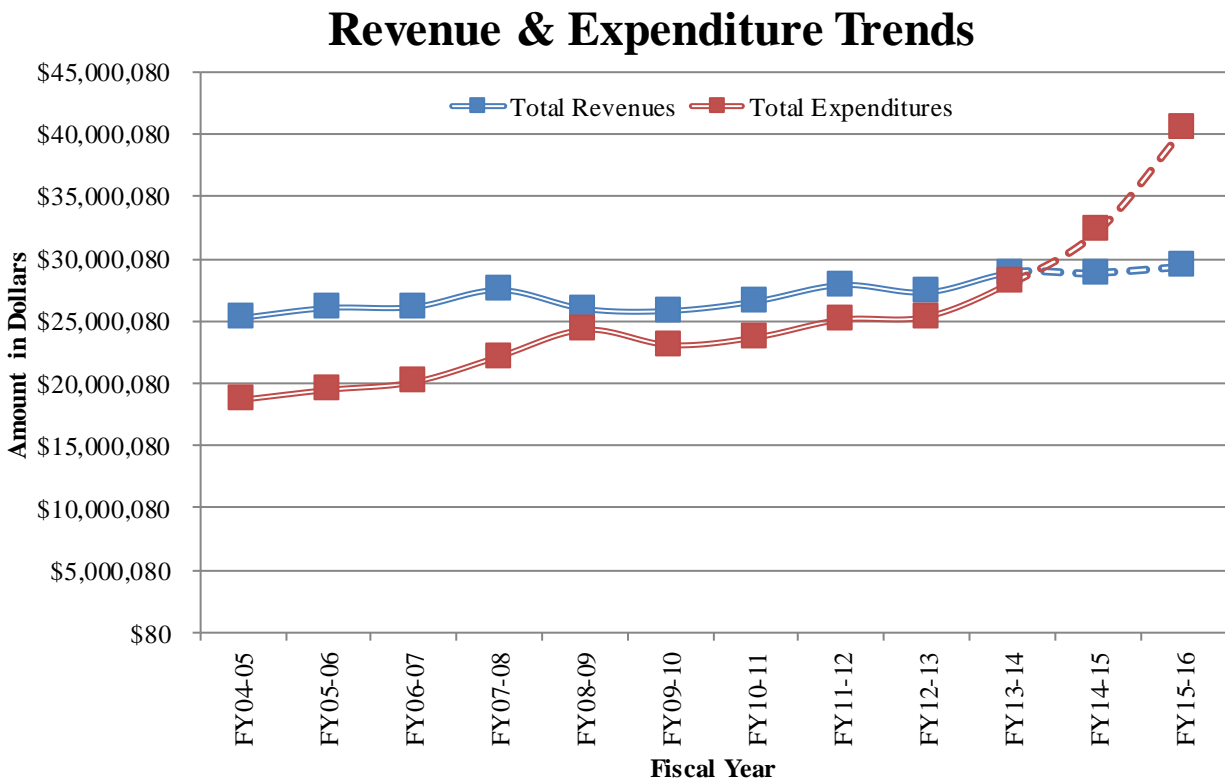


This chart highlights important functions of expenditures for the City of Hendersonville. Public Safety is the largest function for the general fund, at 52.2% of all expenditures.



Trends & Comparisons

The following charts display revenue and expenditure trends for the past 10 fiscal years:

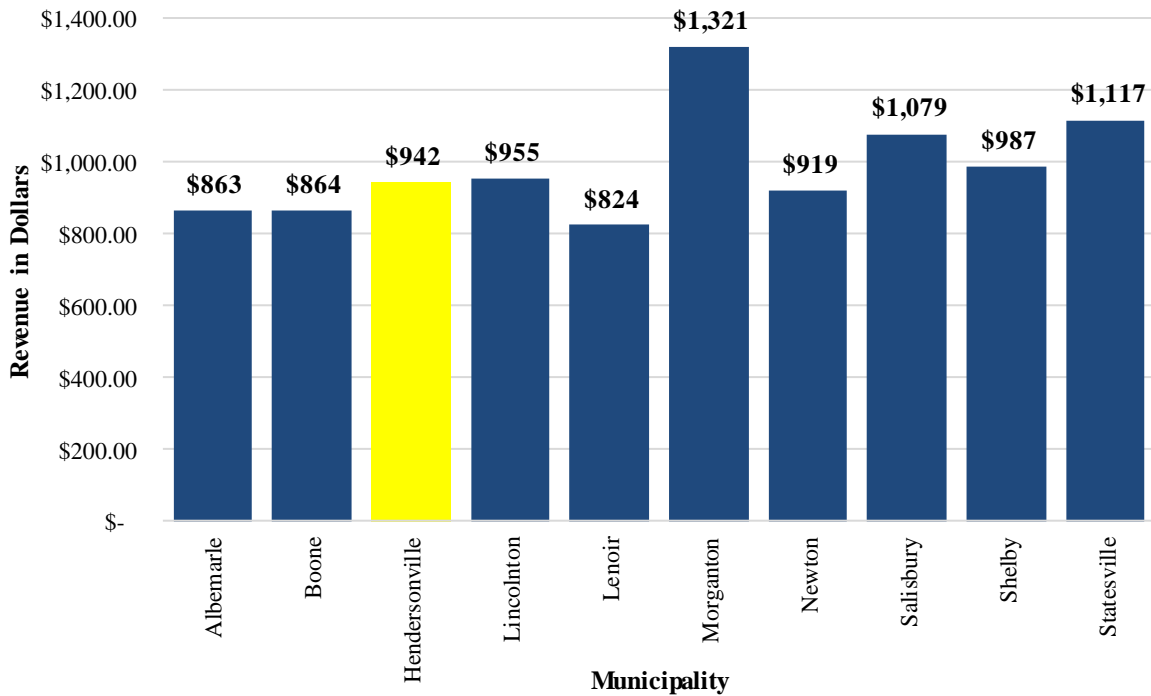


Total revenue and expenditure amounts do not include transfers or fund balance appropriations. Ideally, the City’s revenue and expenditure actuals would equal one another, however this is very unlikely and it is preferable to have greater actual revenues than expenditures. Expenditures are expected to greatly increase, primarily due to the funding of multiple capital project ordinances with cash reserves.

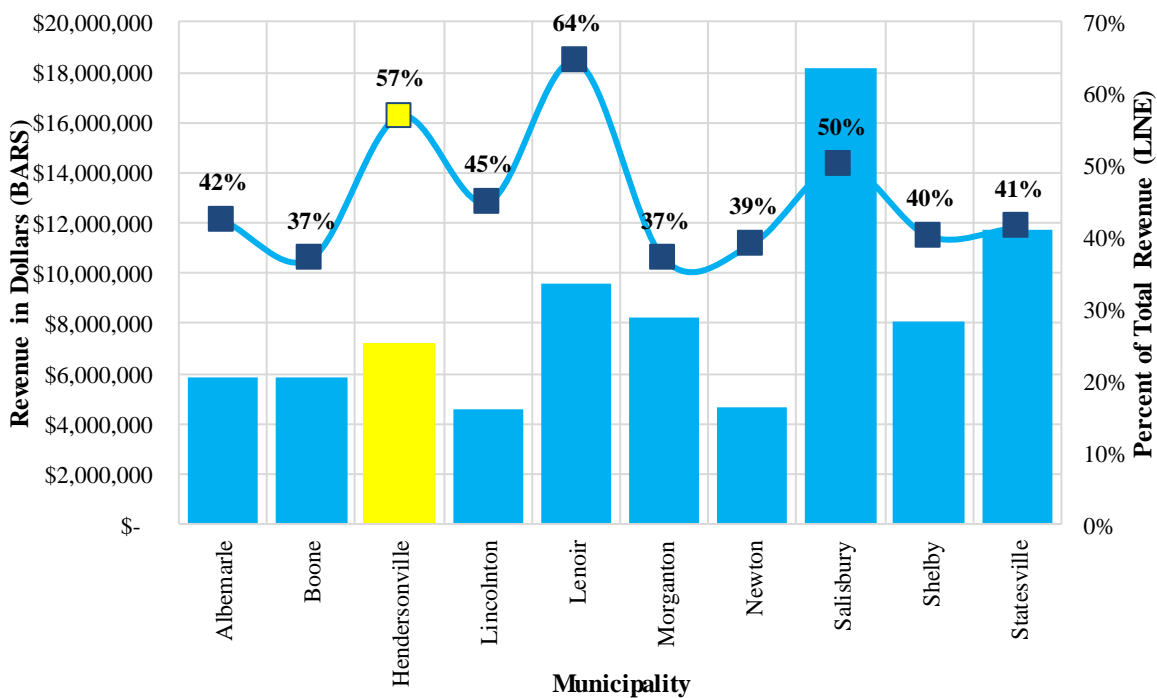


Municipal Comparisons:

General Fund Revenues per Capita FY15-16

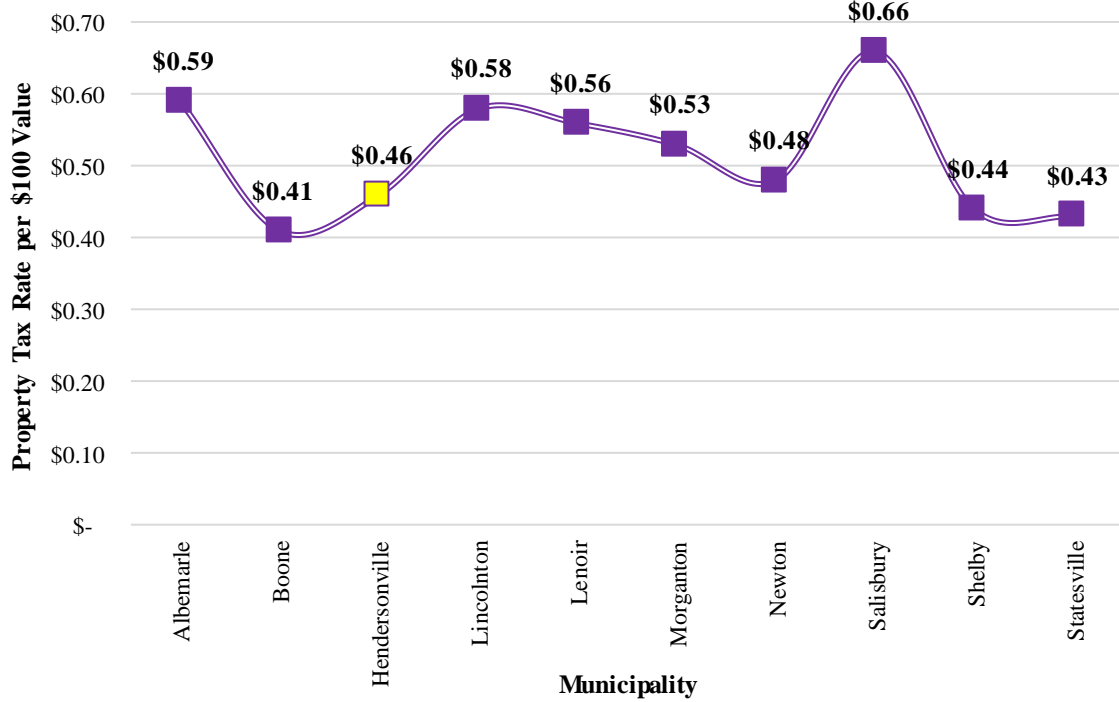


Prop. Tax Revenue as % of Total Revenue

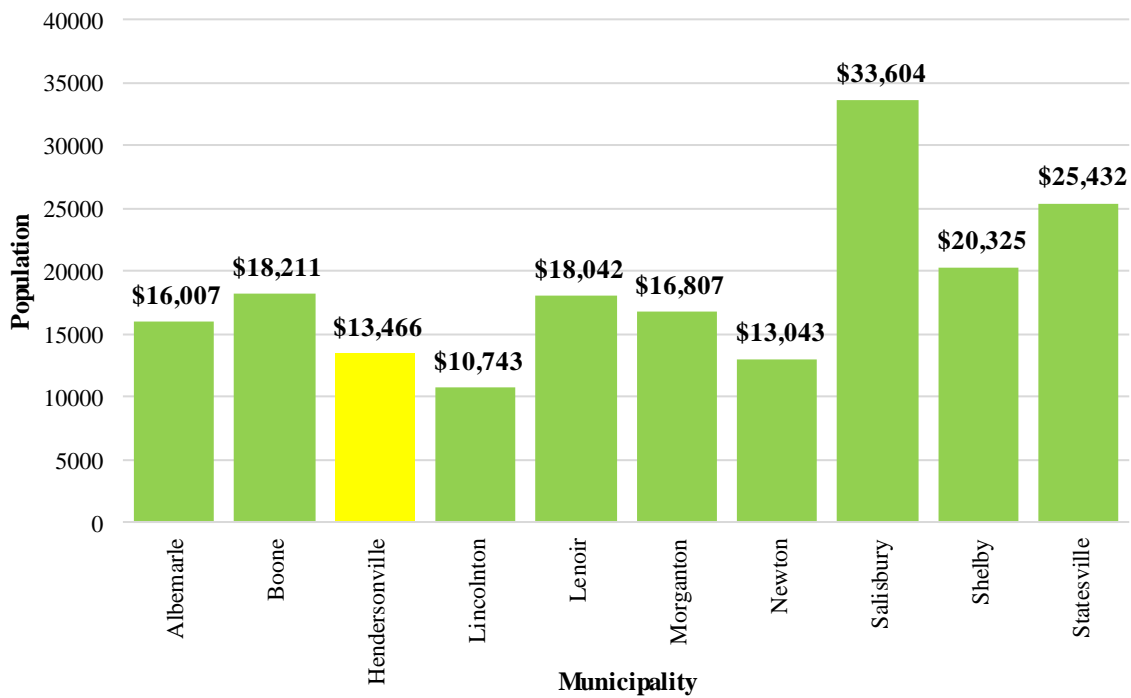


Municipal Comparisons:

Property Tax Rate Comparison FY15-16



Population Comparison FY15-16



Financial Condition

The City of Hendersonville is pursuing sound fiscal practice by engaging financial dimension indicators. These indicators will assist the City in illustrating and understanding its financial condition. The dimensions of financial condition that the City will use are:

- ✓ Service Obligation
- ✓ Dependency
- ✓ Financing Obligation
- ✓ Solvency
- ✓ Leverage

Establishing goals for each indicator will provide the City with a measurable system for performance evaluation. These indicators can also be used in comparing Hendersonville with other similar municipalities. The following dimensions and indicators use general fund data.

The following table summarizes Hendersonville’s multi-year financial condition:

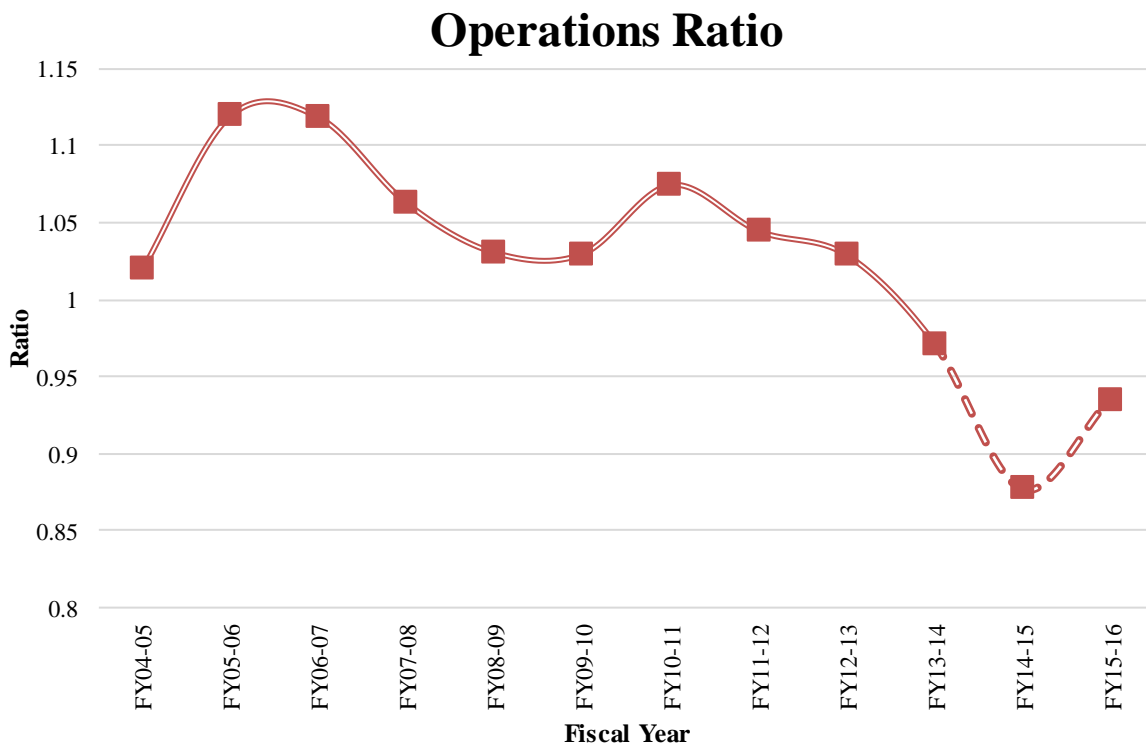
Financial Dimension	Actual FY10-11	Actual FY11-12	Actual FY12-13	Actual FY13-14	Estimate FY14-15	Budget FY15-16
Operations Ratio	1.07	1.04	1.03	0.97	0.88	0.93
Dependency	33.20%	34.21%	34.80%	34.20%	33.51%	33.55%
Financing Obligation	5.57%	5.54%	5.29%	8.53%	7.53%	8.24%
Solvency	65.91%	51.65%	55.65%	50.77%	37.43%	34.36%
Leverage	0.0338%	0.0381%	0.0373%	0.0633%	0.0619%	0.0650%



Service Obligation

Service obligation is a measure of resource flow. A corresponding indicator is the operations ratio, which is calculated by dividing total actual revenues by total actual expenditures within a fund. The ratio indicates whether annual revenues are sufficient to pay for annual operations. A ratio of one (1.0) or higher reflects a balanced budget or possible surplus in funds. To maintain an operations ratio close to one (1.0), the City monitors the economic climate and adjusts its budget accordingly to provide services within its means without using fund balance reserves for operating costs.

The following chart details the City of Hendersonville’s operations ratio or service obligation:



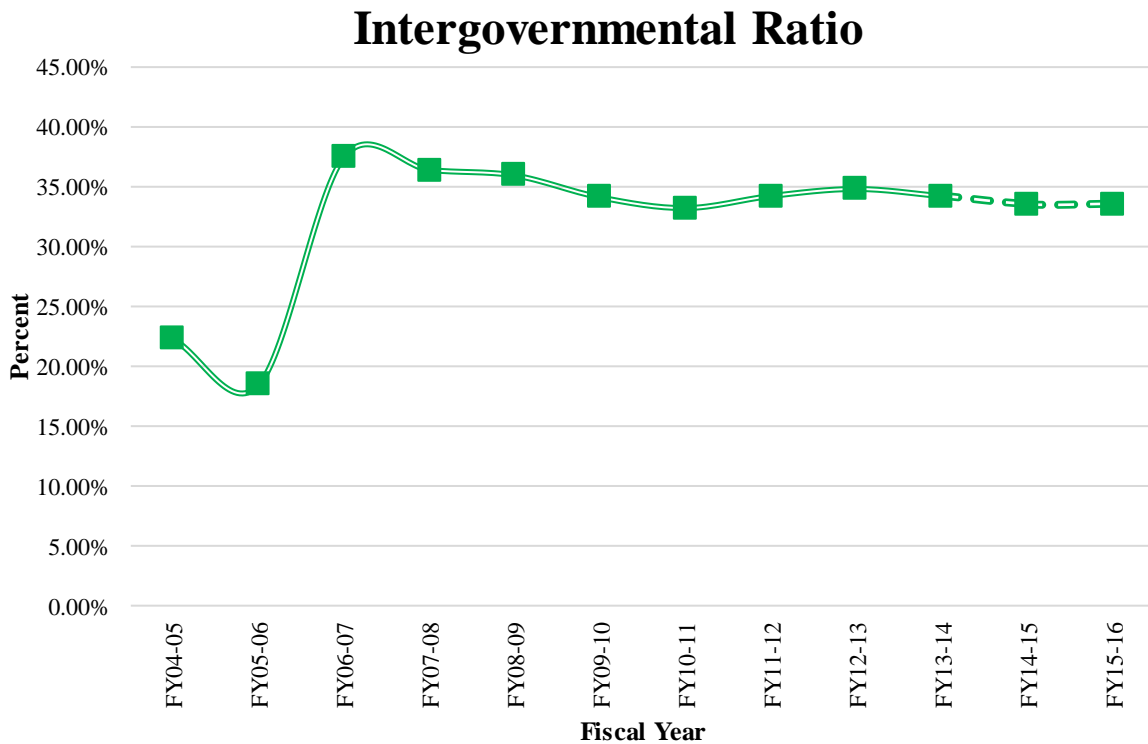
Over the past ten years the City of Hendersonville has utilized sound budget practices. A ratio of above 1.0 represents a surplus in actual revenues for the fiscal year. The City has maintained a ratio above 1.0 up until FY13-14 when expenditures began to exceed revenues. It is estimated that this will continue into the coming years.



Dependency

Dependency is another measure of resource flow. A corresponding indicator is the intergovernmental ratio, which is calculated by dividing actual intergovernmental revenues by total actual revenues within a fund. The ratio indicates the extent to which a government is reliant on other governments for resources. An acceptable ratio is based on policy or a peer benchmark. Too high of a percentage may indicate that a government is too reliant on outside funds that may not always be available. The intergovernmental ratio is subject to wide variation each year due to occasional receipt of large grant funding.

The following chart details the City’s intergovernmental ratio or dependency:



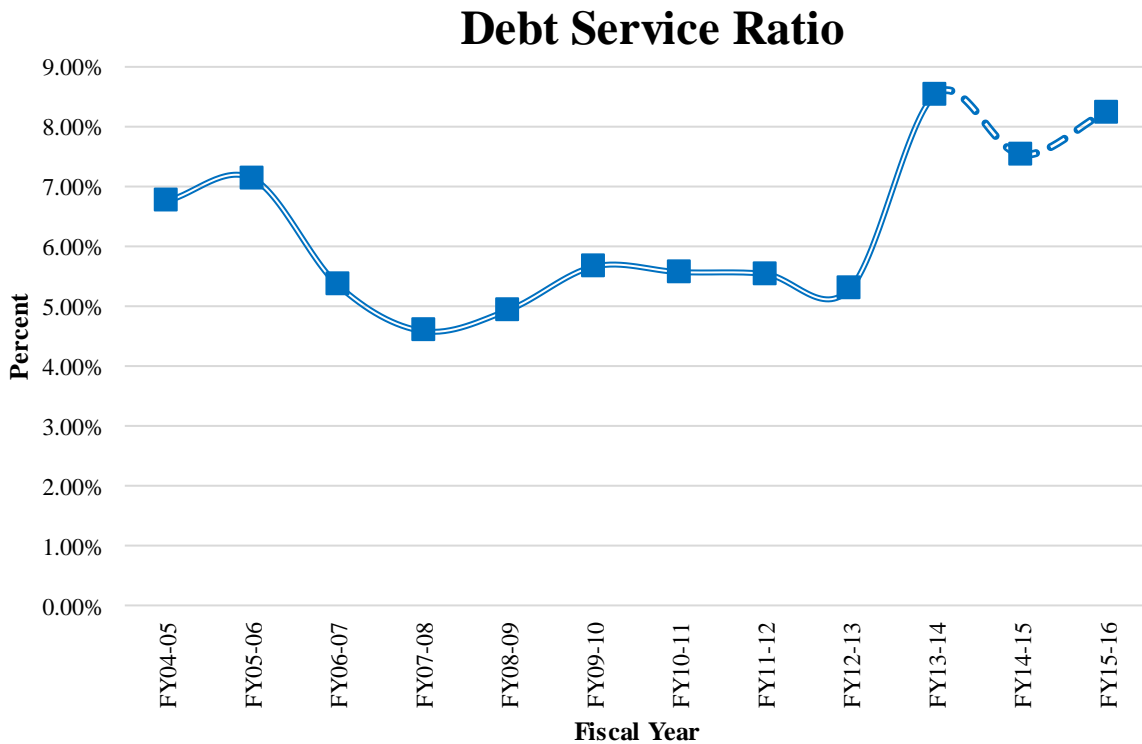
The City of Hendersonville’s intergovernmental ratio has seen increases in the past ten fiscal years. The dependency on intergovernmental revenue spiked in FY06-07 and has remained fairly steady since that fiscal year. It is important for the City to monitor this ratio in order to ensure the City is not relying too heavily on uncontrollable revenues.



Financing Obligation

Financing obligation is also a measure of resource flow. A corresponding indicator is the debt service ratio, which is calculated by dividing actual annual debt service by actual total expenditures within a fund. Too much debt service may indicate excessive debt and fiscal strain. Bond rating agencies consider a net debt service percentage between 15 and 20 percent to be high. A ratio below five percent (5%) indicates capacity for significant new debt. The City will strive to maintain net debt service ratios below fifteen percent (15%).

The following chart details the City’s debt service ratio or financing obligation:



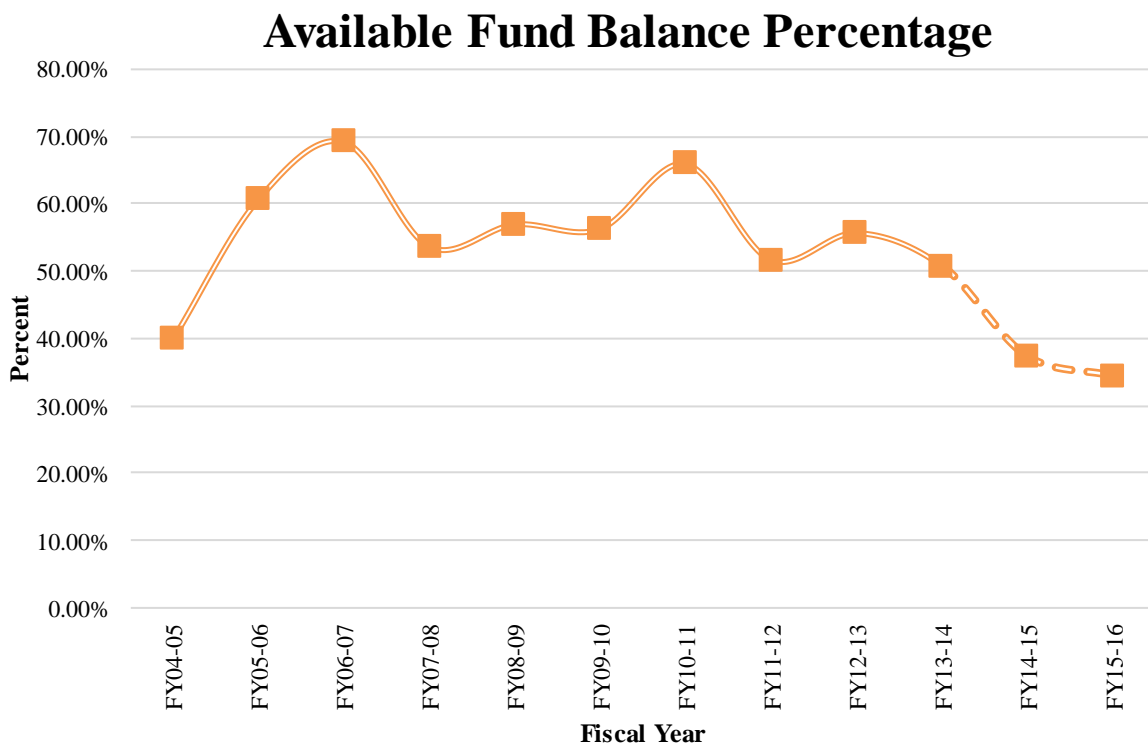
The City has maintained healthy debt service practices in the past ten fiscal years. The chart depicts the debt capacity dipping below the five percent (5%) mark in FY07-08 signifying the capacity for more debt financing. The following years experienced a conservative and manageable increase, close to six percent (6%). Recently, the City has taken on new debt for capital equipment and capital projects. This has increased the City’s debt service ratio substantially and placed a larger burden on the General Fund. The City does not plan to increase this ratio and would like to get back into the 5% to 7% range.



Solvency

Solvency is a measure of resource availability. A corresponding indicator is available fund balance percentage, which is calculated by dividing actual available fund balance by actual total expenditures within a fund. The ratio indicates the government’s ability to meet its obligations. A high ratio suggests a government can meet its long-term obligations. An acceptable ratio is based on policy or a peer benchmark. The NCLM recommends that municipalities maintain at least 50% of their peer benchmark, City of Hendersonville is in the 10,000 to 50,000 population range. The average for the City’s range is approximately 50%, so anything below 25% would signal financial caution with the North Carolina League of Municipalities (NCLM).

The following chart details the City’s percent of available fund balance or solvency:



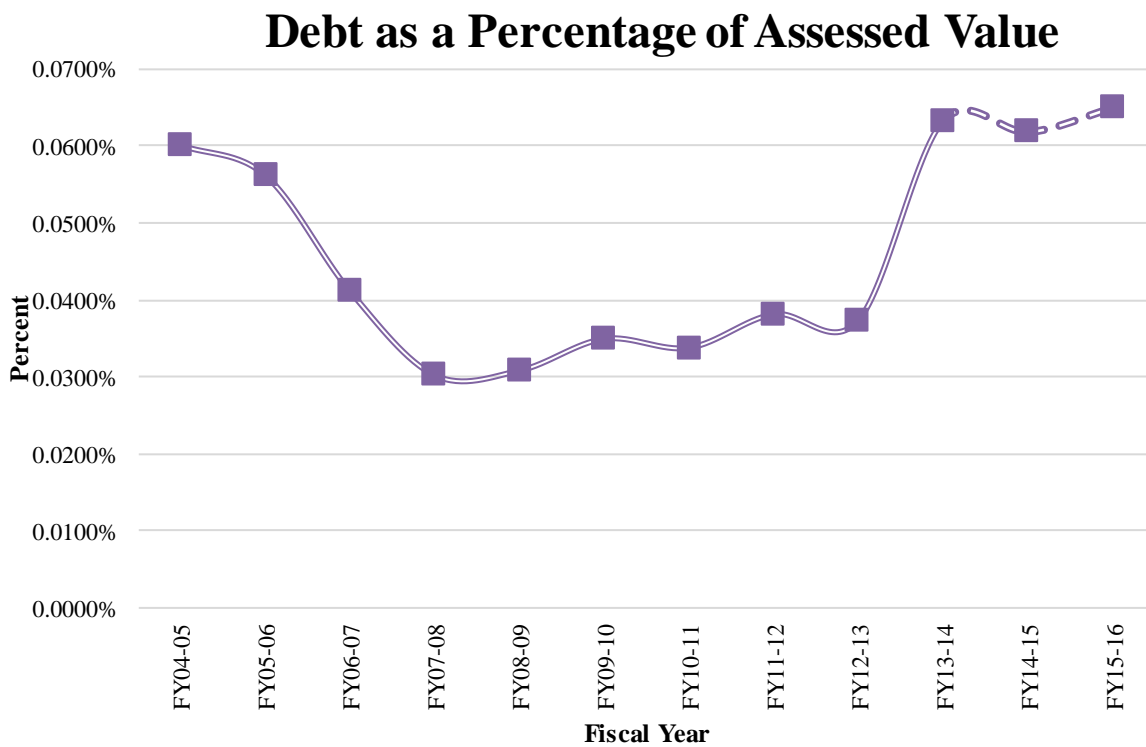
The City has maintained a steady stream of available fund balance (unassigned/unreserved). The City expects this percentage to drop in the coming years. This is due to a revenue shortfall that has been created by increased debt payments, personnel growth, and inflation. Budget estimates expect an unassigned fund balance in anywhere from thirty-seven to forty-five percent for FY14-15 and approximately thirty-four percent for FY15-16. The City is working to combat this decline.



Leverage

Leverage is another measure of resource availability and represents the extent to which a government relies on tax-supported debt. This also is a measure of debt capacity and debt burden. A corresponding indicator is debt as a percentage of assessed valuation, which is calculated by dividing tax-supported debt by the City’s assessed value. A high ration suggests a government relies too heavily on debt. Net debt per assessed valuation is an important indicator because it takes into account the City’s largest revenue source and greatest means for repaying debt. As required by North Carolina State law, net debt per assessed valuation cannot exceed eight percent (8%).

The following chart details the City’s debt as a percentage of assessed value or leverage:



The City of Hendersonville maintained a substantially low level of debt burden or debt as a percentage of assessed valuation until FY13-14. This is when two new debt service notes were taken on by the City, and has had substantial effects on normal City operations.



The table below depicts the City of Hendersonville’s financial condition in comparison to municipal peers:

General Fund Financial Condition Comparison

Dimension	Service Obligation	Dependency	Financing Obligation	Solvency	Leverage
Indicator	Operations Ratio	Intergovernmental Ratio	Debt Service Ratio	Available Fund Balance Percent	Debt as a Percent of Assessed Value
Hendersonville	0.93	33.6%	8.2%	34.4%	0.065%
Peer 1	0.95	15.2%	8.6%	22.5%	0.092%
Peer 2	0.95	38.9%	3.5%	34.4%	0.043%
Peer 3	1.01	16.9%	3.6%	19.8%	0.036%

The table suggests that the City of Hendersonville’s financial practices are performing at an equivalent level or better than comparable municipalities. The City does rely on intergovernmental revenues more than the municipal average, 26.5%. Also, financing obligation remains greater than the municipal average of 5.3%. The City maintains a higher or equal reserve of available fund balance than its comparable municipalities. It also maintains an average debt as a percent of assessed value level.



Fund Balance

Fund balance is the difference between the assets and liabilities in a fund. Fund balance acts as a reserve or “rainy day” fund for unanticipated incidents or opportunities. Revenues and expenditures in the budget are estimates for the current fiscal year. Often, revenues and expenditures do not exactly offset each other at the end of the fiscal year. If revenues exceed expenditures, the result is a surplus of money added to the fund balance. If expenditures exceed revenues, the result is a deficit and money is withdrawn from the fund balance to balance the budget. The North Carolina Local Government Commission (LGC) recommends units of government retain an amount of unreserved fund balance in the General Fund of at least eight percent (8%) of appropriations of the fund.

Purpose of Fund Balance

Fund balance is available to help balance the City’s budget in the event expenditures exceed revenues. A strong fund balance helps the City attain a desired bond rating but also helps in other ways, including:

- ✓ paying for unexpected expenses or to make up for revenue shortfalls,
- ✓ balancing the budget without increasing taxes or rates,
- ✓ responding to emergencies,
- ✓ taking advantage of unexpected opportunities, and
- ✓ paying for capital projects or needs without needing to borrow money.

Issues Concerning Fund Balance

An inadequate fund balance can lead to cash flow problems, disruption of services, or the inability of the City to respond in an emergency. Building a strong fund balance requires a substantial amount of time and often includes increases in taxes and fees and/or significant expenditure cuts. For these reasons fund balance should be managed effectively to ensure it is not regularly used to offset operating deficits. While a strong fund balance provides the City with flexibility and financial security, excessive fund balance also can be an indicator that taxes or fees are too high or that the City may not be spending money adequately to respond to the needs of citizens or the organization.

Amount of Fund Balance

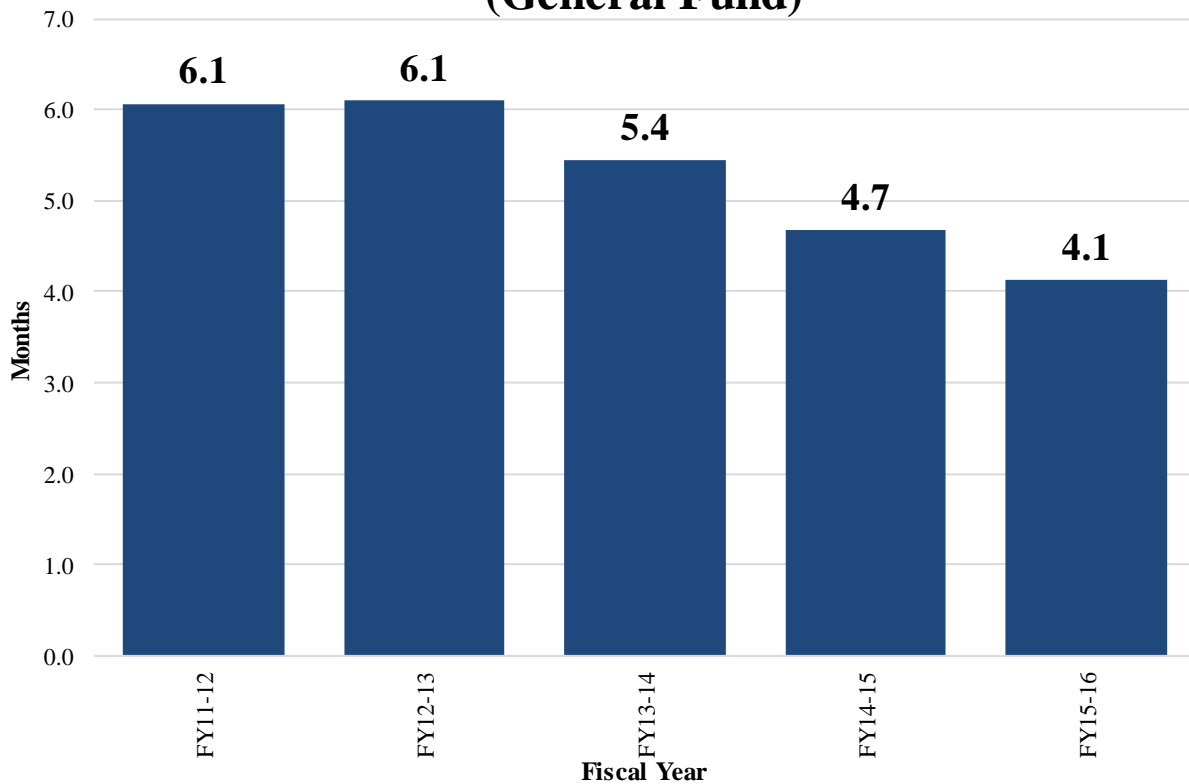
The LGC recommends a minimum fund balance of eight percent (8%) but most local governments carry a higher percentage. Good benchmarks for the appropriate amount of fund balance include ensuring enough revenue to avoid cash flow problems, typically about four to six (4-6) months of operating expenses, and the average fund balance percentage within a peer group. The fund balance for North Carolina municipalities in Hendersonville’s population range, not operating an electric system, is 51.11 percent. This group is designated by the LGC as municipalities with populations ranging from 10,000-49,999.



The following tables and chart detail the unassigned and beginning/ending fund balance for the City’s General Fund:

General Fund					
	ACTUAL FY11-12	ACTUAL FY12-13	ACTUAL FY13-14	ESTIMATE FY14-15	ESTIMATE FY15-16
Unassigned Fund Balance	\$ 5,822,117	\$ 6,410,105	\$ 6,405,948	\$ 5,283,648	\$ 4,662,648
Percent Change	N/A	10.10%	-0.06%	-17.52%	-11.75%
Percent Available	50.5%	50.8%	45.4%	38.9%	34.4%
Months Equivalent	6.1	6.1	5.4	4.7	4.1

Operating Expenses in Month Equivalents (General Fund)



General Fund					
	ACTUAL FY11-12	ACTUAL FY12-13	ACTUAL FY13-14	ESTIMATE FY14-15	ESTIMATE FY15-16
Beginning Fund Balance	\$ 8,368,353	\$ 7,665,360	\$ 8,511,131	\$ 7,459,126	\$ 6,286,826
Ending Fund Balance	\$ 7,665,360	\$ 8,511,131	\$ 7,459,126	\$ 6,286,826	\$ 5,665,826
Percent Change	-8.40%	11.03%	-12.36%	-15.72%	-9.88%

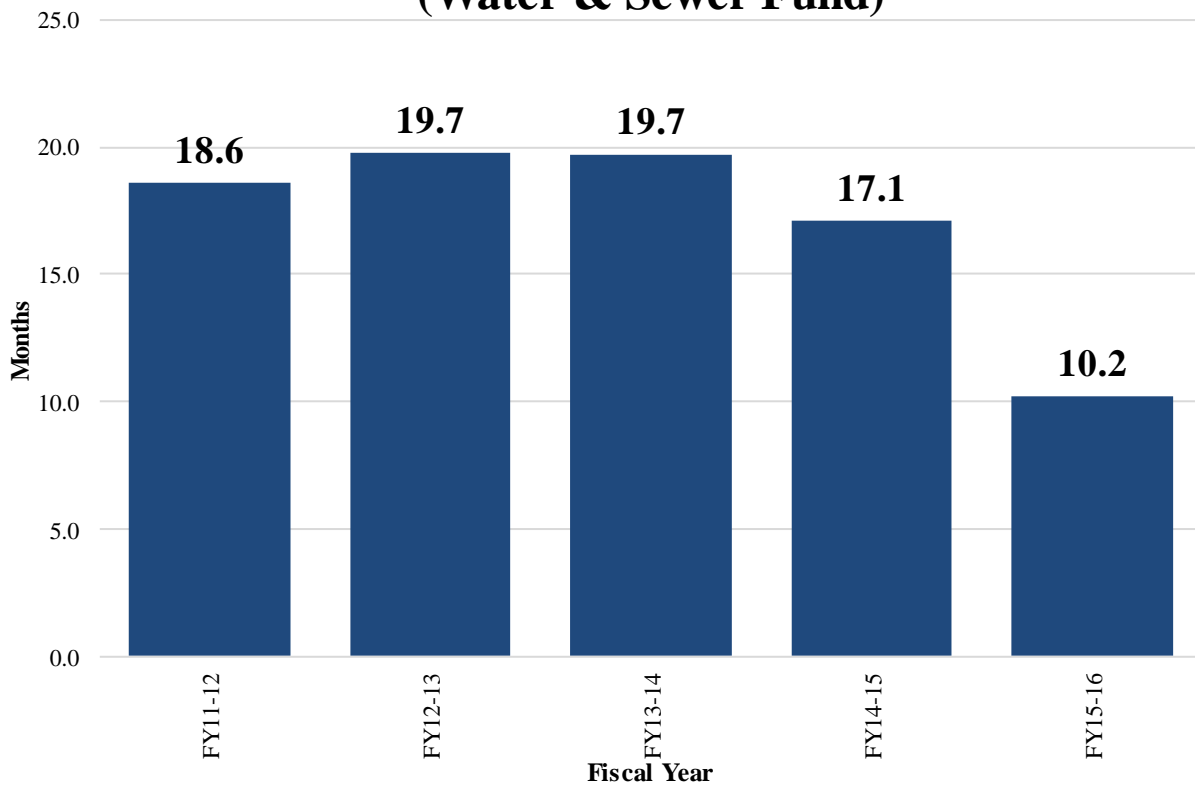


The following tables and chart detail the unassigned and beginning/ending fund balance for the City’s Water and Sewer Fund:

Water & Sewer Fund

	ACTUAL FY11-12	ACTUAL FY12-13	ACTUAL FY13-14	ESTIMATE FY14-15	ESTIMATE FY15-16
Unassigned Fund Balance	\$ 21,813,206	\$ 23,750,689	\$ 23,213,585	\$ 20,241,003	\$ 12,112,006
Percent Change	N/A	8.88%	-2.26%	-12.81%	-40.16%
Percent Available	154.8%	164.5%	164.3%	142.2%	85.1%
Months Equivalent	18.6	19.7	19.7	17.1	10.2

**Operating Expenses in Month Equivalents
(Water & Sewer Fund)**



Water & Sewer Fund

	ACTUAL FY11-12	ACTUAL FY12-13	ACTUAL FY13-14	ESTIMATE FY14-15	ESTIMATE FY15-16
Beginning Fund Balance	\$ 19,112,558	\$ 21,813,206	\$ 23,750,689	\$ 23,241,003	\$ 20,567,855
Ending Fund Balance	\$ 21,813,206	\$ 23,750,689	\$ 23,241,003	\$ 20,567,855	\$ 12,371,861
Percent Change	14.13%	8.88%	-2.15%	-11.50%	-39.85%

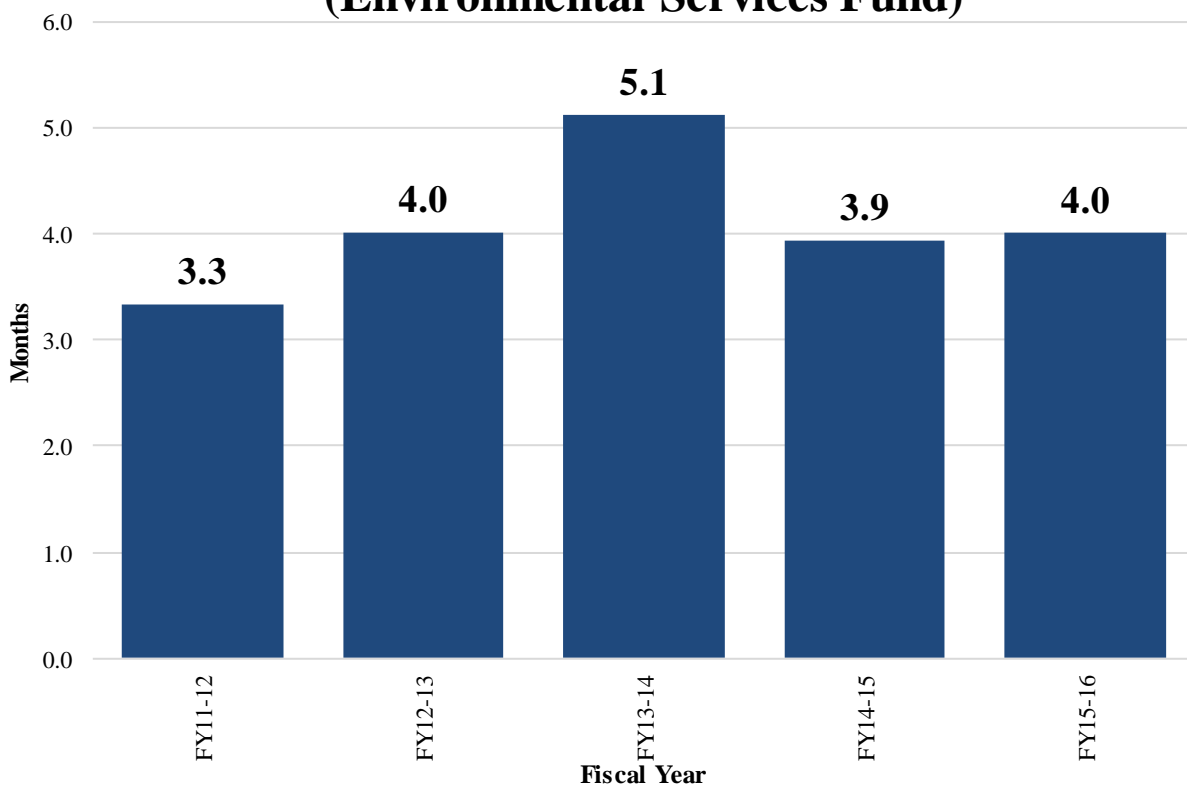


The following tables and chart detail the unassigned beginning/ending fund balance for the City’s Environmental Services Fund:

Environmental Services Fund

	ACTUAL FY11-12	ACTUAL FY12-13	ACTUAL FY13-14	ESTIMATE FY14-15	ESTIMATE FY15-16
Unassigned Fund Balance \$	279,430	\$ 479,128	\$ 484,707	\$ 496,102	\$ 504,122
Percent Change	N/A	71.47%	1.16%	2.35%	1.62%
Percent Available	27.9%	33.4%	42.6%	32.8%	33.4%
Months Equivalent	3.3	4.0	5.1	3.9	4.0

**Operating Expenses in Month Equivalents
(Environmental Services Fund)**



Environmental Services Fund

	ACTUAL FY11-12	ACTUAL FY12-13	ACTUAL FY13-14	ESTIMATE FY14-15	ESTIMATE FY15-16
Beginning Fund Balance \$	525,959	\$ 279,430	\$ 479,128	\$ 484,707	\$ 496,102
Ending Fund Balance \$	279,430	\$ 479,128	\$ 484,707	\$ 496,102	\$ 504,122
Percent Change	-46.87%	71.47%	1.16%	2.35%	1.62%

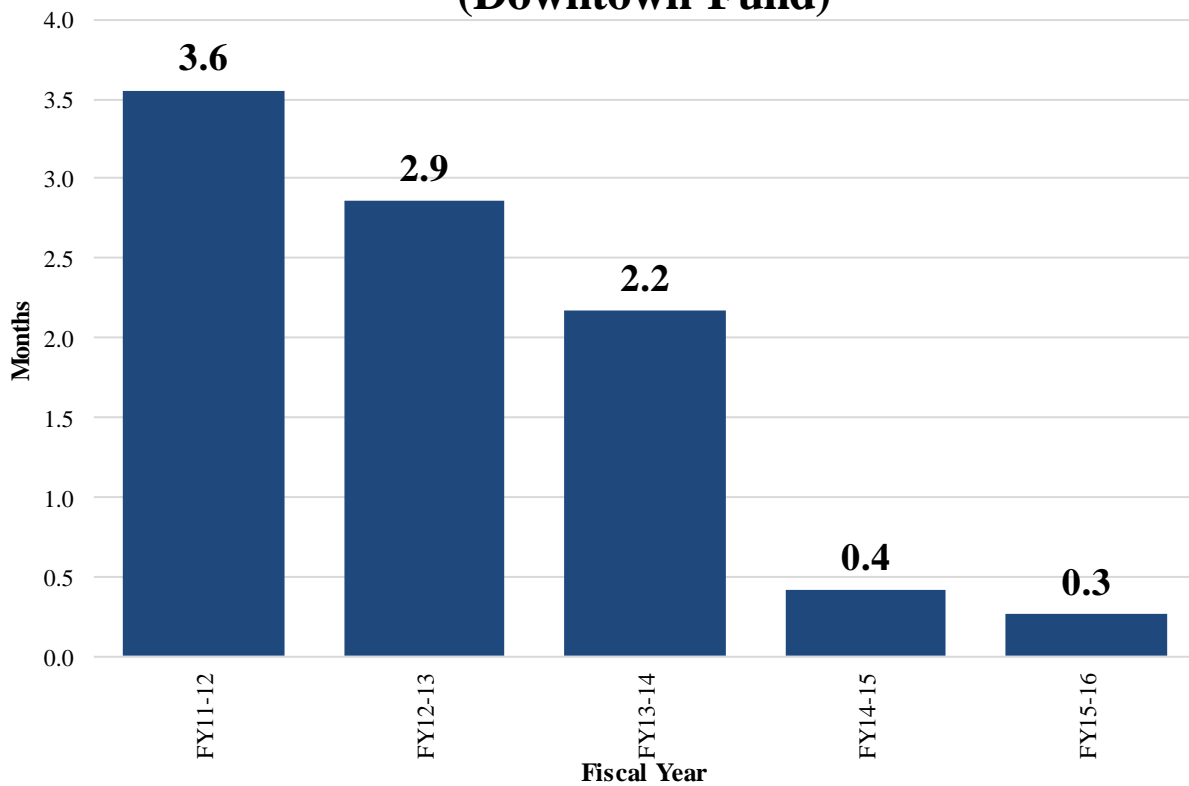


The following tables and chart detail the unassigned and beginning/ending fund balance for the City’s Downtown Tax District Fund:

Downtown Fund

	ACTUAL FY11-12	ACTUAL FY12-13	ACTUAL FY13-14	ESTIMATE FY14-15	ESTIMATE FY15-16
Unassigned Fund Balance	\$ 106,460	\$ 111,637	\$ 98,725	\$ 20,725	\$ 13,194
Percent Change	N/A	4.86%	-11.57%	-79.01%	-36.34%
Percent Available	29.6%	23.8%	18.1%	3.5%	2.2%
Months Equivalent	3.6	2.9	2.2	0.4	0.3

**Operating Expenses in Month Equivalents
(Downtown Fund)**



Downtown Fund

	ACTUAL FY11-12	ACTUAL FY12-13	ACTUAL FY13-14	ESTIMATE FY14-15	ESTIMATE FY15-16
Beginning Fund Balance	\$ 101,124	\$ 106,460	\$ 111,637	\$ 98,725	\$ 20,725
Ending Fund Balance	\$ 106,460	\$ 111,637	\$ 98,725	\$ 20,725	\$ 13,194
Percent Change	5.28%	4.86%	-11.57%	-79.01%	-36.34%

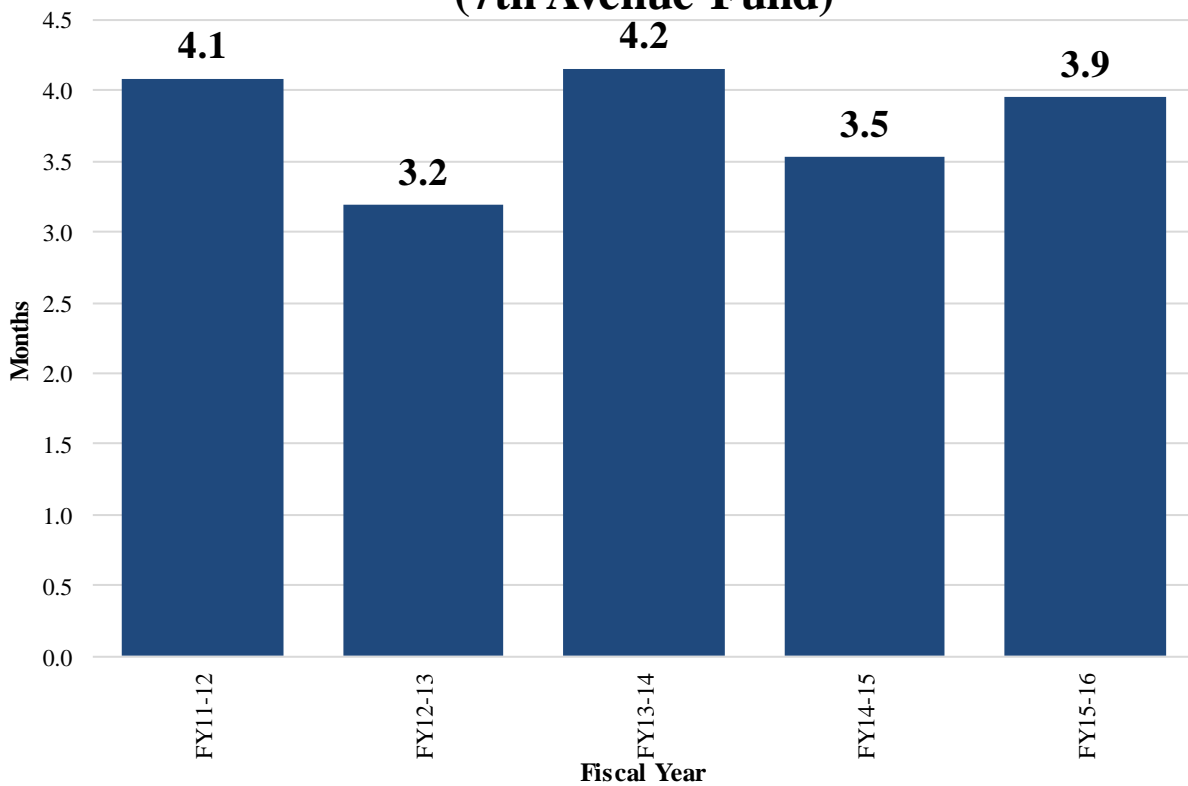


The following tables and chart detail the unassigned and beginning/ending fund balance for the City’s Historic 7th Avenue Tax District Fund:

7th Avenue Fund

	ACTUAL FY11-12	ACTUAL FY12-13	ACTUAL FY13-14	ESTIMATE FY14-15	ESTIMATE FY15-16
Unassigned Fund Balance \$	18,382	\$ 17,860	\$ 6,391	\$ 7,002	\$ 7,842
Percent Change	N/A	-2.84%	-64.22%	9.56%	12.00%
Percent Available	34.0%	26.6%	34.6%	29.4%	32.9%
Months Equivalent	4.1	3.2	4.2	3.5	3.9

**Operating Expenses in Month Equivalents
(7th Avenue Fund)**



7th Avenue Fund

	ACTUAL FY11-12	ACTUAL FY12-13	ACTUAL FY13-14	ESTIMATE FY14-15	ESTIMATE FY15-16
Beginning Fund Balance \$	15,740	\$ 18,382	\$ 17,860	\$ 6,390	\$ 7,002
Ending Fund Balance \$	18,382	\$ 17,860	\$ 6,390	\$ 7,002	\$ 7,842
Percent Change	16.79%	-2.84%	-64.22%	9.58%	12.00%



Fund Balance Highlights

The City's General Fund has experienced heavy fund balance reliance since the recession (FY07-08), however this reliance has not had any substantial effects until recently. The available fund balance is expected to fall to approximately 35% in the coming fiscal year. These decreases are in part caused by increased debt service, increased personnel costs, and inflation. This is still healthy however, if fund balance continues to be a source of revenue for normal operations, then the available level will continue to drop to undesirable levels. The City is attempting to address this in small and spread out increases in revenue.

The fund balance for the Water and Sewer Fund recently reached extremely high levels and in an effort to utilize these cash reserves the City has appropriated that funding into nine capital project funds. These capital projects will improve and reinvest in the City's system. This causes the severe drop in fund balance seen in FY14-15 and FY15-16. The Fund still maintains a healthy fund balance, of approximately \$12 million.

The Environmental Services Fund has built up a healthy fund balance in recent years. This is primarily due to rate increases that provided financial sustainability to the Fund's normal operations. The City plans on shifting some of these funds to a capital reserve that will be used to complete large stormwater projects and purchase equipment for sanitation services.

It is expected that the City's Downtown Fund will utilize a large portion of its fund balance by year end FY14-15. This is due to the purchase of a parking kiosk and the hiring of a professional services firm to perform a way-finding study. The result is a substantially lower fund balance of approximately \$13,000. The City will aim to revert funds back into the Downtown Fund's fund balance in the coming years.

The 7th Avenue Fund has never had much capacity to build large cash reserves because of the small size of the Fund. The Fund has recently expanded its MSD boundaries and is expected to revert some of this additional revenue to fund balance. This fund balance will be used to purchase capital outlay in future years.



Debt Obligation

The City may choose to take on debt through financing to pay for major projects or large equipment. Issuing debt to pay for major projects and equipment allows the City to reduce its immediate burden to pay for large capital projects. This allows the cost to spread out over time and shares the financing burden among the taxpayers who receive the most benefit from the project. North Carolina General Statute 159-55 limits local government debt to a maximum of eight percent (8%) of the unit's taxable assessed valuation, which is \$136,071,842 ($1,700,898,037 \times 0.08$) for Hendersonville as of FY13-14.

Types of Debt Financing

The following is a common list of financing options used by local governments in North Carolina to issue debt.

General Obligation Bonds

General Obligation (GO) bonds require voter approval because the debt is secured by the taxing power of the local government. When a local government issues GO bonds they promise to pay back the loan by using all revenue available at its disposal, including its ability to raise taxes. GO bonds in North Carolina require approval of the North Carolina Local Government Commission (LGC). GO bonds typically have the lowest interest rates and twenty-year terms.

Revenue Bonds

Revenue bonds are secured and repaid from specific revenues and can only be used to finance revenue-producing projects. Revenues earned from these projects are used to repay the bond. These revenues are most often the net earnings from enterprise or self-supporting utilities. Revenue bonds are commonly used to finance water and sewer capital improvements. The LGC requires an independent, nationally recognized consulting firm to conduct a feasibility study and that revenues from the project be 20 percent greater than total debt service costs and operating expenses of the projects.

Installment Purchase Agreements

Installment purchase (IP) (or lease-purchase) financing can be either short-term or long-term. IP agreements allow local governments to borrow money at a lower rate than conventional loans because lenders do not have to pay taxes on the interest portion of the payments it receives. This type of financing is typically used for items such as equipment and vehicles. For large IP agreements, the LGC must approve the debt.

Certificates of Participation

Certificates of Participation (COPs) operate similar to revenue bonds and typically have higher interest rates than GO bonds because the debt is secured by funds resulting from projects being financed and cannot be secured by the "full faith and credit" of the government. The local government uses revenue to pay off debt on a capital project. However, unlike revenue bonds, local governments can use the revenue from the entire unit to pay off the debt and are not limited



to using revenue only produced by the financed project. COPs are typically financed for ten- to twenty-year terms. This type of financing should be considered for revenue-generating projects.

Tax Increment Financing Bonds

Tax Increment Financing (TIF) bonds are high risk for investors because the debt is secured on anticipated increases in property value. A TIF project begins by designating an area as a TIF district and determining a base property value. The base valuation is set for a specific number of years, during which time public and private investments should improve the property. The increase in value over the base valuation is the increment. Local governments continue to accrue taxes levied on the base valuation for normal operations. Additional taxes levied on the increment are for the repayment of debt service or other qualifying needs associated with the TIF. At the end of the specified time, all debt associated with the TIF is amortized and all tax revenues can be used at the discretion of the local government. A successful TIF project is dependent upon an increase in property value of the designated district. The inherent risk in TIF is the assumption that property values will increase enough to repay the associated debt. TIF bonds can be financed up to thirty years.

Bond Anticipation Notes

In some cases the City will authorize a bond issue, but not wish to borrow the full sum at one time. Bond anticipation notes are short-term notes, typically maturing in a year's time, that are primarily secured by the proceeds of the eventual bond issue itself. The City must receive the approval of the LGC before the notes are issued, and the LGC will sell the notes on the government's behalf.

Clean Water State Revolving Fund (CWSRF)

The 1987 amendments to the Federal Clean Water Act replaced the Construction Grants program with the Clean Water State Revolving Fund Program (CWSRF). Under the CWSRF, Congress provides the states with grant funds to establish revolving loan programs to assist in the funding of wastewater treatment facilities and projects associated with estuary and nonpoint source programs. The states are required to provide 20% matching funds. In North Carolina, these funds are made available to units of local government at one-half (1/2) of the market rate for a period of up to twenty (20) years. The actual term of the loan is determined by the State Treasurer's Office.

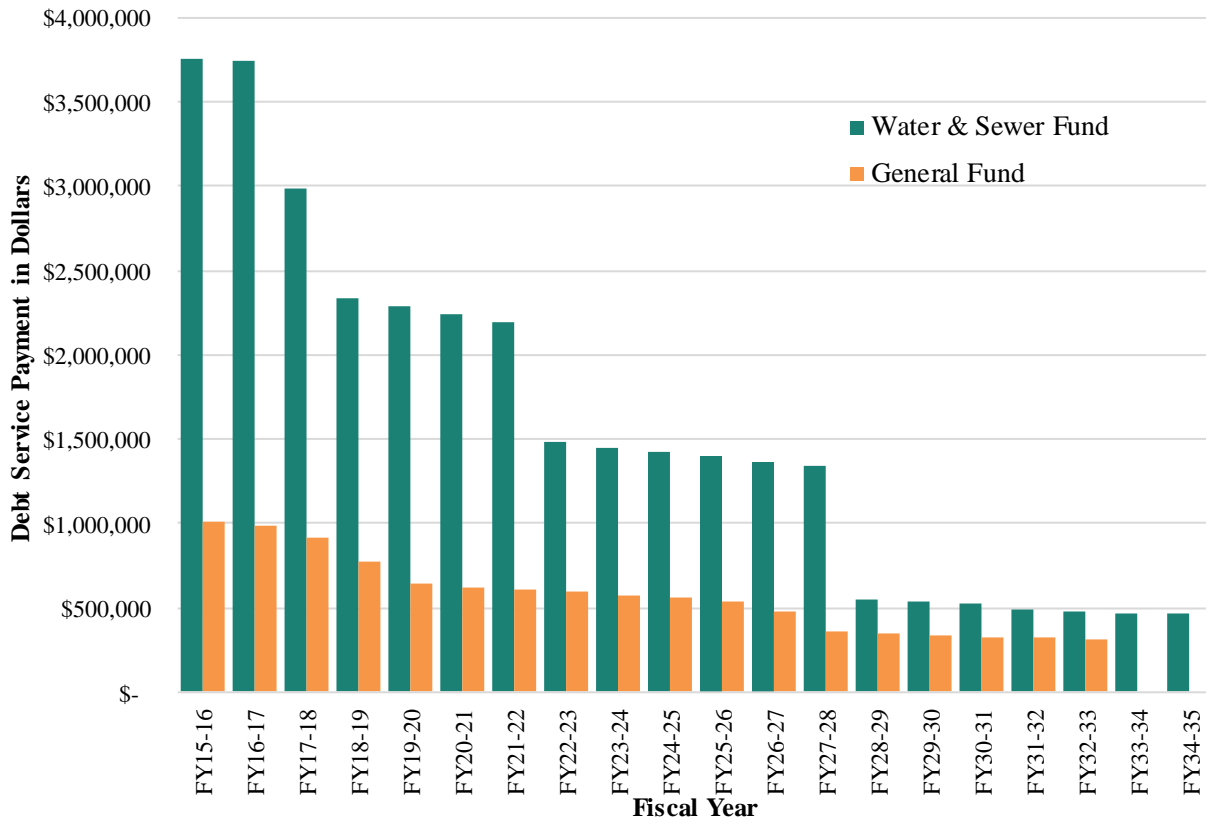
Hendersonville's Debt Obligation

As of June 30, 2015, the City of Hendersonville's total notes payable was \$35,370,393. Approximately \$8.1 million was in the General Fund and \$27.3 million in the Water and Sewer Fund. The majority of the City's debt is financed through general obligation bonds, state revolving loan funds, and individual bank loans. FY15-16 includes a transfer from the General Capital Reserve Fund of \$264,960 to pay for the principal and interest due on the 1995 City Hall Renovation project. The City is taking on new debt in FY15-16, for a waste disposal vehicle in the Environmental Services Fund and parking kiosks in the Downtown Fund.



The following chart and table detail Hendersonville’s debt obligation:

Debt Service Schedule



Project	Finance Type	Outstanding Principal	Interest	End Date	FY15-16 Payment
General Fund					
1998 Sidewalk Bond	General Obligation	\$ 270,000	5.00%	FY17-18	\$ 165,350
City Hall Reno	Bank Loan	\$ 816,650	4.10%	FY18-19	\$ 103,500
2008 Sidewalk Bond	General Obligation	\$ 1,600,000	4.30%	FY26-27	\$ 264,960
Main St., Fire Station/Engine	Bank Loan	\$ 5,400,000	4.10%	FY32-33	\$ 485,843
Capital Equipment	Bank Loan	\$ 242,500	4.10%	FY17-18	\$ 99,138
Water & Sewer Fund					
WTP Reno	Bank Loan	\$ 2,872,874	4.75%	FY17-18	\$ 1,217,240
Sewer Lines	SRLF	\$ 201,760	3.43%	FY16-17	\$ 107,800
WWTP Project	SRLF	\$ 4,637,500	2.91%	FY21-22	\$ 797,451
Bright Water Project	SRLF	\$ 457,424	2.91%	FY29-30	\$ 39,933
AMR Project	Bank Loan	\$ 10,090,990	3.58%	FY27-28	\$ 1,005,051
Jackson Park Sewer	SRLF	\$ 4,340,600	2.00%	FY34-35	\$ 283,863
Wolfpen	SRLF	\$ 2,867,595	2.00%	FY34-35	\$ 187,219
Shepherd/Atkinson	SRLF	\$ 1,815,000	2.00%	FY34-35	\$ 122,475



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Revenues

Governments levy taxes on any of the three tax bases: income, consumption, or wealth (or property), producing revenues to pay for the cost of providing services. Striking a balance between different revenue sources has become a skill that takes and deserves much more time and analysis in order to keep communities solvent, vibrant, and competitive.

Revenues by Source

The following tables and chart detail the General Fund revenues by source:

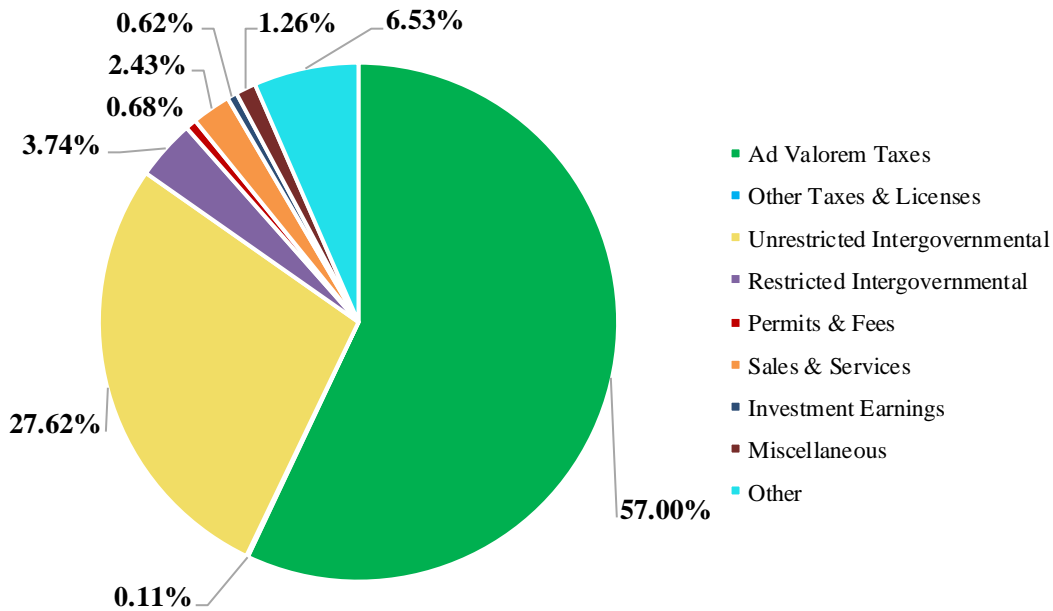
SOURCE	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes	\$ (7,071,487)	\$ (7,274,753)	\$ (7,735,557)	\$ (460,804)
Other Taxes & Licenses	\$ (402,294)	\$ (399,591)	\$ (14,980)	\$ 384,611
Unrestricted Intergovernmental	\$ (3,659,037)	\$ (3,680,668)	\$ (3,748,563)	\$ (67,895)
Restricted Intergovernmental	\$ (532,173)	\$ (455,477)	\$ (507,119)	\$ (51,642)
Permits & Fees	\$ (48,088)	\$ (42,812)	\$ (92,937)	\$ (50,125)
Sales & Services	\$ (283,889)	\$ (277,985)	\$ (329,450)	\$ (51,465)
Investment Earnings	\$ (15,083)	\$ (27,542)	\$ (83,620)	\$ (56,078)
Miscellaneous	\$ (244,496)	\$ (219,515)	\$ (171,450)	\$ 48,065
Other	N/A	\$ (1,736,738)	\$ (886,357)	\$ 850,381
Total	\$ 12,256,547	\$ (14,115,081)	\$ (13,570,033)	\$ 545,048

Ad valorem taxes are paid on real and personal property located within the Hendersonville city limits. Taxes for real and personal property are levied based upon the preceding January 1st valuations of the property and the tax rate established by the City Council. Henderson County reevaluates real and personal property every four years, the last one occurring in 2011. The City of Hendersonville collects its own taxes, with an average collection rate of 97.42% over the past ten fiscal years. Ad valorem taxes typically comprise approximately one-third of all General Fund revenues with an estimated \$7,735,557 in FY15-16 at a tax rate of \$0.46 per \$100 valuation.

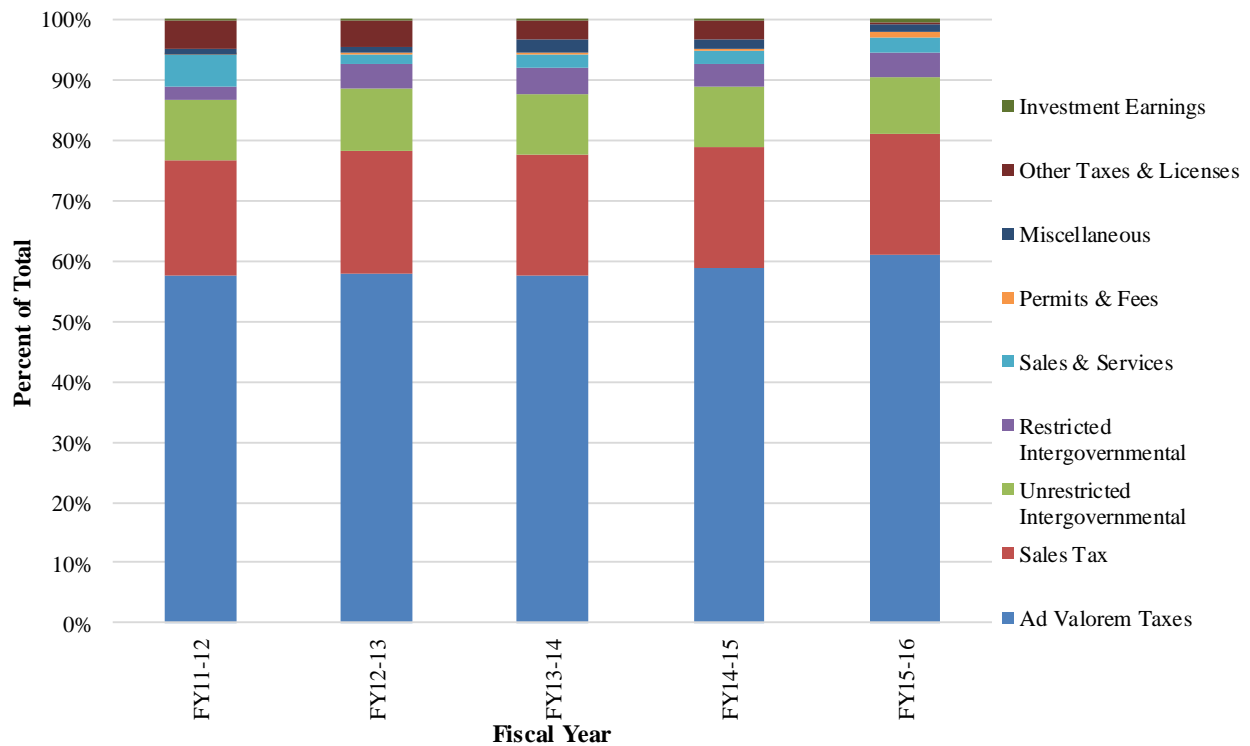


The following charts detail General Fund revenues by source:

General Fund Revenues by Source FY15-16



General Fund Revenues by Source



Revenues by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes						
100010	410000	TAX REFUNDS	\$ -	\$ 5,000.00	\$ -	\$ (5,000.00)
100010	411300	TAX LATE LIST >10 YEARS OLD	\$ (7,075.29)	\$ (6,000.00)	\$ (3,285.00)	\$ 2,715.00
100010	411400	TAX - INTEREST	\$ (37,297.85)	\$ (24,000.00)	\$ (24,000.00)	\$ -
100010	420101	AD VAL TAX - MTR VEHS	\$ (576,917.56)	\$ (391,100.00)	\$ (425,000.00)	\$ (33,900.00)
100010	420300	2003 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
100010	420400	2004 AD VAL TAX - R/P	\$ (13.78)	\$ -	\$ -	\$ -
100010	420500	2005 AD VAL TAX - R/P	\$ (23.22)	\$ -	\$ -	\$ -
100010	420600	2006 AD VAL TAX - R/P	\$ (56.85)	\$ (150.00)	\$ (50.00)	\$ 100.00
100010	420700	2007 AD VAL TAX - R/P	\$ (100.70)	\$ (500.00)	\$ (150.00)	\$ 350.00
100010	420800	2008 AD VAL TAX - R/P	\$ (399.56)	\$ (500.00)	\$ (500.00)	\$ -
100010	420900	2009 AD VAL TAX - R/P	\$ (610.42)	\$ (500.00)	\$ (500.00)	\$ -
100010	421000	2010 AD VAL TAX - R/P	\$ (8,648.24)	\$ (1,000.00)	\$ (1,500.00)	\$ (500.00)
100010	421100	2011 AD VAL TAX - R/P	\$ (28,995.11)	\$ (5,000.00)	\$ (2,500.00)	\$ 2,500.00
100010	421200	2012 AS VAL TAX - R/P	\$ (83,199.11)	\$ (10,000.00)	\$ (5,000.00)	\$ 5,000.00
100010	421300	2013 AD VAL TAX - R/P	\$ (6,328,102.27)	\$ (82,000.00)	\$ (10,000.00)	\$ 72,000.00
100010	421400	2014 AD VAL TAX R/P	\$ -	\$ (6,743,000.00)	\$ (50,000.00)	\$ 6,693,000.00
100010	421500	2015 AD VAL TAX R/P	\$ -	\$ -	\$ (7,213,072.00)	\$ (7,213,072.00)
<i>Sub-Total</i>			\$ (7,071,439.96)	\$ (7,258,750.00)	\$ (7,735,557.00)	\$ (476,807.00)
Other Taxes & Licenses						
100020	422000	RENTAL VEHICLE TAX	\$ (13,386.22)	\$ (12,000.00)	\$ (12,800.00)	\$ (800.00)
100020	426100	BEER & WINE LICENSES	\$ (2,535.00)	\$ (2,180.00)	\$ (2,180.00)	\$ -
100020	426300	PRIV LICS - GROSS RECPTS	\$ (386,373.45)	\$ (385,400.00)	\$ -	\$ 385,400.00
<i>Sub-Total</i>			\$ (402,294.67)	\$ (399,580.00)	\$ (14,980.00)	\$ 384,600.00
Unrestricted Intergovernmental						
100030	423000	LOCAL SALES & USE TAX	\$ (2,441,255.37)	\$ (2,476,000.00)	\$ (2,537,900.00)	\$ (61,900.00)
100030	425000	ABC REVENUES	\$ (82,500.00)	\$ (75,000.00)	\$ (75,000.00)	\$ -
100030	432500	COURT FEES - POLICE	\$ (6,952.24)	\$ (5,800.00)	\$ (5,800.00)	\$ -
100030	432600	POLICE 911 SECONDARY SHARE	\$ -	\$ (13,400.00)	\$ (13,000.00)	\$ 400.00
100030	433100	PAY IN LIEU OF TX-HHA	\$ (13,303.09)	\$ (13,303.49)	\$ (13,300.00)	\$ 3.49
100030	433200	BEER & WINE EXCISE TX	\$ (58,151.95)	\$ (57,165.00)	\$ (58,880.00)	\$ (1,715.00)
100030	433400	UTILITY FRANCHISE TAX	\$ (651,063.48)	\$ (625,000.00)	\$ (640,625.00)	\$ (15,625.00)
100030	433500	TELCOM SALES TAX	\$ (289,965.00)	\$ (295,000.00)	\$ (286,408.00)	\$ 8,592.00
100030	433600	VIDEO PROGRAM FEES	\$ (115,847.15)	\$ (120,000.00)	\$ (117,650.00)	\$ 2,350.00
<i>Sub-Total</i>			\$ (3,659,038.28)	\$ (3,680,668.49)	\$ (3,748,563.00)	\$ (67,894.51)
Restricted Intergovernmental						
100040	425100	ABC LAW ENFORCEMENT	\$ (40,000.00)	\$ (40,000.00)	\$ (40,000.00)	\$ -
100040	431050	DEA BULLET PROOF VEST REVENUE	\$ (4,260.00)	\$ (3,841.00)	\$ (3,000.00)	\$ 841.00
100040	443500	SRO REIMBURSEMENT	\$ (37,838.00)	\$ (37,839.00)	\$ (37,839.00)	\$ -
100040	447000	POWELL BILL REVENUE	\$ (381,650.22)	\$ (385,079.94)	\$ (306,280.00)	\$ 78,799.94
100040	447100	DOT REIMBURSEMENTS	\$ -	\$ -	\$ (120,000.00)	\$ (120,000.00)
<i>Sub-Total</i>			\$ (463,748.22)	\$ (466,759.94)	\$ (507,119.00)	\$ (40,359.06)

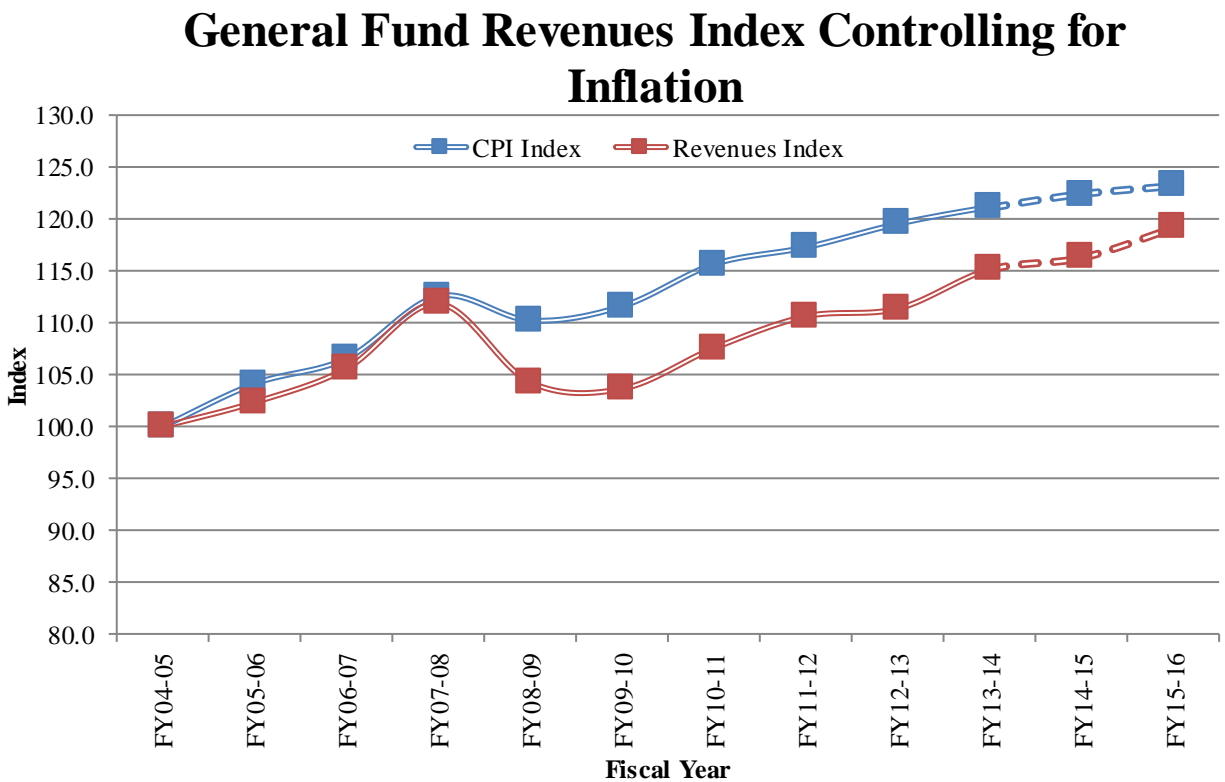
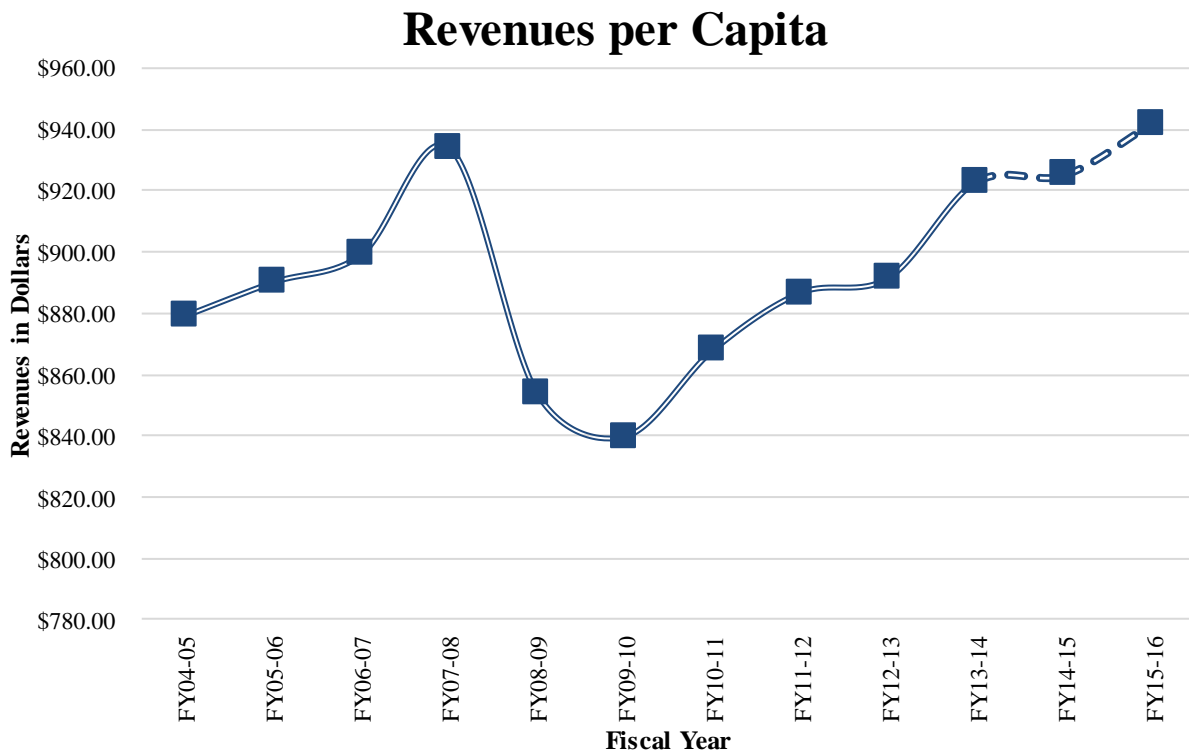


Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Permits & Fees						
100050	426200	VENDOR PERMITS	\$ (15,125.00)	\$ (16,390.00)	\$ (15,045.00)	\$ 1,345.00
100050	426400	BUSINESS REGISTRY	\$ -	\$ -	\$ (50,000.00)	\$ (50,000.00)
100050	434200	FIRE PERMITS	\$ -	\$ (1,000.00)	\$ (600.00)	\$ 400.00
100050	434300	ZONING PERMITS	\$ (14,050.00)	\$ (8,500.00)	\$ (13,500.00)	\$ (5,000.00)
100050	434400	RESALE ITEMS	\$ (7.18)	\$ (42.40)	\$ (42.00)	\$ 0.40
100050	434500	ZONING CITATIONS	\$ -	\$ (50.00)	\$ (50.00)	\$ -
100050	434600	SPEC PROJ FEES - PLAN	\$ (16,542.00)	\$ (12,000.00)	\$ (12,500.00)	\$ (500.00)
100050	434700	COND USE FEES - ZONE	\$ (1,515.00)	\$ (700.00)	\$ (700.00)	\$ -
100050	434780	STREET SIDEWLK ENCROACHMENT	\$ (160.00)	\$ (500.00)	\$ (500.00)	\$ -
<i>Sub-Total</i>			\$ (47,399.18)	\$ (39,182.40)	\$ (92,937.00)	\$ (53,754.60)
Sales & Services						
100060	461000	MONTHLY PKING REVENUE	\$ (36,654.97)	\$ (41,455.00)	\$ (41,500.00)	\$ (45.00)
100060	461100	PARKING METER REVENUE	\$ (61,900.00)	\$ (61,900.00)	\$ (105,000.00)	\$ (43,100.00)
100060	461200	BOYD PK GOLF REVENUE	\$ (17,531.50)	\$ (18,000.00)	\$ (18,000.00)	\$ -
100060	461300	BOYD PK CONCESSIONS	\$ (1,061.60)	\$ (1,500.00)	\$ (1,500.00)	\$ -
100060	461400	FACILITY RENT INCOME	\$ (39,980.00)	\$ (30,980.00)	\$ (40,000.00)	\$ (9,020.00)
100060	461500	CEMETERY LOT REVENUE	\$ (16,000.00)	\$ (13,200.00)	\$ (13,500.00)	\$ (300.00)
100060	461600	ALARM FEES	\$ (1,250.00)	\$ (1,950.00)	\$ (1,950.00)	\$ -
100060	461700	PATTON PARK POOL	\$ (82,346.98)	\$ (84,000.00)	\$ (84,000.00)	\$ -
100060	461800	PAT POOL CONCESSIONS	\$ (27,163.68)	\$ (25,000.00)	\$ (24,000.00)	\$ 1,000.00
<i>Sub-Total</i>			\$ (283,888.73)	\$ (277,985.00)	\$ (329,450.00)	\$ (51,465.00)
Investment Earnings						
100070	483100	INTEREST INCOME	\$ (15,062.01)	\$ (27,522.41)	\$ (83,600.00)	\$ (56,077.59)
100070	483111	INT INCOME-POWEL BILL	\$ (21.06)	\$ (20.00)	\$ (20.00)	\$ -
<i>Sub-Total</i>			\$ (15,083.07)	\$ (27,542.41)	\$ (83,620.00)	\$ (56,077.59)
Miscellaneous Income						
100080	404310	MISC REVENUE - POLICE	\$ (610.00)	\$ (2,200.00)	\$ (3,500.00)	\$ (1,300.00)
100080	404500	MISC REVENUE- PUBLIC WORKS	\$ (14,518.81)	\$ (2,000.00)	\$ (2,000.00)	\$ -
100080	434750	STREET PAVING CUT-CUSTOMER	\$ (3,384.00)	\$ (17,126.00)	\$ (18,000.00)	\$ (874.00)
100080	443000	STORMWATER PERMITS	\$ (849.00)	\$ (1,150.00)	\$ (1,150.00)	\$ -
100080	443100	PARKING VIOLATIONS	\$ (43,653.81)	\$ (42,000.00)	\$ (63,000.00)	\$ (21,000.00)
100080	443110	PKING VIOLATIONS-PEN	\$ (15,920.00)	\$ (14,000.00)	\$ (14,000.00)	\$ -
100080	443200	SPECIAL ACTIVITIES	\$ (524.59)	\$ (1,500.00)	\$ (1,500.00)	\$ -
100080	443300	SPECIAL PERMITS PRECIOUS METAL	\$ (1,748.00)	\$ (2,000.00)	\$ (2,000.00)	\$ -
100080	443400	PARKING PERMITS	\$ (995.00)	\$ (1,400.00)	\$ (2,500.00)	\$ (1,100.00)
100080	443410	DRUG FORFEITURES	\$ -	\$ -	\$ -	\$ -
100080	443610	SALE OF FIXED ASSETS	\$ (19,051.56)	\$ (10,000.00)	\$ (10,000.00)	\$ -
100080	443700	RENTAL INCOME	\$ -	\$ -	\$ -	\$ -
100080	443800	DISCOUNTS EARNED	\$ (20,223.65)	\$ (27,080.00)	\$ (25,000.00)	\$ 2,080.00
100080	443900	MISCELLANEOUS INCOME	\$ (4,408.97)	\$ (9,250.00)	\$ (10,000.00)	\$ (750.00)
100080	444000	INSURANCE SETTLEMENTS	\$ (38,897.40)	\$ (41,679.00)	\$ (15,000.00)	\$ 26,679.00
100080	447200	PAY IN LIEU OF-S/WLKS	\$ (5,770.25)	\$ -	\$ -	\$ -
100080	498207	DONATIONS/CONTRIBUTIONS	\$ -	\$ (3,848.00)	\$ (3,800.00)	\$ 48.00
<i>Sub-Total</i>			\$ (170,555.04)	\$ (175,233.00)	\$ (171,450.00)	\$ 3,783.00
Other Financing Sources						
100090	498220	OPER TRAN FR D/T FUND	\$ (100,000.00)	\$ (100,000.00)	\$ -	\$ 100,000.00
100090	499100	PROCEEDS OF DEBT	\$ -	\$ (242,500.00)	\$ -	\$ 242,500.00
100090	499200	FUND BALANCE APPROP	\$ -	\$ (1,172,300.00)	\$ (621,397.00)	\$ 550,903.00
100090	499800	OPER TRAN FR C/R FUND	\$ (284,260.00)	\$ (274,580.00)	\$ (264,960.00)	\$ 9,620.00
100090	499999	PRIOR PERIOD ADJUSTMENT	\$ (157,271.84)	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ (541,531.84)	\$ (1,789,380.00)	\$ (886,357.00)	\$ 903,023.00
GRAND TOTAL			\$ (12,654,978.99)	\$ (14,115,081.24)	\$ (13,570,033.00)	\$ 545,048.24



Revenue Trends

The following charts display General Fund revenue trends:



Expenditures

The City expends funds in a variety of manners including general government services, public safety, transportation, park maintenance, culture and recreation, debt service, and other miscellaneous services. At year end the annual audit converts all of the other miscellaneous expenditures into the other functions of government. That is why an “N/A” is seen in the actual column.

Expenditures by Function

The following table and charts detail the General Fund expenditures by function:

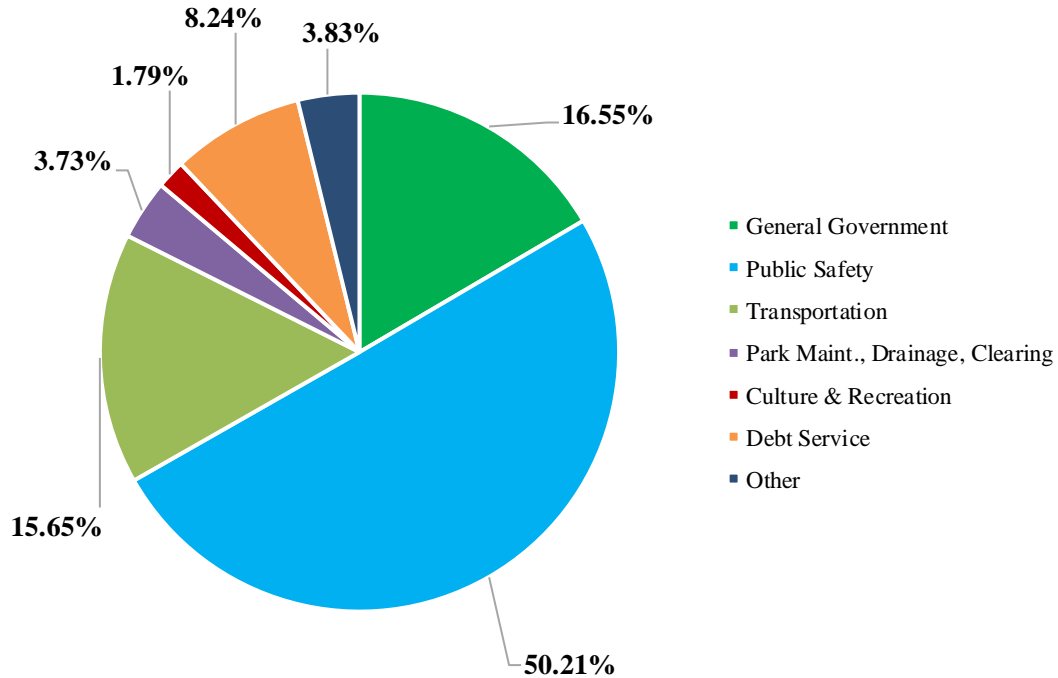
FUNCTION	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
General Government	\$ 2,228,038	\$ 2,986,812	\$ 2,245,625	\$ (741,187)
Public Safety	\$ 6,381,161	\$ 6,668,424	\$ 6,813,831	\$ 145,407
Transportation	\$ 2,168,144	\$ 2,300,919	\$ 2,123,231	\$ (177,688)
Park Maint., Drainage, Clearing	\$ 547,571	\$ 513,799	\$ 505,977	\$ (7,822)
Culture & Recreation	\$ 215,403	\$ 215,189	\$ 242,919	\$ 27,730
Debt Service	\$ 1,076,305	\$ 1,062,993	\$ 1,118,791	\$ 55,798
Other	N/A	\$ 366,945	\$ 519,659	\$ 152,714
Total	\$ 12,616,622	\$ 14,115,081	\$ 13,570,033	\$ (545,048)

The City spends the majority of funding on public safety functions. This includes police, fire, and planning/zoning services. The next largest functions are general government (finance, administration, human resources, and legal services) and transportation. Debt service is a function that has been growing over the past three years. The other miscellaneous function includes things like transfers, contingencies, and non-departmental expenditures.

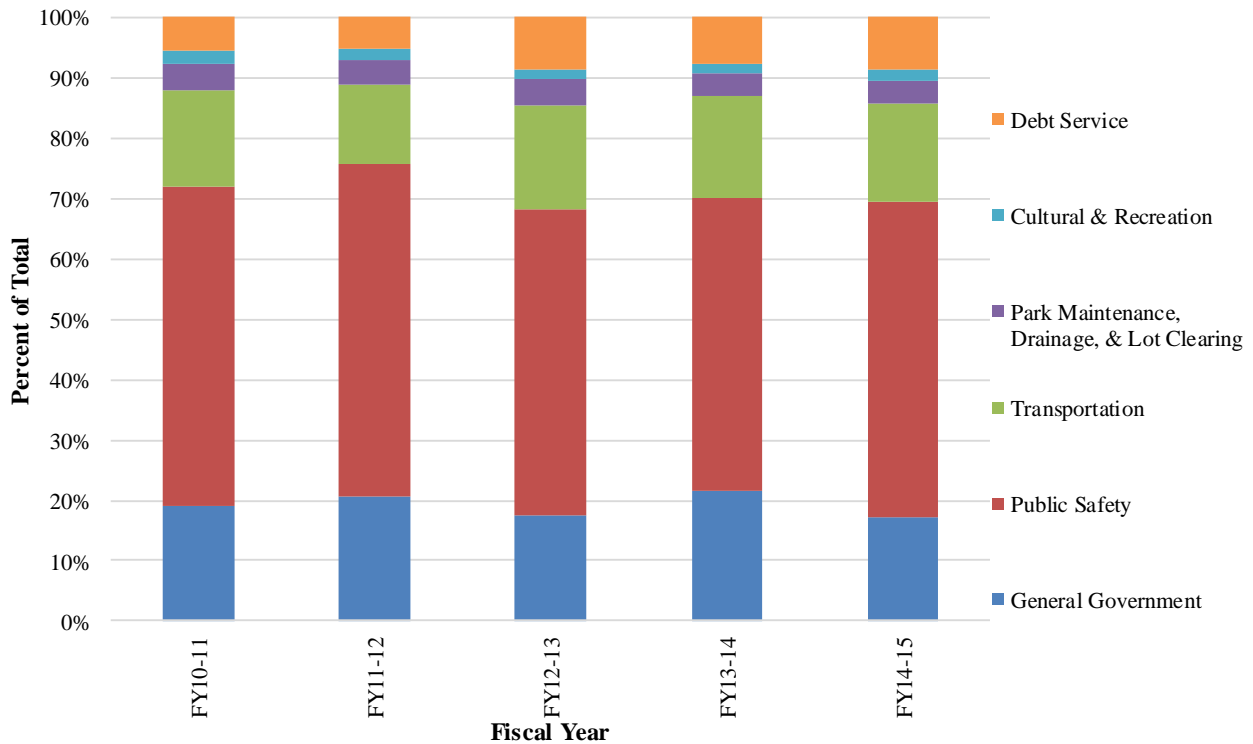


The following charts detail General Fund expenditures by function:

General Fund Expenditures by Function FY15-16



General Fund Expenditures by Function



Expenditures by Line Item

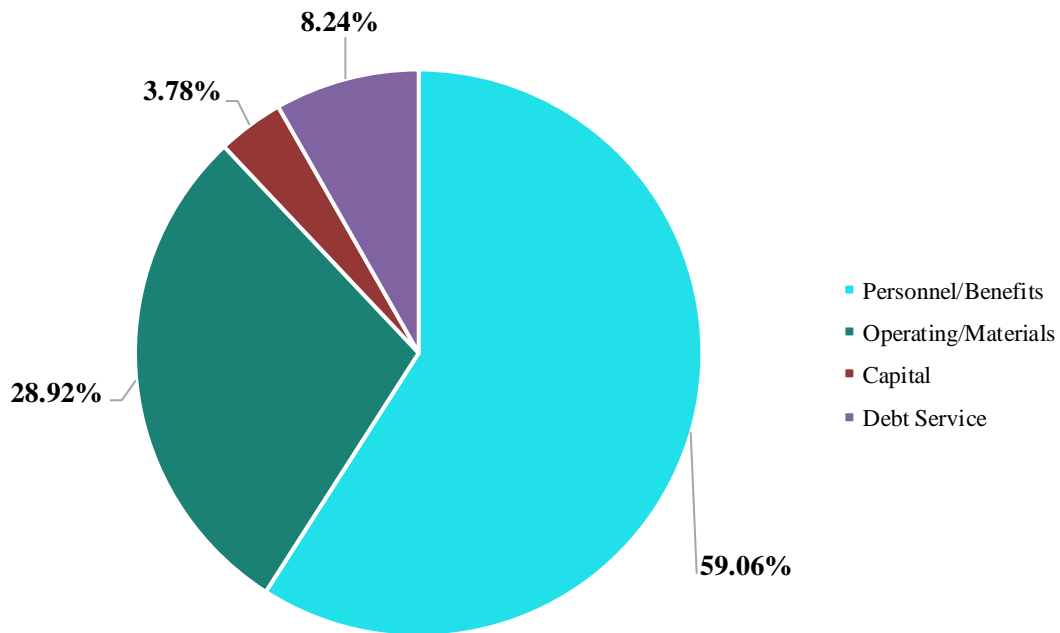
FUNCTION	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
General Government				
Governing Body	\$ 84,850.01	\$ 76,652.76	\$ 94,030.00	\$ 17,377.24
Administration	\$ 258,597.05	\$ 1,043,935.33	\$ 271,003.00	\$ (772,932.33)
Finance	\$ 353,188.13	\$ 418,413.96	\$ 437,576.00	\$ 19,162.04
City Engineer	\$ 185,883.01	\$ 185,780.95	\$ 191,564.00	\$ 5,783.05
IT	\$ 262,316.58	\$ 298,644.55	\$ 347,285.00	\$ 48,640.45
Legal	\$ 114,821.02	\$ 112,120.83	\$ 113,593.00	\$ 1,472.17
Public Works Fleet Maint.	\$ 318,607.15	\$ 343,113.16	\$ 292,154.00	\$ (50,959.16)
Public Works Buildings Maint.	\$ 427,439.08	\$ 508,150.32	\$ 487,556.00	\$ (20,594.32)
<i>Sub-Total</i>	\$ 2,005,702.03	\$ 2,986,811.86	\$ 2,234,761.00	\$ (752,050.86)
Public Safety				
Police	\$ 3,959,991.60	\$ 4,247,616.06	\$ 4,175,559.00	\$ (72,057.06)
Fire	\$ 1,987,746.49	\$ 2,020,689.35	\$ 2,099,804.00	\$ 79,114.65
Zoning	\$ 163,781.23	\$ 202,876.06	\$ -	\$ (202,876.06)
Planning	\$ 174,199.58	\$ 197,242.31	\$ -	\$ (197,242.31)
Development Assistance	\$ -	\$ -	\$ 538,468.00	\$ 538,468.00
<i>Sub-Total</i>	\$ 6,285,718.90	\$ 6,668,423.78	\$ 6,813,831.00	\$ 145,407.22
Transportation				
Public Works Admin.	\$ 324,900.29	\$ 385,872.40	\$ 350,782.00	\$ (35,090.40)
Public Works Streets	\$ 806,126.34	\$ 961,883.45	\$ 845,325.00	\$ (116,558.45)
Powell Bill	\$ 358,185.44	\$ 533,280.00	\$ 456,280.00	\$ (77,000.00)
Public Works Traffic Eng.	\$ 357,989.60	\$ 419,882.38	\$ 470,844.00	\$ 50,961.62
<i>Sub-Total</i>	\$ 1,847,201.67	\$ 2,300,918.23	\$ 2,123,231.00	\$ (177,687.23)
Park Maint., Drainage, Clearing				
Public Works Grounds Maint.	\$ 547,568.91	\$ 513,798.41	\$ 505,977.00	\$ (7,821.41)
<i>Sub-Total</i>	\$ 547,568.91	\$ 513,798.41	\$ 505,977.00	\$ (7,821.41)
Culture & Recreation				
Public Works Patton Pool	\$ 215,403.00	\$ 215,188.96	\$ 242,919.00	\$ 27,730.04
<i>Sub-Total</i>	\$ 215,403.00	\$ 215,188.96	\$ 242,919.00	\$ 27,730.04
Debt Service				
Debt Service	\$ 1,099,381.97	\$ 1,062,993.00	\$ 1,118,791.00	\$ 55,798.00
<i>Sub-Total</i>	\$ 1,099,381.97	\$ 1,062,993.00	\$ 1,118,791.00	\$ 55,798.00
Other				
Other	\$ 609,240.39	\$ 366,947.00	\$ 530,523.00	\$ 163,576.00
<i>Sub-Total</i>	\$ 609,240.39	\$ 366,947.00	\$ 530,523.00	\$ 163,576.00
GRAND TOTAL	\$ 12,610,216.87	\$ 14,115,081.24	\$ 13,570,033.00	\$ (545,048.24)



Expenditures by Type

TYPE	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Personnel/Benefits	\$ 8,721,368	\$ 8,185,335	\$ 8,014,309	\$ (171,026)
Operating/Materials	\$ 2,163,000	\$ 3,597,953	\$ 3,924,139	\$ 326,186
Capital	\$ 632,872	\$ 1,268,797	\$ 512,794	\$ (756,003)
Debt Service	\$ 1,099,382	\$ 1,062,996	\$ 1,118,791	\$ 55,795
Total	\$ 12,616,622	\$ 14,115,081	\$ 13,570,033	\$ (545,048)

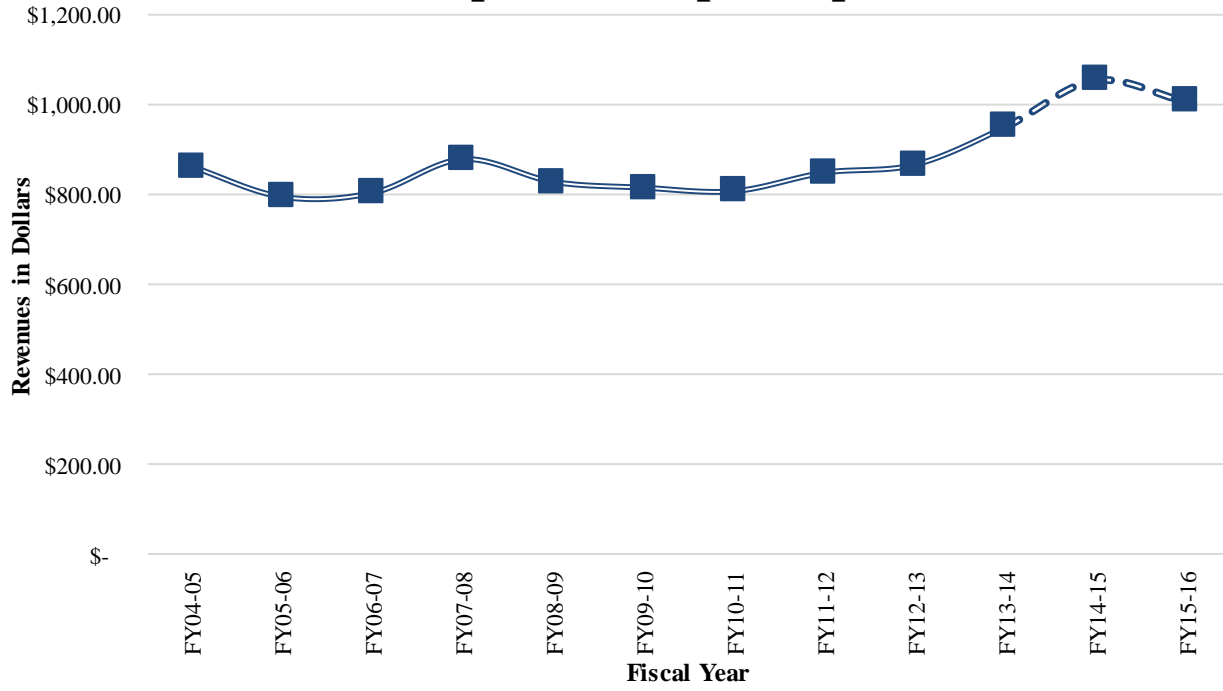
General Fund Expenditures by Type



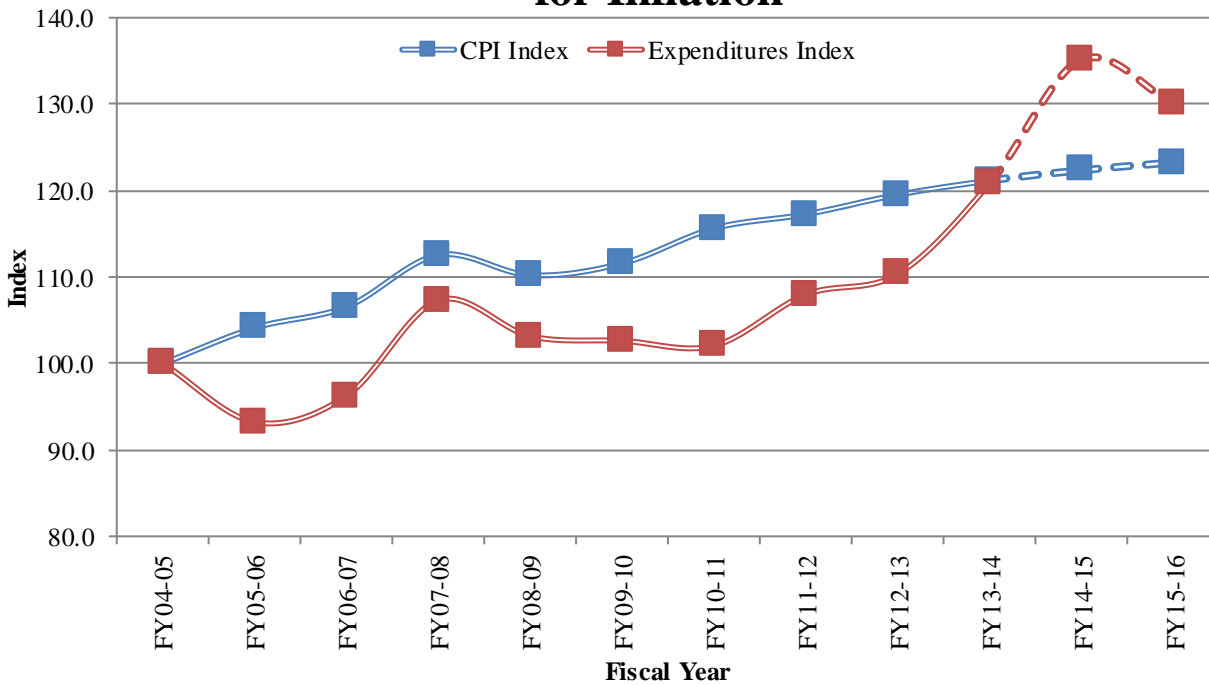
Expenditure Trends

The following charts detail General Fund expenditure trends:

Expenditures per Capita



General Fund Expenditures Index Controlling for Inflation



Governing Body

The City Council is the legislative board of the City of Hendersonville and includes a mayor and four council members. The City Council consists of the Mayor and four members elected by and from all the qualified voters of the City. The Mayor is also elected by all the qualified voters of the City for a four-year term. The Mayor is the official head of City government and presides at all meetings of the City Council. The Mayor has the power to vote on all questions coming before the Council, but does not have power to veto. The Mayor exercises such powers and performs such duties as are or may be conferred upon him or her by the General Laws of North Carolina, by the City Charter, and by the ordinances of the City. The Mayor is Barbara G. Volk. She was elected as Mayor in November 2009 and was re-elected in 2013. She has served on the City Council since November 1989.

The City Council chooses one of its members to act as Mayor Pro Tempore. The Mayor Pro Tempore performs the duties of the Mayor in the Mayor's absence or disability. The Mayor Pro Tempore does not have a fixed term of office, but serves in the capacity at the pleasure of the City Council. The Mayor Pro Tem is Ron Stephens. He was selected by the City Council at their December 2013 meeting.

The City of Hendersonville provides three guidelines regarding the Mayor and City Council:

1. The mayor and members of the City Council serve four-year terms.
2. To be eligible to be a candidate or be elected and serve as mayor or a member of the City Council, you must be a resident and a qualified voter of the City.
3. In the event a vacancy occurs in the office of Mayor, the remaining members of the Council, by majority vote, choose from their own members his successor for the unexpired term. Any vacancy in the office of Councilman is filled by majority vote of the Mayor and the remaining members of the Council until the next election.

Meetings of the City Council

The city council has fixed the first Thursday of each month for its regular meetings. Special meetings may be held and any business transacted at a regular meeting may also be transacted at a special meeting.

All meetings of the Council are open to the public. Closed sessions are permitted by law for specific purposes. The Council may not formally consider or vote on any question in closed session.





Left to Right: Council Member Steve Caraker, Council Member Jeff Miller, Mayor Barbara G. Volk, Council Member Jerry Smith and Mayor Pro Tem Ron Stephens

City Council members may receive written correspondence at:

City Hall, 145 Fifth Avenue East, Hendersonville, NC 28792-4328

City Council Contact Information:

Mayor Barbara Volk	(828)-697-3000	bvolk@hvlnc.gov
Mayor Pro Tem Ron Stephens	(828)-697-1146	rstephens@hvlnc.gov
Council Member Steve Caraker	(828)-696-3615	scaraker@hvlnc.gov
Council Member Jerry Smith	(828)-243-9123	jerrysmith@hvlnc.gov
Council Member Jeff Miller	(828)-693-7426	jmiller@hvlnc.gov



FY14-15 Accomplishments

- ✓ Completed construction of Fire Station 2
- ✓ Sold the Grey Hoisery Mill to the White Chalice group for renovation
- ✓ Approved numerous housing developments in the City
- ✓ Promoted the resurfacing of over five miles of city streets
- ✓ Installed new sidewalks along 5th Avenue
- ✓ Approved nine capital improvement ordinances for the Water and Sewer system
- ✓ Maintained the appropriation of 1 penny on the tax rate to street improvements
- ✓ Approved the expansion of the 7th Avenue MSD

FY15-16 Goals & Initiatives

- ✓ Promote economic vitality
- ✓ Engage in and pursue new partnerships while enhancing existing ones
- ✓ Invest in and promote new and existing infrastructure
- ✓ Enhance and provide numerous services and amenities to the community
- ✓ Promote enhancing the service quality in Hendersonville
- ✓ Promote sound financial practices enhancing financial sustainability



Governing Body Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Governing Body						
104110	517100	BOARD MEMBER WAGES	\$ 36,000.00	\$ 18,000.00	\$ 18,000.00	\$ -
104110	517200	CELLPHONE STIPEND	\$ 3,600.00	\$ 3,600.00	\$ 1,800.00	\$ (1,800.00)
104110	518100	FICA TAX EXPENSE	\$ 2,632.80	\$ 1,377.00	\$ 1,515.00	\$ 138.00
104110	518300	GROUP MED & LIFE INS	\$ 7,274.70	\$ 5,046.00	\$ 5,646.00	\$ 600.00
104110	518600	WORKER'S COMP INS	\$ 250.00	\$ 100.76	\$ 51.00	\$ (49.76)
104110	526000	OFFICE SUPPLIES	\$ 2,383.66	\$ 1,000.00	\$ 1,000.00	\$ -
104110	532100	TELEPHONE	\$ 691.90	\$ 755.00	\$ -	\$ (755.00)
104110	539400	TRAVEL	\$ 2,206.82	\$ 2,500.00	\$ 3,500.00	\$ 1,000.00
104110	539500	TRAINING	\$ 2,970.00	\$ 1,664.00	\$ 2,900.00	\$ 1,236.00
104110	545600	LIAB & PROP INS & BONDS	\$ -	\$ 13,634.00	\$ 13,466.00	\$ (168.00)
104110	549100	DUES & SUBSCRIPTIONS	\$ 25,227.00	\$ 24,576.00	\$ 26,286.00	\$ 1,710.00
104110	549600	MAYOR'S DISCRET'NARY ACCT	\$ 250.00	\$ 400.00	\$ 400.00	\$ -
104110	549750	PERMITS LICENSE AND FEES	\$ -	\$ -	\$ -	\$ -
104110	549900	MISC BD EXPENSE	\$ 2,596.82	\$ 2,000.00	\$ 2,000.00	\$ -
104110	552000	CAPITAL OUTLAY-EQUIPMENT	\$ -	\$ -	\$ -	\$ -
104110	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 2,000.00	\$ 4,000.00	\$ 2,000.00
104110	557000	LAND/ROW	\$ -	\$ -	\$ -	\$ -
104110	569000	CONTRACTED SERVICES	\$ 22,872.00	\$ -	\$ 13,466.00	\$ 13,466.00
104110	598060	DEPARTMENTAL CHGS-W/S	\$ (24,105.69)	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 84,850.01	\$ 76,652.76	\$ 94,030.00	\$ 17,377.24

FY15-16 Budget Highlights

The “Cellphone Stipend” account has been appropriated in the City’s two major funds that are supported by the Governing Body. These are the General Fund and the Water and Sewer Fund. The “Telephone” account expenditures have been moved to the Information Technology Department (104140). The “Non-Capital Equipment” account includes two new laptops. The “Contracted Services” account includes enough budget for an election. If there is a primary, then the City will appropriate contingencies to pay for this event.

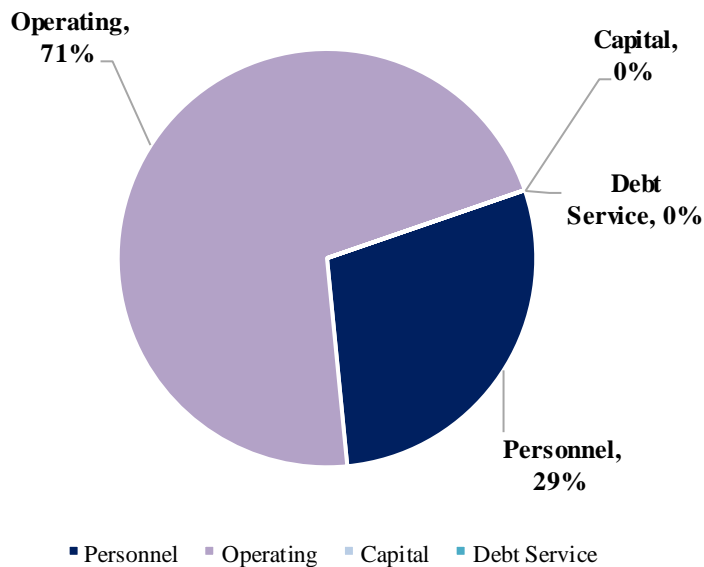


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Governing Body				
Personnel	\$ 49,757.50	\$ 28,123.76	\$ 27,012.00	\$ (1,111.76)
Operating	\$ 35,092.51	\$ 48,529.00	\$ 67,018.00	\$ 18,489.00
Capital	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 84,850.01	\$ 76,652.76	\$ 94,030.00	\$ 17,377.24

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
Governing Body				
Full-Time	0.00	0.00	0.00	0.00
Part-Time	5.00	5.00	5.00	0.00
<i>Sub-Total</i>	5.00	5.00	5.00	0.00

Expenditures by Type



Administration

The administrative office of the City of Hendersonville consists of the City Manager, City Clerk, City Attorney, Human Resources Director, Assistant to the City Manager, Public Information Officer, Downtown Economic Development Director, Promotions Coordinator, and an Administrative Intern. The City Council appoints the City Manager as the chief executive officer of the City, in charge of overseeing City organization and operations. The City Manager coordinates the work of department heads and other employees to help ensure efficient delivery of services. The Clerk maintains the official records of the City, all ordinances, resolutions, policies, etc. adopted by the City Council. In conjunction with the City Manager, the Clerk prepares the Council agendas and the minutes of City Council meetings. The Clerk also maintains the information on all the boards and commissions appointed by the City Council. The City of Hendersonville administrative offices are located on the third floor of the City Hall building located at 145 Fifth Avenue East, Hendersonville, NC, 28792. For more information about the City's administrative offices contact the City Clerk at 828-697-3000.

FY14-15 Accomplishments

- ✓ Implemented parking study and began implementing recommendations
- ✓ Worked with 7th Avenue and Main Street to develop mission and vision
- ✓ Partnered with Henderson County to create one stop shop for development
- ✓ Conducted citywide employee meetings to open lines of communication
- ✓ Outsourced Information Technology
- ✓ Continued Summer Internship Program
- ✓ Engaged UNC School of Government to emphasize long-term plan for the City's Water & Sewer Fund
- ✓ Established a variety of organizational structure changes and job description revisions
- ✓ Supported over 10 City events
- ✓ Received GFOA's Distinguished Budget Presentation Award for FY14-15 Budget

FY15-16 Goals & Initiatives

- ✓ Improve way-finding signage to move people around the City of Hendersonville
- ✓ Invest in the beautification of areas outside downtown center
- ✓ Continue the Service Excellence Program
- ✓ Create a Safety Coordinator position
- ✓ Work towards funding a pay and classification study
- ✓ Focus on Main Street and 7th Avenue infrastructure improvements
- ✓ Establish an enhanced relationship with HCPED
- ✓ Enhance intergovernmental relations with Henderson County and other neighbor governments



Administration Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Administration						
104120	512100	SALARIES & WAGES-REG	\$ 247,978.74	\$ 209,540.22	\$ 152,824.00	\$ (56,716.22)
104120	512900	SALARIES & WAGES-P/T	\$ 2,889.60	\$ 27,200.00	\$ 17,602.00	\$ (9,598.00)
104120	513100	SALARIES & WAGES- CM INS PREM	\$ 7,960.80	\$ 8,000.00	\$ 3,981.00	\$ (4,019.00)
104120	518100	FICA TAX EXPENSE	\$ 19,570.68	\$ 18,202.46	\$ 13,038.00	\$ (5,164.46)
104120	518200	RETIREMENT EXPENSE	\$ 17,579.15	\$ 15,647.83	\$ 11,240.00	\$ (4,407.83)
104120	518300	GROUP MED & LIFE INS	\$ 18,154.97	\$ 16,444.38	\$ 14,114.00	\$ (2,330.38)
104120	518600	WORKER'S COMP INS	\$ 1,849.44	\$ 614.44	\$ 446.00	\$ (168.44)
104120	519000	PROF SERVICES	\$ 31,197.48	\$ 28,180.00	\$ 21,770.00	\$ (6,410.00)
104120	526000	OFFICE SUPPLIES	\$ 4,781.71	\$ 5,100.00	\$ 3,625.00	\$ (1,475.00)
104120	532100	TELEPHONE	\$ 4,829.75	\$ 5,610.00	\$ 2,970.00	\$ (2,640.00)
104120	532500	POSTAGE	\$ 400.70	\$ 420.00	\$ 420.00	\$ -
104120	535200	R & M - EQUIPMENT	\$ 3,401.08	\$ 4,365.00	\$ 3,365.00	\$ (1,000.00)
104120	537000	ADVERTISING	\$ 400.74	\$ 925.00	\$ 455.00	\$ (470.00)
104120	539400	TRAVEL	\$ 4,326.80	\$ 6,219.00	\$ 5,936.00	\$ (283.00)
104120	539500	TRAINING	\$ 4,693.90	\$ 5,030.00	\$ 4,720.00	\$ (310.00)
104120	539700	LIAISON EXPENSE	\$ 93.72	\$ 200.00	\$ 300.00	\$ 100.00
104120	545600	LIAB/PROP INS & BONDS	\$ 1,997.83	\$ 1,340.00	\$ 1,312.00	\$ (28.00)
104120	549100	DUES & SUBSCRIPTIONS	\$ 4,197.85	\$ 3,105.00	\$ 3,610.00	\$ 505.00
104120	549750	PERMITS	\$ -	\$ -	\$ 350.00	\$ 350.00
104120	549800	FLOWERS/MEMORIALS	\$ 876.94	\$ 900.00	\$ 900.00	\$ -
104120	549890	MISC EVENT SUPPLIES	\$ -	\$ -	\$ 7,100.00	\$ 7,100.00
104120	549900	MISCELLANEOUS	\$ 678.53	\$ 8,050.00	\$ 425.00	\$ (7,625.00)
104120	552000	CAPITAL OUTLAY-EQUIPMENT	\$ -	\$ -	\$ -	\$ -
104120	553000	NON-CAPITAL EQUIPMENT	\$ 4,761.16	\$ -	\$ 500.00	\$ 500.00
104120	557000	Land	\$ 16,825.00	\$ 678,122.00	\$ -	\$ (678,122.00)
104120	558000	CAP OUTLAY-BUILDINGS	\$ -	\$ -	\$ -	\$ -
104120	569000	CONTRACTED SERVICES	\$ 325.37	\$ 720.00	\$ -	\$ (720.00)
104120	598060	DEPARTMENTAL CHGS-W/S	\$ (156,414.89)	\$ -	\$ -	\$ -
104120	598700	REIMBURSE PLAN DEPT	\$ 15,240.00	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 258,597.05	\$ 1,043,935.33	\$ 271,003.00	\$ (772,932.33)

FY15-16 Budget Highlights

All personnel costs for this Department have been budgeted between the City’s two major funds. This appropriation is done to cover indirect costs associated with supplying human resources, budget, and administrative functions to the Water and Sewer Fund. In prior years this has been done as a direct transfer, with no explanation or justification. This Department’s allocation is based on time spent working with each fund.

A portion of the “Telephone” account has been budgeted in the Information Technology Department. A “Misc Event Supplies” account has been created to provide funding for committee and meeting expenses. The City acquired land in FY14-15 for the Joint Health and Medical Building project. This appropriation was a one-time capital purchase and is no longer costing the City in the Administration budget.

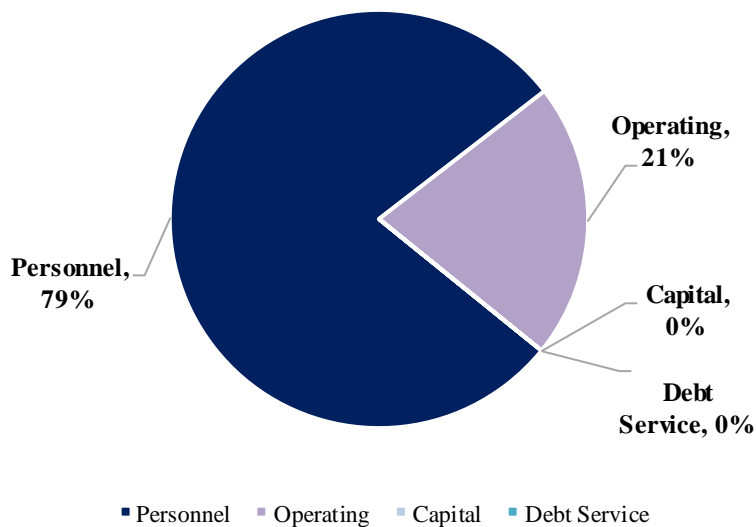


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Administration				
Personnel	\$ 315,983.38	\$ 295,649.33	\$ 213,245.00	\$ (82,404.33)
Operating	\$ (74,211.33)	\$ 70,164.00	\$ 57,758.00	\$ (12,406.00)
Capital	\$ 16,825.00	\$ 678,122.00	\$ -	\$ (678,122.00)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 258,597.05	\$ 1,043,935.33	\$ 271,003.00	\$ (772,932.33)

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
Administration				
Full-Time	5.00	6.00	6.00	0.00
Part-Time	2.00	3.00	3.00	0.00
<i>Sub-Total</i>	7.00	9.00	9.00	0.00

Expenditures by Type



Finance

The Finance Department is responsible for the collection of all revenues of the City such as property taxes, water fees, sewer charges, refuse collection fees, privilege licenses, beer & wine licenses, etc. The department is also responsible for purchasing and paying financial obligations, fixed asset records, debt management activities, preparation and distribution of monthly financial statements, maintaining a financial record keeping system according to generally accepted accounting principles and providing payroll services to more than 200 employees.

A Comprehensive Annual Financial Report is compiled on the ending fiscal year. The Department has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) of the United States and Canada for publishing an easily readable and efficiently organized report since 1988. The City has a "AA-" bond rating from Moody's Investors Service and a "A+" from Standard & Poor's Corporation

FY14-15 Accomplishments

- ✓ Made interfund charges for salaries more transparent
- ✓ Revised the budget request methodology, providing more substantiated requests
- ✓ Received the Governmental Finance Officers Association (GFOA) award for Excellence in Financial Reporting for the 25th year in a row (FY12-13)
- ✓ Revaluated the accounting process, improving a variety of practices
- ✓ Established internal controls over processing of payroll
- ✓ Received the North Carolina Tax Collectors Association certificate for the Tax Collector and Deputy Tax Collector
- ✓ Developed and received Council approval for a Cash Management and Investment policy improving revenues and interest by more than \$100,000

FY15-16 Goals & Initiatives

- ✓ Develop a purchasing policy
- ✓ Update the Employee Travel Expense policy
- ✓ Exploring position reorganization to accommodate purchasing
- ✓ Revising and enhancing internal control practices



Finance Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Finance						
104130	512100	SALARIES & WAGES-REG	\$ 561,568.81	\$ 264,345.59	\$ 230,191.00	\$ (34,154.59)
104130	512900	SALARIES & WAGES-P/T	\$ 24,055.93	\$ -	\$ -	\$ -
104130	517200	CELLPHONE STIPEND	\$ 260.00	\$ -	\$ -	\$ -
104130	518100	FICA TAX EXPENSE	\$ 41,797.38	\$ 20,232.11	\$ 17,610.00	\$ (2,622.11)
104130	518200	RETIREMENT EXPENSE	\$ 40,556.57	\$ 19,445.92	\$ 15,354.00	\$ (4,091.92)
104130	518300	GROUP MED & LIFE INS	\$ 62,237.99	\$ 23,419.02	\$ 25,123.00	\$ 1,703.98
104130	518600	WORKER'S COMP INS	\$ 7,512.67	\$ 1,114.32	\$ 589.00	\$ (525.32)
104130	519000	PROF SERVICES	\$ 6,389.35	\$ 3,322.00	\$ 4,000.00	\$ 678.00
104130	519100	PROF SERVICES - AUDIT	\$ 21,000.00	\$ 21,061.00	\$ 21,000.00	\$ (61.00)
104130	526000	OFFICE SUPPLIES	\$ 10,997.79	\$ 10,745.00	\$ 10,800.00	\$ 55.00
104130	532100	TELEPHONE	\$ 7,183.61	\$ 7,042.66	\$ 1,440.00	\$ (5,602.66)
104130	532500	POSTAGE	\$ 6,165.44	\$ 4,800.00	\$ 6,200.00	\$ 1,400.00
104130	535200	R & M - EQUIPMENT	\$ -	\$ 200.00	\$ 200.00	\$ -
104130	537000	ADVERTISING	\$ 1,740.18	\$ 419.00	\$ 2,050.00	\$ 1,631.00
104130	538200	TAX SCROLL & BILLING	\$ 20,469.37	\$ 19,405.00	\$ 20,950.00	\$ 1,545.00
104130	539400	TRAVEL	\$ 5,049.23	\$ 3,728.00	\$ 8,180.00	\$ 4,452.00
104130	539500	TRAINING	\$ 4,082.14	\$ 5,820.00	\$ 8,565.00	\$ 2,745.00
104130	545600	LIAB/PROP INS & BONDS	\$ 2,418.42	\$ 2,054.34	\$ 2,998.00	\$ 943.66
104130	549100	DUES & SUBSCRIPTIONS	\$ 1,411.25	\$ 1,119.00	\$ 1,335.00	\$ 216.00
104130	549300	CASH SHORT/OVER	\$ -	\$ -	\$ 100.00	\$ 100.00
104130	549750	PERMITS	\$ -	\$ 50.00	\$ 100.00	\$ 50.00
104130	549900	MISCELLANEOUS	\$ 371.81	\$ 900.00	\$ 1,000.00	\$ 100.00
104130	553000	NON-CAPITAL EQUIPMENT	\$ 1,000.00	\$ 1,356.00	\$ 1,000.00	\$ (356.00)
104130	557000	LAND	\$ -	\$ -	\$ -	\$ -
104130	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ -	\$ 36,356.00	\$ 36,356.00
104130	569000	CONTRACTED SERVICES	\$ 1,851.00	\$ 7,835.00	\$ 7,435.00	\$ (400.00)
104130	575200	BANK SERVICE CHARGES	\$ -	\$ -	\$ 15,000.00	
104130	598060	DEPARTMENTAL CHGS-W/S	\$ (474,930.81)	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 353,188.13	\$ 418,413.96	\$ 437,576.00	\$ 19,162.04

FY15-16 Budget Highlights

Similar to the Administration Department the Finance Department splits its personnel costs to cover indirect labor costs for the Water and Sewer Fund. In addition, there has been turnover and organizational restructuring. There are a wide variety of general increases due to higher service demands. Also, there is \$36,356 worth of capital software updates in the “Cap Outlay-Other Improvements” account.



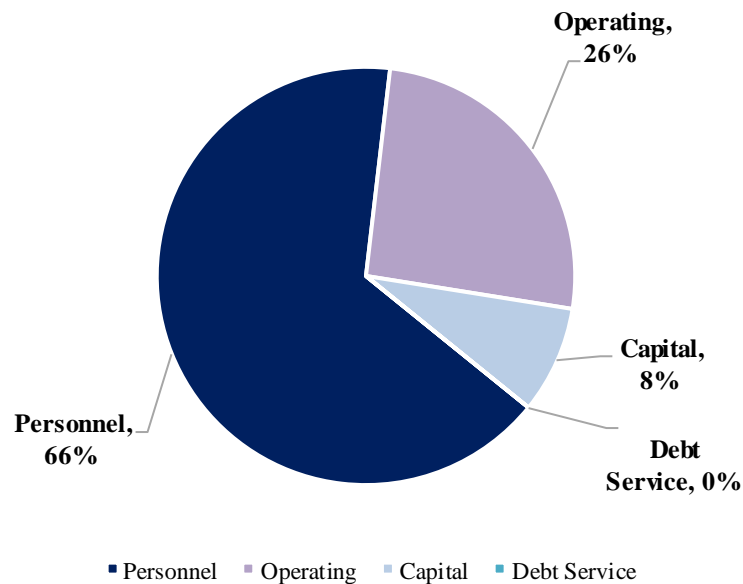
Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Finance				
Personnel	\$ 737,989.35	\$ 328,556.96	\$ 288,867.00	\$ (39,689.96)
Operating	\$ (384,801.22)	\$ 89,857.00	\$ 112,353.00	\$ 22,496.00
Capital	\$ -	\$ -	\$ 36,356.00	\$ 36,356.00
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 353,188.13	\$ 418,413.96	\$ 437,576.00	\$ 19,162.04

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
Finance				
Full-Time	12.00	12.00	12.00	0.00
Part-Time	1.00	1.00	1.00	0.00
<i>Sub-Total</i>	13.00	13.00	13.00	0.00

*Note: 8 personnel are budgeted for in *W&S Finance**

Expenditures by Type



City Engineer

The City of Hendersonville Engineering Department is dedicated to serving the citizens of Hendersonville by providing design, permitting and construction management services for City water, sewer, stormwater, greenway and sidewalk projects. The Engineering Department also provides GIS services and other staff support to water/sewer, public works, planning and zoning. The City's National Pollution Discharge Elimination System (NPDES) Permit is administered by the Engineering Department, and these services include reviewing and approving post construction stormwater maintenance systems as part of development projects. The department includes the City Engineer, Civil Engineer, GIS Administrator, two Construction Inspectors and an Engineering Technician. The Engineering Department is located at 305 Williams Street, Hendersonville, NC 28792. For more information about the Engineering Department, please contact Brent Detwiler at (828) 697-3000.

Mission

To provide the highest quality engineering and geographical information services to the City of Hendersonville and those who are served by the City's infrastructure. This mission will be achieved through the communication and efforts of our staff with the public and those who work to serve the public.

FY14-15 Accomplishments

- ✓ Provided construction management of the Jackson Park Sewer Interceptor project. The project is nearing completion.
- ✓ Provided construction management of the Wolfpen Sewer Interceptor project. The project is nearing completion.
- ✓ Provide construction management of the Shepherd Creek/Atkinson Elementary Sanitary Sewer Improvements project. The project should be complete within a few months.
- ✓ Complete design and bid of the Oklawaha Greenway Phase 3 project.
- ✓ Complete design and bid of the US 64 Sidewalk project. Construction should be commenced.
- ✓ Design, bid and manage construction of the School House Water Line Extension project.
- ✓ Move to ArcGIS and Cityworks Server

FY15-16 Goals & Initiatives

- ✓ Manage construction of the Oklawaha Greenway Phase 3 project
- ✓ Design and bid N. Main Street Sidewalk project
- ✓ Design and bid Blythe Street Sidewalk project
- ✓ Design, bid and manage construction of the Cobblestone Hydro Pump Station project
- ✓ Design, bid and manage construction of the Rutledge Road Water System Improvements project
- ✓ Design, bid and manage construction of the Rugby Drive Water Line Interconnection project



- ✓ Design, bid and manage construction of the Glenbrook Pump Station Elimination project
- ✓ Design, bid and manage construction of the Garden Lane Pump Station Elimination project



City Engineer Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
City Engineer						
104131	512100	SALARIES & WAGES-REG	\$ 312,706.98	\$ 119,070.47	\$ 119,998.00	\$ 927.53
104131	518100	FICA TAX EXPENSE	\$ 23,838.94	\$ 9,108.89	\$ 9,180.00	\$ 71.11
104131	518200	RETIREMENT EXPENSE	\$ 22,309.43	\$ 8,501.63	\$ 8,004.00	\$ (497.63)
104131	518300	GROUP MED & LIFE INS	\$ 33,911.45	\$ 9,082.80	\$ 10,162.00	\$ 1,079.20
104131	518600	WORKER'S COMP INS	\$ 8,630.73	\$ 557.16	\$ 1,447.00	\$ 889.84
104131	519000	PROFESSIONAL SERVICES	\$ 969.64	\$ 860.00	\$ 1,000.00	\$ 140.00
104131	525100	GASOLINE & DIESEL	\$ 769.31	\$ 700.00	\$ 1,200.00	\$ 500.00
104131	525200	TIRES	\$ 403.40	\$ 400.00	\$ 800.00	\$ 400.00
104131	525300	VEHICLE PARTS	\$ 45.84	\$ 250.00	\$ 250.00	\$ -
104131	525400	OIL	\$ -	\$ 100.00	\$ 100.00	\$ -
104131	526000	OFFICE SUPPLIES	\$ 3,829.92	\$ 4,000.00	\$ 3,500.00	\$ (500.00)
104131	529900	SUPPLIES & MATERIALS	\$ -	\$ -	\$ 500.00	\$ 500.00
104131	532100	TELEPHONE	\$ 5,200.80	\$ 4,440.00	\$ 4,000.00	\$ (440.00)
104131	532500	POSTAGE	\$ 49.00	\$ -	\$ 50.00	\$ 50.00
104131	535200	R & M - EQUIPMENT	\$ 409.50	\$ 16,175.00	\$ 17,125.00	\$ 950.00
104131	535300	R & M - AUTO/TRUCKS	\$ -	\$ 150.00	\$ 150.00	\$ -
104131	537000	ADVERTISING	\$ 609.00	\$ 190.00	\$ 190.00	\$ -
104131	539400	TRAVEL	\$ 888.04	\$ 2,700.00	\$ 3,000.00	\$ 300.00
104131	539500	TRAINING	\$ 1,467.29	\$ 3,980.00	\$ 4,000.00	\$ 20.00
104131	545600	LIAB/PROP INS & BONDS	\$ 1,051.49	\$ 1,715.00	\$ 1,958.00	\$ 243.00
104131	549100	DUES & SUBSCRIPTIONS	\$ 646.25	\$ 800.00	\$ 800.00	\$ -
104131	549750	PERMITS	\$ 26.00	\$ 300.00	\$ 1,500.00	\$ 1,200.00
104131	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ -	\$ -	\$ -
104131	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 2,700.00	\$ 2,650.00	\$ (50.00)
104131	557000	LAND	\$ -	\$ -	\$ -	\$ -
104131	598060	DEPARTMENTAL CHGS-W/S	\$ (231,880.00)	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 185,883.01	\$ 185,780.95	\$ 191,564.00	\$ 5,783.05

FY15-16 Budget Highlights

The City Engineer Department went fully to the indirect cost allocation method of personnel costs last fiscal year. So, we see expected growth in personnel costs due to market and merit increases. There are no significant changes in the City Engineer budget.

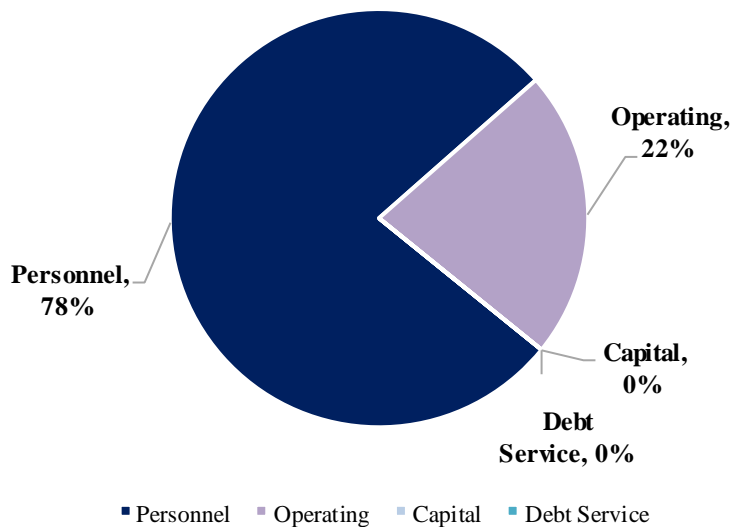


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
City Engineer				
Personnel	\$ 401,397.53	\$ 146,320.95	\$ 148,791.00	\$ 2,470.05
Operating	\$ (215,514.52)	\$ 39,460.00	\$ 42,773.00	\$ 3,313.00
Capital	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 185,883.01	\$ 185,780.95	\$ 191,564.00	\$ 5,783.05

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
City Engineer				
Full-Time	6.00	6.00	6.00	0.00
Part-Time	0.00	0.00	1.00	1.00
<i>Sub-Total</i>	6.00	6.00	7.00	1.00

Expenditures by Type



Information Technology

The information technology department is responsible for the maintenance and management of all technology services for the City. The department consists of one employee and is located in the City Operations Center at 305 Williams Street, Hendersonville, NC 28792.

Information Technology Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Information Technology						
104140	512100	SALARIES & WAGES-REG	\$ 85,414.81	\$ 13,756.21	\$ -	\$ (13,756.21)
104140	518100	FICA TAX EXPENSE	\$ 6,444.26	\$ 1,046.89	\$ -	\$ (1,046.89)
104140	518200	RETIREMENT EXPENSE	\$ 6,006.52	\$ 759.59	\$ -	\$ (759.59)
104140	518300	GROUP MED & LIFE INS	\$ 6,055.64	\$ 492.24	\$ -	\$ (492.24)
104140	518600	WORKER'S COMP INS	\$ 1,232.96	\$ 92.86	\$ -	\$ (92.86)
104140	519000	PROFESSIONAL SERVICES	\$ -	\$ -	\$ 7,000.00	\$ 7,000.00
104140	526000	OFFICE SUPPLIES	\$ 1,887.55	\$ -	\$ -	\$ -
104140	529900	SUPPLIES & MATERIALS	\$ 13,786.30	\$ -	\$ -	\$ -
104140	532100	TELEPHONE	\$ 2,555.72	\$ -	\$ 63,307.00	\$ 63,307.00
104140	532500	POSTAGE	\$ -	\$ -	\$ -	\$ -
104140	535200	R & M - EQUIPMENT	\$ 169,015.37	\$ 60,742.00	\$ 7,000.00	\$ (53,742.00)
104140	539400	TRAVEL	\$ -	\$ -	\$ -	\$ -
104140	539500	TRAINING	\$ -	\$ 25.00	\$ -	\$ (25.00)
104140	545600	LIAB/PROP INS & BONDS	\$ 420.60	\$ 298.00	\$ 117.00	\$ (181.00)
104140	549100	DUES & SUBSCRIPTIONS	\$ -	\$ -	\$ -	\$ -
104140	549750	PERMITS	\$ 6,000.00	\$ 3,172.00	\$ 56,921.00	\$ 53,749.00
104140	552000	CAP OUTLAY-EQUIPMENT	\$ -	\$ 75,000.00	\$ -	\$ (75,000.00)
104140	553000	NON-CAPITAL EQUIPMENT	\$ 76,710.71	\$ 10,000.76	\$ 7,651.00	\$ (2,349.76)
104140	557000	LAND	\$ -	\$ -	\$ -	\$ -
104140	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ -	\$ 53,738.00	\$ 53,738.00
104140	569000	CONTRACTED SERVICES	\$ 9,510.00	\$ 133,259.00	\$ 151,551.00	\$ 18,292.00
104140	598060	DEPARTMENTAL CHGS-W/S	\$ (122,723.86)	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 262,316.58	\$ 298,644.55	\$ 347,285.00	\$ 48,640.45

FY15-16 Budget Highlights

The Information Technology Department has undergone major changes since last year, including the conversion to a consultant, VC3. The “Telephone” account line includes all internet and telephone costs that are not specific to an individual department. This was done to capture all costs associated with a specific service. Other accounts are experiencing increases and decreases due to the shift. The City will not be able to accurately gauge the full costs until after this fiscal year.

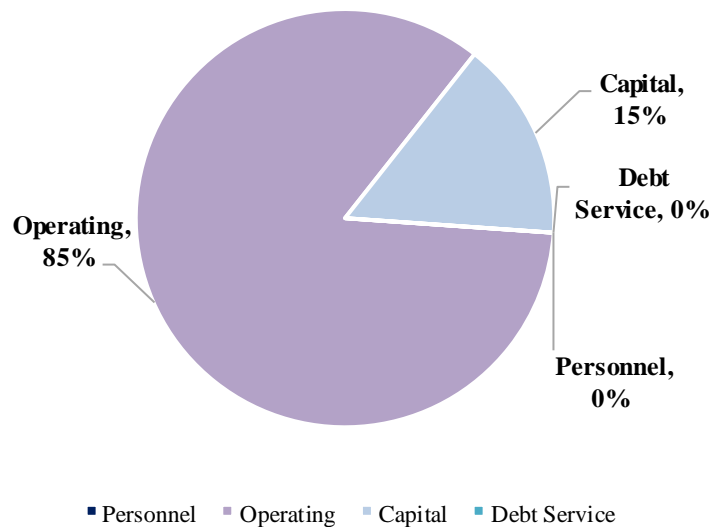


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Information Technology				
Personnel	\$ 105,154.19	\$ 16,147.79	\$ -	\$ (16,147.79)
Operating	\$ 157,162.39	\$ 207,496.76	\$ 293,547.00	\$ 86,050.24
Capital	\$ -	\$ 75,000.00	\$ 53,738.00	\$ (21,262.00)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 262,316.58	\$ 298,644.55	\$ 347,285.00	\$ 48,640.45

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
Information Technology				
Full-Time	1.00	1.00	0.00	-1.00
Part-Time	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	1.00	1.00	0.00	-1.00

Expenditures by Type



Legal

The legal department defends, advises, and negotiates all contractual and legal involvements and major projects that the City of Hendersonville engages in. The department is funded through the General Fund and is comprised of two full time equivalent employees. The City Attorney is the director of this department and sits in on all Council meetings. The legal department is located on the second floor of the City Hall building located at 145 Fifth Avenue East, Hendersonville, NC 28792.

FY14-15 Accomplishments

- ✓ Prepared and carried out all training to all supervisors
- ✓ Assisted finance department with collection of delinquent taxes
- ✓ Worked with police and zoning on several sweepstake issues
- ✓ Partnered with multiple agencies in Alpine Woods case
- ✓ Continuous review and management of contracts and lawsuits



Legal Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Legal						
104150	512100	SALARIES & WAGES-REG	\$ 113,900.91	\$ 59,425.19	\$ 60,304.00	\$ 878.81
104150	512900	SALARIES & WAGES-P/T	\$ 37,970.15	\$ 22,241.82	\$ 17,142.00	\$ (5,099.82)
104150	518100	FICA TAX EXPENSE	\$ 11,159.75	\$ 6,247.77	\$ 6,078.00	\$ (169.77)
104150	518200	RETIREMENT EXPENSE	\$ 10,810.12	\$ 5,042.96	\$ 5,299.00	\$ 256.04
104150	518300	GROUP MED & LIFE INS	\$ 6,126.65	\$ 2,523.00	\$ 5,646.00	\$ 3,123.00
104150	518600	WORKER'S COMP INS	\$ 1,320.00	\$ 114.09	\$ 110.00	\$ (4.09)
104150	519200	LITIGATION EXPENSE	\$ 466.66	\$ 100.00	\$ 100.00	\$ -
104150	526000	OFFICE SUPPLIES	\$ 715.59	\$ 600.00	\$ 600.00	\$ -
104150	529900	SUPPLIES & MATERIALS	\$ 124.45	\$ 250.00	\$ 250.00	\$ -
104150	532100	TELEPHONE	\$ 951.14	\$ 800.00	\$ -	\$ (800.00)
104150	532500	POSTAGE	\$ 120.52	\$ 230.00	\$ 250.00	\$ 20.00
104150	535200	R & M - EQUIPMENT	\$ -	\$ 100.00	\$ 100.00	\$ -
104150	539400	TRAVEL	\$ 3,470.52	\$ 4,850.00	\$ 5,250.00	\$ 400.00
104150	539500	TRAINING	\$ 1,160.00	\$ 2,210.00	\$ 2,610.00	\$ 400.00
104150	545600	LIAB/PROP INS & BONDS	\$ 420.60	\$ 171.00	\$ 191.00	\$ 20.00
104150	549100	DUES & SUBSCRIPTIONS	\$ 896.00	\$ 915.00	\$ 1,000.00	\$ 85.00
104150	549750	PERMITS	\$ -	\$ -	\$ 100.00	\$ 100.00
104150	557000	LAND	\$ -	\$ -	\$ -	\$ -
104150	569000	CONTRACTED SERVICES	\$ 5,715.00	\$ 6,300.00	\$ 8,563.00	\$ 2,263.00
104150	598060	DEPARTMENTAL CHGS-W/S	\$ (90,667.04)	\$ -	\$ -	\$ -
104150	598700	REIMBURSE PLAN DEPT	\$ 10,160.00	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 114,821.02	\$ 112,120.83	\$ 113,593.00	\$ 1,472.17

FY15-16 Budget Highlights

The Legal Department has not experienced many changes besides normal personnel growth. The “Contracted Services” account increased due to increases in LexisNexus fees and the addition of Ecvivis, grant administration software.

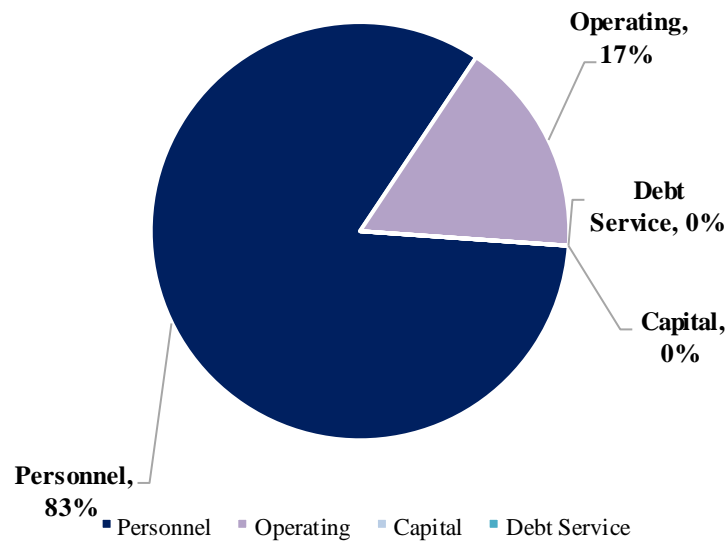


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Legal				
Personnel	\$ 181,287.58	\$ 95,594.83	\$ 94,579.00	\$ (1,015.83)
Operating	\$ (66,466.56)	\$ 16,526.00	\$ 19,014.00	\$ 2,488.00
Capital	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 114,821.02	\$ 112,120.83	\$ 113,593.00	\$ 1,472.17

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
Legal				
Full-Time	1.00	1.00	1.00	0.00
Part-Time	1.00	1.00	1.00	0.00
<i>Sub-Total</i>	2.00	2.00	2.00	0.00

Expenditures by Type



Public Works-Fleet Maintenance

The Fleet Maintenance Division is responsible for maintenance and repairs to 145 vehicles and 320 other pieces of equipment such as backhoes, tractors, and mowers. The Division reviews vehicle replacement request every year and helps makes recommendations for replacement within the budget and CIP. The division includes a supervisor, an equipment services specialist and four mechanics. The Fleet Maintenance Division is located at 310 Williams Street. For more information about the Fleet Maintenance Division, please contact Tom Wooten at 697-3084.

FY14-15 Accomplishments

- ✓ Installed new fans in the shop to help with air circulation for better work conditions.
- ✓ Purchased a new overhead crane to lift very heavy items within the shop which will reduce the risk of injury for employees.
- ✓ Upgraded the shop with new LED light fixtures which will drastically improve visibility while working on vehicles and equipment plus reduce our electricity bill.

FY15-16 Goals & Initiatives

- ✓ Plan to remodel the offices and restroom within the shop.
- ✓ Our electrical system is at it maximum capacity. We need a new 400 amp panel installed to safely operate our shop and our equipment.



Public Works-Fleet Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
PW-Fleet Maintenance						
104250	512100	SALARIES & WAGES-REG	\$ 227,306.78	\$ 238,616.38	\$ 155,374.00	\$ (83,242.38)
104250	512200	SALARIES & WAGES-O/T	\$ 4,100.43	\$ 3,608.00	\$ 1,920.00	\$ (1,688.00)
104250	512250	HOLIDAY PAY	\$ -	\$ 0.91	\$ -	\$ (0.91)
104250	518100	FICA TAX EXPENSE	\$ 17,619.42	\$ 18,530.16	\$ 12,033.00	\$ (6,497.16)
104250	518200	RETIREMENT EXPENSE	\$ 16,283.62	\$ 17,294.81	\$ 10,492.00	\$ (6,802.81)
104250	518300	GROUP MED & LIFE INS	\$ 35,312.10	\$ 30,276.00	\$ 21,679.00	\$ (8,597.00)
104250	518600	WORKER'S COMP INS	\$ 3,698.89	\$ 7,626.90	\$ 4,518.00	\$ (3,108.90)
104250	518900	RETIREE INSURANCE	\$ 9,858.63	\$ 7,700.00	\$ -	\$ (7,700.00)
104250	519000	PROFESSIONAL SERVICES	\$ -	\$ 410.00	\$ 300.00	\$ (110.00)
104250	521200	UNIFORMS	\$ 2,435.31	\$ 4,302.00	\$ 4,500.00	\$ 198.00
104250	523000	MEDICAL SUPPLIES	\$ 105.23	\$ 400.00	\$ 400.00	\$ -
104250	525100	GASOLINE & DIESEL	\$ 2,969.86	\$ 3,500.00	\$ 3,600.00	\$ 100.00
104250	525200	TIRES	\$ 16,092.50	\$ 18,000.00	\$ 20,000.00	\$ 2,000.00
104250	525300	VEHICLE PARTS	\$ 53,239.25	\$ 49,000.00	\$ 54,600.00	\$ 5,600.00
104250	525400	OIL	\$ 11,139.73	\$ 14,000.00	\$ 16,000.00	\$ 2,000.00
104250	526000	OFFICE SUPPLIES	\$ 840.95	\$ 1,000.00	\$ 1,000.00	\$ -
104250	529900	SUPPLIES & MATERIALS	\$ 12,139.13	\$ 11,200.00	\$ 13,000.00	\$ 1,800.00
104250	532100	TELEPHONE	\$ 429.09	\$ 450.00	\$ 930.00	\$ 480.00
104250	533000	UTILITIES	\$ 18,952.29	\$ 21,300.00	\$ 20,900.00	\$ (400.00)
104250	535100	R & M - BUILDINGS	\$ 2,567.99	\$ 6,000.00	\$ 1,000.00	\$ (5,000.00)
104250	535200	R & M - EQUIPMENT	\$ 282.68	\$ 5,500.00	\$ 4,800.00	\$ (700.00)
104250	535300	R & M - AUTO/TRUCKS	\$ 70.98	\$ 800.00	\$ 800.00	\$ -
104250	539400	TRAVEL	\$ -	\$ -	\$ 500.00	\$ 500.00
104250	539500	TRAINING	\$ -	\$ -	\$ 1,200.00	\$ 1,200.00
104250	545600	LIAB/PROP INS & BONDS	\$ 4,205.96	\$ 2,398.00	\$ 2,568.00	\$ 170.00
104250	549100	DUES & SUBSCRIPTIONS	\$ -	\$ -	\$ 240.00	\$ 240.00
104250	549750	PERMITS	\$ -	\$ -	\$ 100.00	\$ 100.00
104250	552000	CAPITAL OUTLAY-EQUIPMENT	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00
104250	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ -	\$ 3,900.00	\$ 3,900.00
104250	557000	LAND	\$ -	\$ -	\$ -	\$ -
104250	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -
104250	569000	CONTRACTED SERVICES	\$ -	\$ 1,200.00	\$ 800.00	\$ (400.00)
104250	598060	DEPT CHGS-FLT MAINT WRK ORDERS	\$ (38,621.25)	\$ (30,000.00)	\$ -	\$ 30,000.00
104250	598068	DEPT CHGS-FLT MAINT WRK ORDERS	\$ (9,258.75)	\$ (10,000.00)	\$ -	\$ 10,000.00
104250	598301	DEPT CHGS-OPERATING	\$ (73,163.67)	\$ (80,000.00)	\$ (80,000.00)	\$ -
<i>Sub-Total</i>			\$ 318,607.15	\$ 343,113.16	\$ 292,154.00	\$ (50,959.16)

FY15-16 Budget Highlights

The Fleet Maintenance Department had charged a labor rate, however this rate was placing a larger burden on the General Fund. The labor rate has been eliminated and the employee’s personnel costs have been split between the funds in a more equitable manner. In addition, the “Capital Outlay-Equipment” account includes a needed electrical panel upgrade.

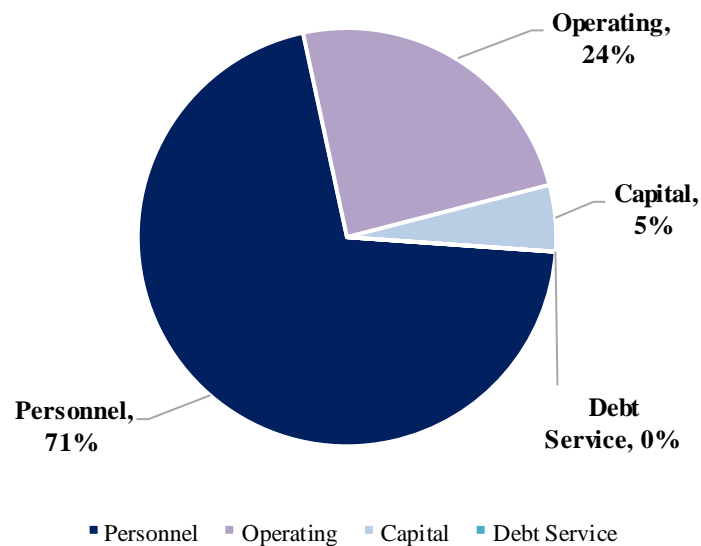


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
PW-Fleet Maintenance				
Personnel	\$ 314,179.87	\$ 323,653.16	\$ 206,016.00	\$ (117,637.16)
Operating	\$ 4,427.28	\$ 19,460.00	\$ 71,138.00	\$ 51,678.00
Capital	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 318,607.15	\$ 343,113.16	\$ 292,154.00	\$ (50,959.16)

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
PW-Fleet Maintenance				
Full-Time	6.00	6.00	6.00	0.00
Part-Time	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	6.00	6.00	6.00	0.00

Expenditures by Type



Public Works-Building Maintenance

The Building Maintenance Division is dedicated to serving the citizens of Hendersonville through proper maintenance and repair of city facilities, playgrounds, parks and downtown area. The Building Maintenance Division includes a Supervisor and two Technicians. The Building Maintenance Division reports to the City Operation Center but operates out of an office/work shop located at the maintenance entrance to Patton Park. For more information about the Building Maintenance Division, please contact Tom Wooten at (828) 697-3084.

FY14-15 Accomplishments

- ✓ Assisted with Maple Parking Lot renovation.
- ✓ Installed a new sewer line to the Patton Park Administration Building.
- ✓ Continue to make repairs and improvements at all of the parks.
- ✓ Assisted with the roof replacement project at Sullivan Park Basketball Court.
- ✓ Began the expansion of the mezanine at the Operation Center

FY15-16 Goals & Initiatives

- ✓ Replace the floors at the Whitmire Activity Center.
- ✓ Assist with remodeling the offices and restroom at Fleet Maintenance.
- ✓ Assist with expanding the mezanine at the Operation Center.
- ✓ Prep for the expansion of the Oklawaha Greenway Trail and Berkeley Mills Park - staff and equipment.
- ✓ Renovate four downtown festival (electric) panels over the next two years



Public Works-Building Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
PW-Building Maintenance						
104270	512100	SALARIES & WAGES-REG	\$ 118,314.40	\$ 121,263.00	\$ 125,084.00	\$ 3,821.00
104270	512200	SALARIES & WAGES-O/T	\$ 8,139.21	\$ 7,020.00	\$ 6,000.00	\$ (1,020.00)
104270	512250	HOLIDAY PAY	\$ -	\$ 0.32	\$ -	\$ (0.32)
104270	512600	SALARIES & WAGES-TEMP	\$ 8,344.51	\$ 18,000.00	\$ 16,050.00	\$ (1,950.00)
104270	518100	FICA TAX EXPENSE	\$ 10,202.26	\$ 10,272.67	\$ 11,256.00	\$ 983.33
104270	518200	RETIREMENT EXPENSE	\$ 8,905.89	\$ 9,202.27	\$ 9,254.00	\$ 51.73
104270	518300	GROUP MED & LIFE INS	\$ 18,140.09	\$ 15,138.00	\$ 16,937.00	\$ 1,799.00
104270	518600	WORKER'S COMP INS	\$ 3,329.00	\$ 5,566.26	\$ 4,451.00	\$ (1,115.26)
104270	519000	PROFESSIONAL SERVICES	\$ 300.00	\$ -	\$ 200.00	\$ 200.00
104270	521100	JANITORIAL SUPPLIES	\$ 7,847.00	\$ 11,000.00	\$ 11,000.00	\$ -
104270	521200	UNIFORMS	\$ 1,058.07	\$ 2,151.00	\$ 2,250.00	\$ 99.00
104270	525100	GASOLINE & DIESEL	\$ 5,701.77	\$ 5,000.00	\$ 4,600.00	\$ (400.00)
104270	525200	TIRES	\$ 631.11	\$ 200.00	\$ 600.00	\$ 400.00
104270	525300	VEHICLE PARTS	\$ 1,601.26	\$ 1,429.00	\$ 1,800.00	\$ 371.00
104270	525400	OIL	\$ 63.48	\$ 200.00	\$ 240.00	\$ 40.00
104270	527000	RESALE ITEMS-BOYD PK	\$ 589.03	\$ 1,200.00	\$ 1,200.00	\$ -
104270	529900	SUPPLIES & MATERIALS	\$ 11,041.26	\$ 25,156.00	\$ 21,000.00	\$ (4,156.00)
104270	532100	TELEPHONE	\$ 2,980.50	\$ 3,294.80	\$ -	\$ (3,294.80)
104270	533000	UTILITIES	\$ 77,853.90	\$ 74,900.00	\$ 79,000.00	\$ 4,100.00
104270	535100	R & M - BUILDINGS	\$ 39,660.41	\$ 36,501.00	\$ 41,300.00	\$ 4,799.00
104270	535200	R & M - EQUIPMENT	\$ 1,333.31	\$ 1,443.00	\$ 8,000.00	\$ 6,557.00
104270	535300	R & M - AUTO/TRUCKS	\$ 755.63	\$ 1,100.00	\$ 1,200.00	\$ 100.00
104270	539400	TRAVEL	\$ -	\$ -	\$ 500.00	\$ 500.00
104270	539500	TRAINING	\$ -	\$ -	\$ 400.00	\$ 400.00
104270	544010	LEASE- BUILDING	\$ -	\$ 11,000.00	\$ 11,200.00	\$ 200.00
104270	545600	LIAB/PROP INS & BONDS	\$ 3,125.67	\$ 1,985.00	\$ 2,278.00	\$ 293.00
104270	549100	DUES & SUBSCRIPTIONS	\$ -	\$ -	\$ -	\$ -
104270	549300	POOL/ MINI GOLF SHORT/OVER	\$ -	\$ -	\$ -	\$ -
104270	549750	PERMITS	\$ -	\$ -	\$ 100.00	\$ 100.00
104270	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ 6,000.00	\$ -	\$ (6,000.00)
104270	557000	LAND	\$ -	\$ -	\$ -	\$ -
104270	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ 52,101.00	\$ -	\$ (52,101.00)
104270	569000	CONTRACTED SERVICES	\$ 97,521.32	\$ 87,027.00	\$ 111,656.00	\$ 24,629.00
104270	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 427,439.08	\$ 508,150.32	\$ 487,556.00	\$ (20,594.32)

FY15-16 Budget Highlights

The Buildings Maintenance Department personnel accounts have not experienced any major changes. The “Cap Outlay-Otr Impmts” account includes the Whitmire Building floor resurfacing project and the Grey Hoisery Mill roof patching project. The “Contracted Services” account is up due to the use of contractors for cleaning park restrooms.

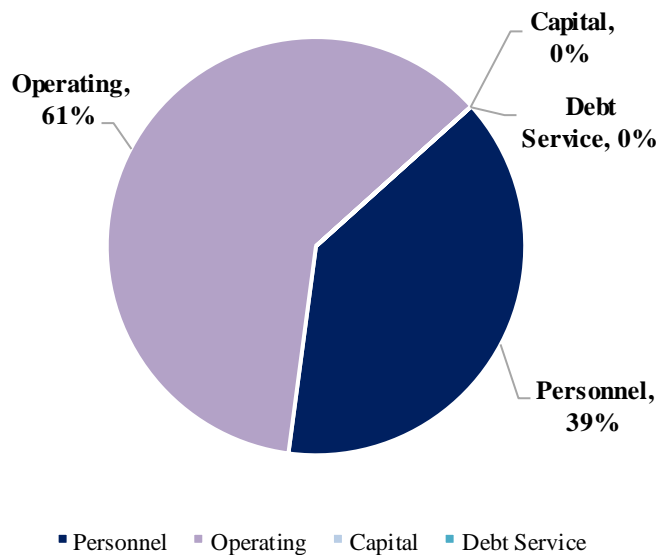


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
PW-Building Maintenance				
Personnel	\$ 175,375.36	\$ 186,462.52	\$ 189,032.00	\$ 2,569.48
Operating	\$ 252,063.72	\$ 263,586.80	\$ 298,524.00	\$ 34,937.20
Capital	\$ -	\$ 58,101.00	\$ -	\$ (58,101.00)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 427,439.08	\$ 508,150.32	\$ 487,556.00	\$ (20,594.32)

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
PW-Building Maintenance				
Full-Time	3.00	3.00	3.00	0.00
Part-Time	2.00	2.00	2.00	0.00
<i>Sub-Total</i>	5.00	5.00	5.00	0.00

Expenditures by Type



Police

The Police Department coordinates public safety efforts in the City. Through investigations, patrols, detective, and other efforts, the Police work to deter and prevent crime within the City. The Police Department consists of 39 sworn police officers, 12 civilian support staff, and approximately 14 part-time officers and support staff.

Mission

The mission of the Hendersonville Police Department is to provide professional law enforcement services to our constituents so as to preserve and to improve the quality of life for those who live in, work in, or visit our city.

Vision

Our vision is to help make Hendersonville a safe destination; and, to be viewed as a fair, respectful, transparent, and well-trained department with employees that are accessible, accountable, and responsive to our customers

FY14-15 Accomplishments

- ✓ Through various initiatives reduced robberies by 30%, and burglaries by 40%
- ✓ Traffic accidents fell by 10% - result of motor unit traffic enforcement
- ✓ Three detectives completed Child Forensic Interviewing course, new child interview room at PD
- ✓ HPD case clearance rate exceeds the national average
- ✓ Drug unit continues to successfully work with the HCSO in making good drug cases that lead to seizures of monies that are returned to the department to buy equipment and provide training
- ✓ Lt. Det. Chris LeRoy finished multi month management development course through NC Justice Academy
- ✓ Four officers obtained their certification in School Resource Officer
- ✓ Lt. Letterman completed the WNC Executive Leadership Association training
- ✓ Added a new K-9 dog "Makie". (via donation)
- ✓ Three officers rewarded high honors: Drake (Metal of Valor) Higgs (Purple Heart) and Tankersley (Lifesaver)
- ✓ Lt. Vesely awarded Governors Highway Safety award for Bike Safe. Grant of \$10,000 rewarded
- ✓ Received grant funding and extensive media coverage for "Shop with a Cop"
- ✓ Patriated over 250 community outreach events
- ✓ Two tele communicators were certified as training officers
- ✓ Successfully participated in a League of Municipalities effort to change NC911 board policy to include secondary PSAPs yearly funding. Our first years funding exceeded \$77,000. This will enable us to reduce our budget requests for eligible items that can be paid for by 911 funds



FY15-16 Goals & Initiatives

- ✓ Our first goal is to reduce the amount of larcenies in the City, which have been on an incline since 2012
- ✓ Maintain a high level of service to citizens
- ✓ Increase efforts to reduce the amount of larcenies through public education and enhanced patrol techniques
- ✓ Conduct ongoing evaluations of department employees and resources
- ✓ Continue specialized training and giving training opportunities to all of our employees
- ✓ Implement new 911 mapping system and other 911 center enhancements (at no cost to City)
- ✓ Assign one patrol Lieutenant to aggressively pursue and obtain grant funding



Police Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Police						
104310	512100	SALARIES & WAGES-REG	\$ 2,121,683.38	\$ 2,233,075.46	\$ 2,304,896.00	\$ 71,820.54
104310	512200	SALARIES & WAGES-O/T	\$ 66,457.50	\$ 76,814.00	\$ 63,530.00	\$ (13,284.00)
104310	512250	HOLIDAY PAY	\$ -	\$ 70,345.36	\$ 76,319.00	\$ 5,973.64
104310	512300	SAL & WAGES-STANDBY	\$ 14,087.08	\$ 14,778.33	\$ 14,560.00	\$ (218.33)
104310	512400	SAL & WAGES-COURT PAY	\$ 7,223.09	\$ 11,841.67	\$ 7,412.00	\$ (4,429.67)
104310	512500	SAL & WAGES-CROSS GDS	\$ 23,814.56	\$ 23,006.67	\$ 31,115.00	\$ 8,108.33
104310	512700	SAL & WAGES-SEP ALLOW	\$ 81,654.84	\$ 83,260.00	\$ 54,532.00	\$ (28,728.00)
104310	512800	SAL & WAGES-DRUG ENFR	\$ 558.24	\$ 10,828.33	\$ 10,500.00	\$ (328.33)
104310	512900	SAL & WAGES-SRO GRANT	\$ 30,545.16	\$ -	\$ -	\$ -
104310	513000	SAL & WAGES-AUX OFFS	\$ 59,060.45	\$ 83,260.00	\$ 67,000.00	\$ (16,260.00)
104310	513200	SAL & WAGES-SRO CITY	\$ -	\$ -	\$ -	\$ -
104310	518100	FICA TAX EXPENSE	\$ 180,426.27	\$ 193,947.33	\$ 201,185.00	\$ 7,237.67
104310	518200	RETIREMENT EXPENSE	\$ 250,015.02	\$ 274,213.31	\$ 274,767.00	\$ 553.69
104310	518300	GROUP MED & LIFE INS	\$ 307,067.27	\$ 257,346.00	\$ 287,916.00	\$ 30,570.00
104310	518600	WORKER'S COMP INS	\$ 35,418.03	\$ 85,621.62	\$ 56,985.00	\$ (28,636.62)
104310	518900	RETIREE INSURANCE	\$ 35,445.71	\$ 27,594.00	\$ 35,163.00	\$ 7,569.00
104310	519000	PROFESSIONAL SERVICES	\$ 2,890.21	\$ 6,000.00	\$ 6,000.00	\$ -
104310	519300	PROF SERVICES-MEDICAL	\$ 5,325.76	\$ 3,200.00	\$ 4,000.00	\$ 800.00
104310	521200	UNIFORMS	\$ 35,903.07	\$ 39,480.00	\$ 39,002.00	\$ (478.00)
104310	525100	GASOLINE & DIESEL	\$ 138,454.23	\$ 125,000.00	\$ 130,000.00	\$ 5,000.00
104310	525200	TIRES	\$ 16,105.47	\$ 10,200.00	\$ 10,200.00	\$ -
104310	525300	VEHICLE PARTS	\$ 34,699.41	\$ 27,000.00	\$ 28,300.00	\$ 1,300.00
104310	525400	OIL	\$ 2,359.01	\$ 2,500.00	\$ 2,500.00	\$ -
104310	526000	OFFICE SUPPLIES	\$ 12,226.67	\$ 13,800.00	\$ 15,000.00	\$ 1,200.00
104310	529900	SUPPLIES & MATERIALS	\$ 78,134.11	\$ 71,093.00	\$ 70,411.00	\$ (682.00)
104310	532100	TELEPHONE	\$ 50,612.37	\$ 47,580.00	\$ 15,600.00	\$ (31,980.00)
104310	532500	POSTAGE	\$ 1,630.15	\$ 1,900.00	\$ 1,900.00	\$ -
104310	535200	R & M - EQUIPMENT	\$ 24,970.37	\$ 75,910.00	\$ 79,810.00	\$ 3,900.00
104310	535300	R & M - AUTO/TRUCKS	\$ 43,469.98	\$ 33,700.00	\$ 37,000.00	\$ 3,300.00
104310	537000	ADVERTISING	\$ 456.46	\$ 1,800.00	\$ 1,800.00	\$ -
104310	539400	TRAVEL	\$ 29,469.77	\$ 22,356.98	\$ 25,000.00	\$ 2,643.02
104310	539500	TRAINING	\$ 15,762.16	\$ 17,955.00	\$ 19,000.00	\$ 1,045.00
104310	539600	SPEC DRUG ENFORCEMENT	\$ -	\$ 4,000.00	\$ 4,000.00	\$ -
104310	545600	LIAB/PROP INS & BONDS	\$ 65,950.30	\$ 53,709.00	\$ 54,556.00	\$ 847.00
104310	548400	D A R E PROGRAM	\$ 5,700.00	\$ 4,500.00	\$ 4,500.00	\$ -
104310	548700	OUTREACH PROGRAM	\$ 2,821.47	\$ 2,200.00	\$ 3,000.00	\$ 800.00
104310	549100	DUES & SUBSCRIPTIONS	\$ 7,618.47	\$ 10,300.00	\$ 10,300.00	\$ -
104310	549750	PERMITS	\$ -	\$ -	\$ 500.00	\$ 500.00
104310	552000	CAPITAL OUTLAY-OTHER EQUIPMENT	\$ -	\$ -	\$ -	\$ -
104310	553000	NON-CAPITAL EQUIPMENT	\$ 37,953.84	\$ 24,500.00	\$ 2,500.00	\$ (22,000.00)
104310	554000	CAP OUTLAY-MOTOR VEHS	\$ 130,768.00	\$ 202,000.00	\$ 124,200.00	\$ (77,800.00)
104310	557000	LAND	\$ -	\$ -	\$ -	\$ -
104310	569000	CONTRACTED SERVICES	\$ 3,253.72	\$ 1,000.00	\$ 600.00	\$ (400.00)
<i>Sub-Total</i>			\$ 3,959,991.60	\$ 4,247,616.06	\$ 4,175,559.00	\$ (72,057.06)

FY15-16 Budget Highlights

The Police Department had two motor vehicle purchases cut in the City's Budget Workshop and this is reflected in the \$97,497 decrease in expenditures from FY14-15.

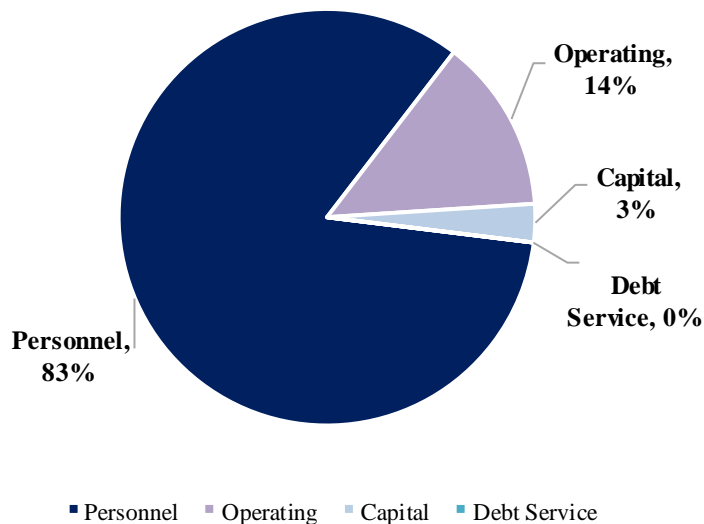


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Police				
Personnel	\$ 3,213,456.60	\$ 3,445,932.08	\$ 3,485,880.00	\$ 39,947.92
Operating	\$ 615,767.00	\$ 599,683.98	\$ 565,479.00	\$ (34,204.98)
Capital	\$ 130,768.00	\$ 202,000.00	\$ 124,200.00	\$ (77,800.00)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 3,959,991.60	\$ 4,247,616.06	\$ 4,175,559.00	\$ (72,057.06)

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
Police				
Full-Time	51.00	51.00	51.00	0.00
Part-Time	16.00	14.00	14.00	0.00
<i>Sub-Total</i>	67.00	65.00	65.00	0.00

Expenditures by Type



Fire

The Hendersonville Fire Department (HFD) operates on an annual budget of \$ 1,943,977.35 dollars and is made up of three divisions: Administration, Operations, and Life Safety. The Operations division has 24 personnel that operate on a modified L.A. schedule and performs various functions including fire, emergency medical, hazardous material, and specialized rescue. The Administration and Life Safety divisions have 3 personnel that perform roles in training, education, enforcement, inspections, investigations, and administrative duties. The department has two fire stations and a North Carolina Response Rating Class 4 for its public protection classification (Hendersonville Fire Department [HFD], 2014).

Mission

The mission of the Hendersonville Fire Department is to provide excellent customer service by minimizing risk to life, property, and the environment while creating a strong bond with our community through public education and prevention. The vision statement for the Hendersonville Fire Department is to strive to meet the needs of our community through quality and excellence in service.

Department Values

These values are intended to guide our efforts and should be obvious in every action and delivery of service. Please see below for the value statements derived from the value words we as an organization chose as the guiding principles for our members.

Honor

Honor is the value of personal and professional accountability displayed through integrity, honesty and ethical behavior. We recognize the privilege of serving, and strive to treat everyone with dignity and respect.

Professionalism

Our core value of professionalism defines who we are. We believe our chosen career is an upstanding and sound service to the community we serve. We take our role seriously and do all that we can to be a positive role model to the future generations.

Pride

We respect and honor the traditions of our organization, community and profession.

Dedication

We value dedication as a positive driving force to successfully utilize skills, knowledge, and capabilities to work through any challenge, adversity, or other barrier to meet the community's needs and the needs of our organization and its members.



Teamwork

We value teamwork as we encourage and embrace each member's capabilities to enhance our collective performance as a whole. Teamwork and shared leadership are fundamental to our organization and we will actively promote collaboration and cohesiveness of our team members.

FY14-15 Accomplishments

- ✓ The Hendersonville Fire Department performed over 700 business inspections, participated in over 7,500 hours of training, and conducted over 100 public education events
- ✓ Opened Fire Station 2 on June 1, 2014, which reduced the overall response time to the Northeastern side of the City
- ✓ Developed a Uniform Policy that improved the appearance and overall professionalism of the fire department
- ✓ All fire department employees attended service excellence training to ensure we are providing efficient and effective customer service to both internal and external customers.
- ✓ Participated in breast cancer awareness month by selling T-shirts and wrapping E-1 pink for the month of October. Donated proceeds to the American Cancer Society
- ✓ Met the requirements for a rated and certified Fire Department per the NC Office of State Fire Marshal after a thorough inspection on September 19, 2014
- ✓ Developed the framework that will be utilized to create the City of Hendersonville Fire Department Strategic Plan
- ✓ Updated, revised, and created multiple standard operating guidelines and policies to aid in the overall success of the fire department
- ✓ Improved data entry procedures to ensure effective reporting of fire department functions and resource usage by conducting several training sessions and creating a quality assurance review process
- ✓ Received City Council approval to develop automatic and mutual aid agreements with neighboring department which will assist with having more personnel on the scene of a fire. This has already been accomplished with Dana Fire Department
- ✓ Performed routine staff meeting with our personnel to improve internal communication and ensure we are addressing and safety concerns

FY15-16 Goals & Initiatives

- ✓ Continue to evolve as an organization to continually meet the needs and demands of our community, citizens and visitors
- ✓ Hire additional personnel in the operations division to ensure we are meeting the two-in/two-out OSHA standard for interior firefighting. This standard requires that we have a minimum of 2 trained firefighters in full PPE anytime we send personnel into an immediately dangerous to life or health (IDLH) atmosphere. With our current staffing we cannot meet this standard. The long range goal is to hire an additional 15 personnel



(5 per shift) to ensure we are meeting the OSHA standard, enhancing service delivery, and providing our staff with as much safety as possible

- ✓ Replace Fire Engine 4 with a quint style fire apparatus which will provide our department with more versatility, better safety, and an additional elevated master stream
- ✓ Hire an Administrative Assistant that will aid in administrative, secretarial, and clerical duties within the fire department and provide better customer service to the citizens of Hendersonville and surrounding communities
- ✓ Renovate Fire Station 1 to include a fitness area, storage area, laundry room, IT room, and two additional offices
- ✓ Continue with development and implement a Citizens Fire Academy in FY 2015-2016
- ✓ Develop a Community-Driven Strategic Plan
- ✓ Continue to develop, revise and implement new Standard Operating Guidelines
- ✓ Implement an apparatus replacement program
- ✓ Continue to improve the fire department's data entry procedures to ensure accurate data
- ✓ Implement a Fee Schedule for business inspections
- ✓ Continue to establish and strengthen partnerships with neighboring jurisdictions
- ✓ Finalize and implement automatic and mutual aid agreements with neighboring departments
- ✓ Conduct periodic community surveys to ensure the HFD priorities match the needs of the community
- ✓ Enhance internal communications tools to facilitate the sharing of information; solicitation of member input, and continued open communications for Fire Company planning
- ✓ Develop a truly progressive website with improved access to public information and services
- ✓ Hire additional personnel to ensure we are meeting OSHA standards while operating on the fire ground



Fire Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Fire						
104340	512100	SALARIES & WAGES-REG	\$ 1,129,872.06	\$ 1,152,805.03	\$ 1,157,660.00	\$ 4,854.97
104340	512200	SALARIES & WAGES-O/T	\$ 13,426.89	\$ 50,000.00	\$ 30,000.00	\$ (20,000.00)
104340	512250	HOLIDAY PAY	\$ -	\$ 0.32	\$ 41,717.00	\$ 41,716.68
104340	512600	SALARIES & WAGES-TEMP	\$ 9,233.75	\$ 48,862.88	\$ 32,500.00	\$ (16,362.88)
104340	518100	FICA TAX EXPENSE	\$ 85,362.53	\$ 95,752.62	\$ 96,534.00	\$ 781.38
104340	518200	RETIREMENT EXPENSE	\$ 79,593.92	\$ 87,593.26	\$ 84,168.00	\$ (3,425.26)
104340	518300	GROUP MED & LIFE INS	\$ 156,557.35	\$ 136,242.00	\$ 152,426.00	\$ 16,184.00
104340	518600	WORKER'S COMP INS	\$ 43,413.17	\$ 40,411.24	\$ 34,848.00	\$ (5,563.24)
104340	518900	RETIREE INSURANCE	\$ 71,976.86	\$ 63,800.00	\$ 79,116.00	\$ 15,316.00
104340	519000	PROFESSIONAL SERVICES	\$ 15,026.30	\$ 12,500.00	\$ 13,000.00	\$ 500.00
104340	521200	UNIFORMS	\$ 17,759.93	\$ 17,675.00	\$ 21,350.00	\$ 3,675.00
104340	521300	PROTECTIVE CLOTHING	\$ 28,371.91	\$ 19,000.00	\$ 36,250.00	\$ 17,250.00
104340	525100	GASOLINE & DIESEL	\$ 37,173.80	\$ 36,500.00	\$ 36,500.00	\$ -
104340	525200	TIRES	\$ 10,721.40	\$ 8,100.00	\$ 10,000.00	\$ 1,900.00
104340	525300	VEHICLE PARTS	\$ 20,773.68	\$ 15,000.00	\$ 15,000.00	\$ -
104340	525400	OIL	\$ 1,484.96	\$ 2,500.00	\$ 2,500.00	\$ -
104340	526000	OFFICE SUPPLIES	\$ 3,721.65	\$ 5,050.00	\$ 5,550.00	\$ 500.00
104340	528000	EDUCATIONAL SUPPLIES	\$ 7,998.71	\$ 10,000.00	\$ 15,500.00	\$ 5,500.00
104340	529900	SUPPLIES & MATERIALS	\$ 21,493.20	\$ 22,000.00	\$ 23,950.00	\$ 1,950.00
104340	532100	TELEPHONE	\$ 10,921.38	\$ 20,034.00	\$ 8,850.00	\$ (11,184.00)
104340	532500	POSTAGE	\$ 51.60	\$ 400.00	\$ 500.00	\$ 100.00
104340	533000	UTILITIES	\$ 14,504.13	\$ 28,000.00	\$ 28,000.00	\$ -
104340	535100	R & M - BUILDINGS	\$ 12,825.72	\$ 11,864.00	\$ 19,980.00	\$ 8,116.00
104340	535200	R & M - EQUIPMENT	\$ 11,717.64	\$ 16,200.00	\$ 21,275.00	\$ 5,075.00
104340	535300	R & M - AUTO/TRUCKS	\$ 24,750.86	\$ 20,000.00	\$ 24,750.00	\$ 4,750.00
104340	537000	ADVERTISING	\$ 2,500.00	\$ 1,700.00	\$ 3,500.00	\$ 1,800.00
104340	539200	LAUNDRY	\$ -	\$ 700.00	\$ 1,000.00	\$ 300.00
104340	539400	TRAVEL	\$ 17,830.83	\$ 14,500.00	\$ 18,500.00	\$ 4,000.00
104340	539500	TRAINING	\$ 10,704.64	\$ 15,170.00	\$ 16,000.00	\$ 830.00
104340	545600	LIAB/PROP INS & BONDS	\$ 14,965.76	\$ 13,836.00	\$ 12,847.00	\$ (989.00)
104340	549100	DUES & SUBSCRIPTIONS	\$ 5,196.16	\$ 10,645.00	\$ 25,883.00	\$ 15,238.00
104340	549750	PERMITS	\$ -	\$ -	\$ 250.00	\$ 250.00
104340	549900	DONATION EXPENDITURE	\$ -	\$ 3,848.00	\$ -	\$ (3,848.00)
104340	552000	CAPITAL OUTLAY EQUIPMENT	\$ 52,318.50	\$ -	\$ -	\$ -
104340	553000	NON-CAPITAL EQUIPMENT	\$ 55,497.20	\$ 10,000.00	\$ 29,900.00	\$ 19,900.00
104340	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ 30,000.00	\$ -	\$ (30,000.00)
104340	557000	LAND	\$ -	\$ -	\$ -	\$ -
104340	558000	CAP OUTLAY-BUILDINGS	\$ -	\$ -	\$ -	\$ -
104340	598043	DEPT CHGS- FIRE GRANT	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 1,987,746.49	\$ 2,020,689.35	\$ 2,099,804.00	\$ 79,114.65

FY15-16 Budget Highlights

The Fire Department has experience high level of turnover and this turnover is driving down personnel costs for this year. The City should expect these levels to grow once the Department has dealt with the entire effects of turnover. The “Protective Clothing” account is increased to supply an effective level of turnout gear. Other increases are due to the addition of Fire Station #2.

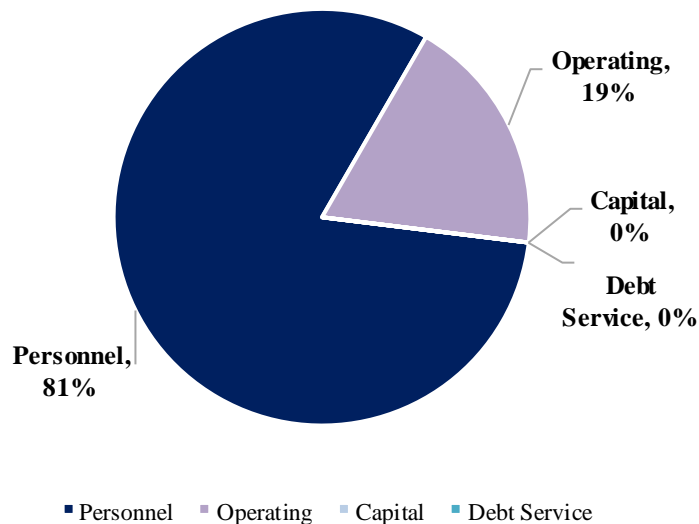


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Fire				
Personnel	\$ 1,589,436.53	\$ 1,675,467.35	\$ 1,708,969.00	\$ 33,501.65
Operating	\$ 345,991.46	\$ 315,222.00	\$ 390,835.00	\$ 75,613.00
Capital	\$ 52,318.50	\$ 30,000.00	\$ -	\$ (30,000.00)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 1,987,746.49	\$ 2,020,689.35	\$ 2,099,804.00	\$ 79,114.65

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
Fire				
Full-Time	27.00	27.00	27.00	0.00
Part-Time	15.00	15.00	15.00	0.00
<i>Sub-Total</i>	42.00	42.00	42.00	0.00

Expenditures by Type



Development Assistance

The Development Assistance Department provides zoning, planning, and historic preservation service for the City of Hendersonville. These functions include the review of the physical development of land within the City and the ETJ (extraterrestrial jurisdiction), reviews land use and development projects to assure that they are in compliance with adopted codes and regulations that promote orderly physical growth along with protecting the health, safety and welfare of the community, maintains and updates the Zoning Ordinance, Zoning Map, Subdivision Ordinance, 2030 Comprehensive Plan, Parks and Greenspace Plan, Pedestrian Plan and other related policy documents along with grant writing and administration, provides staff support to the Mayor, City Council, Planning Board, Board of Adjustment, Historic Preservation Commission, Downtown Advisory Committee and City Manager, and conducts enforcement of the zoning ordinance which includes the sign ordinance also the flood damage prevention ordinance, minimum housing code, nuisance ordinance and junk car ordinance. The Department includes the Development Assistance Director, Planning Director, Planner, and two Code Enforcement Officer Positions. The Development Assistance Department is located at 100 N. King Street. For more information about this Department please contact (828) 697-3010.

FY14-15 Accomplishments

- ✓ Created the Development Assistance Department through merger of zoning, planning, and fire inspections in order to provide excellent customer service
- ✓ Issued 193 nuisance notices to improve maintenance of privately owned property and to promote public health, safety, and general welfare
- ✓ Issued 427 zoning permits for construction within the City
- ✓ Issued 102 courtesy zoning letters to work with citizens to obtain compliance
- ✓ Began work with Pisgah Legal Services and Henderson County to improve living conditions in Alpine Woods
- ✓ Developed plans for renovations of Development Assistance Department offices
- ✓ Reviewed development plans and issued five development permits for the special flood hazard area to minimize public and private flood losses due to flood conditions within flood prone areas
- ✓ Conducted minimum housing inspections to ensure public health, safety, and welfare in so far as they are affected by the continued occupancy and maintenance of structures and premises.
- ✓ PARTF 2015 Grant submitted for Berkeley Mills Park (Grant Amount \$250,000)
- ✓ NCDOT 2015 Bike Plan Grant submitted (Grant Amount \$49,000)
- ✓ Historic Preservation National Register Grant submitted - Berkeley Mills Park Historic Ballfield (Grant Amount \$6,000)
- ✓ The League of American Bicyclist "2015 Bicycle Friendly" evaluation application submitted
- ✓ Historic Preservation 2015 Loft tour
- ✓ Historic Preservation Holiday Tour of Inns completed December 14, 2014



- ✓ Historic District banners
- ✓ Main Street Special events increased
- ✓ Designer Loft Tour
- ✓ Planner Position hired
- ✓ French Broad MPO Technical Coordinating Committee member

FY15-16 Goals & Initiatives

- ✓ Complete renovations to Development Assistance Department offices
- ✓ Fill vacant Code Enforcement Officer position in order to increase coverage area and response time to citizen complaints and required inspections
- ✓ Continue to improve customer service
- ✓ Continue to work toward voluntary compliance with codes and ordinances rather than enforcement action being necessary



Development Assistance Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Development Assistance						
104370	512100	SALARIES & WAGES-REG	\$ 221,644.15	\$ 226,506.06	\$ 292,182.00	\$ 65,675.94
104370	518100	FICA TAX EXPENSE	\$ 16,327.58	\$ 17,327.56	\$ 22,352.00	\$ 5,024.44
104370	518200	RETIREMENT EXPENSE	\$ 15,570.66	\$ 16,164.71	\$ 19,489.00	\$ 3,324.29
104370	518300	GROUP MED & LIFE INS	\$ 24,516.48	\$ 19,427.60	\$ 28,227.00	\$ 8,799.40
104370	518600	WORKER'S COMP INS	\$ 5,301.73	\$ 371.44	\$ 3,108.00	\$ 2,736.56
104370	519000	PROFESSIONAL SERVICES	\$ 24,224.25	\$ 23,000.00	\$ 25,000.00	\$ 2,000.00
104370	519200	PROF SERVICES-LEGAL	\$ 630.00	\$ 1,629.00	\$ 4,000.00	\$ 2,371.00
104370	521200	UNIFORMS	\$ 455.53	\$ 510.00	\$ 700.00	\$ 190.00
104370	525100	GASOLINE & DIESEL	\$ 2,330.90	\$ 3,000.00	\$ 4,000.00	\$ 1,000.00
104370	525200	TIRES	\$ -	\$ 100.00	\$ 500.00	\$ 400.00
104370	525300	VEHICLE PARTS	\$ 296.43	\$ 250.00	\$ 1,500.00	\$ 1,250.00
104370	525400	OIL	\$ 28.90	\$ 150.00	\$ 500.00	\$ 350.00
104370	526000	OFFICE SUPPLIES	\$ 7,799.24	\$ 9,900.00	\$ 11,000.00	\$ 1,100.00
104370	532100	TELEPHONE	\$ 5,119.68	\$ 5,312.00	\$ -	\$ (5,312.00)
104370	532500	POSTAGE	\$ 3,355.23	\$ 5,500.00	\$ 8,000.00	\$ 2,500.00
104370	535200	R & M - EQUIPMENT	\$ -	\$ -	\$ 100.00	\$ 100.00
104370	535300	R & M - AUTO/TRUCKS	\$ 127.00	\$ 1,150.00	\$ 700.00	\$ (450.00)
104370	537000	ADVERTISING	\$ 1,695.90	\$ 3,150.00	\$ 4,500.00	\$ 1,350.00
104370	539400	TRAVEL	\$ 6,716.95	\$ 6,300.00	\$ 6,500.00	\$ 200.00
104370	539500	TRAINING	\$ 2,719.00	\$ 3,885.00	\$ 4,000.00	\$ 115.00
104370	544000	LEASE- EQUIPMENT	\$ -	\$ -	\$ 2,000.00	\$ 2,000.00
104370	544010	LEASE- BUILDING	\$ -	\$ -	\$ 12,000.00	\$ 12,000.00
104370	545600	LIAB/PROP INS & BONDS	\$ 3,469.91	\$ 1,369.00	\$ 1,760.00	\$ 391.00
104370	549100	DUES & SUBSCRIPTIONS	\$ 442.00	\$ 1,245.00	\$ 1,250.00	\$ 5.00
104370	549500	HISTORIC PRESERVATION COMM	\$ 9,698.64	\$ 9,000.00	\$ 10,000.00	\$ 1,000.00
104370	549750	PERMITS	\$ -	\$ 26.00	\$ 100.00	\$ 74.00
104370	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ 29,845.00	\$ -	\$ (29,845.00)
104370	557000	LAND	\$ -	\$ -	\$ -	\$ -
104370	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ -	\$ 50,000.00	\$ 50,000.00
104370	569400	CONT SERV-CONDM BLDGS	\$ 10,910.65	\$ 15,000.00	\$ 25,000.00	\$ 10,000.00
<i>Sub-Total</i>			\$ 363,380.81	\$ 400,118.37	\$ 538,468.00	\$ 138,349.63

FY15-16 Budget Highlights

In an effort to increase customer service, efficiency, and effectiveness the City has partnered with Henderson County and co-located the City’s Planning and Zoning Department’s, now the Development Assistance Department, with the County’s Planning and Building and Inspections Departments. This should provide cost savings in supplies, vehicles, and other operating lines. The first year requires general improvements in the building as seen in the “Cap Outlay-Other Improvements” account. In addition, a building lease of approximately \$12,000 a year has been budgeted.

The historical data for actuals and the revised budget columns are the combination of the two departments, planning and zoning. This provides a look at the history of the two departments, however the City will not know the true costs until future fiscal years.

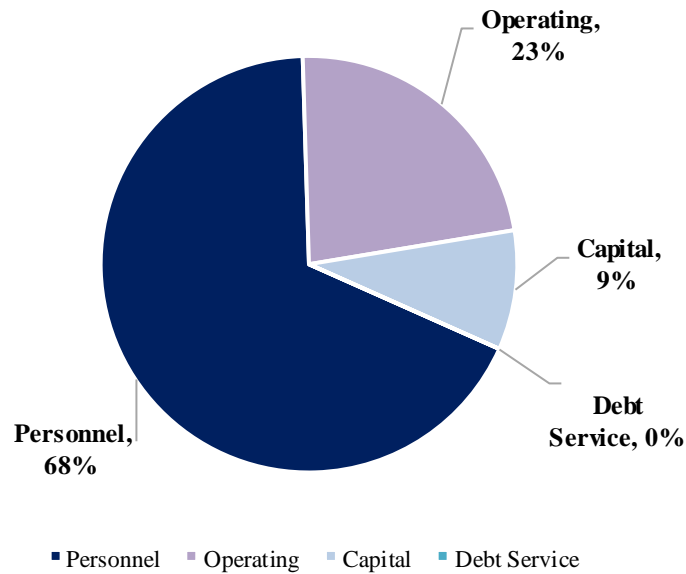


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Development Assistance				
Personnel	\$ 283,360.60	\$ 279,797.37	\$ 365,358.00	\$ 85,560.63
Operating	\$ 80,020.21	\$ 90,476.00	\$ 123,110.00	\$ 32,634.00
Capital	\$ -	\$ 29,845.00	\$ 50,000.00	\$ 20,155.00
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 363,380.81	\$ 400,118.37	\$ 538,468.00	\$ 138,349.63

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
Development Assistance				
Full-Time	5.00	6.00	5.00	-1.00
Part-Time	1.00	1.00	0.00	-1.00
<i>Sub-Total</i>	6.00	7.00	5.00	-2.00

Expenditures by Type



Public Works-Administration

The Administration Division is dedicated to serving the citizens of Hendersonville and customers of our facilities, grounds, and our services. The Administration Division offers staff support to the Hendersonville Tree Board, Downtown and Seventh Avenue Historic District, and City Council plus manages our building rentals, liability and property insurance claims, administration of our Environmental Services accounts, manages Oakdale Cemetery, manages our fuel supply, manages the community service work program, manages the operation of the Laura E Corn Mini Golf and Patton Pool, and manages our building cleaning contract, downtown landscape maintenance contract and our annual resurfacing program. The division also plans, prepares, and manages the CIP and Budget for the Public Works Department. The division also manages the sale of all surplus items. The division includes the Public Works Director, Assistant Director, and one administrative support person. The Administrative Division is located in the City Operation Center at 305 Williams Street. For additional information, please contact Tom Wooten at 697-3084.

FY14-15 Accomplishments

- ✓ Prep for the expansion of the Oklawaha Greenway Trail to Berkeley Park and connector to Sullivan Park
- ✓ Utilized the additional funds from City Council to make improvements to City Streets.
- ✓ Assisted with the Downtown Parking Study
- ✓ Participated in the Employee Evaluation Program (development and implementation)
- ✓ Completed some tree maintenance along MLK Blvd in cooperation with the Tree Board
- ✓ Assisted the Tree Board with the Upward Road planting project and final stage of the Bearcat Loop planting project

FY15-16 Goals & Initiatives

- ✓ Prep for the improvements at Berkeley Mills Park
- ✓ Prep for Gateway Improvements
- ✓ Continue to search for storage solutions for multiple Public Works Departments
- ✓ Plan to hire an additional staff person in Building Maintenance or provide extra funding in contracted services to pay an outside contractor to perform some of their work



Public Works-Administration Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
PW-Administration						
104500	512100	SALARIES & WAGES-REG	\$ 198,872.28	\$ 216,402.41	\$ 209,219.00	\$ (7,183.41)
104500	518100	FICA TAX EXPENSE	\$ 14,685.77	\$ 16,554.78	\$ 16,006.00	\$ (548.78)
104500	518200	RETIREMENT EXPENSE	\$ 13,979.91	\$ 15,451.13	\$ 13,955.00	\$ (1,496.13)
104500	518300	GROUP MED & LIFE INS	\$ 18,475.25	\$ 16,399.50	\$ 16,937.00	\$ 537.50
104500	518600	WORKER'S COMP INS	\$ 6,189.80	\$ 278.58	\$ 1,965.00	\$ 1,686.42
104500	519000	PROFESSIONAL SERVICES	\$ 104.00	\$ -	\$ 800.00	\$ 800.00
104500	521200	UNIFORMS	\$ 225.50	\$ 717.00	\$ 1,500.00	\$ 783.00
104500	523000	MEDICAL SUPPLIES	\$ 412.71	\$ 479.00	\$ 1,300.00	\$ 821.00
104500	525100	GASOLINE & DIESEL	\$ 2,904.13	\$ 2,400.00	\$ 2,400.00	\$ -
104500	525200	TIRES	\$ -	\$ 400.00	\$ 400.00	\$ -
104500	525300	VEHICLE PARTS	\$ 670.53	\$ 1,000.00	\$ 1,000.00	\$ -
104500	525400	OIL	\$ 91.67	\$ 100.00	\$ 100.00	\$ -
104500	526000	OFFICE SUPPLIES	\$ 4,479.61	\$ 4,250.00	\$ 4,250.00	\$ -
104500	529900	SUPPLIES & MATERIALS	\$ 577.17	\$ 2,200.00	\$ 2,200.00	\$ -
104500	532100	TELEPHONE	\$ 9,995.10	\$ 4,891.00	\$ 2,372.00	\$ (2,519.00)
104500	532500	POSTAGE	\$ 237.62	\$ 300.00	\$ 200.00	\$ (100.00)
104500	535200	R & M - EQUIPMENT	\$ 17,590.56	\$ 20,000.00	\$ 25,100.00	\$ 5,100.00
104500	535300	R & M - AUTO/TRUCKS	\$ 895.25	\$ 600.00	\$ 600.00	\$ -
104500	537000	ADVERTISING	\$ 46.02	\$ -	\$ 1,000.00	\$ 1,000.00
104500	539400	TRAVEL	\$ 2,570.96	\$ 1,700.00	\$ 2,000.00	\$ 300.00
104500	539500	TRAINING	\$ 2,254.18	\$ 4,000.00	\$ 2,000.00	\$ (2,000.00)
104500	545600	LIAB/PROP INS & BONDS	\$ 3,049.32	\$ 1,984.00	\$ 2,108.00	\$ 124.00
104500	549100	DUES & SUBSCRIPTIONS	\$ 1,332.83	\$ 844.00	\$ 670.00	\$ (174.00)
104500	549400	H'VILLE TREE BOARD	\$ 10,122.13	\$ 10,000.00	\$ 12,000.00	\$ 2,000.00
104500	549750	PERMITS	\$ -	\$ -	\$ 100.00	\$ 100.00
104500	552000	CAP OUTLAY-DP EQUIP	\$ -	\$ 11,500.00	\$ -	\$ (11,500.00)
104500	554000	CAPT OUTLAY-MOTOR VEHICLES	\$ -	\$ 50,000.00	\$ 27,500.00	\$ (22,500.00)
104500	569000	CONTRACTED SERVICES	\$ 3,037.99	\$ 3,421.00	\$ 3,100.00	\$ (321.00)
104500	598800	INTERCOMPANY DEPT CHARGES	\$ 12,100.00	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 324,900.29	\$ 385,872.40	\$ 350,782.00	\$ (35,090.40)

FY15-16 Budget Highlights

One employee has been partially coded to this account for work performed in the past. This year that employee is completely coded to the correct department. One motor vehicle replacement was cut at the City's Budget Workshop. Otherwise, the PW-Administration Department has not seen any other major changes and is experiencing natural growth in personnel and operations.

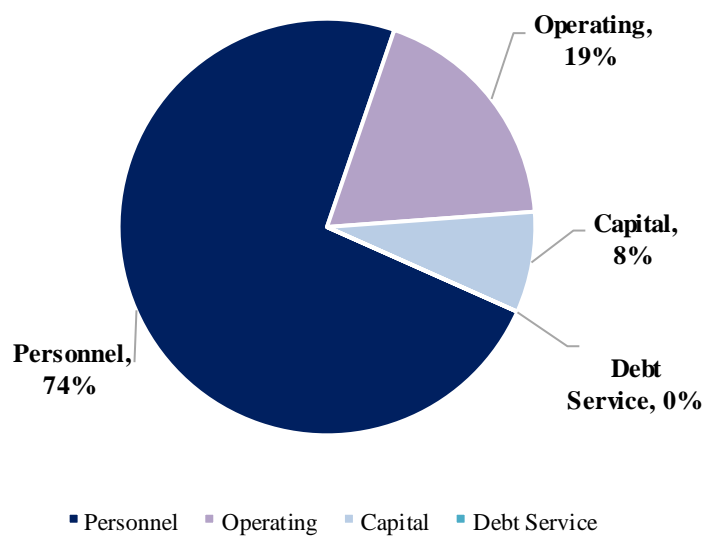


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
PW-Administration				
Personnel	\$ 252,203.01	\$ 265,086.40	\$ 258,082.00	\$ (7,004.40)
Operating	\$ 72,697.28	\$ 59,286.00	\$ 65,200.00	\$ 5,914.00
Capital	\$ -	\$ 61,500.00	\$ 27,500.00	\$ (34,000.00)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 324,900.29	\$ 385,872.40	\$ 350,782.00	\$ (35,090.40)

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
PW-Administration				
Full-Time	3.00	3.00	3.00	0.00
Part-Time	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	3.00	3.00	3.00	0.00

Expenditures by Type



Public Works-Streets & Highways

The Street Maintenance Division is dedicated to serving the citizens of Hendersonville through planning, maintenance, and repair of over 68 miles of streets, including the storm water systems, sidewalks, curb and Gutters, and ROW mowing. The Street Maintenance Division offers support to the Water and Sewer Department and outside agencies by repairing utility cuts. The Street Maintenance Department includes a Supervisor, a Crew Leader, two Equipment Operators, four Workers and two temp positions. The Street Maintenance Division is located at the City Operation Center. For more information, please contact Tom Wooten at (828) 697-3084.

FY14-15 Accomplishments

- ✓ Resurfaced 2.08 miles of City streets which included milling roughly 26K sq yards of street
- ✓ Completed two more blocks of the 5th Ave reconstruction project
- ✓ Completed 19,796 SF of Full Depth Patching to city streets
- ✓ Repaired 232 utility cuts (7243.5 SF)
- ✓ Installed 3108 feet of concrete and gutter
- ✓ Installed 3846 feet of sidewalk

FY15-16 Goals & Initiatives

- ✓ Increase our Pavement Condition Rating through additional street repairs and new maintenance techniques using the additional funds provided by City Council and the City Manager
- ✓ Continue to fill in new sidewalks where they are needed and to replace damaged sidewalks as needed
- ✓ Finish 5th Ave reconstruction project
- ✓ Assist with Maple Lot reconstruction project
- ✓ Put strategic plan together to resurface W Lake Ave



Public Works-Streets & Highways Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
PW-Streets & Highways						
104510	512100	SALARIES & WAGES-REG	\$ 263,058.71	\$ 281,788.75	\$ 243,175.00	\$ (38,613.75)
104510	512200	SALARIES & WAGES-O/T	\$ 11,501.87	\$ 7,400.00	\$ 6,125.00	\$ (1,275.00)
104510	512250	HOLIDAY PAY	\$ -	\$ 0.31	\$ -	\$ (0.31)
104510	512900	SALARIES & WAGES-P/T	\$ 22,580.97	\$ 24,806.55	\$ 23,842.00	\$ (964.55)
104510	518100	FICA TAX EXPENSE	\$ 22,299.74	\$ 24,020.66	\$ 20,896.00	\$ (3,124.66)
104510	518200	RETIREMENT EXPENSE	\$ 19,275.46	\$ 20,729.49	\$ 16,629.00	\$ (4,100.49)
104510	518300	GROUP MED & LIFE INS	\$ 46,913.03	\$ 40,368.00	\$ 39,518.00	\$ (850.00)
104510	518600	WORKER'S COMP INS	\$ 8,500.00	\$ 16,529.69	\$ 11,465.00	\$ (5,064.69)
104510	519000	PROFESSIONAL SERVICES	\$ -	\$ 17,700.00	\$ 900.00	\$ (16,800.00)
104510	521200	UNIFORMS	\$ 3,414.48	\$ 5,736.00	\$ 6,000.00	\$ 264.00
104510	524000	CONST & REPAIR SUPP	\$ 153,141.06	\$ 164,100.00	\$ 150,000.00	\$ (14,100.00)
104510	525100	GASOLINE & DIESEL	\$ 36,195.59	\$ 32,000.00	\$ 32,000.00	\$ -
104510	525200	TIRES	\$ 6,763.01	\$ 7,000.00	\$ 7,000.00	\$ -
104510	525300	VEHICLE PARTS	\$ 34,854.38	\$ 40,000.00	\$ 40,000.00	\$ -
104510	525400	OIL	\$ 1,347.60	\$ 2,000.00	\$ 2,000.00	\$ -
104510	529900	SUPPLIES & MATERIALS	\$ 36,197.24	\$ 24,100.00	\$ 25,000.00	\$ 900.00
104510	532100	TELEPHONE	\$ -	\$ 900.00	\$ 450.00	\$ (450.00)
104510	535200	R & M - EQUIPMENT	\$ 1,133.75	\$ 5,700.00	\$ 8,000.00	\$ 2,300.00
104510	535300	R & M - AUTO/TRUCKS	\$ 1,892.20	\$ 8,000.00	\$ 5,000.00	\$ (3,000.00)
104510	539400	TRAVEL	\$ -	\$ -	\$ 400.00	\$ 400.00
104510	539500	TRAINING	\$ -	\$ -	\$ 900.00	\$ 900.00
104510	545600	LIAB/PROP INS & BONDS	\$ 5,229.80	\$ 19,240.00	\$ 15,844.00	\$ (3,396.00)
104510	549750	PERMITS	\$ 52.00	\$ -	\$ 100.00	\$ 100.00
104510	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 8,000.00	\$ -	\$ (8,000.00)
104510	555000	CAP OUTLAY-OTR EQUIP	\$ 54,150.20	\$ 101,300.00	\$ 24,000.00	\$ (77,300.00)
104510	557000	LAND	\$ 2,950.00	\$ -	\$ -	\$ -
104510	559900	CAP OUTLAY-OTR IMPMTS	\$ 14,465.49	\$ -	\$ -	\$ -
104510	569000	CONTRACTED SERVICES	\$ 119,349.58	\$ 52,100.00	\$ 49,215.00	\$ (2,885.00)
104510	569500	CONTRACT - PUB TRANS	\$ 98,675.00	\$ 108,164.00	\$ 116,866.00	\$ 8,702.00
104510	598060	DEPARTMENTAL CHGS-W/S	\$ (108,014.82)	\$ -	\$ -	\$ -
104510	598068	DEPARTMENTAL CHGS-SOLID WASTE	\$ (49,800.00)	\$ (49,800.00)	\$ -	\$ 49,800.00
<i>Sub-Total</i>			\$ 806,126.34	\$ 961,883.45	\$ 845,325.00	\$ (116,558.45)

FY15-16 Budget Highlights

The personnel accounts for the PW-Streets & Highways Department has dropped due to appropriating an employee’s salary and benefits costs in the correct fund. This was previously done using departmental charges. As you can see “Departmental CHGS-Solid Waste” is not budgeted for this year. The allocation request for Apple Country Public Transit is up by \$8,702 this year. The “Cap Outlay-Otr Impmts” account includes salt spreader and snow blade replacements. There are no other major changes to address.

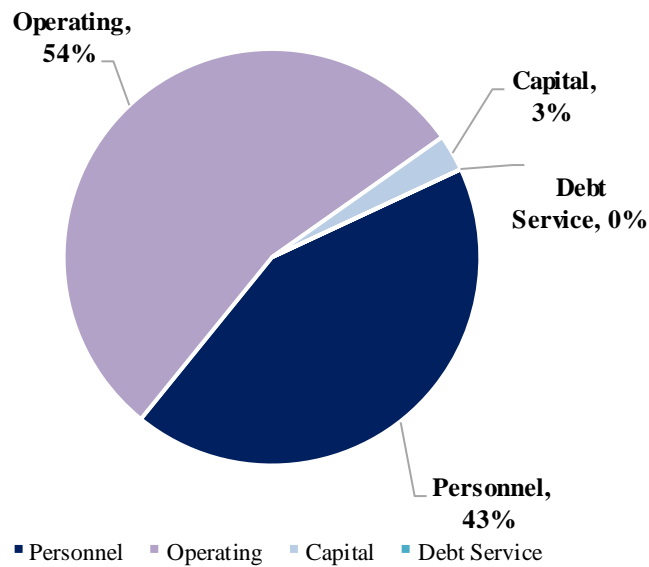


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
PW-Streets & Highways				
Personnel	\$ 394,129.78	\$ 415,643.45	\$ 361,650.00	\$ (53,993.45)
Operating	\$ 340,430.87	\$ 444,940.00	\$ 459,675.00	\$ 14,735.00
Capital	\$ 71,565.69	\$ 101,300.00	\$ 24,000.00	\$ (77,300.00)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 806,126.34	\$ 961,883.45	\$ 845,325.00	\$ (116,558.45)

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
PW-Streets & Highways				
Full-Time	8.00	8.00	8.00	0.00
Part-Time	2.00	2.00	2.00	0.00
<i>Sub-Total</i>	10.00	10.00	10.00	0.00

Expenditures by Type



Powell Bill

Annually, State Street-Aid (Powell Bill) allocations are made to incorporated municipalities which establish their eligibility and qualify as provided by G.S. 136-41 (1-4). The general statutes require that a sum equal to ten and four-tenths percent (10.4%) of the net amount after refunds that was produced during the fiscal year by the tax imposed on gasoline be disbursed to the qualifying municipalities. The statutes also provide that funds be disbursed to the qualified municipalities on or before October 1st and January 1st, in order to allow sufficient time after the end of the fiscal year for verification of information and to determine the proper allocations. Powell Bill funds shall be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of any street or public thoroughfare within a municipality’s jurisdiction. They may also be used for planning, construction, and maintenance of bikeways, greenways or sidewalks.

Powell Bill Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
PW-Powell Bill						
104511	535400	R & M - STREET MAINT	\$ 358,185.44	\$ 533,280.00	\$ 456,280.00	\$ (77,000.00)
104511	549750	PERMITS	\$ -	\$ -	\$ -	\$ -
104511	557000	LAND	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 358,185.44	\$ 533,280.00	\$ 456,280.00	\$ (77,000.00)

FY15-16 Budget Highlights

Powell Bill funding for the City is expected to decrease by \$77,000 according to the North Carolina League of Municipalities. The City currently appropriates approximately one penny on the property tax rate to the Powell Bill Department, totaling \$150,000.



Public Works-Traffic Engineering

The Traffic Division is dedicated to serving the citizens of Hendersonville through operation and maintenance of our traffic signals, street name signs, regulatory signs, traffic markings, parking meter maintenance and repair and money collection, parking lot sign maintenance, graffiti removal, traffic data collection and informational banner change out. The Traffic Division also offers support for downtown events. The division includes two Traffic Technicians. The Traffic Division is located in the City Operation Center. For more information about the Traffic Division, please contact Tom Wooten at (828) 697-3084.

FY14-15 Accomplishments

- ✓ Collected and deposited over \$38,000 in parking lot revenue
- ✓ Completed the retroreflective inspections of our signs per MUTCD standards

FY15-16 Goals & Initiatives

- ✓ Assist with the completion of the Maple Parking lot renovations and kiosk installation and future maintenance
- ✓ Help implement the downtown parking study recommendations
- ✓ Update the traffic signals and controllers at two intersections
- ✓ Finalize and coordinate the testing of our traffic conflict monitors



Public Works-Traffic Engineering Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
PW-Traffic Engineering						
104520	512100	SALARIES & WAGES-REG	\$ 73,739.42	\$ 76,947.88	\$ 78,968.00	\$ 2,020.12
104520	512200	SALARIES & WAGES-O/T	\$ 170.40	\$ 445.00	\$ 500.00	\$ 55.00
104520	512250	HOLIDAY PAY	\$ -	\$ 0.05	\$ -	\$ (0.05)
104520	512300	SAL & WAGES-STANDBY	\$ 12,966.17	\$ 12,417.16	\$ 12,500.00	\$ 82.84
104520	518100	FICA TAX EXPENSE	\$ 6,317.41	\$ 6,870.47	\$ 7,036.00	\$ 165.53
104520	518200	RETIREMENT EXPENSE	\$ 6,113.41	\$ 6,412.44	\$ 6,135.00	\$ (277.44)
104520	518300	GROUP MED & LIFE INS	\$ 12,365.23	\$ 10,092.00	\$ 11,291.00	\$ 1,199.00
104520	518600	WORKER'S COMP INS	\$ 2,029.27	\$ 15,934.38	\$ 12,083.00	\$ (3,851.38)
104520	518900	RETIREE INSURANCE	\$ 8,993.92	\$ 7,200.00	\$ 8,791.00	\$ 1,591.00
104520	519000	PROFESSIONAL SERVICES	\$ 57.90	\$ -	\$ 35,000.00	\$ 35,000.00
104520	521200	UNIFORMS	\$ 618.77	\$ 934.00	\$ 1,500.00	\$ 566.00
104520	525100	GASOLINE & DIESEL	\$ 4,009.26	\$ 3,600.00	\$ 3,600.00	\$ -
104520	525200	TIRES	\$ -	\$ 700.00	\$ 1,000.00	\$ 300.00
104520	525300	VEHICLE PARTS	\$ 887.38	\$ 1,400.00	\$ 1,400.00	\$ -
104520	525400	OIL	\$ 293.63	\$ 200.00	\$ 200.00	\$ -
104520	529900	SUPPLIES & MATERIALS	\$ 29,995.59	\$ 48,785.00	\$ 55,000.00	\$ 6,215.00
104520	532100	TELEPHONE	\$ -	\$ 1,500.00	\$ 1,350.00	\$ (150.00)
104520	533900	STREET & TRAFFIC LTS	\$ 197,273.53	\$ 211,052.00	\$ 214,580.00	\$ 3,528.00
104520	535200	R & M - EQUIPMENT	\$ 331.55	\$ 400.00	\$ 5,400.00	\$ 5,000.00
104520	535300	R & M - AUTO/TRUCKS	\$ 880.42	\$ 1,000.00	\$ 1,000.00	\$ -
104520	539400	TRAVEL	\$ -	\$ -	\$ 1,200.00	\$ 1,200.00
104520	539500	TRAINING	\$ -	\$ -	\$ 2,800.00	\$ 2,800.00
104520	545600	LIAB/PROP INS & BONDS	\$ 946.34	\$ 1,027.00	\$ 1,210.00	\$ 183.00
104520	549750	PERMITS	\$ -	\$ -	\$ 100.00	\$ 100.00
104520	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 5,445.00	\$ 7,200.00	\$ 1,755.00
104520	557000	LAND	\$ -	\$ -	\$ -	\$ -
104520	569000	CONTRACTED SERVICES	\$ -	\$ 7,520.00	\$ 1,000.00	\$ (6,520.00)
<i>Sub-Total</i>			\$ 357,989.60	\$ 419,882.38	\$ 470,844.00	\$ 50,961.62

FY15-16 Budget Highlights

The PW-Traffic Engineering Department is seeing natural growth in personnel and operating costs. The major highlight from this Department is the recommended funding for Kimley Horn Consulting – Circulation Study for 9th Avenue. This study is budgeted for in the “Professional Services” account. In addition, to the circulation study the Department has budgeted for two street light replacements, one at 5th Avenue and Buncombe St., and a second at 4th Avenue and Washington Street. These are budgeted in the “R&M Equipment” account.

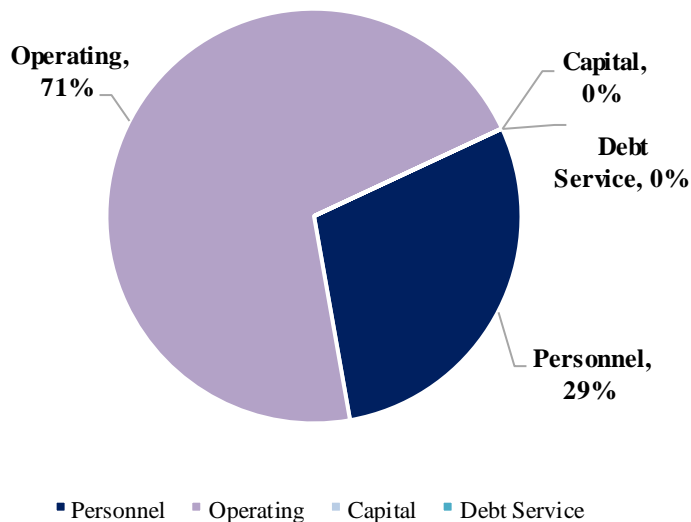


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
PW-Traffic Engineering				
Personnel	\$ 122,695.23	\$ 136,319.38	\$ 137,304.00	\$ 984.62
Operating	\$ 235,294.37	\$ 283,563.00	\$ 333,540.00	\$ 49,977.00
Capital	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 357,989.60	\$ 419,882.38	\$ 470,844.00	\$ 50,961.62

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
PW-Traffic Engineering				
Full-Time	2.00	2.00	2.00	0.00
Part-Time	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	2.00	2.00	2.00	0.00

Expenditures by Type



Public Works-Grounds Maintenance

The Grounds Maintenance Division is dedicated to serving the citizens of Hendersonville through planning, maintenance and repair of all city grounds, some traffic islands, and some roadside mowing, collection of fall bulk leaves, snow removal in town and downtown. The Grounds Maintenance Division also provides support for Downtown Special Events and Special events at the City's Parks. The division also performs nuisance abatements for the Zoning Department. The division includes a Supervisor, two Crew Leaders, six Workers and two Temp Workers. The Grounds Maintenance Division reports to the City Operation Center but operates out of an office/work shop located at the maintenance entrance to Patton Park. For more information about the Grounds Maintenance Division, please contact Tom Wooten at (828) 697-3084.

FY14-15 Accomplishments

- ✓ We have been making improvements to the baseball field at Patton Park and have two teams utilizing the field at this time
- ✓ We are working with a semi-pro football team who wants to use the football field at Patton Park to host some home games this season

FY15-16 Goals & Initiatives

- ✓ Prep for the expansion of the Oklawaha Greenway Trail - Staff and Equipment
- ✓ Prep of the expansion of Berkeley Mills Park - Staff and Equipment



Public Works-Grounds Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
PW-Grounds Maintenance						
104760	512100	SALARIES & WAGES-REG	\$ 273,604.28	\$ 279,511.99	\$ 256,109.00	\$ (23,402.99)
104760	512200	SALARIES & WAGES-O/T	\$ 12,561.35	\$ 7,434.00	\$ 7,000.00	\$ (434.00)
104760	512250	HOLIDAY PAY	\$ -	\$ 0.54	\$ -	\$ (0.54)
104760	512900	SALARIES & WAGES-P/T	\$ 34,706.48	\$ 23,666.55	\$ 23,842.00	\$ 175.45
104760	518100	FICA TAX EXPENSE	\$ 24,453.64	\$ 23,761.82	\$ 21,952.00	\$ (1,809.82)
104760	518200	RETIREMENT EXPENSE	\$ 19,982.81	\$ 20,487.91	\$ 17,550.00	\$ (2,937.91)
104760	518300	GROUP MED & LIFE INS	\$ 47,126.85	\$ 40,368.00	\$ 45,164.00	\$ 4,796.00
104760	518600	WORKER'S COMP INS	\$ 5,502.90	\$ 12,741.60	\$ 5,697.00	\$ (7,044.60)
104760	518900	RETIREE INSURANCE	\$ -	\$ -	\$ 8,791.00	\$ 8,791.00
104760	519000	PROFESSIONAL SERVICES	\$ -	\$ 200.00	\$ 400.00	\$ 200.00
104760	521200	UNIFORMS	\$ 1,730.84	\$ 6,453.00	\$ 6,750.00	\$ 297.00
104760	525100	GASOLINE & DIESEL	\$ 19,459.42	\$ 18,000.00	\$ 18,000.00	\$ -
104760	525200	TIRES	\$ 2,790.87	\$ 2,600.00	\$ 2,600.00	\$ -
104760	525300	VEHICLE PARTS	\$ 9,802.28	\$ 13,000.00	\$ 13,000.00	\$ -
104760	525400	OIL	\$ 930.62	\$ 800.00	\$ 800.00	\$ -
104760	529900	SUPPLIES & MATERIALS	\$ 15,324.01	\$ 14,510.00	\$ 19,350.00	\$ 4,840.00
104760	532100	TELEPHONE	\$ -	\$ 600.00	\$ 450.00	\$ (150.00)
104760	535200	R & M - EQUIPMENT	\$ 2,979.83	\$ 4,000.00	\$ 5,000.00	\$ 1,000.00
104760	535300	R & M - AUTO/TRUCKS	\$ 2,907.88	\$ 3,000.00	\$ 2,000.00	\$ (1,000.00)
104760	539400	TRAVEL	\$ -	\$ -	\$ 400.00	\$ 400.00
104760	539500	TRAINING	\$ -	\$ -	\$ 900.00	\$ 900.00
104760	545600	LIAB/PROP INS & BONDS	\$ 6,287.95	\$ 6,763.00	\$ 6,822.00	\$ 59.00
104760	549750	PERMITS	\$ -	\$ -	\$ 100.00	\$ 100.00
104760	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 8,400.00	\$ 7,000.00	\$ (1,400.00)
104760	555000	CAP OUTLAY-OTR EQUIP	\$ 65,619.00	\$ 26,000.00	\$ 14,000.00	\$ (12,000.00)
104760	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ -	\$ -	\$ -
104760	569000	CONTRACTED SERVICES	\$ 1,937.90	\$ 1,500.00	\$ 22,300.00	\$ 20,800.00
104760	598400	REIMB PUB WORKS DEPT	\$ (140.00)	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 547,568.91	\$ 513,798.41	\$ 505,977.00	\$ (7,821.41)

FY15-16 Budget Highlights

The personnel costs for the PW-Grounds Maintenance Department have dropped due to the retirement of the tenured Department supervisor. This allowed an employee to move into the supervisor position at a lower rate than the previous supervisor and an entry level worker to enter into the organization. There are a variety of general operating increases. The increases in the “Contracted Services” account reflects maintenance required for the signs and striping for the Oklawaha Greenway, and landscaping at City buildings.

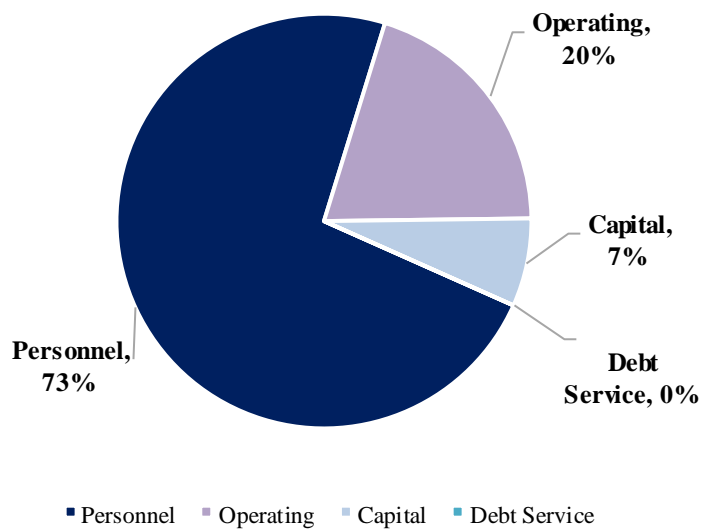


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
PW-Grounds Maintenance				
Personnel	\$ 417,938.31	\$ 407,972.41	\$ 386,105.00	\$ (21,867.41)
Operating	\$ 64,011.60	\$ 79,826.00	\$ 105,872.00	\$ 26,046.00
Capital	\$ 67,556.90	\$ 27,500.00	\$ 36,300.00	\$ 8,800.00
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 549,506.81	\$ 515,298.41	\$ 528,277.00	\$ 12,978.59

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
PW-Grounds Maintenance				
Full-Time	8.00	8.00	8.00	0.00
Part-Time	2.00	2.00	2.00	0.00
<i>Sub-Total</i>	10.00	10.00	10.00	0.00

Expenditures by Type



Public Works-Patton Pool

Patton Pool is dedicated to serving the customers of Patton Pool with friendly services and goods at reasonable prices. The pool provides both private and group swim lessons, water aerobics, lap swim time and open swim time. Patton Pool consists of a Pool Manager, four Assistant Managers, eight Head Life Guards, twelve Life Guards, one Concessions and Gate Manager, and six Concessions and Gate Staff. The administrative services (pool passes, swim lessons registration, budget management...) for Patton Pool are complete by the Public Works Administrative Staff. Patton Pool is located 114 E. Clairmont Drive. For additional information, please contact Tom Wooten at 697-3084.

FY14-15 Accomplishments

- ✓ Purchased our own projector and screen so we will not have to rent equipment for movie night
- ✓ Moved a lifeguard stand to a new location so the lifeguard will have a better view of the pool
- ✓ Installed a new roof on the buildings around the pool
- ✓ Obtaining prices for grates to cover the gutters around the pool

FY15-16 Goals & Initiatives

- ✓ Consider adding new features to draw additional people to the pool (slide or splash area)
- ✓ Consider opening on weekends after labor day until later in the year



Public Works-Patton Pool Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
PW-Patton Pool						
106170	512100	SALARIES & WAGES-REG	\$ 345.19	\$ 0.63	\$ -	\$ (0.63)
106170	512900	SALARIES & WAGES-P/T	\$ 109,819.85	\$ 109,325.00	\$ 117,152.00	\$ 7,827.00
106170	518100	FICA TAX EXPENSE	\$ 8,160.27	\$ 8,363.33	\$ 8,963.00	\$ 599.67
106170	518600	WORKER'S COMP INS	\$ 616.48	\$ -	\$ 2,304.00	\$ 2,304.00
106170	519000	PROFESSIONAL SERVICES	\$ 1,536.77	\$ 1,000.00	\$ 1,000.00	\$ -
106170	521200	UNIFORMS	\$ 2,252.06	\$ 2,680.00	\$ 2,400.00	\$ (280.00)
106170	527000	PURCH FOR RESALE-POOL	\$ 16,629.26	\$ 15,000.00	\$ 16,000.00	\$ 1,000.00
106170	529900	SUPPLIES & MATERIALS	\$ 29,502.26	\$ 31,620.00	\$ 27,200.00	\$ (4,420.00)
106170	532100	TELEPHONE	\$ 457.04	\$ 800.00	\$ 400.00	\$ (400.00)
106170	533000	UTILITIES	\$ 22,137.21	\$ 24,600.00	\$ 24,600.00	\$ -
106170	535100	R & M - BUILDINGS	\$ 7,768.36	\$ 8,000.00	\$ 12,000.00	\$ 4,000.00
106170	535200	R & M - EQUIPMENT	\$ 4,035.61	\$ 4,000.00	\$ 4,000.00	\$ -
106170	545600	LIAB/PROP INS & BONDS	\$ -	\$ -	\$ -	\$ -
106170	549750	PERMITS	\$ -	\$ -	\$ 100.00	\$ 100.00
106170	553000	NON-CAPITAL EQUIPMENT	\$ 8,650.00	\$ -	\$ -	\$ -
106170	555000	CAP OUTLAY-OTR EQUIP	\$ -	\$ -	\$ 18,000.00	\$ 18,000.00
106170	557000	LAND	\$ -	\$ -	\$ -	\$ -
106170	569000	CONTRACTED SERVICES	\$ 3,492.64	\$ 9,800.00	\$ 8,800.00	\$ (1,000.00)
<i>Sub-Total</i>			\$ 215,403.00	\$ 215,188.96	\$ 242,919.00	\$ 27,730.04

FY15-16 Budget Highlights

The personnel costs for the PW-Patton Pool Department were budgeted based on average number of hours worked for a three year period for each level of employee (lifeguard, gate attendant, head guard, etc...). The “R&M Buildings” account includes the installation of partitions in the men’s showers. The “Cap Outlay-Otr Equip” account includes a new cover for Patton Pool at an estimated cost of \$18,000.

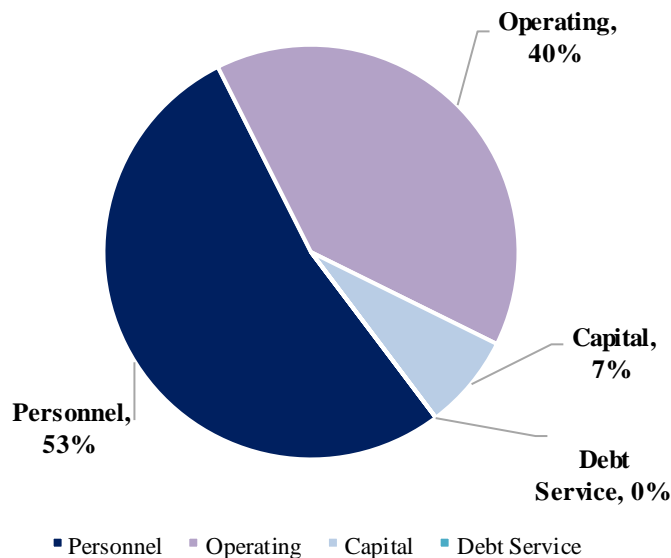


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
PW-Patton Pool				
Personnel	\$ 118,941.79	\$ 117,688.96	\$ 128,419.00	\$ 10,730.04
Operating	\$ 96,461.21	\$ 97,500.00	\$ 96,500.00	\$ (1,000.00)
Capital	\$ -	\$ -	\$ 18,000.00	\$ 18,000.00
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 215,403.00	\$ 215,188.96	\$ 242,919.00	\$ 27,730.04

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
PW-Patton Pool				
Full-Time	0.00	0.00	0.00	0.00
Part-Time	34.00	34.00	34.00	0.00
<i>Sub-Total</i>	34.00	34.00	34.00	0.00

Expenditures by Type



Non-Departmental

The General Fund Non-Departmental portion of the budget captures expenditures in the General Fund not easily assigned to a specific department or division. Expenditures include personnel costs that cover all departments, contributions to other agencies, and general operations benefiting the entire City.

Non-Departmental Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Non-Departmental						
109619	500023	SAFETY PROGRAM	\$ -	\$ 1,500.00	\$ 1,000.00	\$ (500.00)
109619	500024	DRUG TESTING	\$ -	\$ 2,000.00	\$ 2,000.00	\$ -
109619	500028	EMPLOYEE ASSIST PROG	\$ 2,964.00	\$ 2,500.00	\$ 3,000.00	\$ 500.00
109619	500029	WELLNESS COMMITTEE	\$ 4,430.56	\$ -	\$ -	\$ -
109619	500030	TUITION REIMBURSEMENT PROGRAM	\$ 1,001.25	\$ 3,000.00	\$ 3,000.00	\$ -
109619	500031	EMPLOYEE EVENTS	\$ 12,615.84	\$ 13,400.00	\$ 13,400.00	\$ -
109619	518500	STATE UNEMPLOYMNT INS	\$ 33,081.76	\$ 11,154.00	\$ 10,000.00	\$ (1,154.00)
109619	518800	EMPLOYEE DEATH BENEFIT	\$ 15,000.00	\$ 10,000.00	\$ 5,000.00	\$ (5,000.00)
109619	519000	PROFESSIONAL SERVICES	\$ 32,226.61	\$ 70,275.00	\$ -	\$ (70,275.00)
109619	539700	LIAISON/PUBLIC RELATIONS	\$ 499.59	\$ 1,000.00	\$ -	\$ (1,000.00)
109619	561100	CONTRIBUTION TO ESF	\$ 127,840.00	\$ -	\$ -	\$ -
109619	561200	CONTRIBUTION TO WSF	\$ 100,880.00	\$ -	\$ -	\$ -
109619	561400	CONTRIBUTION TO 7TH	\$ 37,470.00	\$ -	\$ -	\$ -
109619	598880	CONTR TO H&W FUND	\$ -	\$ 54,000.00	\$ 139,000.00	\$ 85,000.00
<i>Sub-Total</i>			\$ 368,009.61	\$ 168,829.00	\$ 176,400.00	\$ 7,571.00

FY15-16 Budget Highlights

At year-end, anything that is in Non-Departmental is moved out to specific departments during the audit. With this in mind, the City has budgeted as many items as specifically as possible. This is why the “Professional Services” account has no budget this year. All professional services are budgeted in specific departments. The “Contr To H&W Fund” account is up due to the needed level of funding for that Fund to sustain. There are no other major changes in this Department.



Special Appropriations

A special appropriation is a provision within an expenditure line item that provides authority to spend money for particular purposes, for example, to finance a particular project or to make payments to other funds. Special appropriations account for around one percent of all government expenditures each year.

Special Appropriations Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Special Appropriations						
109620	500010	LEGAL SVC-DOMESTIC VIOLENCE	\$ -	\$ 1,500.00	\$ 1,500.00	\$ -
109620	500011	CHILDREN & FAMILY RESOURCE CNT	\$ -	\$ 4,000.00	\$ 3,700.00	\$ (300.00)
109620	500012	MOUNTAIN COMMUNITY SCHOOL	\$ -	\$ -	\$ -	\$ -
109620	500013	CHAMBER OF COMMERCE	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ -
109620	500014	FLAT ROCK PLAYHOUSE	\$ 10,000.00	\$ 80,000.00	\$ 11,800.00	\$ (68,200.00)
109620	500015	MAYORS ADV COUNCIL	\$ 500.00	\$ 500.00	\$ 500.00	\$ -
109620	500016	HANDS ON GALLERY	\$ 5,000.00	\$ 2,000.00	\$ 600.00	\$ (1,400.00)
109620	500017	HEND CO RESCUE SQUAD	\$ -	\$ -	\$ -	\$ -
109620	500018	HERITAGE MUSEUM	\$ 2,000.00	\$ 5,000.00	\$ -	\$ (5,000.00)
109620	500019	HEND CO DISPUTE CENTR	\$ 500.00	\$ 500.00	\$ 500.00	\$ -
109620	500020	CONTR TO PUBLIC TRANSIT	\$ -	\$ -	\$ -	\$ -
109620	500021	THE HEALING PLACE	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ -
109620	500022	SISTER CITIES PROGRAM	\$ 500.00	\$ 2,300.00	\$ 900.00	\$ (1,400.00)
109620	500023	MEDICAL LOAN CLOSET	\$ 1,000.00	\$ 1,000.00	\$ 1,200.00	\$ 200.00
109620	500026	TEAM ECCO	\$ 5,000.00	\$ 4,000.00	\$ 3,600.00	\$ (400.00)
109620	500027	BOYS & GIRLS CLUB	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ -
109620	500032	HENDERSONVILLE SYMPHONY	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ -
109620	500033	BRCCEF	\$ -	\$ -	\$ 400.00	\$ 400.00
109620	500034	HENDERSONVILLE LITTLE THEATRE	\$ -	\$ -	\$ 800.00	\$ 800.00
109620	500035	INTERFAITH MINISTRY	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00
109620	500036	AMERICA IN BLOOM	\$ -	\$ -	\$ 500.00	\$ 500.00
109620	500048	ARTS COUNCIL	\$ 1,500.00	\$ 1,500.00	\$ 1,400.00	\$ (100.00)
109620	523200	MAINSTAY PROGRAM	\$ 7,500.00	\$ -	\$ 6,000.00	\$ 6,000.00
109620	541800	SHUFFLEBOARD CLUB	\$ 1,200.00	\$ 1,200.00	\$ 880.00	\$ (320.00)
109620	561300	MINERAL & LAP MUSEUM	\$ 5,000.00	\$ 3,000.00	\$ 2,600.00	\$ (400.00)
109620	561600	P'SHIP ECON DEVELOPMT	\$ 11,000.00	\$ 15,000.00	\$ 15,000.00	\$ -
109620	561700	HENDERSON CO. AGRI-BUS	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -
109620	569200	COMM P'SHIP FOR PETS	\$ 10,000.00	\$ 10,000.00	\$ 9,000.00	\$ (1,000.00)
109620	569700	MERCHANTS & BUSINESS ASSOC	\$ -	\$ 2,000.00	\$ 2,000.00	\$ -
<i>Sub-Total</i>			\$ 94,200.00	\$ 167,000.00	\$ 99,380.00	\$ (67,620.00)

FY15-16 Budget Highlights

The Special Appropriations budget requests have been growing in number of requests and quantity per request. This year the requests total \$212,440.04. The City Manager recommends this level come down to \$100,000 approved for the FY15-16 budget. The City will need to adopt a policy governing the standard procedures for issuing special appropriations and limiting the number of appropriations allowed. There are other special appropriations that are distributed through separate funds.



Debt Service

The cash that is required for a particular time period to cover the repayment of interest and principal is referred to as debt service. Debt service is often calculated on a yearly basis. Governments may have outstanding loans or outstanding interest on bonds or the principal of maturing bonds that count towards the government's debt service. An organization that is not able to make payments to service the debt can be said to be “unable to service its debt”.

Debt Service Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Debt Service						
109621	573008	PRIN- 2008 S/WALK BDS	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ -
109621	573098	PRIN- 1998 S/WALK BDS	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00	\$ -
109621	573303	PRIN- CITY HALL RENOVATE	\$ 233,333.32	\$ 233,350.00	\$ 233,350.00	\$ -
109621	573413	PRIN - FIRE & MAIN ST	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ -
109621	573414	PRIN-BB&T CAPITAL EQUIP LOAN	\$ -	\$ -	\$ 95,576.00	\$ 95,576.00
109621	574008	INT - 2008 S/WALK BDS	\$ 72,850.00	\$ 69,100.00	\$ 65,350.00	\$ (3,750.00)
109621	574098	INT - 1998 S/WALK BDS	\$ 22,410.00	\$ 18,000.00	\$ 13,500.00	\$ (4,500.00)
109621	574303	INT - CITY HALL RENOVATE	\$ 50,929.22	\$ 41,230.00	\$ 31,610.00	\$ (9,620.00)
109621	574413	INT - FIRE & MAIN ST	\$ 206,782.51	\$ 196,313.00	\$ 185,843.00	\$ (10,470.00)
109621	574414	INT - BB&T CAPITAL EQUIP LOAN	\$ -	\$ -	\$ 3,562.00	\$ 3,562.00
109621	575200	BANK SERVICE CHARGES	\$ 23,076.92	\$ 15,000.00	\$ -	\$ (15,000.00)
Sub-Total			\$ 1,099,381.97	\$ 1,062,993.00	\$ 1,118,791.00	\$ 55,798.00

FY15-16 Budget Highlights

The City’s debt service payments have increased in the last two years by a substantial amount. The “BB&T Capital Equip Loan” is the most recent and has added a \$96,576 principal payment. In addition, a loan taken two years ago the “Fire & Main St” account has added a \$300,000 principal payment. The 1998 sidewalk bond will be paid out by FY18-19 which relieves some of the growing debt service payments. “Bank Service Charges” have been coded to the Finance Department.



Transfers

In certain instances, transfers of cash and equity between funds in the City’s accounting system are necessary to conduct City business.

Transfer Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Transfers						
109900	999110	TRANSFER TO MOTOR UNIT	\$ 2,765.86	\$ -	\$ -	\$ -
109900	999115	TRANSFER OUT TO HPC FUND	\$ 4,479.96	\$ -	\$ -	\$ -
109900	999120	TRANSFER OUT TO RAD FUND	\$ 960.31	\$ -	\$ -	\$ -
109900	999130	TRANSFER TO NEEDY PERSONS	\$ 25,654.10	\$ -	\$ -	\$ -
109900	999140	TRANSFER TO DARE FUND 140	\$ 8,158.03	\$ -	\$ -	\$ -
109900	999150	TRANSFER TO YOUTH EXPLORERS	\$ 6,884.22	\$ -	\$ -	\$ -
109900	999160	TRANSFER TO KENNEL FUND	\$ 3,133.94	\$ -	\$ -	\$ -
109900	999190	TRANSFER TO DRUG FORFEITURE	\$ 94,994.36	\$ -	\$ -	\$ -
109900	999404	TRANSFER TO TRACEY GROVE	\$ -	\$ -	\$ 150,000.00	\$ 150,000.00
109900	999190	TRANSFER TO BERKELEY	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 147,030.78	\$ -	\$ 150,000.00	\$ 150,000.00

FY15-16 Budget Highlights

The General Fund will transfer \$150,000 to the Tracey Grove Road Bridge Project, adopted by capital project ordinance, this year. Next year the transfer will total over \$1 million. This project is part of the NCDOT STIP and will be reimbursed up to 80%.



Contingencies

Governments establish reserves for unforeseen contingencies to provide funding in times of emergencies or disasters. A contingency reserve provides a readily available pool of funding to ensure continuation of city operations during an emergency, and it buys time while the city or county assesses the impact of the emergency or disaster. Many governments establish a separate contingency reserve in each major fund.

Contingencies Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Contingencies						
109910	599100	CONTINGENCIES	\$ -	\$ 31,118.00	\$ 104,743.00	\$ 73,625.00
<i>Sub-Total</i>			\$ -	\$ 31,118.00	\$ 104,743.00	\$ 73,625.00

FY15-16 Budget Highlights

Contingencies are transferred out to different departments each year, so historical data on this account is not extremely useful without context. The current year, FY14-15, the City budgeted \$100,000 in contingencies. Almost immediately that money was needed for insurance costs that were not budgeted accurately. This year the request totals \$104,743. This provides \$100,000 for operating contingencies. Originally a \$50,000 contingency was appropriated for personnel costs, which is intended to cover unforeseen personnel expenditures that arise throughout the budget process. The \$50,000 was sufficient and \$4,743 was leftover upon adoption.



Revenues

The Water and Sewer Fund operates as an enterprise fund. The fund is much like a private sector service however, unlike the private sector the government rarely sells its service in a competitive market. The government will often assume the production of this service because the opportunity for profit is insufficient to attract a private provider or because the large capital investment limits provision to a monopolist. The City's Water and Sewer Fund is financed through service charges, these fees are detailed in the *Schedule of Fees* section of this document. These charges provide just enough funding to keep operations running.

Some advantages of service charges are:

- ✓ Charges reduce wasteful consumption of some public services by heightening users' awareness of the cost of providing the service.
- ✓ Service charges are based on the quantity consumed by each user, giving the City a clear indication of the level of service preferred by citizens, thereby reducing the tendency to expand government facilities to meet apparently increased demand.
- ✓ Service charges are equitable: those using the service pay in proportion to the benefits they receive from it.
- ✓ Service charges improve the City's productivity by increasing managers' awareness of the cost of services.
- ✓ Service charges provide a market-based alternative to regulating through rules and administrative orders.

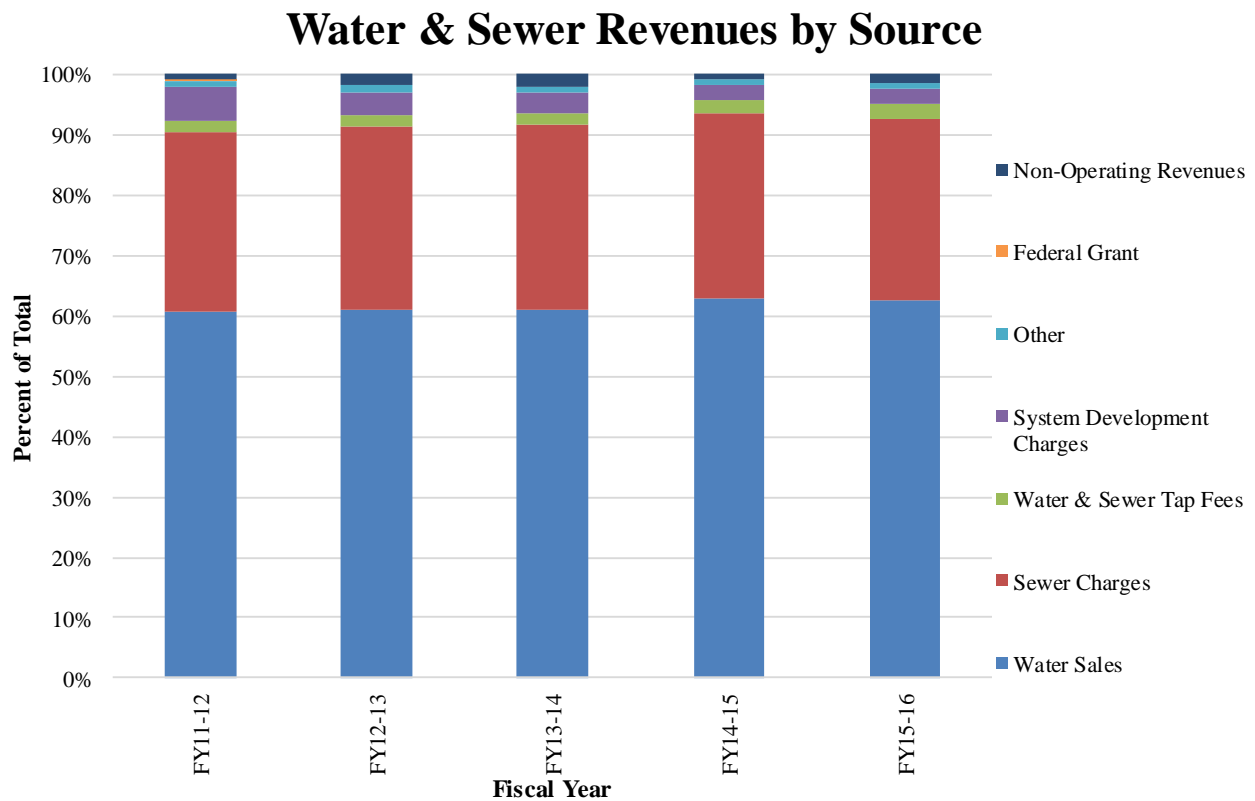
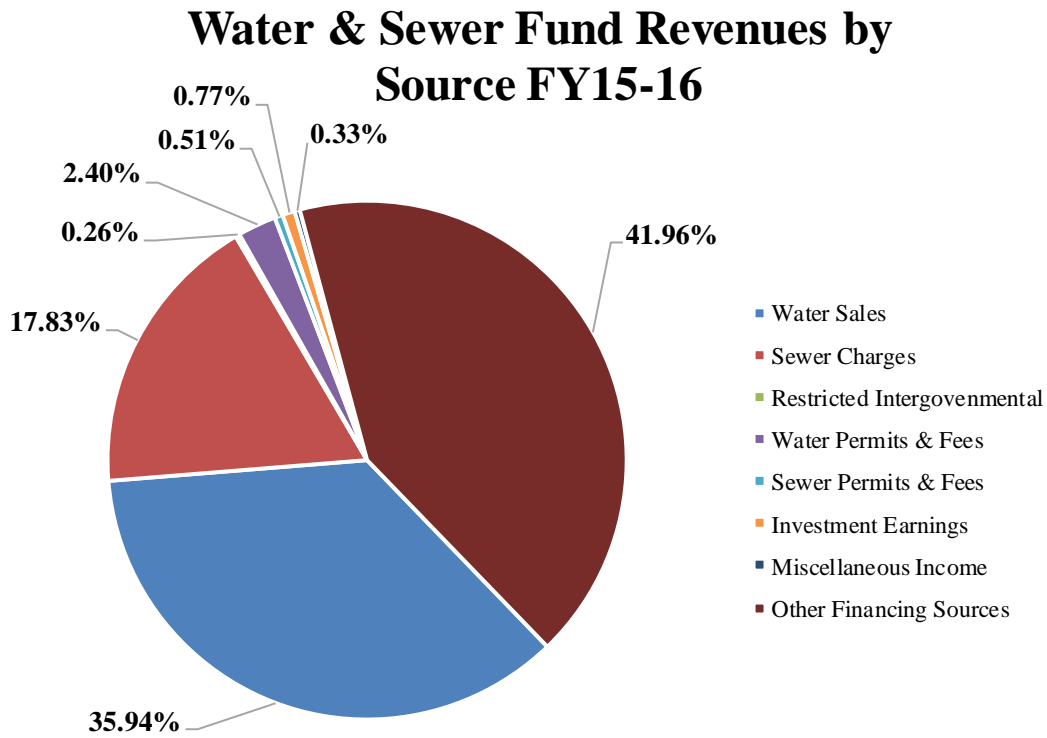
Revenues by Source

The following tables and charts detail the City's Water and Sewer Fund revenues by source:

SOURCE	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Water Sales	\$ (8,826,964)	\$ (8,901,000)	\$ (8,901,000)	\$ -
Sewer Charges	\$ (4,400,705)	\$ (4,415,000)	\$ (4,415,000)	\$ -
Restricted Intergovernmental	\$ -	\$ (65,000)	\$ (65,000)	\$ -
Water Permits & Fees	\$ (677,890)	\$ (544,000)	\$ (594,000)	\$ (50,000)
Sewer Permits & Fees	\$ (232,819)	\$ (121,850)	\$ (126,850)	\$ (5,000)
Investment Earnings	\$ (32,836)	\$ (113,500)	\$ (190,000)	\$ (76,500)
Miscellaneous Income	\$ (167,731)	\$ (81,200)	\$ (81,200)	\$ -
Other Financing Sources	\$ (102,189)	\$ (6,882,960)	\$ (10,390,326)	\$ (3,507,366)
Total	\$ (14,441,133)	\$ (21,124,510)	\$ (24,763,376)	\$ (3,638,866)



The following charts detail Water and Sewer Fund revenues by source:



Revenues by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Water Sales						
600012	451100	WATER SALES - GENERAL	\$ (8,826,963.62)	\$ (8,900,000.00)	\$ (8,900,000.00)	\$ -
600012	451200	WATER SALES - MISCELLANEOUS	\$ -	\$ (1,000.00)	\$ (1,000.00)	\$ -
		<i>Sub-Total</i>	\$ (8,826,963.62)	\$ (8,901,000.00)	\$ (8,901,000.00)	\$ -
Sewer Charges						
600013	451300	SEWER CHARGES	\$ (4,289,680.81)	\$ (4,300,000.00)	\$ (4,300,000.00)	\$ -
600013	451400	SEPTIC TANK DISPOSAL	\$ (111,024.00)	\$ (115,000.00)	\$ (115,000.00)	\$ -
		<i>Sub-Total</i>	\$ (4,400,704.81)	\$ (4,415,000.00)	\$ (4,415,000.00)	\$ -
Restricted Intergovernmental						
600040	447060	HEN CO FIRE DEPT CONTRIBUTION	\$ -	\$ (65,000.00)	\$ (65,000.00)	\$ -
		<i>Sub-Total</i>	\$ -	\$ (65,000.00)	\$ (65,000.00)	\$ -
Water Permits & Fees						
600050	445200	WATER PERMITS & FEES	\$ (3,310.00)	\$ (2,000.00)	\$ (2,000.00)	\$ -
600050	452100	WATER TAP FEES	\$ (242,618.92)	\$ (150,000.00)	\$ (175,000.00)	\$ (25,000.00)
600050	452200	WATER CUSTOMER PART	\$ (3,776.89)	\$ (2,000.00)	\$ (2,000.00)	\$ -
600050	452300	RECONNECT SERVICE CHG	\$ (53,475.00)	\$ (50,000.00)	\$ (50,000.00)	\$ -
600050	452400	TURN ON SERVICE CHG	\$ (48,565.00)	\$ (45,000.00)	\$ (45,000.00)	\$ -
600050	452500	WATER SYS DEV CHARGES	\$ (289,588.00)	\$ (250,000.00)	\$ (275,000.00)	\$ (25,000.00)
600050	452600	BRIGHTWATER FEES	\$ (36,556.41)	\$ (45,000.00)	\$ (45,000.00)	\$ -
		<i>Sub-Total</i>	\$ (677,890.22)	\$ (544,000.00)	\$ (594,000.00)	\$ (50,000.00)
Sewer Permits & Fees						
600055	453000	SEWER PERMITS & FEES	\$ (950.00)	\$ (1,350.00)	\$ (1,350.00)	\$ -
600055	453100	SEWER TAP FEES	\$ (20,540.00)	\$ (15,000.00)	\$ (20,000.00)	\$ (5,000.00)
600055	453200	SEWER CUSTOMER PART	\$ (1,500.00)	\$ (6,500.00)	\$ (6,500.00)	\$ -
600055	453300	SEWER BILLING SERVICE CHARGES	\$ (13,607.50)	\$ (10,500.00)	\$ (10,500.00)	\$ -
600055	453400	SEWER SURCHARGES	\$ (11,987.14)	\$ (6,000.00)	\$ (6,000.00)	\$ -
600055	453500	SEWER SYS DEV CHARGES	\$ (182,499.00)	\$ (80,000.00)	\$ (80,000.00)	\$ -
600055	453600	SWR PRETREAT COST REC	\$ (1,735.00)	\$ (2,500.00)	\$ (2,500.00)	\$ -
		<i>Sub-Total</i>	\$ (232,818.64)	\$ (121,850.00)	\$ (126,850.00)	\$ (5,000.00)
Investment Earnings						
600070	483100	INTEREST INCOME	\$ (32,835.68)	\$ (113,500.00)	\$ (190,000.00)	\$ (76,500.00)
		<i>Sub-Total</i>	\$ (32,835.68)	\$ (113,500.00)	\$ (190,000.00)	\$ (76,500.00)
Miscellaneous Income						
600080	443660	SALE OF F/ASSETS-W/S	\$ (97,415.85)	\$ (5,000.00)	\$ (5,000.00)	\$ -
600080	443661	WARRANTY FEES UTIL SRVC PTRNS	\$ (11,198.70)	\$ (11,200.00)	\$ (11,200.00)	\$ -
600080	443800	DISCOUNTS EARNED	\$ (23,529.40)	\$ (25,000.00)	\$ (25,000.00)	\$ -
600080	443900	MISCELLANEOUS INCOME	\$ (30,061.79)	\$ (9,000.00)	\$ (9,000.00)	\$ -
600080	444000	INSURANCE SETTLEMENTS	\$ (1,778.50)	\$ (29,000.00)	\$ (29,000.00)	\$ -
600080	444160	EPA GRANTS	\$ -	\$ -	\$ -	\$ -
600080	444200	CNG REIMBURSEMENT	\$ -	\$ -	\$ -	\$ -
600080	444400	RENTAL INCOME	\$ (3,747.07)	\$ (2,000.00)	\$ (2,000.00)	\$ -
		<i>Sub-Total</i>	\$ (167,731.31)	\$ (81,200.00)	\$ (81,200.00)	\$ -
Other Financing Sources						
600090	498210	OPER TRANS FR GEN FD	\$ (100,880.00)	\$ -	\$ -	\$ -
600090	499100	PROCEEDS OF DEBT	\$ -	\$ -	\$ -	\$ -
600090	499200	FUND BALANCE APPROP	\$ -	\$ (6,882,960.00)	\$ (10,390,326.00)	\$ (3,507,366.00)
600090	499800	OPER TRANS FR CR FUND	\$ -	\$ -	\$ -	\$ -
600090	499999	PRIOR PERIOD ADJUSTMENT	\$ (1,308.66)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (102,188.66)	\$ (6,882,960.00)	\$ (10,390,326.00)	\$ (3,507,366.00)
GRAND TOTAL			\$ (14,441,132.94)	\$ (21,124,510.00)	\$ (24,763,376.00)	\$ (3,638,866.00)



Expenditures

Hendersonville Water and Sewer is responsible for providing water service to more than 62,000 residents and businesses of Hendersonville and Henderson County and sewer service to more than 19,000 residents and businesses. The Department is also responsible for the operation and maintenance of over 580 miles of water mains (ranging in size from 2-inches to 24-inches), 57 water pumping stations, 24 water storage tanks (ranging in size from 100,000-gallons to 5,000,000-gallons), over 185 miles of sewer mains (ranging in size from 3-inches to 42-inches) and 37 sewer pumping stations. The Department has a staff of 68 employees making up seven divisions including Administration, Facilities Maintenance, Water Treatment, Meter Services and Utilities Support, Water Distribution/Maintenance, Wastewater Treatment and Sewer Collection/Maintenance.

The Water treatment facility is an A-Surface plant class and contains five conventional sedimentations basins and four multi-media gravity filters. The plants treatment capacity is 12,000,000 gallons per day or 12.0-MGD. In addition to the treatment capacity the plant has 2,000,000 gallons of on-site storage. The wastewater treatment plant is a Class 4 plant class and contains 32 pumping stations throughout approximately 177 miles of line or pipe. The plants treatment capacity is 4,800,000 gallons per day or 4.8-MGD. The plant's discharge source is Mud Creek.

For concerns about your water and sewer bill please contact us at:

City Hall, 145 5th Avenue East, Hendersonville, NC 28792.

(828) 697-3052

For more information about the department or to report a water and sewer maintenance issue please contact us at:

City Operation Center, 305 Williams St., Hendersonville, NC 28792.

(828) 697-3073 (8:00-5:00 M-F)

(828) 891-7779 (after hours, weekends and holidays).



FY14-15 Accomplishments

- ✓ Completed Academy Road Water Project providing city water to those previously on contaminated wells in Dana community
- ✓ Continued implementation of an AMR (Automated Meter Reading) system
- ✓ Responded to increased leak detection capabilities with the AMR system in conjunction with AquaHawk Alerting
- ✓ Identified Somersby Park Sewer opportunity as an area for potential sewer system expansion and improvements
- ✓ Glenbrook sewer - an "inside" City community maintaining their own sewer pump station - City to provide gravity sewer
- ✓ Created and implemented a water and sewer repair/replacement/construction crew including appropriate equipment
- ✓ Identified over 31-miles of water line in need of repair or replacement utilizing GIS analysis
- ✓ Identified over 6-miles of substandard sewer lines in need of repair or replacement utilizing GIS analysis
- ✓ Requested and received approval for a leak detection technician and inflow infiltration technician
- ✓ Implemented upgrade from Cityworks to Cityworks Server with Technologies Edge; now utilizing tablets in the field

FY15-16 Goals & Initiatives

- ✓ Implement Leak Detection and Inflow Infiltration Reduction Program - begin a much more aggressive and dedicated effort
- ✓ Continue design and permitting required to upgrade WTP high service pump station
- ✓ Complete final design and bidding required to construct Etowah Water System Improvements project
- ✓ Initiate engineer selection, design and permitting process for the Northside Water System Improvements project (Fletcher)
- ✓ Initiate integrator selection, design and installation process for SCADA for the remaining pump stations without SCADA
- ✓ Continue development of potential sewer system expansion project with Somersby Park
- ✓ Design, permit and complete gravity sewer extension to Glenbrook to eliminate pump station
- ✓ Continue to keep repair/replacement/construction crew engaged
- ✓ Engage water distribution system and sewer collection system hydraulic models
- ✓ Evaluate and potentially replace existing granular-media, gravity filter at WWTP with a cloth-media filtration system
- ✓ Design, permit, select contractor and replacement of Hunter's Glen hydro pneumatic pump station



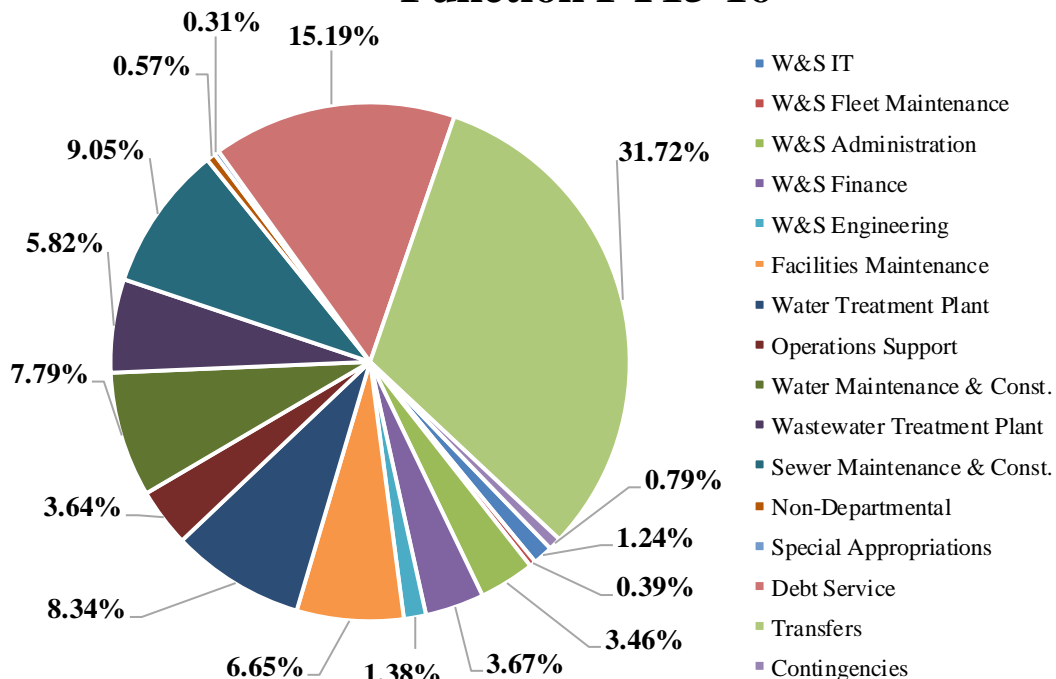
- ✓ Design, permit, select contractor and construct new hydro pneumatic pump station for Cobblestone
- ✓ Design, permit and complete gravity sewer extension to Garden Lane to eliminate pump station
- ✓ Initiate preliminary design and permitting for Rutledge Rd. water system improvements
- ✓ Design, permit, select contractor and construct new water main interconnection on Rugby Dr.
- ✓ Initiate preliminary design and permitting for Rutledge Rd. water system improvements
- ✓ Initiate ROW acquisition for phase 2 of the Eastside Water System Improvements project



Expenditures by Function

FUNCTION	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
W&S IT	\$ -	\$ 257,543	\$ 307,567	\$ 50,024
W&S Fleet Maintenance	\$ -	\$ -	\$ 96,571	\$ 96,571
W&S Administration	\$ 326,472	\$ 1,013,991	\$ 856,769	\$ (157,222)
W&S Finance	\$ 821,461	\$ 821,898	\$ 907,786	\$ 85,888
W&S Engineering	\$ -	\$ 22,900	\$ 341,895	\$ 318,995
Facilities Maintenance	\$ 1,103,965	\$ 1,211,344	\$ 1,646,773	\$ 435,429
Water Treatment Plant	\$ 1,642,256	\$ 1,957,247	\$ 2,064,594	\$ 107,347
Operations Support	\$ 701,008	\$ 912,705	\$ 900,416	\$ (12,289)
Water Maintenance & Const.	\$ 1,996,890	\$ 3,742,894	\$ 1,929,283	\$ (1,813,611)
Wastewater Treatment Plant	\$ 1,424,924	\$ 1,523,851	\$ 1,441,719	\$ (82,132)
Sewer Maintenance & Const.	\$ 983,608	\$ 1,483,057	\$ 2,242,212	\$ 759,155
Non-Departmental	\$ 1,196,428	\$ 63,900	\$ 140,200	\$ 76,300
Special Appropriations	\$ 76,125	\$ 76,130	\$ 76,130	\$ -
Debt Service	\$ 3,553,424	\$ 3,317,287	\$ 3,761,032	\$ 443,745
Transfers	\$ 970,507	\$ 4,655,460	\$ 7,855,600	\$ 3,200,140
Contingencies	\$ -	\$ 64,304	\$ 194,829	\$ 130,525
Total	\$ 14,797,068	\$ 21,124,511	\$ 24,763,376	\$ 3,638,865

Water & Sewer Fund Expenditures by Function FY15-16

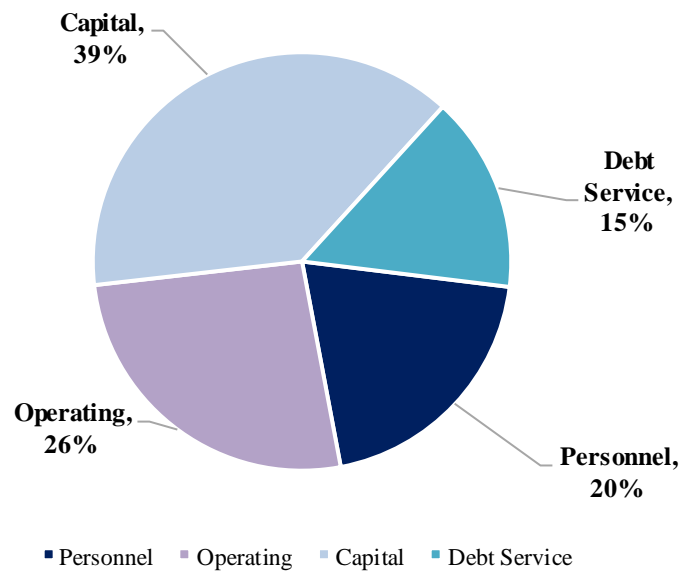


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Water & Sewer Fund				
Personnel	\$ 3,559,659.32	\$ 4,484,463.45	\$ 4,974,253.00	\$ 489,789.55
Operating	\$ 5,850,195.60	\$ 6,337,413.86	\$ 6,478,330.00	\$ 140,916.14
Capital	\$ 1,001,095.34	\$ 3,223,727.00	\$ 9,549,761.00	\$ 6,326,034.00
Debt Service	\$ 3,449,299.14	\$ 3,232,287.00	\$ 3,761,032.00	\$ 528,745.00
<i>Sub-Total</i>	\$ 13,860,249.40	\$ 17,277,891.31	\$ 24,763,376.00	\$ 7,485,484.69

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
Water & Sewer Fund				
Full-Time	63.00	63.00	65.00	2.00
Part-Time	1.00	1.00	1.00	0.00
<i>Sub-Total</i>	64.00	64.00	66.00	2.00

Expenditures by Type



Water & Sewer IT Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
W/S-Information Technology						
604140	512100	SALARIES & WAGES-REG	\$ -	\$ -	\$ -	\$ -
604140	518100	FICA TAX EXPENSE	\$ -	\$ -	\$ -	\$ -
604140	518200	RETIREMENT EXPENSE	\$ -	\$ -	\$ -	\$ -
604140	518300	GROUP MED & LIFE INS	\$ -	\$ -	\$ -	\$ -
604140	518600	WORKER'S COMP INS	\$ -	\$ -	\$ -	\$ -
604140	519000	PROFESSIONAL SERVICES	\$ -	\$ -	\$ 7,000.00	\$ 7,000.00
604140	526000	OFFICE SUPPLIES	\$ -	\$ -	\$ -	\$ -
604140	532100	TELEPHONE	\$ -	\$ -	\$ 53,082.00	\$ 53,082.00
604140	532500	POSTAGE	\$ -	\$ -	\$ -	\$ -
604140	535200	R & M - EQUIPMENT	\$ -	\$ 54,046.00	\$ 5,000.00	\$ (49,046.00)
604140	539400	TRAVEL	\$ -	\$ -	\$ -	\$ -
604140	539500	TRAINING	\$ -	\$ -	\$ -	\$ -
604140	545600	LIAB/PROP INS & BONDS	\$ -	\$ -	\$ -	\$ -
604140	549100	DUES & SUBSCRIPTIONS	\$ -	\$ -	\$ -	\$ -
604140	549750	PERMITS	\$ -	\$ 4,000.00	\$ 59,837.00	\$ 55,837.00
604140	552000	CAP OUTLAY-EQUIPMENT	\$ -	\$ 9,000.00	\$ -	\$ (9,000.00)
604140	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 3,065.00	\$ 7,359.00	\$ 4,294.00
604140	557000	LAND	\$ -	\$ -	\$ -	\$ -
604140	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ -	\$ 23,738.00	\$ 23,738.00
604140	569000	CONTRACTED SERVICES	\$ -	\$ 187,432.00	\$ 151,551.00	\$ (35,881.00)
604140	598060	DEPARTMENTAL CHGS-W/S	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ -	\$ 257,543.00	\$ 307,567.00	\$ 50,024.00

FY15-16 Budget Highlights

The Information Technology Department supports all funds and a portion of costs are appropriated to the Water and Sewer Fund. The major cost is the VC3 contract which is budgeted for in the “Contracted Services” account line.



Water & Sewer Fleet Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
W/S-Fleet Maintenance						
604250	512100	SALARIES & WAGES - REGULAR	\$ -	\$ -	\$ 72,832.00	\$ 72,832.00
604250	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ -	\$ 900.00	\$ 900.00
604250	518100	FICA TAX EXPENSE	\$ -	\$ -	\$ 5,641.00	\$ 5,641.00
604250	518200	RETIREMENT EXPENSE	\$ -	\$ -	\$ 4,918.00	\$ 4,918.00
604250	518300	GROUP MED & LIFE INS	\$ -	\$ -	\$ 10,162.00	\$ 10,162.00
604250	518600	WORKER'S COMP INS	\$ -	\$ -	\$ 2,118.00	\$ 2,118.00
<i>Sub-Total</i>			\$ -	\$ -	\$ 96,571.00	\$ 96,571.00

FY15-16 Budget Highlights

The Water and Sewer Fund incurs indirect charges for fleet maintenance costs via personnel and benefits costs for the Fleet Maintenance Department. The appropriation detailed above is approximately 33% of the costs. This percentage was established based on number of vehicles serviced by the Fleet Maintenance Department. This level will continue to be evaluated going forward.



Water & Sewer Admin. Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
W/S-Administration						
607110	512100	SALARIES & WAGES-REG	\$ 158,756.16	\$ 560,325.38	\$ 421,042.00	\$ (139,283.38)
607110	512200	SALARIES & WAGES-O/T	\$ -	\$ -	\$ -	\$ -
607110	512600	SALARIES & WAGES-TEMP	\$ -	\$ -	\$ -	\$ -
607110	512900	SALARIES & WAGES - P/T	\$ -	\$ 22,904.42	\$ 33,639.00	\$ 10,734.58
607110	513100	SALARIES & WAGES - AUTO ALLOW	\$ -	\$ -	\$ 3,981.00	\$ 3,981.00
607110	517200	CELLPHONE STIPEND	\$ -	\$ -	\$ 1,800.00	\$ 1,800.00
607110	518100	FICA TAX EXPENSE	\$ 11,213.47	\$ 44,708.70	\$ 34,921.00	\$ (9,787.70)
607110	518200	RETIREMENT EXPENSE	\$ 10,418.45	\$ 41,642.97	\$ 29,206.00	\$ (12,436.97)
607110	518300	GROUP MED & LIFE INS	\$ 14,197.37	\$ 41,377.20	\$ 42,341.00	\$ 963.80
607110	518600	WORKER'S COMP INS	\$ 5,200.00	\$ 7,243.05	\$ 2,033.00	\$ (5,210.05)
607110	519000	PROF SERVICES	\$ 472.77	\$ 74,530.00	\$ 18,700.00	\$ (55,830.00)
607110	519200	PROF SERVICES-LEGAL	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00
607110	519400	PROF SERVICES-ENGRING	\$ 37,784.13	\$ 82,500.00	\$ 30,000.00	\$ (52,500.00)
607110	521100	JANITORIAL SUPPLIES	\$ 6,383.17	\$ 7,700.00	\$ 6,200.00	\$ (1,500.00)
607110	521200	UNIFORMS	\$ 207.93	\$ 100.00	\$ 200.00	\$ 100.00
607110	525100	GASOLINE & DIESEL	\$ 543.14	\$ 750.00	\$ 1,000.00	\$ 250.00
607110	526000	OFFICE SUPPLIES	\$ 1,390.42	\$ 2,000.00	\$ 3,000.00	\$ 1,000.00
607110	529900	SUPPLIES & MATERIALS	\$ 406.98	\$ 500.00	\$ 1,000.00	\$ 500.00
607110	532100	TELEPHONE	\$ 1,638.05	\$ 2,000.00	\$ -	\$ (2,000.00)
607110	532500	POSTAGE	\$ 230.23	\$ 200.00	\$ 300.00	\$ 100.00
607110	533000	UTILITIES	\$ 37,478.53	\$ 37,400.00	\$ 37,400.00	\$ -
607110	535100	R & M - BUILDINGS	\$ 1,177.50	\$ 2,300.00	\$ 2,300.00	\$ -
607110	535200	R & M - EQUIPMENT	\$ -	\$ 4,300.00	\$ 1,000.00	\$ (3,300.00)
607110	535300	R & M -AUTO/TRUCKS	\$ 29.18	\$ 500.00	\$ -	\$ (500.00)
607110	537000	ADVERTISING	\$ 386.01	\$ 1,300.00	\$ -	\$ (1,300.00)
607110	539400	TRAVEL	\$ 32.94	\$ 2,600.00	\$ 3,100.00	\$ 500.00
607110	539500	TRAINING	\$ 250.00	\$ 1,200.00	\$ 1,500.00	\$ 300.00
607110	545600	LIAB/PROP INS & BONDS	\$ 1,354.99	\$ 1,745.00	\$ 1,766.00	\$ 21.00
607110	549100	DUES & SUBSCRIPTIONS	\$ 423.00	\$ 1,864.00	\$ -	\$ (1,864.00)
607110	549750	PERMITS	\$ -	\$ 2,500.00	\$ 17,440.00	\$ 14,940.00
607110	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00
607110	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ -	\$ 100,000.00	\$ 100,000.00
607110	557000	LAND	\$ -	\$ -	\$ -	\$ -
607110	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -
607110	569000	CONTRACTED SERVICES	\$ 36,496.89	\$ 54,800.00	\$ 54,900.00	\$ 100.00
607110	598010	DEPARTMENTAL CHGS-G/F	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 326,471.31	\$ 998,990.72	\$ 856,769.00	\$ (142,221.72)

FY15-16 Budget Highlights

The decreases in the personnel account lines is a result of the working progress of establishing justified and equitable salary splits to cover the indirect costs associated with internal service employees. Major motor vehicles purchases have been budgeted for in Administration and will be adjusted to the correct departments upon purchase of a vehicle. Additionally, funding has been provided to support an Administrative Support Specialist to attend the front desk of the City Operation’s Center.



Water & Sewer Finance Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
W/S-Finance						
607113	512100	SALARIES & WAGES - REGULAR	\$ 6,090.44	\$ 253,036.18	\$ 329,176.00	\$ 76,139.82
607113	512900	SALARIES & WAGES - P/T	\$ -	\$ 25,647.95	\$ -	\$ (25,647.95)
607113	518100	FICA TAX EXPENSE	\$ -	\$ 22,696.48	\$ 25,182.00	\$ 2,485.52
607113	518200	RETIREMENT EXPENSE	\$ -	\$ 21,183.65	\$ 21,957.00	\$ 773.35
607113	518300	GROUP MED & LIFE INS	\$ -	\$ 36,583.50	\$ 41,776.00	\$ 5,192.50
607113	518600	WORKER'S COMP INS	\$ -	\$ -	\$ 841.00	\$ 841.00
607113	519000	PROFESSIONAL SERVICES	\$ 36,905.78	\$ 42,500.00	\$ 6,000.00	\$ (36,500.00)
607113	519100	PROF SERVICES - AUDIT	\$ 21,000.00	\$ 21,000.00	\$ 29,500.00	\$ 8,500.00
607113	526000	OFFICE SUPPLIES	\$ 61,959.01	\$ 7,050.00	\$ 10,140.00	\$ 3,090.00
607113	532100	TELEPHONE	\$ 372.61	\$ 210.00	\$ -	\$ (210.00)
607113	532500	POSTAGE	\$ 119,481.38	\$ 118,800.00	\$ 119,500.00	\$ 700.00
607113	535200	R & M - EQUIPMENT	\$ -	\$ 1,000.00	\$ 1,000.00	\$ -
607113	539400	TRAVEL	\$ 38.14	\$ 2,910.00	\$ 2,525.00	\$ (385.00)
607113	539500	TRAINING	\$ 6,132.00	\$ 1,100.00	\$ 6,466.00	\$ 5,366.00
607113	545600	LIAB/PROP INS & BONDS	\$ 2,516.40	\$ -	\$ -	\$ -
607113	549100	DUES & SUBSCRIPTIONS	\$ -	\$ -	\$ -	\$ -
607113	549200	UNCOLLECTIBLE ACCOUNTS	\$ 34,306.14	\$ 35,000.00	\$ 35,000.00	\$ -
607113	549300	CASH SHORT/OVER	\$ 22.84	\$ 500.00	\$ 100.00	\$ (400.00)
607113	549350	WRITE OFF	\$ 8.10	\$ -	\$ -	\$ -
607113	549750	PERMITS	\$ -	\$ -	\$ -	\$ -
607113	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ -	\$ -	\$ -
607113	553000	NON-CAPITAL EQUIPMENT	\$ 650.74	\$ 13,430.00	\$ 11,000.00	\$ (2,430.00)
607113	557000	LAND	\$ -	\$ -	\$ -	\$ -
607113	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ -	\$ 9,423.00	\$ 9,423.00
607113	569000	CONTRACTED SERVICES	\$ 1,175.00	\$ 51,900.00	\$ 62,200.00	\$ 10,300.00
607113	575200	BANK SERVICE CHARGES-LOCKBOX	\$ -	\$ 18,000.00	\$ 196,000.00	\$ 178,000.00
607113	595760	DRAFT INCENTIVE	\$ 8,000.00	\$ 149,350.00	\$ -	\$ (149,350.00)
607113	598800	INTERCOMPANY DEPT CHARGES	\$ 474,930.81	\$ -	\$ -	\$ -
607113	598801	DEPT CHARGES-OPERATING	\$ 47,871.26	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 821,460.65	\$ 821,897.76	\$ 907,786.00	\$ 85,888.24

FY15-16 Budget Highlights

As noted in other departments, Finance is still working through salary splits to account for indirect costs in the most equitable and justified manner. This Fund’s Finance Department has purchases a lockbox program that has increased efficiency and effectiveness when processing customer payments. Another major change is the use of a draft incentive. This incentive encouraged customers to enroll in auto-draft. With a majority of customer now on auto-draft, a cost savings measure, the City will no longer offer the auto-draft incentive.



Water & Sewer City Engineer Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
W/S-City Engineer						
607114	512100	SALARIES & WAGES-REG	\$ -	\$ -	\$ 256,588.00	\$ 256,588.00
607114	512900	SALARIES & WAGES-P/T	\$ -	\$ -	\$ 2,880.00	\$ 2,880.00
607114	518100	FICA TAX EXPENSE	\$ -	\$ -	\$ 19,850.00	\$ 19,850.00
607114	518200	RETIREMENT EXPENSE	\$ -	\$ -	\$ 17,115.00	\$ 17,115.00
607114	518300	GROUP MED & LIFE INS	\$ -	\$ -	\$ 23,711.00	\$ 23,711.00
607114	518600	WORKER'S COMP INS	\$ -	\$ -	\$ 3,101.00	\$ 3,101.00
607114	519000	PROFESSIONAL SERVICES	\$ -	\$ -	\$ -	\$ -
607114	535200	R & M - EQUIPMENT	\$ -	\$ 22,900.00	\$ 16,000.00	\$ (6,900.00)
607114	545600	LIAB/PROP INS & BONDS	\$ -	\$ -	\$ -	\$ -
607114	549750	PERMITS	\$ -	\$ -	\$ -	\$ -
607114	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ -	\$ 2,650.00	\$ 2,650.00
607114	557000	LAND	\$ -	\$ -	\$ -	\$ -
607114	598800	INTERCOMPANY DEPT CHARGES	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ -	\$ 22,900.00	\$ 341,895.00	\$ 318,995.00

FY15-16 Budget Highlights

The City Engineer Department is yet another source of internal service employees that incur indirect costs through salary splits. In addition to personnel accounts, the Water and Sewer Fund also covers specific pieces of equipment and software that are used for the benefit of the Fund.



Facilities Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
W/S-Facilities Maintenance						
607123	512100	SALARIES & WAGES-REG	\$ 289,855.72	\$ 289,681.91	\$ 355,226.00	\$ 65,544.09
607123	512200	SALARIES & WAGES-O/T	\$ 8,254.25	\$ 8,067.00	\$ 8,500.00	\$ 433.00
607123	512300	SALARIES & WAGES - STANDBY PAY	\$ -	\$ 15,434.17	\$ 15,434.00	\$ (0.17)
607123	518100	FICA TAX EXPENSE	\$ 22,210.11	\$ 23,958.47	\$ 29,006.00	\$ 5,047.53
607123	518200	RETIREMENT EXPENSE	\$ 20,932.45	\$ 22,361.24	\$ 25,290.00	\$ 2,928.76
607123	518300	GROUP MED & LIFE INS	\$ 41,166.80	\$ 30,276.00	\$ 45,164.00	\$ 14,888.00
607123	518600	WORKER'S COMP INS	\$ 12,500.00	\$ 557.16	\$ 9,621.00	\$ 9,063.84
607123	518900	RETIREE INSURANCE	\$ 11,271.87	\$ 10,000.00	\$ -	\$ (10,000.00)
607123	519000	PROFESSIONAL SERVICES	\$ -	\$ -	\$ 200.00	\$ 200.00
607123	521200	UNIFORMS	\$ 4,438.32	\$ 3,200.00	\$ 3,300.00	\$ 100.00
607123	525100	GASOLINE & DIESEL	\$ 22,366.82	\$ 22,000.00	\$ 30,000.00	\$ 8,000.00
607123	529900	SUPPLIES & MATERIALS	\$ 37,959.56	\$ 22,000.00	\$ 40,000.00	\$ 18,000.00
607123	532100	TELEPHONE	\$ 79.98	\$ 3,951.00	\$ -	\$ (3,951.00)
607123	533000	UTILITIES	\$ 250,459.94	\$ 251,000.00	\$ 255,900.00	\$ 4,900.00
607123	535100	R & M - BUILDINGS	\$ 750.00	\$ 3,500.00	\$ 10,000.00	\$ 6,500.00
607123	535200	R & M - EQUIPMENT	\$ 38,985.98	\$ 38,000.00	\$ 240,000.00	\$ 202,000.00
607123	535300	R & M - AUTO/TRUCKS	\$ 12,100.22	\$ 11,800.00	\$ 12,000.00	\$ 200.00
607123	539400	TRAVEL	\$ 19.83	\$ 500.00	\$ 1,500.00	\$ 1,000.00
607123	539500	TRAINING	\$ 150.49	\$ 1,000.00	\$ 1,500.00	\$ 500.00
607123	543900	RENT - EQUIPMENT	\$ 1,800.00	\$ 3,000.00	\$ 3,000.00	\$ -
607123	545600	LIAB/PROP INS & BONDS	\$ 10,676.56	\$ 6,657.00	\$ 6,782.00	\$ 125.00
607123	549100	DUES & SUBSCRIPTIONS	\$ 670.00	\$ 500.00	\$ -	\$ (500.00)
607123	549750	PERMITS	\$ -	\$ -	\$ 450.00	\$ 450.00
607123	553000	NON-CAPITAL EQUIPMENT	\$ 15,504.49	\$ 13,000.00	\$ 3,000.00	\$ (10,000.00)
607123	554000	CAP OUTLAY-MTR VEHS	\$ -	\$ -	\$ -	\$ -
607123	555000	CAP OUTLAY-OTR EQUIP	\$ -	\$ 142,400.00	\$ 300,000.00	\$ 157,600.00
607123	557000	LAND	\$ -	\$ -	\$ 50,000.00	\$ 50,000.00
607123	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ 66,280.00	\$ -	\$ -	\$ -
607123	569000	CONTRACTED SERVICES	\$ 154,393.61	\$ 94,240.00	\$ 100,900.00	\$ 6,660.00
607123	595600	ISSUES FROM INVENTORY	\$ 81,137.97	\$ 188,500.00	\$ 100,000.00	\$ (88,500.00)
607123	595800	CUSTOMER PARTICIPATE	\$ -	\$ -	\$ -	\$ -
607123	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 1,103,964.97	\$ 1,205,583.95	\$ 1,646,773.00	\$ 441,189.05

FY15-16 Budget Highlights

The Facilities Maintenance Department has requested two additional employees and this is reflected in the personnel account lines for FY15-16. Other major highlights include \$200,000 budgeted for the replacement of four pump stations in FY15-16. The “Cap Outlay-Otr Quip” account includes new generator purchases and equipment and machinery for the Cobblestone Hydro Pump Station CIP project.



Water Treatment Plant Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
W/S-Water Treatment Plant						
607124	512100	SALARIES & WAGES-REG	\$ 420,099.59	\$ 435,362.00	\$ 439,102.00	\$ 3,740.00
607124	512200	SALARIES & WAGES-O/T	\$ 12,457.22	\$ 21,118.00	\$ 10,000.00	\$ (11,118.00)
607124	512250	HOLIDAY PAY	\$ -	\$ (0.23)	\$ -	\$ 0.23
607124	513400	SALARIES & WAGES - SHIFT DIFF	\$ -	\$ -	\$ 7,800.00	\$ 7,800.00
607124	518100	FICA TAX EXPENSE	\$ 32,416.49	\$ 34,920.70	\$ 34,953.00	\$ 32.30
607124	518200	RETIREMENT EXPENSE	\$ 30,023.98	\$ 32,592.66	\$ 30,476.00	\$ (2,116.66)
607124	518300	GROUP MED & LIFE INS	\$ 71,990.83	\$ 55,506.00	\$ 62,100.00	\$ 6,594.00
607124	518600	WORKER'S COMP INS	\$ 17,392.62	\$ 34,328.12	\$ 10,888.00	\$ (23,440.12)
607124	519000	PROFESSIONAL SERVICES	\$ -	\$ -	\$ 200.00	\$ 200.00
607124	519400	PROF SERVICES-ENGRING	\$ 3,260.50	\$ 315,500.00	\$ 200.00	\$ (315,300.00)
607124	521100	JANITORIAL SUPPLIES	\$ 2,818.33	\$ 3,000.00	\$ 3,000.00	\$ -
607124	521200	UNIFORMS	\$ 5,238.11	\$ 5,900.00	\$ 6,000.00	\$ 100.00
607124	523000	MEDICAL SUPPLIES	\$ -	\$ 200.00	\$ 200.00	\$ -
607124	525100	GASOLINE & DIESEL	\$ 7,940.14	\$ 8,500.00	\$ 10,000.00	\$ 1,500.00
607124	526000	OFFICE SUPPLIES	\$ 316.08	\$ 1,500.00	\$ 2,000.00	\$ 500.00
607124	526100	LABORATORY SUPPLIES	\$ 25,884.41	\$ 30,000.00	\$ 28,000.00	\$ (2,000.00)
607124	529000	CHEMICALS	\$ 440,619.80	\$ 425,912.87	\$ 450,000.00	\$ 24,087.13
607124	529900	SUPPLIES & MATERIALS	\$ 8,843.31	\$ 17,800.00	\$ 19,000.00	\$ 1,200.00
607124	532100	TELEPHONE	\$ 6,633.32	\$ 9,300.00	\$ -	\$ (9,300.00)
607124	532500	POSTAGE	\$ 158.19	\$ 100.00	\$ 200.00	\$ 100.00
607124	533000	UTILITIES	\$ 291,070.94	\$ 323,200.00	\$ 349,900.00	\$ 26,700.00
607124	535100	R & M - BUILDINGS	\$ 10,663.05	\$ 12,000.00	\$ 12,000.00	\$ -
607124	535200	R & M - EQUIPMENT	\$ 54,443.20	\$ 46,700.00	\$ 60,000.00	\$ 13,300.00
607124	535300	R & M - AUTO/TRUCKS	\$ 2,309.75	\$ 4,400.00	\$ 2,400.00	\$ (2,000.00)
607124	539400	TRAVEL	\$ 2,462.71	\$ 2,500.00	\$ 3,000.00	\$ 500.00
607124	539500	TRAINING	\$ 2,310.42	\$ 3,000.00	\$ 2,500.00	\$ (500.00)
607124	545600	LIAB/PROP INS & BONDS	\$ 14,149.36	\$ 18,320.00	\$ 17,645.00	\$ (675.00)
607124	549100	DUES & SUBSCRIPTIONS	\$ 11,937.64	\$ 670.00	\$ -	\$ (670.00)
607124	549750	PERMITS	\$ -	\$ 12,530.00	\$ 11,430.00	\$ (1,100.00)
607124	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 3,800.00	\$ -	\$ (3,800.00)
607124	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ 35,000.00	\$ -	\$ (35,000.00)
607124	555000	CAP OUTLAY-OTR EQUIP	\$ -	\$ -	\$ 32,000.00	\$ 32,000.00
607124	557000	LAND	\$ -	\$ -	\$ -	\$ -
607124	559900	CAP OUTLAY-OTR IMPMTS	\$ 119,753.33	\$ 7,500.00	\$ 308,000.00	\$ 300,500.00
607124	569000	CONTRACTED SERVICES	\$ 46,661.07	\$ 45,000.00	\$ 46,000.00	\$ 1,000.00
607124	569100	SLUDGE MANAGEMENT	\$ 400.98	\$ 5,000.00	\$ 105,600.00	\$ 100,600.00
<i>Sub-Total</i>			\$ 1,642,255.37	\$ 1,951,160.12	\$ 2,064,594.00	\$ 113,433.88

FY15-16 Budget Highlights

Major highlights for the Water Treatment Plant Department includes an increase in chemical costs, utilities, and sludge management. Also, a shift differential salary account has been added, contingent upon a new certification policy adoption. This policy also had effects on employee's salaries, an estimated increase of \$10,000. In addition, there is \$308,000 budgeted for Centrifuge system replacement in FY15-16.



Shop Operations Center Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
W/S-Operations Support						
607125	512100	SALARIES & WAGES-REG	\$ 422,090.51	\$ 511,129.87	\$ 517,305.00	\$ 6,175.13
607125	512200	SALARIES & WAGES-O/T	\$ 3,050.23	\$ 1,739.00	\$ 3,000.00	\$ 1,261.00
607125	518100	FICA TAX EXPENSE	\$ 32,022.60	\$ 39,821.99	\$ 39,804.00	\$ (17.99)
607125	518200	RETIREMENT EXPENSE	\$ 29,910.49	\$ 37,167.19	\$ 34,705.00	\$ (2,462.19)
607125	518300	GROUP MED & LIFE INS	\$ 72,435.23	\$ 59,290.50	\$ 67,745.00	\$ 8,454.50
607125	518600	WORKER'S COMP INS	\$ 22,806.40	\$ 928.60	\$ 10,936.00	\$ 10,007.40
607125	518900	RETIREE INSURANCE	\$ 10,414.52	\$ 10,000.00	\$ 8,791.00	\$ (1,209.00)
607125	519000	PROFESSIONAL SERVICES	\$ -	\$ -	\$ 5,200.00	\$ 5,200.00
607125	521200	UNIFORMS	\$ 2,869.61	\$ 3,300.00	\$ 3,400.00	\$ 100.00
607125	523000	MEDICAL SUPPLIES	\$ 58.41	\$ 570.00	\$ -	\$ (570.00)
607125	525100	GASOLINE & DIESEL	\$ 22,083.96	\$ 22,000.00	\$ 22,000.00	\$ -
607125	525200	TIRES	\$ -	\$ 500.00	\$ 500.00	\$ -
607125	526000	OFFICE SUPPLIES	\$ 3,701.19	\$ 5,000.00	\$ 4,500.00	\$ (500.00)
607125	529900	SUPPLIES & MATERIALS	\$ 10,497.11	\$ 12,000.00	\$ 12,000.00	\$ -
607125	532100	TELEPHONE	\$ 36,684.81	\$ 33,143.00	\$ -	\$ (33,143.00)
607125	533000	UTILITIES	\$ -	\$ -	\$ -	\$ -
607125	535100	R & M - BUILDINGS	\$ -	\$ 500.00	\$ 500.00	\$ -
607125	535200	R & M - EQUIPMENT	\$ 1,795.06	\$ 4,500.00	\$ 4,500.00	\$ -
607125	535300	R & M - AUTO/TRUCKS	\$ 10,816.96	\$ 12,000.00	\$ 12,000.00	\$ -
607125	539400	TRAVEL	\$ 2,369.56	\$ 2,750.00	\$ 2,800.00	\$ 50.00
607125	539500	TRAINING	\$ 2,156.62	\$ 3,000.00	\$ 3,000.00	\$ -
607125	545600	LIAB/PROP INS & BONDS	\$ 7,355.64	\$ 6,385.00	\$ 7,330.00	\$ 945.00
607125	549100	DUES & SUBSCRIPTIONS	\$ 7,286.38	\$ 12,440.00	\$ 1,000.00	\$ (11,440.00)
607125	549750	PERMITS	\$ -	\$ 100.00	\$ 11,600.00	\$ 11,500.00
607125	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 19,190.00	\$ 5,000.00	\$ (14,190.00)
607125	554000	CAP OUTLAY-MTR VEHS	\$ -	\$ -	\$ -	\$ -
607125	555000	CAP OUTLAY-OTR EQUIP	\$ 10,450.00	\$ 4,000.00	\$ -	\$ (4,000.00)
607125	557000	LAND	\$ -	\$ -	\$ -	\$ -
607125	569000	CONTRACTED SERVICES	\$ 2,251.94	\$ 111,250.00	\$ 122,800.00	\$ 11,550.00
607125	598010	DEPARTMENTAL CHGS-G/F	\$ (12,100.00)	\$ -	\$ -	\$ -
607125	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 701,007.23	\$ 912,705.15	\$ 900,416.00	\$ (12,289.15)

FY15-16 Budget Highlights

The Operations Support Department has seen natural personnel growth, reflected in the personnel account lines for FY15-16. In addition, the telephone costs have been budgeted for in the Information Technology Department’s budget.



Water Maintenance & Construction Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
W/S-Water Maintenance & Construction						
607126	512100	SALARIES & WAGES-REG	\$ 434,875.29	\$ 467,031.57	\$ 476,778.00	\$ 9,746.43
607126	512200	SALARIES & WAGES-O/T	\$ 52,904.94	\$ 32,128.00	\$ 35,000.00	\$ 2,872.00
607126	512300	SALARIES & WAGES - STANDBY PAY	\$ -	\$ 6,646.20	\$ 6,646.00	\$ (0.20)
607126	518100	FICA TAX EXPENSE	\$ 36,064.77	\$ 38,694.14	\$ 39,660.00	\$ 965.86
607126	518200	RETIREMENT EXPENSE	\$ 34,284.62	\$ 36,114.53	\$ 34,579.00	\$ (1,535.53)
607126	518300	GROUP MED & LIFE INS	\$ 86,605.65	\$ 70,644.00	\$ 79,036.00	\$ 8,392.00
607126	518600	WORKER'S COMP INS	\$ 21,003.18	\$ 1,207.18	\$ 13,153.00	\$ 11,945.82
607126	519000	PROFESSIONAL SERVICES	\$ 3,046.38	\$ 99,300.00	\$ 1,500.00	\$ (97,800.00)
607126	521200	UNIFORMS	\$ 7,792.25	\$ 7,400.00	\$ 7,500.00	\$ 100.00
607126	525100	GASOLINE & DIESEL	\$ 44,373.54	\$ 42,000.00	\$ 45,000.00	\$ 3,000.00
607126	529900	SUPPLIES & MATERIALS	\$ 99,969.39	\$ 78,729.51	\$ 90,000.00	\$ 11,270.49
607126	535200	R & M - EQUIPMENT	\$ 20,574.48	\$ 339,791.00	\$ 22,000.00	\$ (317,791.00)
607126	535250	R&M-LINES	\$ -	\$ -	\$ 400,000.00	\$ 400,000.00
607126	535300	R & M - AUTO/TRUCKS	\$ 32,448.11	\$ 25,000.00	\$ 26,000.00	\$ 1,000.00
607126	539400	TRAVEL	\$ 90.33	\$ 500.00	\$ 1,000.00	\$ 500.00
607126	539500	TRAINING	\$ 561.89	\$ 4,200.00	\$ 3,500.00	\$ (700.00)
607126	545600	LIAB/PROP INS & BONDS	\$ 24,377.43	\$ 28,883.00	\$ 28,531.00	\$ (352.00)
607126	549100	DUES & SUBSCRIPTIONS	\$ 6,624.37	\$ 5,800.00	\$ 5,500.00	\$ (300.00)
607126	549750	PERMITS	\$ -	\$ 26.00	\$ 480.00	\$ 454.00
607126	549950	DAMAGES TO OTHER UTILITIES	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00
607126	552000	CAP OUTLAY-EQUIPMENT	\$ -	\$ 32,134.00	\$ -	\$ (32,134.00)
607126	553000	NON-CAPITAL EQUIPMENT	\$ 145,240.57	\$ 3,920.00	\$ 17,320.00	\$ 13,400.00
607126	554000	CAP OUTLAY-MTR VEHS	\$ -	\$ -	\$ -	\$ -
607126	555000	CAP OUTLAY-OTR EQUIP	\$ 8,780.00	\$ 352,000.00	\$ -	\$ (352,000.00)
607126	556000	CAP OUTLAY-MTRZED EQ	\$ -	\$ -	\$ 120,000.00	\$ 120,000.00
607126	557000	LAND	\$ 29,000.00	\$ -	\$ -	\$ -
607126	559600	CAP OUTLAY-LINE UPGRD	\$ 313,544.40	\$ -	\$ -	\$ -
607126	559700	CAP OUTLAY-OVRSIZE LN	\$ 16,308.12	\$ 30,000.00	\$ -	\$ (30,000.00)
607126	559900	CAP OUTLAY-OTR IMPMTS	\$ 175,745.97	\$ 1,530,000.00	\$ -	\$ (1,530,000.00)
607126	569000	CONTRACTED SERVICES	\$ 31,102.56	\$ 77,000.00	\$ 36,100.00	\$ (40,900.00)
607126	595600	ISSUES FROM INVENTORY	\$ 218,978.55	\$ 325,000.00	\$ 300,000.00	\$ (25,000.00)
607126	595800	CUSTOMER PORTION	\$ -	\$ -	\$ -	\$ -
607126	598500	PAVING CUT REPAIRS	\$ 152,592.99	\$ 125,000.00	\$ 125,000.00	\$ -
607126	598600	REIMBURSE WATER DEPT	\$ -	\$ -	\$ -	\$ -
607126	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 1,996,889.78	\$ 3,759,149.13	\$ 1,929,283.00	\$ (1,829,866.13)

FY15-16 Budget Highlights

Major highlights for this Department include major capital projects being budgeted in their own special project fund, as to enhance the City’s ability to account for the full cost of the project. In addition, the funding for regular repair and maintenance of system lines has been budgeted in its own account, “R&M-Lines”.



Wastewater Treatment Plant Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
W/S-Wastewater Treatment Plant						
607134	512100	SALARIES & WAGES-REG	\$ 440,305.67	\$ 451,242.85	\$ 465,034.00	\$ 13,791.15
607134	512200	SALARIES & WAGES-O/T	\$ 492.60	\$ 2,458.00	\$ 1,500.00	\$ (958.00)
607134	512250	HOLIDAY PAY	\$ -	\$ 0.09	\$ -	\$ (0.09)
607134	513400	SALARIES & WAGES - SHIFT DIFF	\$ -	\$ -	\$ 3,120.00	\$ 3,120.00
607134	518100	FICA TAX EXPENSE	\$ 32,851.41	\$ 34,708.12	\$ 35,929.00	\$ 1,220.88
607134	518200	RETIREMENT EXPENSE	\$ 30,981.87	\$ 32,394.25	\$ 31,326.00	\$ (1,068.25)
607134	518300	GROUP MED & LIFE INS	\$ 69,852.79	\$ 50,460.00	\$ 56,454.00	\$ 5,994.00
607134	518600	WORKER'S COMP INS	\$ 21,546.90	\$ 23,862.93	\$ 11,603.00	\$ (12,259.93)
607134	518900	RETIREE INSURANCE	\$ 10,414.52	\$ 10,000.00	\$ 8,791.00	\$ (1,209.00)
607134	519000	PROFESSIONAL SERVICES	\$ -	\$ 1,300.00	\$ 1,700.00	\$ 400.00
607134	521100	JANITORIAL SUPPLIES	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00
607134	521200	UNIFORMS	\$ 4,540.04	\$ 5,000.00	\$ 5,100.00	\$ 100.00
607134	523000	MEDICAL SUPPLIES	\$ 78.98	\$ 300.00	\$ 300.00	\$ -
607134	525100	GASOLINE & DIESEL	\$ 7,201.79	\$ 6,460.00	\$ 6,500.00	\$ 40.00
607134	526000	OFFICE SUPPLIES	\$ 1,717.55	\$ 2,000.00	\$ 2,000.00	\$ -
607134	526100	LABORATORY SUPPLIES	\$ 10,708.04	\$ 20,000.00	\$ 18,000.00	\$ (2,000.00)
607134	529000	CHEMICALS	\$ 7,622.90	\$ 20,000.00	\$ 20,000.00	\$ -
607134	529900	SUPPLIES & MATERIALS	\$ 6,186.38	\$ 8,000.00	\$ 8,000.00	\$ -
607134	532100	TELEPHONE	\$ 3,871.82	\$ 3,678.00	\$ -	\$ (3,678.00)
607134	532500	POSTAGE	\$ 1,048.04	\$ 1,800.00	\$ 1,500.00	\$ (300.00)
607134	533000	UTILITIES	\$ 335,439.76	\$ 362,800.00	\$ 360,000.00	\$ (2,800.00)
607134	535100	R & M - BUILDINGS	\$ 5,804.05	\$ 6,000.00	\$ 6,000.00	\$ -
607134	535200	R & M - EQUIPMENT	\$ 66,287.36	\$ 83,000.00	\$ 115,000.00	\$ 32,000.00
607134	535300	R & M - AUTO/TRUCKS	\$ 3,332.81	\$ 3,500.00	\$ 3,500.00	\$ -
607134	537000	ADVERTISING	\$ -	\$ 500.00	\$ 500.00	\$ -
607134	539400	TRAVEL	\$ 1,288.83	\$ 1,230.00	\$ 1,200.00	\$ (30.00)
607134	539500	TRAINING	\$ 1,913.89	\$ 2,710.00	\$ 3,000.00	\$ 290.00
607134	545600	LIAB/PROP INS & BONDS	\$ 11,033.47	\$ 13,777.00	\$ 13,312.00	\$ (465.00)
607134	549100	DUES & SUBSCRIPTIONS	\$ 9,445.00	\$ 9,870.00	\$ -	\$ (9,870.00)
607134	549700	PRETREATMENT PROGRAM	\$ 380.00	\$ 7,000.00	\$ 7,000.00	\$ -
607134	549750	PERMITS	\$ -	\$ -	\$ 8,000.00	\$ 8,000.00
607134	554000	CAP OUTLAY-MTR VEHS	\$ -	\$ -	\$ -	\$ -
607134	555000	CAP OUTLAY-OTR EQUIP	\$ 21,982.49	\$ 32,000.00	\$ -	\$ (32,000.00)
607134	556000	CAP OUTLAY-MTRZED EQ	\$ -	\$ -	\$ -	\$ -
607134	557000	LAND	\$ -	\$ -	\$ -	\$ -
607134	569000	CONTRACTED SERVICES	\$ 15,404.50	\$ 22,800.00	\$ 23,000.00	\$ 200.00
607134	569100	SLUDGE MANAGEMENT	\$ 303,189.85	\$ 301,917.41	\$ 221,350.00	\$ (80,567.41)
<i>Sub-Total</i>			\$ 1,424,923.31	\$ 1,520,768.65	\$ 1,441,719.00	\$ (79,049.65)

FY15-16 Budget Highlights

Similar to the Water Treatment Plant Department, the Wastewater Treatment Plant Department has also gained a “Salaries & Wages – Shift Diff” account, contingent upon policy adoption for FY15-16. Additionally, the policy is expected to increase employee’s salaries an estimated \$6,000 total. Sludge management costs have dropped by approximately \$80,000 for FY15-16.



Sewer Maintenance & Construction Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
W/S-Sewer Maintenance & Construction						
607136	512100	SALARIES & WAGES-REG	\$ 339,575.92	\$ 347,802.47	\$ 356,725.00	\$ 8,922.53
607136	512200	SALARIES & WAGES-O/T	\$ 24,703.11	\$ 17,448.00	\$ 20,000.00	\$ 2,552.00
607136	512300	SALARIES & WAGES - STANDBY PAY	\$ -	\$ 4,622.15	\$ 4,622.00	\$ (0.15)
607136	518100	FICA TAX EXPENSE	\$ 26,918.29	\$ 27,941.66	\$ 29,173.00	\$ 1,231.34
607136	518200	RETIREMENT EXPENSE	\$ 25,653.58	\$ 26,078.88	\$ 25,436.00	\$ (642.88)
607136	518300	GROUP MED & LIFE INS	\$ 67,440.92	\$ 50,460.00	\$ 56,454.00	\$ 5,994.00
607136	518600	WORKER'S COMP INS	\$ 14,005.49	\$ 928.60	\$ 9,677.00	\$ 8,748.40
607136	519000	PROFESSIONAL SERVICES	\$ 122.08	\$ 4,300.00	\$ 62,700.00	\$ 58,400.00
607136	521200	UNIFORMS	\$ 5,615.42	\$ 5,400.00	\$ 5,400.00	\$ -
607136	525100	GASOLINE & DIESEL	\$ 32,245.95	\$ 32,000.00	\$ 32,000.00	\$ -
607136	529900	SUPPLIES & MATERIALS	\$ 83,351.60	\$ 58,755.52	\$ 75,000.00	\$ 16,244.48
607136	535200	R & M - EQUIPMENT	\$ 10,214.57	\$ 475,192.00	\$ 120,000.00	\$ (355,192.00)
607136	535250	R&M-LINES	\$ -	\$ -	\$ 500,000.00	\$ 500,000.00
607136	535300	R & M - AUTO/TRUCKS	\$ 26,308.22	\$ 28,000.00	\$ 30,000.00	\$ 2,000.00
607136	539400	TRAVEL	\$ -	\$ 600.00	\$ 1,000.00	\$ 400.00
607136	539500	TRAINING	\$ 1,302.39	\$ 3,000.00	\$ 3,000.00	\$ -
607136	543900	RENT - EQUIPMENT	\$ -	\$ 1,000.00	\$ 1,000.00	\$ -
607136	545600	LIAB/PROP INS & BONDS	\$ 13,146.33	\$ 11,950.00	\$ 12,795.00	\$ 845.00
607136	549100	DUES & SUBSCRIPTIONS	\$ 1,670.00	\$ 1,780.00	\$ 1,200.00	\$ (580.00)
607136	549750	PERMITS	\$ -	\$ -	\$ 1,910.00	\$ 1,910.00
607136	549950	DAMAGES TO OTHER UTILITIES	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00
607136	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ 60,433.00	\$ -	\$ -
607136	553000	NON-CAPITAL EQUIPMENT	\$ 183.75	\$ 15,620.00	\$ 9,020.00	\$ (6,600.00)
607136	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ 28,000.00	\$ -	\$ (28,000.00)
607136	555000	CAP OUTLAY-OTR EQUIP	\$ 21,159.00	\$ -	\$ -	\$ -
607136	556000	CAP OUTLAY-MTRZED EQ	\$ -	\$ 82,000.00	\$ -	\$ (82,000.00)
607136	557000	LAND	\$ 24,650.00	\$ -	\$ 51,000.00	\$ 51,000.00
607136	559600	CAP OUTLAY-I/I UPGRD	\$ 154,719.19	\$ -	\$ -	\$ -
607136	559700	CAP OUTLAY-LINE UPGRD	\$ 2,384.84	\$ -	\$ 308,000.00	\$ 308,000.00
607136	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ 43,000.00	\$ 392,000.00	\$ 349,000.00
607136	569000	CONTRACTED SERVICES	\$ 27,610.00	\$ 43,000.00	\$ 34,100.00	\$ (8,900.00)
607136	595600	ISSUES FROM INVENTORY	\$ 24,984.78	\$ 30,000.00	\$ 30,000.00	\$ -
607136	598500	PAVING CUT REPAIRS	\$ 55,642.35	\$ 55,000.00	\$ 55,000.00	\$ -
607136	598600	REIMBURSE SEWER DEPT	\$ -	\$ -	\$ -	\$ -
607136	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 983,607.78	\$ 1,454,312.28	\$ 2,242,212.00	\$ 787,899.72

FY15-16 Budget Highlights

The Sewer Maintenance and Construction Department has a new “R&M-Lines” account to provide for the repair and maintenance of system sewer lines. In addition, there is a “Damage to Other Utilities” account to cover any damages that may occur when working on City sewer lines. There are also a variety of capital projects budgeted in this account which can be found in the City’s CIP document.



Non-Departmental Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
W/S-Non-Departmental						
609619	500024	DRUG TESTING	\$ -	\$ 1,200.00	\$ 1,200.00	\$ -
609619	500028	EMPLOYEE ASSISTANCE PROGRAM	\$ -	\$ 3,000.00	\$ 3,000.00	\$ -
609619	500030	TUITION REIMBURSEMENT PROGRAM	\$ 111.50	\$ 2,000.00	\$ 2,000.00	\$ -
609619	518500	STATE UNEMPLOYMNT INS	\$ 17,879.79	\$ 11,000.00	\$ 11,000.00	\$ -
609619	518800	EMPLOYEE DEATH BENEFIT	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00
609619	518900	RETIREE INSURANCE	\$ -	\$ -	\$ -	\$ -
609619	560200	OPER TRANS TO CR FUND	\$ 550,000.00	\$ -	\$ -	\$ -
609619	598030	GOVERNING BODY	\$ 24,105.69	\$ -	\$ -	\$ -
609619	598031	ADMIN - CITY HALL	\$ 156,414.89	\$ 2,700.00	\$ -	\$ (2,700.00)
609619	598032	CITY ENGINEER	\$ 231,880.00	\$ -	\$ -	\$ -
609619	598033	IT DEPARTMENT	\$ 122,723.86	\$ -	\$ -	\$ -
609619	598034	LEGAL DEPARTMENT	\$ 90,667.04	\$ -	\$ -	\$ -
609619	598880	CONTR TO H&W FUND	\$ -	\$ 44,000.00	\$ 113,000.00	\$ 69,000.00
<i>Sub-Total</i>			\$ 1,193,782.77	\$ 63,900.00	\$ 140,200.00	\$ 76,300.00

FY15-16 Budget Highlights

There are no major highlights to cover except the increase in contribution to the City’s health and welfare fund.



Special Appropriations Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
W/S-Special Appropriations						
609620	560200	OTHER AGENCIES	\$ 76,125.00	\$ 76,130.00	\$ 76,130.00	\$ -
		<i>Sub-Total</i>	\$ 76,125.00	\$ 76,130.00	\$ 76,130.00	\$ -

FY15-16 Budget Highlights

The City appropriates a portion of the special appropriations budget through the Water and Sewer Fund because it specifically reaps the benefits of the agency to which the funds are appropriated. These include the Mills River Partnership and Henderson County Rescue Squad.



Debt Service Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
W/S-Debt Service						
609621	571100	PRIN - SRLF SWR LINES	\$ 100,880.00	\$ 100,880.00	\$ 100,880.00	\$ -
609621	571200	PRIN - SRLF WWTP PROJ	\$ 662,500.00	\$ 662,500.00	\$ 662,500.00	\$ -
609621	571300	PRIN - BRIGHTWTR PROJ	\$ 28,589.05	\$ 28,590.00	\$ 28,589.00	\$ (1.00)
609621	571400	PRIN - JP MORGAN AMR SYSTEM	\$ 776,230.00	\$ 776,230.00	\$ 776,230.00	\$ -
609621	571500	PRIN - BB&T WTP UPGRADE	\$ 1,033,011.59	\$ 1,073,692.00	\$ 1,115,974.00	\$ 42,282.00
609621	571600	PRIN - SRLF JACKSON PARK	\$ -	\$ -	\$ 217,030.00	\$ 217,030.00
609621	571700	PRIN - SRLF WOLFPEN SEWER	\$ -	\$ -	\$ 143,380.00	\$ 143,380.00
609621	571800	PRIN - SRLF SHEPHERD CREEK	\$ -	\$ -	\$ 90,750.00	\$ 90,750.00
609621	572100	INT - SRLF SWR LINES	\$ 13,840.74	\$ 13,850.00	\$ 6,920.00	\$ (6,930.00)
609621	572200	INT - SRLF WWTP PROJ	\$ 173,508.76	\$ 173,090.00	\$ 134,951.00	\$ (38,139.00)
609621	572300	INT - SRLF BRIGHTWTR PROJ	\$ 12,762.16	\$ 12,770.00	\$ 11,344.00	\$ (1,426.00)
609621	572400	INT- JPMORGAN AMR SYSTEM	\$ 463,747.91	\$ 247,127.00	\$ 228,821.00	\$ (18,306.00)
609621	572500	INT-BB&T WTP UPGRADE	\$ 184,228.93	\$ 143,558.00	\$ 101,266.00	\$ (42,292.00)
609621	572600	INT-SRLF JACKSON PARK	\$ -	\$ -	\$ 66,833.00	\$ 66,833.00
609621	572700	INT-SRLF WOLFPEN SEWER	\$ -	\$ -	\$ 43,839.00	\$ 43,839.00
609621	572800	INT-SRLF SHEPHERD CREEK	\$ -	\$ -	\$ 31,725.00	\$ 31,725.00
609621	575200	BANK SERVICE CHARGES	\$ 104,124.09	\$ 85,000.00	\$ -	\$ (85,000.00)
<i>Sub-Total</i>			\$ 3,553,423.23	\$ 3,317,287.00	\$ 3,761,032.00	\$ 443,745.00

FY15-16 Budget Highlights

There are three new debt service notes from sewer projects that utilized state revolving loan funds for FY15-16. The “Bank Service Charges” account has been moved to the W/S Finance Department.



Transfers Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
W/S-Transfers						
609900	999080	TRANSFER OUT TO H&W FUND	\$ -	\$ -	\$ -	\$ -
609900	999474	TRANSFER TO JACKSON PARK	\$ -	\$ 536,260.00	\$ -	\$ (536,260.00)
609900	999475	TRANSFER TO SHEPHERD/ATKINSON	\$ -	\$ 300,000.00	\$ -	\$ (300,000.00)
609900	999378	TRANSFER TO ACADEMY RD	\$ 36,338.00	\$ -	\$ -	\$ -
609900	999401	TRANSFER TO FLETCHER	\$ -	\$ -	\$ 3,121,200.00	\$ 3,121,200.00
609900	999402	TRANSFER TO EASTSIDE	\$ -	\$ -	\$ 400,000.00	\$ 400,000.00
609900	999403	TRANSFER TO HIGH SERVICE	\$ -	\$ -	\$ 2,164,000.00	\$ 2,164,000.00
609900	999410	TRANSFER TO SCADA	\$ -	\$ -	\$ 793,000.00	\$ 793,000.00
609900	999415	TRANSFER TO RUGBY RD.	\$ -	\$ -	\$ 97,200.00	\$ 97,200.00
609900	999420	TRANSFER TO RUTLEDGE	\$ -	\$ -	\$ 30,200.00	\$ 30,200.00
609900	999425	TRANSFER TO GRAVITY FILTER	\$ -	\$ -	\$ 1,250,000.00	\$ 1,250,000.00
<i>Sub-Total</i>			\$ 36,338.00	\$ 836,260.00	\$ 7,855,600.00	\$ 7,019,340.00

FY15-16 Budget Highlights

The Transfers budget details the total cost of all the transfers to special project funds for FY15-16.



Contingencies Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
W/S-Contingencies						
609910	599100	CONTINGENCIES	\$ -	\$ 79,303.55	\$ 194,829.00	\$ 115,525.45
<i>Sub-Total</i>			\$ -	\$ 79,303.55	\$ 194,829.00	\$ 115,525.45

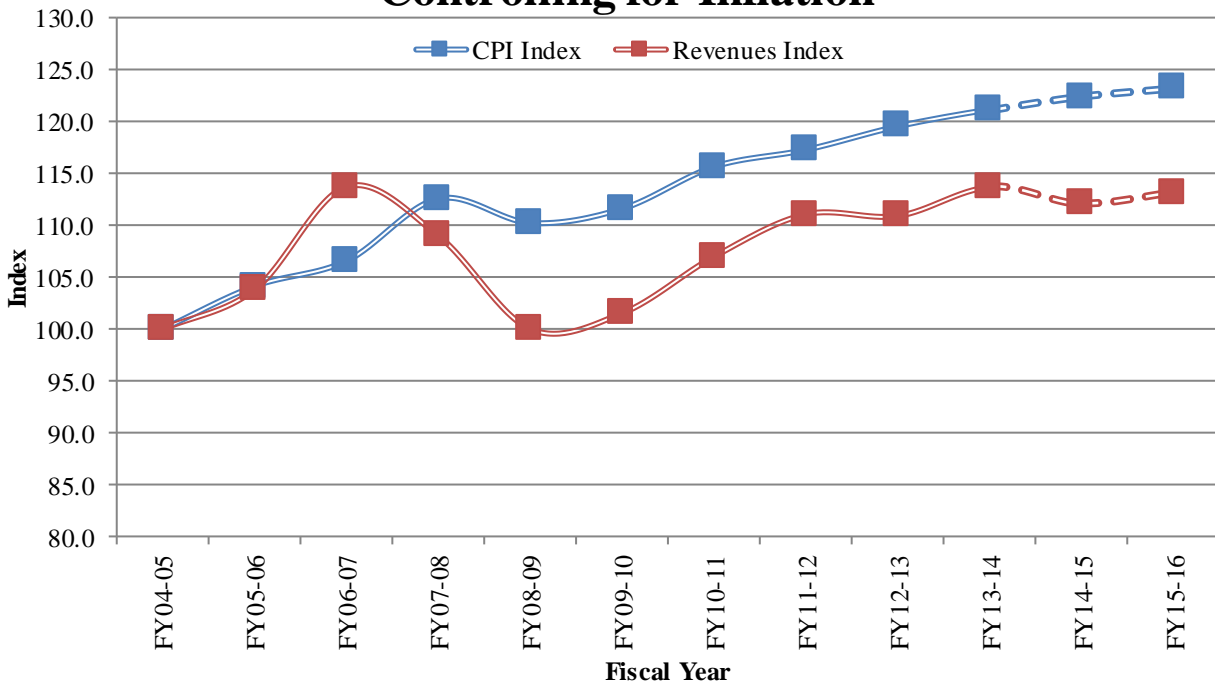
FY15-16 Budget Highlights

The Water and Sewer Fund is requesting \$194,829 in contingencies for FY15-16. Approximately \$6,000 of the contingency was already needed to cover an increase in liability and property tax insurance costs. This bill is not received until late May. With much of the budget process completed, management decided it would be best to lower the contingencies budget to cover these costs without effecting the bottom line that has already been released to the public.

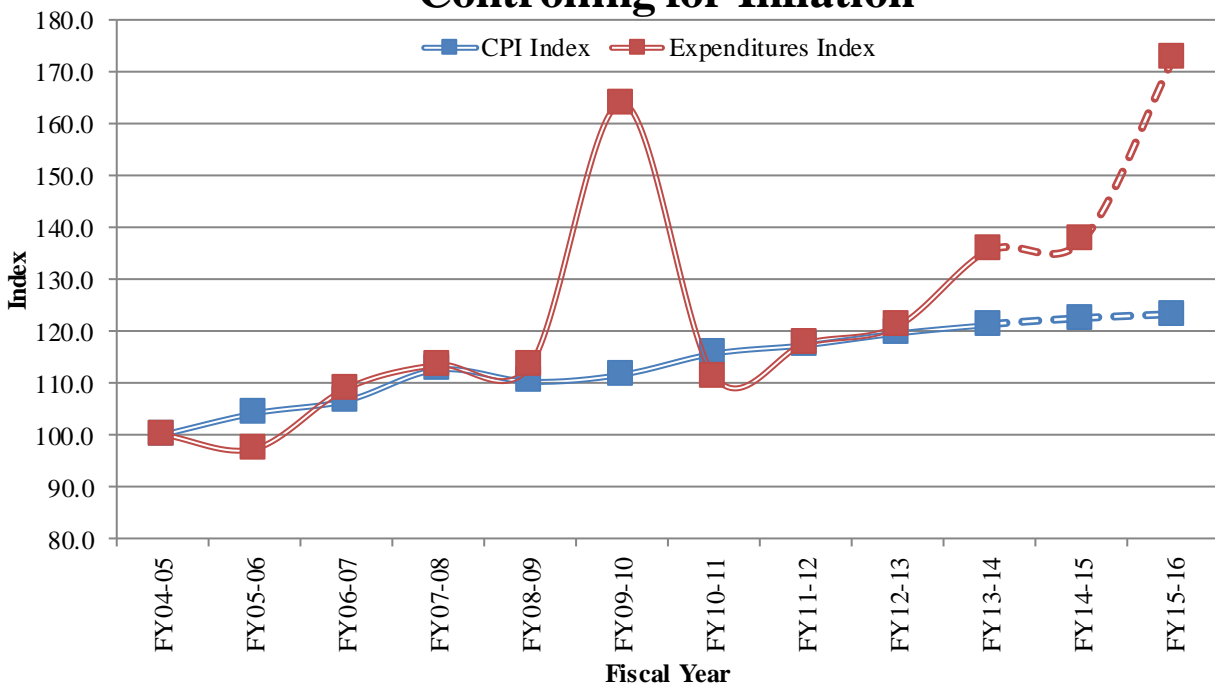


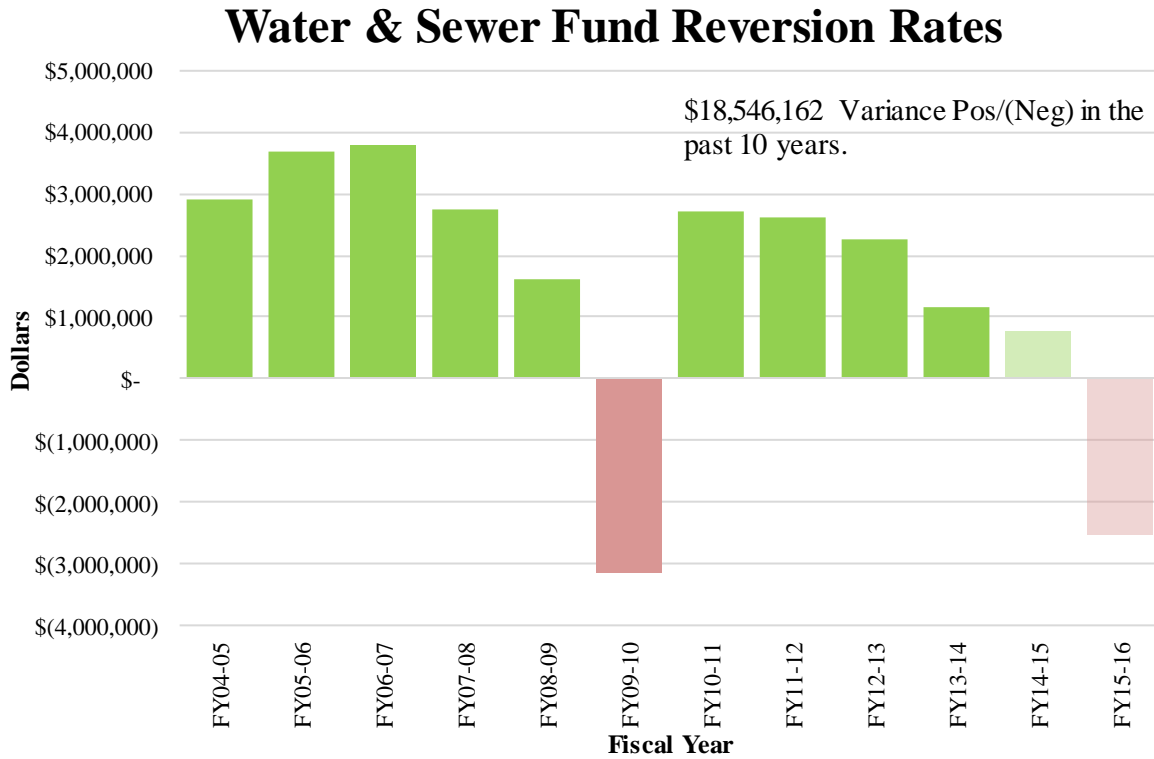
Revenue and Expenditure Trends

Water & Sewer Fund Revenues Index Controlling for Inflation



Water & Sewer Fund Expenditures Index Controlling for Inflation





The Water and Sewer Fund has established large cash reserves over the past ten fiscal years. As detailed in the *Budget Message* the City has taken these reserves and appropriated close to \$8 million to capital project ordinances. The City intends to continue to reinvest in this growing regional utility system.



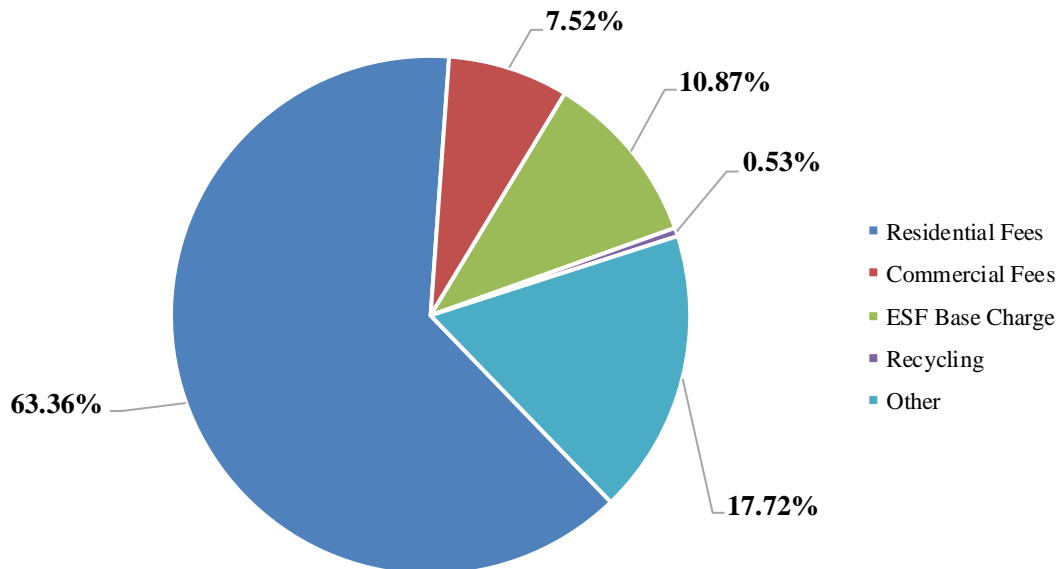
Revenues

The Environmental Services Fund is an enterprise fund meaning it is funded through user charges. The Environmental Services Fund was previously known as the Solid Waste Fund. The user charges include fees like, residential and commercial garbage collection, and residential and commercial recycling collection.

Revenues by Source

SOURCE	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Residential Fees	\$ (808,276)	\$ (957,552)	\$ (957,552)	\$ -
Commercial Fees	\$ (152,882)	\$ (84,252)	\$ (113,596)	\$ (29,344)
ESF Base Charge	\$ (80,770)	\$ (82,125)	\$ (164,250)	\$ (82,125)
Recycling	\$ (8,123)	\$ (4,500)	\$ (8,000)	\$ (3,500)
Other	\$ (255,244)	\$ (9,260)	\$ (267,850)	\$ (258,590)
Total	\$ (1,305,295)	\$ (1,137,689)	\$ (1,511,248)	\$ (373,559)

**Environmental Services Fund Revenues
by Source FY15-16**



Revenues by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
ESF Fees						
680014	451500	WASTE DISPSL FEES-RESIDENTAL	\$ (808,276.00)	\$ (957,552.00)	\$ (957,552.00)	\$ -
680014	451600	WASTE DISPSL FEES-COMMERCIAL	\$ (152,882.00)	\$ (84,252.00)	\$ (113,596.00)	\$ (29,344.00)
680014	451700	WASTE DISPSL FEES-RECYCLING	\$ (8,122.40)	\$ (4,500.00)	\$ (8,000.00)	\$ (3,500.00)
680014	451800	ESF BASE CHARGE	\$ (80,770.00)	\$ (82,125.00)	\$ (164,250.00)	\$ (82,125.00)
		<i>Sub-Total</i>	\$ (1,050,050.40)	\$ (1,128,429.00)	\$ (1,243,398.00)	\$ (114,969.00)
Restricted Intergovernmental						
680040	434990	GRANT REVENUE	\$ (105,000.00)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (105,000.00)	\$ -	\$ -	\$ -
Investment Earnings						
680070	483100	INTEREST INCOME	\$ (521.12)	\$ (2,200.00)	\$ (5,000.00)	\$ (2,800.00)
		<i>Sub-Total</i>	\$ (521.12)	\$ (2,200.00)	\$ (5,000.00)	\$ (2,800.00)
Miscellaneous Income						
680080	443668	SALE OF FIXED ASSETS - SW FUND	\$ (16,420.00)	\$ -	\$ -	\$ -
680080	443800	DISCOUNTS EARNED	\$ (2,254.68)	\$ (1,060.00)	\$ (1,000.00)	\$ 60.00
680080	443900	MISCELLANEOUS INCOME	\$ (3,134.85)	\$ (6,000.00)	\$ (5,000.00)	\$ 1,000.00
		<i>Sub-Total</i>	\$ (21,809.53)	\$ (7,060.00)	\$ (6,000.00)	\$ 1,060.00
Other Financing Sources						
680090	498210	OPER TRANS FR GEN FD	\$ (127,840.00)	\$ -	\$ -	\$ -
680090	499100	PROCEEDS OF DEBT	\$ -	\$ -	\$ (256,850.00)	\$ (256,850.00)
680090	499200	FUND BALANCE APPROP	\$ -	\$ -	\$ -	\$ -
680090	499999	PRIOR PERIOD ADJUSTMENT	\$ (73.43)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (127,913.43)	\$ -	\$ (256,850.00)	\$ (256,850.00)
GRAND TOTAL			\$ (1,305,294.48)	\$ (1,137,689.00)	\$ (1,511,248.00)	\$ (373,559.00)



Expenditures

The City of Hendersonville Environmental Services Department is dedicated to serving the citizens of Hendersonville through planning, administration, management, and performance of solid waste collection, recycling collection, brush collection, leaf collection, and appliance collection. The Environmental Services Department offers support to special events, to downtown, to the 7th Avenue district through special weekly collections. The department includes a Supervisor, an Administrative Assistant, five Equipment Operators, and seven workers. The Environmental Services Department is located at the City Operation Center at 305 Williams Street. For more information about the Environmental Services Department, please contact Tom Wooten at (828) 697-3084.

FY14-15 Accomplishments

- ✓ Assisted with community shredding events for the public.
- ✓ Completed a special collection event for the Green Meadows Community.
- ✓ Applied for a grant to create a recycling booklet, purchase door hangers, garbage and recycling violation stickers, and an art contest that will finish with a wrap on one of our garbage trucks.

FY15-16 Goals & Initiatives

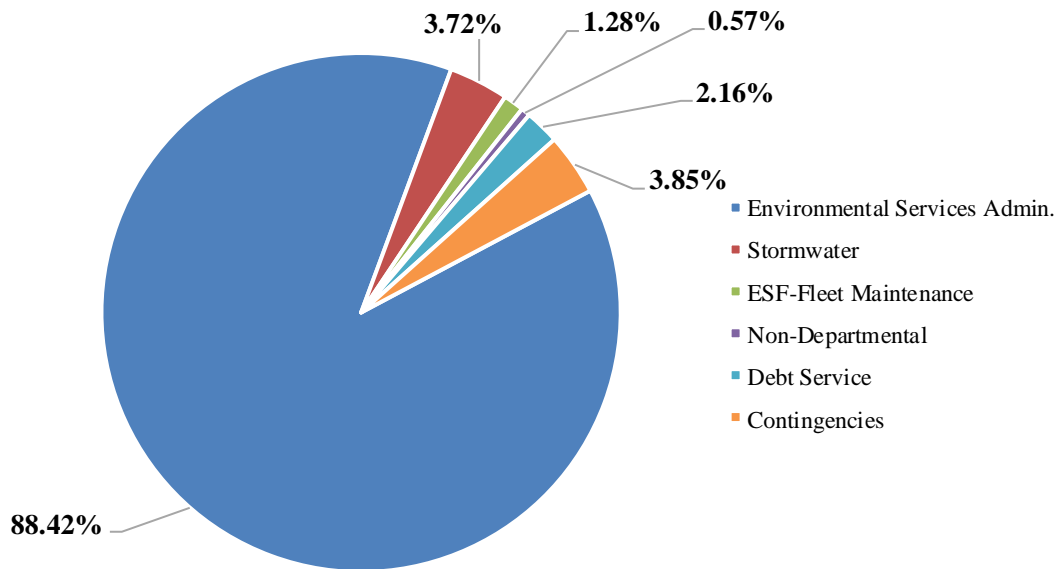
- ✓ Finalize and distribute a recycling information booklet for our customers.
- ✓ Purchased Samsung Tablets for our six trucks to map out our current routes, collect and share brush pile, appliance, leaf pile, excessive trash piles...data with other trucks and office staff via city works. (we will begin this once the new server is in place.)
- ✓ Further increase our recycling collection rates by offering a commercial customer - recycling collection option for \$10 per month (up to four 65 gallon carts). For extremely heavy commercial recyclers, we plan to offer twice per week collection for \$20 per month (up to four carts).
- ✓ We plan to offer special collection events for all City Residents.
- ✓ Continue to help with the community shredding events.



Expenditures by Function

FUNCTION	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Environmental Services Admin.	\$ 1,379,381.00	\$ 1,079,489	\$ 1,336,294	\$ 256,805
Stormwater	\$ 49,800	\$ 49,800	\$ 56,250	\$ 6,450
ESF-Fleet Maintenance	\$ -	\$ -	\$ 19,317	\$ 19,317
Non-Departmental	\$ 2,040	\$ 5,400	\$ 8,615	\$ 3,215
Debt Service	\$ 2,482	\$ 3,000	\$ 32,585	\$ 29,585
Contingencies	\$ -	\$ -	\$ 58,187	\$ 58,187
Total	\$ 1,433,703	\$ 1,137,689	\$ 1,511,248	\$ 373,559

**Environmental Services Fund
Expenditures by Function FY15-16**

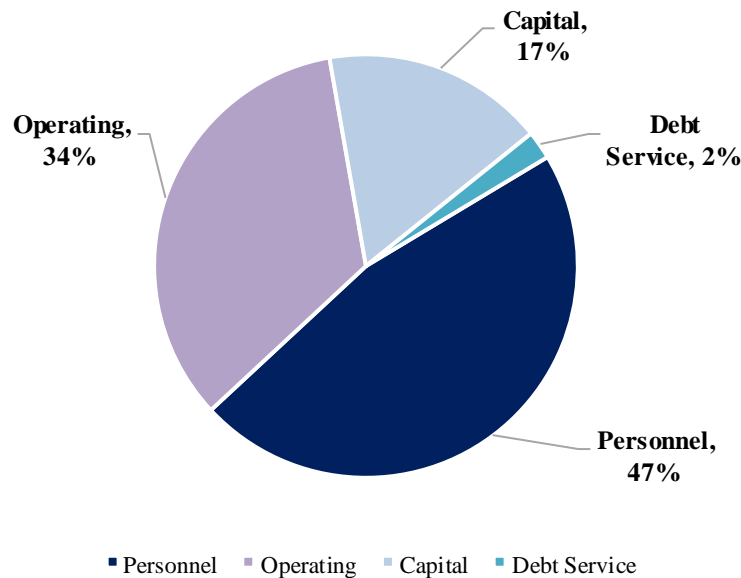


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Environmental Services Fund				
Personnel	\$ 569,680.62	\$ 648,919.00	\$ 705,645.00	\$ 56,726.00
Operating	\$ 655,299.56	\$ 486,770.00	\$ 516,168.00	\$ 29,398.00
Capital	\$ 208,721.00	\$ 2,000.00	\$ 256,850.00	\$ 254,850.00
Debt Service	\$ -	\$ -	\$ 32,585.00	\$ 32,585.00
<i>Sub-Total</i>	\$ 1,433,701.18	\$ 1,137,689.00	\$ 1,511,248.00	\$ 373,559.00

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
Environmental Services Fund				
Full-Time	14.00	14.00	14.00	0.00
Part-Time	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	14.00	14.00	14.00	0.00

Expenditures by Type



Environmental Services Fleet Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
ESF-Fleet Maintenance						
684250	512100	SALARIES & WAGES - REGULAR	\$ -	\$ -	\$ 14,567.00	\$ 14,567.00
684250	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ -	\$ 180.00	\$ 180.00
684250	518100	FICA TAX EXPENSE	\$ -	\$ -	\$ 1,129.00	\$ 1,129.00
684250	518200	RETIREMENT EXPENSE	\$ -	\$ -	\$ 984.00	\$ 984.00
684250	518300	GROUP MED & LIFE INS	\$ -	\$ -	\$ 2,033.00	\$ 2,033.00
684250	518600	WORKER'S COMP INS	\$ -	\$ -	\$ 424.00	\$ 424.00
<i>Sub-Total</i>			\$ -	\$ -	\$ 19,317.00	\$ 19,317.00

FY15-16 Budget Highlights

Like the Water and Sewer Fund, the Environmental Services Fund will pay for indirect costs associated with fleet maintenance in the form of salary splits. These splits are based on the number of vehicles served by the Fleet Maintenance Department. There will still be charges for parts, however the labor rate is covered through the salary split.



Environmental Services Administration Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
ESF-Administration						
684710	512100	SALARIES & WAGES-REG	\$ 403,988.31	\$ 442,955.61	\$ 437,228.00	\$ (5,727.61)
684710	512200	SALARIES & WAGES-O/T	\$ 11,252.89	\$ 11,650.00	\$ 12,000.00	\$ 350.00
684710	512250	HOLIDAY PAY	\$ -	\$ 16,362.60	\$ -	\$ (16,362.60)
684710	512900	SALARIES & WAGES-P/T	\$ -	\$ -	\$ 2,880.00	\$ 2,880.00
684710	518100	FICA TAX EXPENSE	\$ 31,280.41	\$ 35,616.18	\$ 34,587.00	\$ (1,029.18)
684710	518200	RETIREMENT EXPENSE	\$ 28,734.75	\$ 33,220.77	\$ 29,964.00	\$ (3,256.77)
684710	518300	GROUP MED & LIFE INS	\$ 68,783.45	\$ 70,644.00	\$ 79,036.00	\$ 8,392.00
684710	518600	WORKER'S COMP INS	\$ 9,648.64	\$ 22,969.84	\$ 16,801.00	\$ (6,168.84)
684710	518900	RETIREE INSURANCE	\$ 15,992.17	\$ 15,500.00	\$ 17,582.00	\$ 2,082.00
684710	519000	PROFESSIONAL SERVICES	\$ 514.90	\$ 135.00	\$ 3,500.00	\$ 3,365.00
684710	519100	AUDIT FEES	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ -
684710	521200	UNIFORMS	\$ 4,331.84	\$ 8,360.00	\$ 9,750.00	\$ 1,390.00
684710	525100	GASOLINE & DIESEL	\$ 52,334.14	\$ 51,000.00	\$ 53,000.00	\$ 2,000.00
684710	525200	TIRES	\$ 7,804.64	\$ 12,000.00	\$ 12,000.00	\$ -
684710	525300	VEHICLE PARTS	\$ 23,522.52	\$ 35,000.00	\$ 30,000.00	\$ (5,000.00)
684710	525400	OIL	\$ 2,712.30	\$ 3,000.00	\$ 3,000.00	\$ -
684710	526000	OFFICE SUPPLIES	\$ 305.19	\$ 900.00	\$ 1,000.00	\$ 100.00
684710	529900	SUPPLIES & MATERIALS	\$ 224,220.65	\$ 9,500.00	\$ 25,000.00	\$ 15,500.00
684710	532100	TELEPHONE	\$ 361.39	\$ 1,450.00	\$ 3,115.00	\$ 1,665.00
684710	532500	POSTAGE	\$ 882.20	\$ 240.00	\$ 200.00	\$ (40.00)
684710	535200	R & M - EQUIPMENT	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00
684710	535300	R & M - AUTO/TRUCKS	\$ 10,872.97	\$ 13,000.00	\$ 15,000.00	\$ 2,000.00
684710	539400	TRAVEL	\$ 16.78	\$ 1,100.00	\$ 1,200.00	\$ 100.00
684710	539500	TRAINING	\$ -	\$ 200.00	\$ 900.00	\$ 700.00
684710	545600	LIAB/PROP INS & BONDS	\$ 9,177.66	\$ 5,820.00	\$ 6,601.00	\$ 781.00
684710	549200	UNCOLLECTIBLE ACCOUNTS	\$ 1,041.00	\$ 5,000.00	\$ 5,000.00	\$ -
684710	549750	PERMITS	\$ -	\$ -	\$ 100.00	\$ 100.00
684710	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ 2,000.00	\$ -	\$ (2,000.00)
684710	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 4,000.00	\$ -	\$ (4,000.00)
684710	554000	CAP OUTLAY-MOTOR VEHS	\$ 208,721.00	\$ -	\$ 256,850.00	\$ 256,850.00
684710	555000	CAP OUTLAY-OTHER	\$ -	\$ -	\$ -	\$ -
684710	557000	LAND	\$ -	\$ -	\$ -	\$ -
684710	569000	CONTRACTED SERVICES	\$ 44,260.00	\$ 66,865.00	\$ 62,500.00	\$ (4,365.00)
684710	569300	TIPPING FEES	\$ 208,406.90	\$ 200,000.00	\$ 210,500.00	\$ 10,500.00
684710	575200	BANK SERVICE CHARGES	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00
684710	598300	REIMB G/F FLEET MAINT	\$ 9,213.75	\$ 10,000.00	\$ -	\$ (10,000.00)
684710	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 1,379,380.45	\$ 1,079,489.00	\$ 1,336,294.00	\$ 256,805.00

FY15-16 Budget Highlights

There has been a significant increase in the “Supplies & Materials” account due to the need for additional garbage and recycling cans. In addition, there is \$256,850 for the purchase of a dump-truck being funded by debt proceeds. Also, the “Tipping Fees” account may increase when the County releases its fee schedule in late May.



Stormwater Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
ESF-Stormwater						
684720	512100	SALARIES & WAGES-REG	\$ -	\$ -	\$ 41,821.00	\$ 41,821.00
684720	512200	SALARIES & WAGES-O/T	\$ -	\$ -	\$ 875.00	\$ 875.00
684720	512250	HOLIDAY PAY	\$ -	\$ -	\$ -	\$ -
684720	512900	SALARIES & WAGES-P/T	\$ -	\$ -	\$ -	\$ -
684720	518100	FICA TAX EXPENSE	\$ -	\$ -	\$ 3,267.00	\$ 3,267.00
684720	518200	RETIREMENT EXPENSE	\$ -	\$ -	\$ 2,848.00	\$ 2,848.00
684720	518300	GROUP MED & LIFE INS	\$ -	\$ -	\$ 5,646.00	\$ 5,646.00
684720	518600	WORKER'S COMP INS	\$ -	\$ -	\$ 1,793.00	\$ 1,793.00
684720	549750	PERMITS	\$ -	\$ -	\$ -	\$ -
684720	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ -	\$ -	\$ -
684720	557000	LAND	\$ -	\$ -	\$ -	\$ -
684720	598035	DEPT CHGS-STRMWTR-G/F	\$ 49,800.00	\$ 49,800.00	\$ -	\$ (49,800.00)
<i>Sub-Total</i>			\$ 49,800.00	\$ 49,800.00	\$ 56,250.00	\$ 6,450.00

FY15-16 Budget Highlights

An employee who works on the City’s stormwater services was previously budgeted for in the General Fund and then charged to the Environmental Services Fund under the “Dept Chgs-Strmwtr-G/F”. In FY15-16, the City is requesting this salary be budgeted in the Environmental Services Fund directly.



Non-Departmental Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
ESF-Non-Departmental						
689619	500024	DRUG TESTING	\$ -	\$ 1,000.00	\$ 1,000.00	\$ -
689619	518500	STATE UNEMPLOYMNT INS	\$ 2,039.40	\$ 2,400.00	\$ 2,400.00	\$ -
689619	598880	CONTR TO H&W FUND	\$ -	\$ 2,000.00	\$ 5,215.00	\$ 3,215.00
<i>Sub-Total</i>			\$ 2,039.40	\$ 5,400.00	\$ 8,615.00	\$ 3,215.00

FY15-16 Budget Highlights

There are no major changes besides an increase in the Fund’s contribution to the City’s Health and Welfare Fund.



Debt Service Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
ESF-Debt Service						
689621	571000	PRIN -GARBAGE TRUCK LOAN	\$ -	\$ -	\$ 25,685.00	\$ 25,685.00
689621	572000	INT -GARBAGE TRUCK LOAN	\$ -	\$ -	\$ 6,900.00	\$ 6,900.00
689621	575200	BANK SERVICE CHARGES	\$ 2,481.33	\$ 3,000.00	\$ -	\$ (3,000.00)
<i>Sub-Total</i>			\$ 2,481.33	\$ 3,000.00	\$ 32,585.00	\$ 29,585.00

FY15-16 Budget Highlights

The City will finance the purchase of vehicle replacements for the Environmental Services Fund from FY15-16 and forward. This debt service note is for the purchase of one garbage truck.



Contingencies Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
ESF-Contingencies						
689910	599100	CONTINGENCIES	\$ -	\$ -	\$ 58,187.00	\$ 58,187.00
		<i>Sub-Total</i>	\$ -	\$ -	\$ 58,187.00	\$ 58,187.00

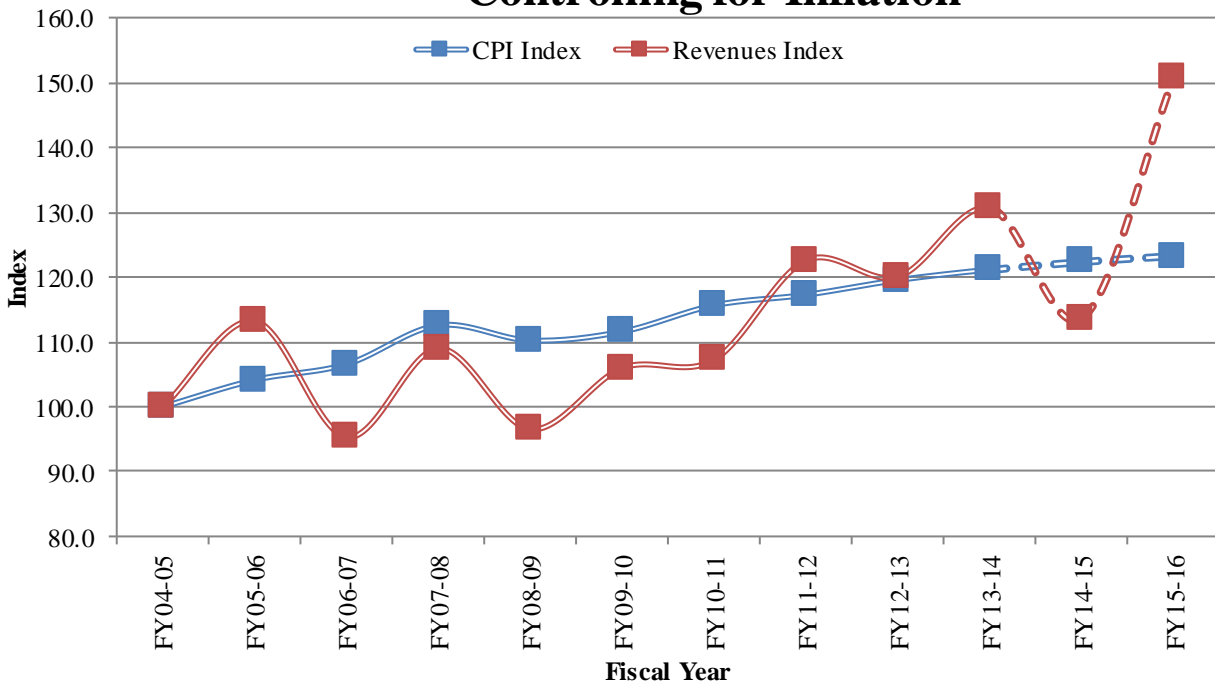
FY15-16 Budget Highlights

This Fund has budgeted \$58,187 in contingencies to cover any stormwater and sanitation costs that are unforeseen.

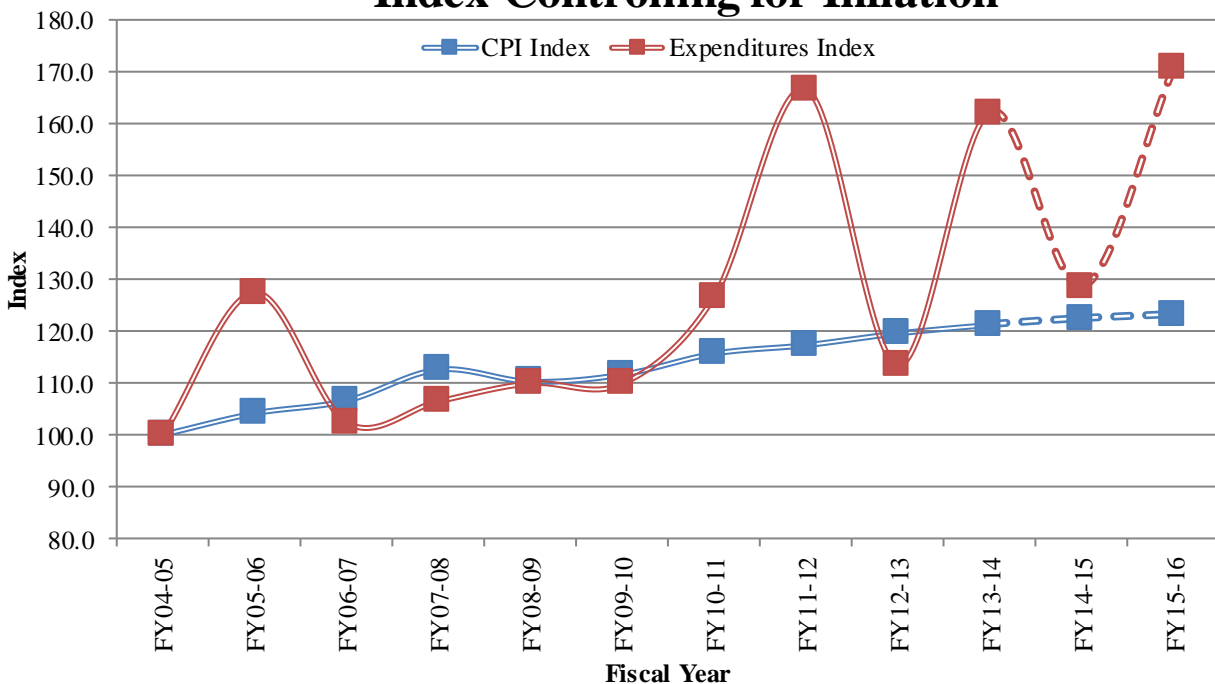


Revenue and Expenditure Trends

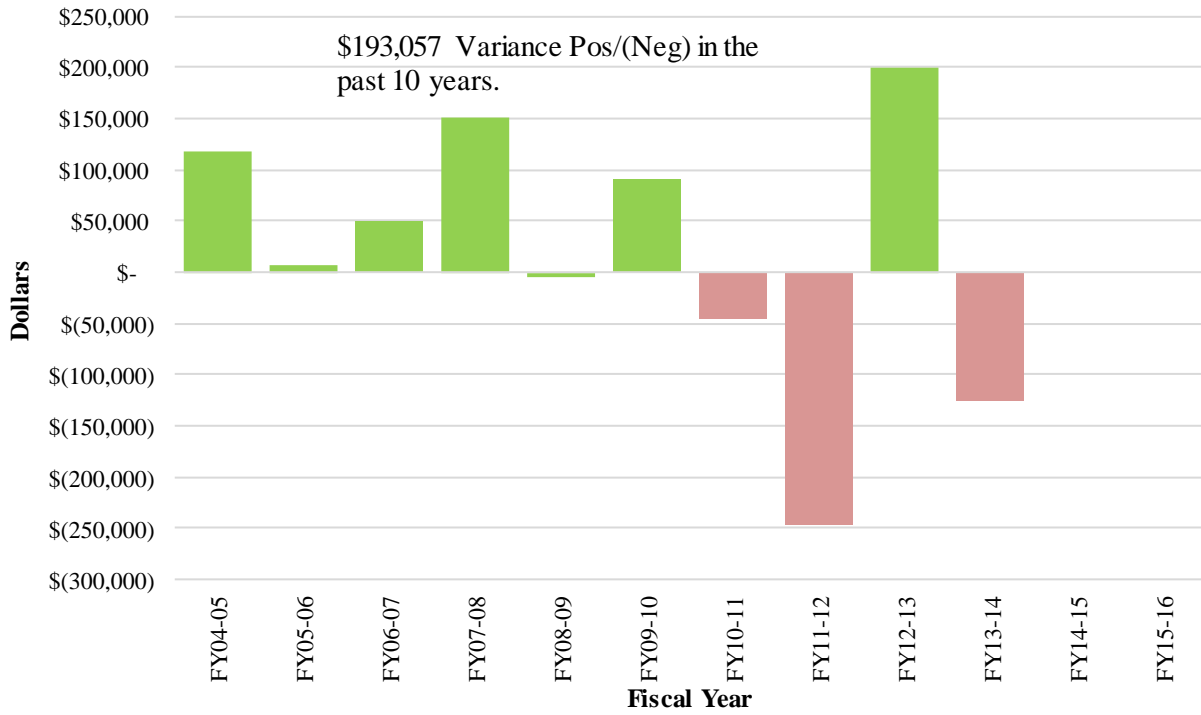
**Environmental Services Fund Revenues Index
Controlling for Inflation**



**Environmental Services Fund Expenditures
Index Controlling for Inflation**



Environmental Services Fund Reversion Rates



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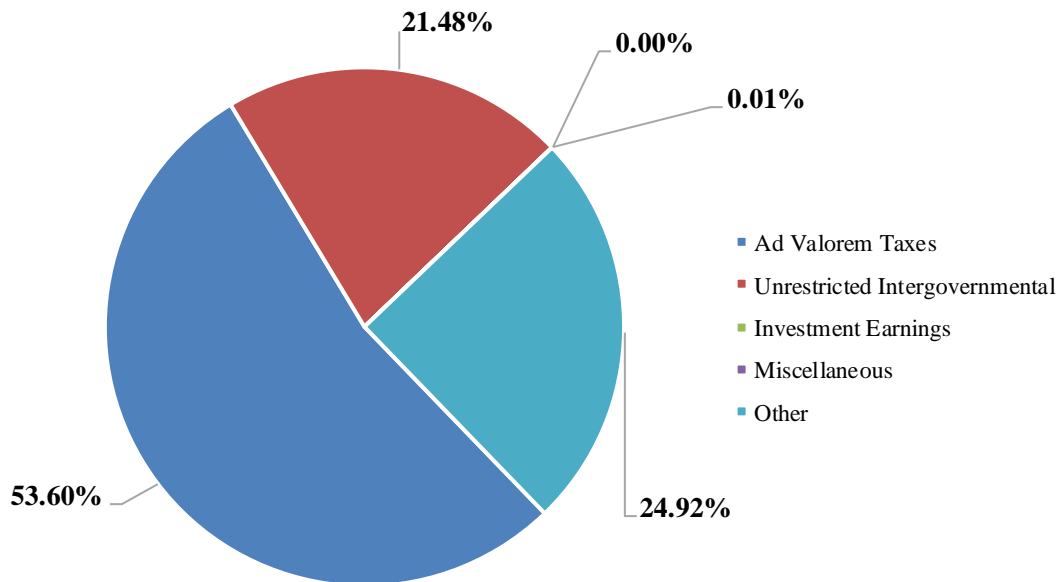
Revenues

The Downtown Tax District Fund is funded by an additional ad valorem tax, unrestricted intergovernmental revenues, investment earnings, miscellaneous income, and other financing sources. The current ad valorem tax rate for the Downtown District is \$0.28 per \$100 of value. Additionally, the Fund has special event revenue that is accounted for in departmental budgets, detailed in this section.

Revenues by Source

SOURCE	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes	\$ (235,910)	\$ (247,550)	\$ (249,564)	\$ (2,014)
Unrestricted Intergovernmental	\$ (100,600)	\$ (100,600)	\$ (100,000)	\$ 600
Investment Earnings	\$ (146)	\$ (50)	\$ (50)	\$ -
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Other	\$ (74,028)	\$ (46,000)	\$ (116,031)	\$ (70,031)
Total	\$ (410,683)	\$ (394,200)	\$ (465,645)	\$ (71,445)

**Downtown Fund Revenues by Source
FY15-16**



Revenues by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes						
200010	410000	TAX REFUNDS	\$ -	\$ -	\$ -	\$ -
200010	411100	TAX LATE LIST >5 YEARS	\$ -	\$ (100.00)	\$ (50.00)	\$ 50.00
200010	411300	TAX LL PRIOR 2008	\$ (57.67)	\$ -	\$ (100.00)	\$ (100.00)
200010	411400	TAX - INTEREST	\$ (833.14)	\$ (1,550.00)	\$ (1,550.00)	\$ -
200010	420100	2001 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
200010	420101	AD VAL TAX - MTR VEHS	\$ (3,618.46)	\$ (2,700.00)	\$ (2,700.00)	\$ -
200010	420600	2006 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
200010	420700	2007 AD VAL TAX - R/P	\$ -	\$ (50.00)	\$ (50.00)	\$ -
200010	420800	2008 AD VAL TAX - R/P	\$ -	\$ (50.00)	\$ (50.00)	\$ -
200010	420900	2009 AD VAL TAX - R/P	\$ -	\$ (50.00)	\$ (50.00)	\$ -
200010	421000	2010 AD VAL TAX - R/P	\$ -	\$ (50.00)	\$ (50.00)	\$ -
200010	421100	2011 AD VAL TAX-R/P	\$ (579.72)	\$ (500.00)	\$ (50.00)	\$ 450.00
200010	421200	2012 AS VAL TAX - R/P	\$ (4,335.31)	\$ (5,000.00)	\$ (500.00)	\$ 4,500.00
200010	421300	2013 AD VAL TAX - R/P	\$ (226,485.56)	\$ (7,500.00)	\$ (5,000.00)	\$ 2,500.00
200010	421400	2014 AD VAL TAX R/P	\$ -	\$ (230,000.00)	\$ (7,500.00)	\$ 222,500.00
200010	421500	2015 AD VAL TAX R/P	\$ -	\$ -	\$ (231,914.00)	\$ (231,914.00)
		<i>Sub-Total</i>	\$ (235,909.86)	\$ (247,550.00)	\$ (249,564.00)	\$ (2,014.00)
Unrestricted Intergovernmental						
200030	432300	S&U TAX REIMBURSEMENT	\$ (100,600.00)	\$ (100,600.00)	\$ (100,000.00)	\$ 600.00
		<i>Sub-Total</i>	\$ (100,600.00)	\$ (100,600.00)	\$ (100,000.00)	\$ 600.00
Investment Earnings						
200070	483100	INTEREST INCOME	\$ (146.06)	\$ (50.00)	\$ (50.00)	\$ -
		<i>Sub-Total</i>	\$ (146.06)	\$ (50.00)	\$ (50.00)	\$ -
Miscellaneous Income						
200080	443200	SPECIAL EVENTS - TAXABLE	\$ -	\$ -	\$ -	\$ -
200080	443210	SPECIAL EVENTS - NONTAXABLE	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ -	\$ -	\$ -	\$ -
Other Financing Sources						
200090	499100	PROCEEDS OF DEBT	\$ -	\$ -	\$ (108,500.00)	\$ (108,500.00)
200090	499200	FUND BALANCE APPROP	\$ -	\$ (46,000.00)	\$ (7,531.00)	\$ 38,469.00
200090	499999	PRIOR PERIOD ADJUSTMENT	\$ (28,027.56)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (74,027.56)	\$ (46,000.00)	\$ (116,031.00)	\$ (70,031.00)
GRAND TOTAL			\$ (410,683.48)	\$ (394,200.00)	\$ (465,645.00)	\$ (71,445.00)



Expenditures

The City of Hendersonville's Downtown Economic Development Program is located within the City Planning Department. Inheriting and continuing the work of Downtown Hendersonville, Inc. and moving forward, the Historic Seventh Avenue District, the program is guided by the Downtown & Seventh Avenue Advisory Committees. These groups of downtown stakeholders and friends of Hendersonville's historic commercial districts are appointed to these committees by City Council on staggered two year terms. Using the National Trust for Historic Preservation's Main Street Four Point Approach, the Advisory Committees seek to support and build upon inherent strengths in the City's two historic commercial districts. The Main Street Four Point approach includes Organization, Design, Economic Restructuring and Promotions. The City of Hendersonville's Downtown Economic Development program is staffed by the Downtown Economic Development Director and the Special Events and Promotions Assistant.

As noted above, there are two historic commercial districts that are part of the City of Hendersonville's Downtown Economic Development Program. The Main Street municipal service district is defined by boundaries which run along Church and King Streets to the west and east and 7th Avenue and Allen Street to the north and south. This special tax district (\$0.280 per \$100 tax value) funds the varied work of the City and the Downtown Advisory Committee as it relates to supporting a vibrant Main Street district.

The program's future in 2015-2016 will include the integration of the 7th Avenue municipal service district and associated 7th Avenue Advisory Committee into the Downtown Economic Development Program. The 7th Avenue District's boundary encompasses the Avenue from Four Seasons Boulevard east to the Oklawaha Greenway. The special tax district (\$0.120 per \$100 tax value) funds the varied work of the City and the Seventh Avenue Advisory Committee as it relates to supporting a vibrant Seventh Avenue district.

The Downtown Economic Development Program's goal in 2015-2016 is to work towards a shared vision for the future of our City's historic commercial districts supported by specific strategies to help bring that vision about.

Vision

Downtown Hendersonville is the heart of an economically and culturally vibrant mountain community. As a place for work and relaxation, downtown Hendersonville is the center for celebrations of the community's heritage and diversity, the core of entrepreneurial and creative communities, a wonderful place to call home and a social, cultural and market destination for our community's residents and visitors.

Mission

The Hendersonville Downtown Advisory Committee exists to foster and support a vibrant, diverse and sustainable downtown by managing, enhancing and promoting Historic Downtown



Hendersonville as the economic and cultural heart of Henderson County. The Committee is made up of a dedicated group of volunteers working in partnership with downtown stakeholders, the City of Hendersonville and the Downtown Economic Development Director to create a climate which encourages reinvestment in downtown by putting into practice the economic development process known as the Main Street Four-Point Approach: Organization, Economic Restructuring, Design and Promotion.



FY14-15 Accomplishments

- ✓ Continued to provide support to the efforts to understand and improve the parking challenges within the district via the Dixon Resources study
- ✓ APA Great Places Award for Main Street
- ✓ Continued to support partnership with TDA for way finding project
- ✓ Built “Friend of Downtown” volunteer core to nearly 200 members
- ✓ Saw nearly 1,400 hours in volunteer time contributed to the program, a nearly \$30,000 value and an increase of 25% over the previous year.
- ✓ Planned, organized, and executed 12 downtown events
- ✓ Maintained interest in Bearfootin’ with another 20 bears this year
- ✓ Bearfootin’ resulted directly in \$17,175 donated to a variety of local non-profits.
- ✓ Again received commitments for over \$60,000 in Sponsorships
- ✓ Leveraged media coverage estimated at over \$35,000 in value
- ✓ Saw employment in downtown rise by over 50 total new employees
- ✓ Saw over \$400,000 in private sector investment

FY15-16 Goals & Initiatives

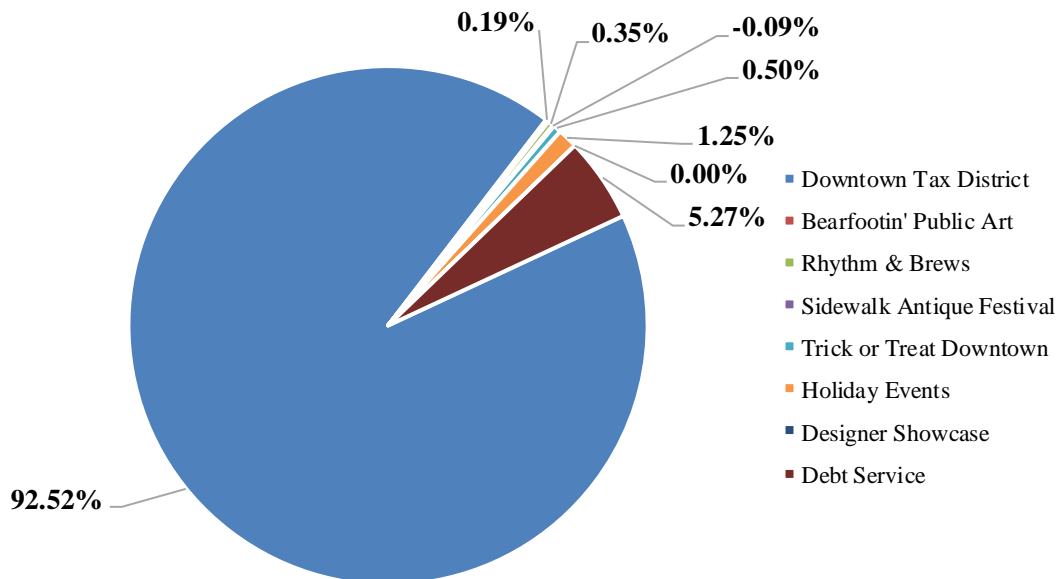
- ✓ Webpage redesign tool for communication
- ✓ Enact a comprehensive way finding system
- ✓ Continue to bolster Façade Grant Program
- ✓ ER committee trade show event/business newsletter



Expenditures by Function

FUNCTION	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Downtown Tax District	\$ 370,109.00	\$ 369,125	\$ 430,823	\$ 61,698
Bearfootin' Public Art	\$ 3,239	\$ 1,400	\$ 900	\$ (500)
Rhythm & Brews	\$ 7,852	\$ 1,725	\$ 1,625	\$ (100)
Sidewalk Antique Festival	\$ (1,858)	\$ 3,500	\$ (400)	\$ (3,900)
Trick or Treat Downtown	\$ -	\$ 3,200	\$ 2,350	\$ (850)
Holiday Events	\$ -	\$ 5,700	\$ 5,800	\$ 100
Designer Showcase	\$ -	\$ 9,550	\$ -	\$ (9,550)
Debt Service	\$ -	\$ -	\$ 24,547	\$ 24,547
Total	\$ 379,342	\$ 394,200	\$ 465,645	\$ 71,445

Downtown Fund Expenditures by Function FY15-16

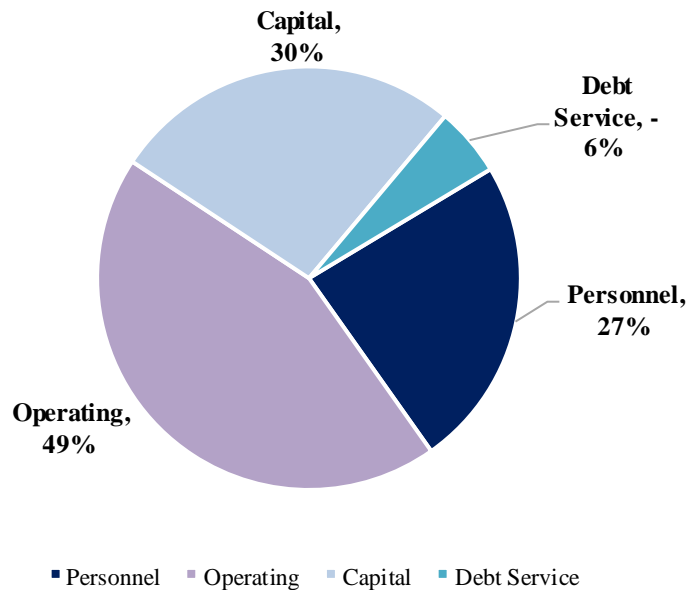


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Downtown Fund				
Personnel	\$ 76,392.93	\$ 83,707.00	\$ 110,899.00	\$ 27,192.00
Operating	\$ 302,948.84	\$ 310,493.00	\$ 205,266.00	\$ (105,227.00)
Capital	\$ -	\$ -	\$ 124,933.00	\$ 124,933.00
Debt Service	\$ -	\$ -	\$ (24,547.00)	\$ (24,547.00)
<i>Sub-Total</i>	\$ 379,341.77	\$ 394,200.00	\$ 416,551.00	\$ 22,351.00

Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE
Downtown Fund				
Full-Time	1.00	1.00	1.00	0.00
Part-Time	1.00	1.00	3.00	2.00
<i>Sub-Total</i>	2.00	2.00	4.00	2.00

Expenditures by Type



Downtown Tax District Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Downtown-Administration						
204750	444310	SPONSORSHIPS & DONATIONS	\$ -	\$ (25.00)	\$ -	\$ 25.00
204750	512100	SALARIES & WAGES-REG	\$ 61,563.61	\$ 67,999.14	\$ 59,565.00	\$ (8,434.14)
204750	512900	SALARIES & WAGES - P/T	\$ -	\$ -	\$ 32,977.00	\$ 32,977.00
204750	517200	CELLPHONE STIPEND	\$ -	\$ 480.00	\$ 480.00	\$ -
204750	518100	FICA TAX EXPENSE	\$ 4,700.88	\$ 5,227.69	\$ 7,117.00	\$ 1,889.31
204750	518200	RETIREMENT EXPENSE	\$ 3,716.56	\$ 4,855.14	\$ 4,005.00	\$ (850.14)
204750	518300	GROUP MED & LIFE INS	\$ 4,961.88	\$ 5,052.17	\$ 5,646.00	\$ 593.83
204750	518600	WORKER'S COMP INS	\$ 1,450.00	\$ 92.86	\$ 1,109.00	\$ 1,016.14
204750	519000	PROFESSIONAL SERVICES	\$ 6,236.35	\$ 6,500.00	\$ 9,000.00	\$ 2,500.00
204750	519100	AUDIT FEES	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ -
204750	525100	GASOLINE & DIESEL	\$ -	\$ -	\$ 500.00	\$ 500.00
204750	525300	VEHICLE PARTS	\$ -	\$ -	\$ 500.00	\$ 500.00
204750	526000	OFFICE SUPPLIES	\$ 529.12	\$ 1,000.00	\$ 1,000.00	\$ -
204750	529900	SUPPLIES & MATERIALS	\$ 24,954.04	\$ 17,550.00	\$ 12,000.00	\$ (5,550.00)
204750	532100	TELEPHONE	\$ 480.00	\$ 2,280.00	\$ 2,700.00	\$ 420.00
204750	532500	POSTAGE	\$ 357.38	\$ 460.00	\$ 450.00	\$ (10.00)
204750	533000	UTILITIES	\$ 16,035.50	\$ 21,000.00	\$ 21,000.00	\$ -
204750	535300	R & M - TRUCKS	\$ -	\$ -	\$ 500.00	\$ 500.00
204750	537000	ADVERTISING	\$ 19,470.05	\$ 2,000.00	\$ 5,000.00	\$ 3,000.00
204750	539400	TRAVEL	\$ -	\$ 1,250.00	\$ 750.00	\$ (500.00)
204750	539500	TRAINING	\$ 287.00	\$ 750.00	\$ 1,500.00	\$ 750.00
204750	545600	LIAB & PROP INS & BONDS	\$ -	\$ 171.00	\$ 191.00	\$ 20.00
204750	549100	DUES & SUBSCRIPTIONS	\$ 612.00	\$ 750.00	\$ 950.00	\$ 200.00
204750	549750	PERMITS & FEES -ORGANIZATIONAL	\$ -	\$ 800.00	\$ 800.00	\$ -
204750	555000	CAP OUTLAY-OTR EQUIP	\$ -	\$ -	\$ 114,933.00	\$ 114,933.00
204750	557000	LAND	\$ -	\$ -	\$ -	\$ -
204750	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00
204750	560300	MAIN ST CO-OP GRT PRG	\$ 3,040.00	\$ 4,500.00	\$ 9,000.00	\$ 4,500.00
204750	561600	MAIN ST SPEC EVENTS	\$ 7,513.72	\$ -	\$ -	\$ -
204750	569000	CONTRACTED SERVICES	\$ 113,063.84	\$ 125,332.00	\$ 128,000.00	\$ 2,668.00
204750	575200	BANK SERVICE CHARGES	\$ 136.98	\$ 100.00	\$ 150.00	\$ 50.00
204750	575320	OPER TRAN TO GEN FD	\$ 100,000.00	\$ 100,000.00	\$ -	\$ (100,000.00)
204750	598400	REIMB PUB WORKS DEPT	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 370,108.91	\$ 369,125.00	\$ 430,823.00	\$ 61,698.00

FY15-16 Budget Highlights

The salaries and wages account lines depict changes in the regular and part-time accounts. In prior years, a part-time worker was not budgeted in the part-time account however, the worker was budgeted in the regular account. This year that worker is budgeted in the correct account. General advertising budget has been increased by \$3,000 and there are multiple capital outlay purchases, totaling approximately \$10,000 for FY15-16. Also, \$108,500 is budgeted for the parking kiosks in the capital other improvements account. The last major highlight is the transfer of sales and use tax back to the General Fund has been removed, "Oper Tran to Gen Fd".



Bearfootin' Public Art Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Downtown-Bearfootin'						
204755	443215	BEARFOOTIN' BEAR SALES	\$ (18,173.30)	\$ (25,000.00)	\$ (25,000.00)	\$ -
204755	444310	SPONSORSHIPS & DONATIONS	\$ (16,329.00)	\$ (14,000.00)	\$ (15,000.00)	\$ (1,000.00)
204755	519000	BEARFOOTIN' PROFESSIONAL SVCS	\$ 8,853.47	\$ 3,900.00	\$ 7,500.00	\$ 3,600.00
204755	527000	PURCHASE FOR RESALE-BEARS	\$ 15,875.00	\$ 15,800.00	\$ 15,000.00	\$ (800.00)
204755	529900	SUPPLIES & MATERIALS-BEARS	\$ 379.02	\$ 500.00	\$ 400.00	\$ (100.00)
204755	537000	BEARFOOTIN' ADVERTISING	\$ 2,712.97	\$ 5,000.00	\$ 5,500.00	\$ 500.00
204755	549750	PERMITS	\$ -	\$ -	\$ -	\$ -
204755	561700	CONTRIBUTION OF % BEAR SALES	\$ 9,920.00	\$ 15,200.00	\$ 12,500.00	\$ (2,700.00)
<i>Sub-Total</i>			\$ 3,238.16	\$ 1,400.00	\$ 900.00	\$ (500.00)

FY15-16 Budget Highlights

The Bearfootin' event is expected to bring in \$35,000 in revenue, from bear sales and sponsorship. Sponsorships have increased by \$1,000 for FY15-16. The expenditures include costs such as, bear shipping, brochures, music, and donations (50% of bear sales go to non-profits). The total net cost of the event is \$900 for FY15-16 that will be funded by the Downtown MSD.



Rhythm & Brews Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Downtown-Rhythm & Brews						
204756	443220	RHYTHM & BREWS SALES	\$ (25,998.32)	\$ (35,000.00)	\$ (38,500.00)	\$ (3,500.00)
204756	443300	R&B VENDOR PERMITS	\$ (2,699.50)	\$ (1,000.00)	\$ (1,250.00)	\$ (250.00)
204756	444310	SPONSORSHIPS & DONATIONS	\$ (34,111.00)	\$ (40,000.00)	\$ (40,000.00)	\$ -
204756	512100	SALARIES & WAGES - REGULAR	\$ 1,610.00	\$ -	\$ -	\$ -
204756	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ -	\$ -	\$ -
204756	518100	FICA TAX EXPENSE	\$ 36.72	\$ -	\$ -	\$ -
204756	518200	RETIREMENT EXPENSE	\$ 58.95	\$ -	\$ -	\$ -
204756	519000	PROFESSIONAL SVCS R & BREWS	\$ 38,291.33	\$ 46,275.00	\$ 49,275.00	\$ 3,000.00
204756	527000	PURCH FOR RESALE- R & BREWS	\$ 17,255.77	\$ 17,000.00	\$ 21,150.00	\$ 4,150.00
204756	529900	SUPPLIES & MATERIALS - R & B	\$ 6,355.01	\$ 2,000.00	\$ 1,700.00	\$ (300.00)
204756	537000	ADVERTISING-R & BREWS	\$ 2,805.42	\$ 7,200.00	\$ 5,500.00	\$ (1,700.00)
204756	549750	PERMITS & LICENSE FEES- R & B	\$ 4,247.35	\$ 5,250.00	\$ 3,750.00	\$ (1,500.00)
<i>Sub-Total</i>			\$ 7,851.73	\$ 1,725.00	\$ 1,625.00	\$ (100.00)

FY15-16 Budget Highlights

The Rhythm and Brews event is expected to bring in \$\$79,750 in revenue for FY15-16. This increase includes a \$3,500 increase in sales and a \$250 increase in permits. The expenditures include the cost of a stage, bands, waste management, restrooms, signage, marketing, and fees. The total net cost of the event is \$1,625 for FY15-16 that will be funded by the Downtown MSD.



Sidewalk Antique Festival Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Downtown-Sidewalk Antique Festival						
204757	443300	SIDEWALK VENDOR FEES	\$ (4,845.00)	\$ (4,000.00)	\$ (5,000.00)	\$ (1,000.00)
204757	444310	SPONSORSHIPS & DONATIONS	\$ -	\$ (250.00)	\$ (2,250.00)	\$ (2,000.00)
204757	519000	PROFESSIONAL SVCS - SIDEWALK	\$ 855.00	\$ 1,450.00	\$ 1,600.00	\$ 150.00
204757	529900	SUPPLIES & MATERIALS -SIDEWALK	\$ 45.78	\$ 300.00	\$ 500.00	\$ 200.00
204757	537000	ADVERTISING-SIDEWALK	\$ 1,562.19	\$ 5,250.00	\$ 4,000.00	\$ (1,250.00)
204757	549750	PERMITS VENDOR FEES - SIDEWALK	\$ 525.00	\$ 750.00	\$ 750.00	\$ -
<i>Sub-Total</i>			\$ (1,857.03)	\$ 3,500.00	\$ (400.00)	\$ (3,900.00)

FY15-16 Budget Highlights

The Sidewalk Antique Festival event is expected to bring in \$7,250 in revenue for FY15-16. This includes a \$1,000 increase in vendor fees, and a \$2,000 increase in sponsorships and donations. Expenditures for this event includes marketing, restroom rentals, and permits. The total net cost of the event is (\$400) for FY15-16 that will be utilized by the Downtown MSD.



Trick Or Treat Downtown Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Downtown-Trick or Treat						
204758	444310	SPONSORSHIPS & DONATIONS	\$ -	\$ -	\$ (500.00)	\$ (500.00)
204758	519000	PROF SVCS TREAT OR TREAT	\$ -	\$ 950.00	\$ 1,000.00	\$ 50.00
204758	529900	SUPPLIES & MAT -TREAT OR TREAT	\$ -	\$ 200.00	\$ 250.00	\$ 50.00
204758	537000	ADVERTISING-TRICK OR TREAT	\$ -	\$ 2,000.00	\$ 1,500.00	\$ (500.00)
204758	549750	PERMITS VENDOR FEE-TRICK TREAT	\$ -	\$ 50.00	\$ 100.00	\$ 50.00
<i>Sub-Total</i>			\$ -	\$ 3,200.00	\$ 2,350.00	\$ (850.00)

FY15-16 Budget Highlights

The Trick or Treat event is expected to raise \$500 in revenue for FY15-16 through sponsorships and donations. The costs for the event include marketing, supplies, and vendor fees. The total net cost of the event is \$2,350 for FY15-16, which will be funded by the Downtown MSD.



Holiday Events Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Downtown-Holiday Events						
204759	519000	PROFESSIONAL SVCS HOLIDAY	\$ -	\$ 2,251.00	\$ 2,000.00	\$ (251.00)
204759	529900	SUPPLIES & MATERIALS - HOLIDAY	\$ -	\$ 250.00	\$ 250.00	\$ -
204759	537000	ADVERTISING-HOLIDAY EVENTS	\$ -	\$ 3,149.00	\$ 3,500.00	\$ 351.00
204759	549750	PERMITS & VENDOR FEES-HOLIDAY	\$ -	\$ 50.00	\$ 50.00	\$ -
<i>Sub-Total</i>			\$ -	\$ 5,700.00	\$ 5,800.00	\$ 100.00

FY15-16 Budget Highlights

The Holiday Events event provides lighting at Christmas time as well as other events such as, the Christmas tree lighting, caroling, and Santa Clause. The total net cost of the event is \$5,800 for FY15-16 that will be funded by the Downtown MSD.



Designer Showcase Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Downtown-Designer Showcase						
204761	443220	SALES	\$ -	\$ -	\$ -	\$ -
204761	519000	PROFESSIONAL SERVICES	\$ -	\$ 3,250.00	\$ -	\$ (3,250.00)
204761	529900	SUPPLIES & MATERIALS	\$ -	\$ 250.00	\$ -	\$ (250.00)
204761	537000	ADVERTISING	\$ -	\$ 6,050.00	\$ -	\$ (6,050.00)
204761	549750	PERMITS	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ -	\$ 9,550.00	\$ -	\$ (9,550.00)

FY15-16 Budget Highlights

The Designer Showcase event will not be held for FY15-16.



Debt Service Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Downtown-Debt Service						
689621	570100	PRIN - PARKING KIOSKS	\$ -	\$ -	\$ 21,687.00	\$ 21,687.00
689621	570200	INT - PARKING KIOSKS	\$ -	\$ -	\$ 2,860.00	\$ 2,860.00
689621	575200	BANK SERVICE CHARGES	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ -	\$ -	\$ 24,547.00	\$ 24,547.00

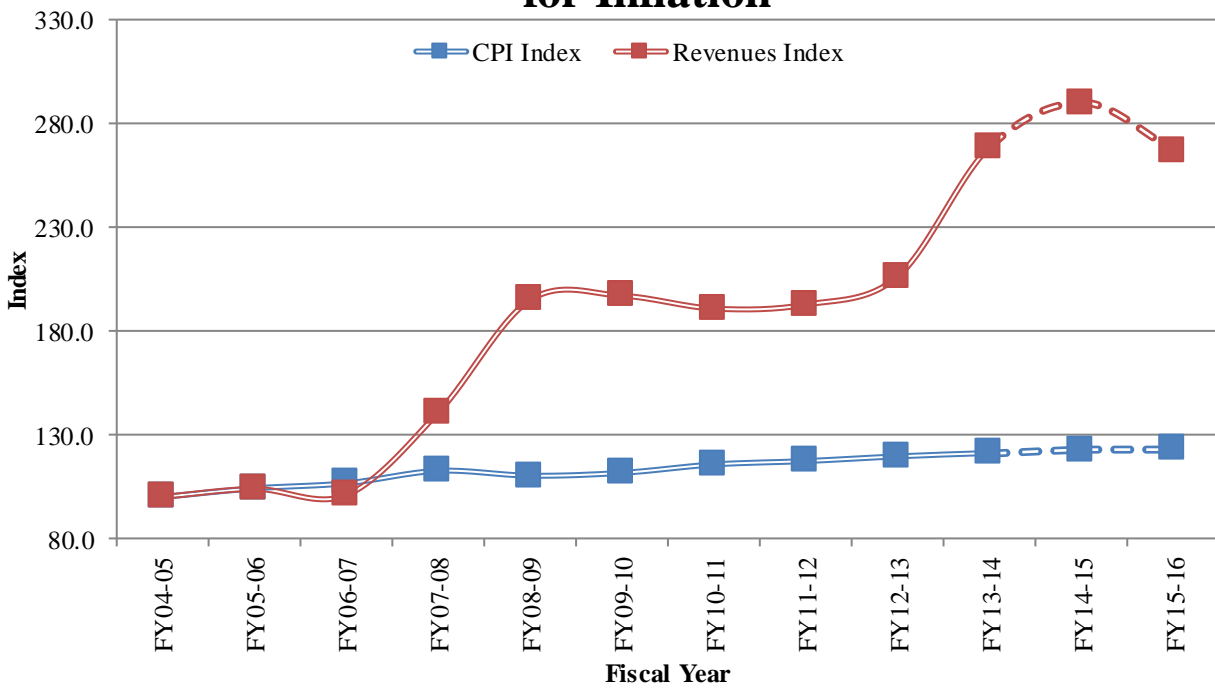
FY15-16 Budget Highlights

The City will finance the purchase of six parking kiosks to be installed in the Downtown MSD parking lots for FY15-16. This cost will continue until the note is paid in full.

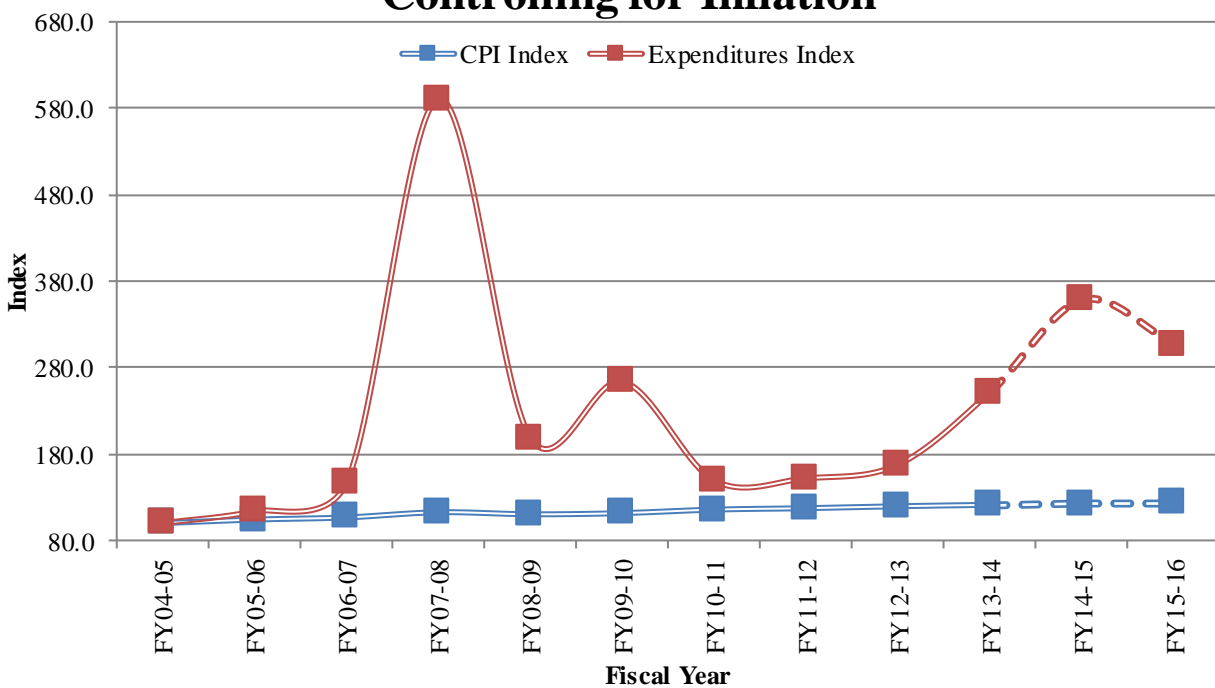


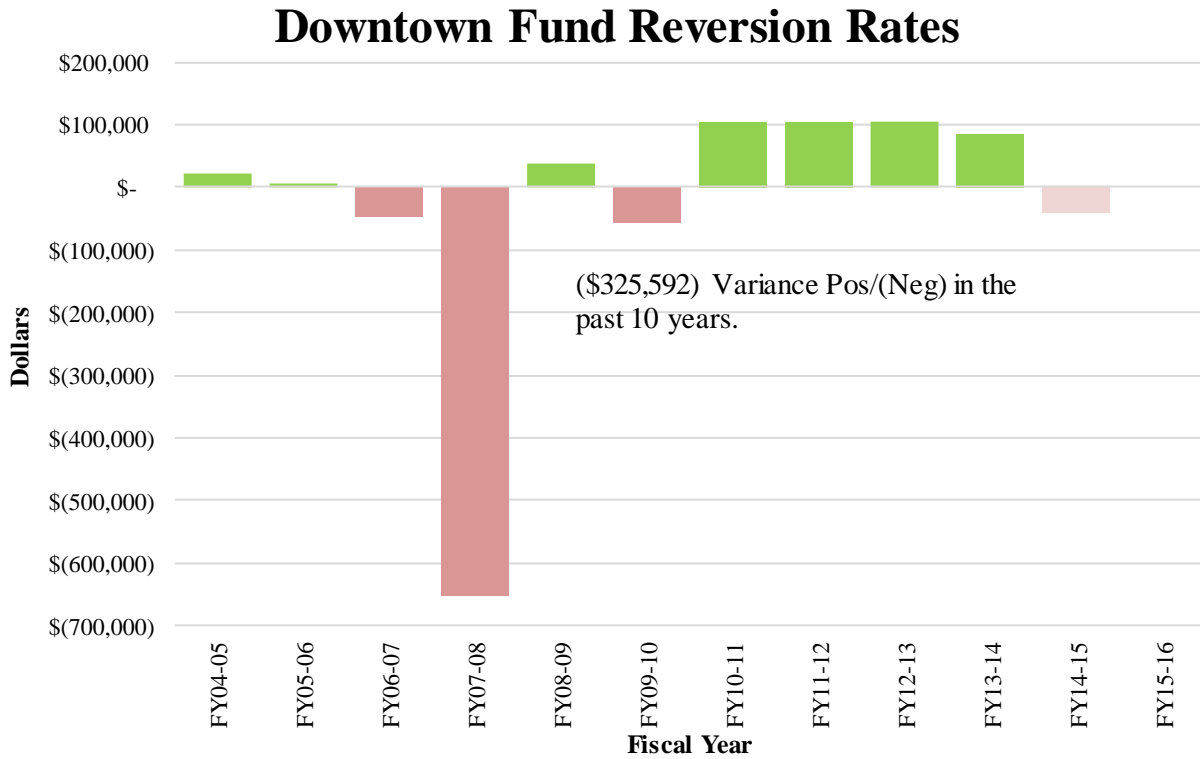
Revenue and Expenditure Trends

Downtown Fund Revenues Index Controlling for Inflation



Downtown Fund Expenditures Index Controlling for Inflation





It is important to note that transfers and fund balance appropriations are not accounted for in this data. The trends depict an outlier year, FY07-08, in which the Downtown Fund relied heavily on transfers and fund balance appropriations. In general, the Fund has kept pace with or exceeded the pace of inflation.



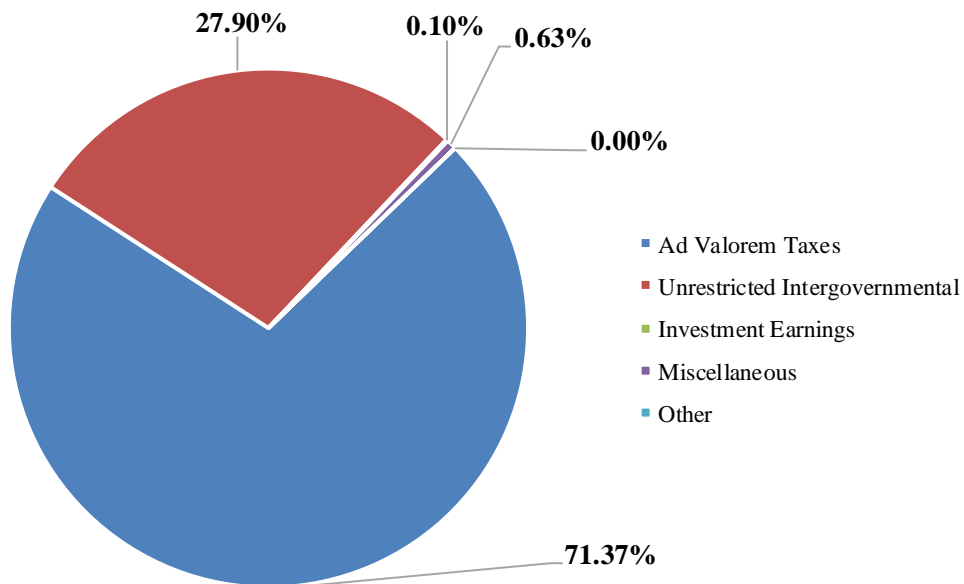
Revenues

The Historic 7th Avenue Tax District Fund is funded by an additional ad valorem tax rate of \$0.12, unrestricted intergovernmental revenues, investment earnings, miscellaneous income, and other financing sources.

Revenues by Source

SOURCE	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes	\$ (12,142)	\$ (11,635)	\$ (17,014)	\$ (5,379)
Unrestricted Intergovernmental	\$ (2,500)	\$ (6,650)	\$ (6,650)	\$ -
Investment Earnings	\$ (8)	\$ (25)	\$ (25)	\$ -
Miscellaneous	\$ (3,604)	\$ (150)	\$ (150)	\$ -
Other	\$ (37,470)	\$ -	\$ -	\$ -
Total	\$ (55,724)	\$ (18,460)	\$ (23,839)	\$ (5,379)

**7th Avenue Fund Revenues by Source
FY15-16**



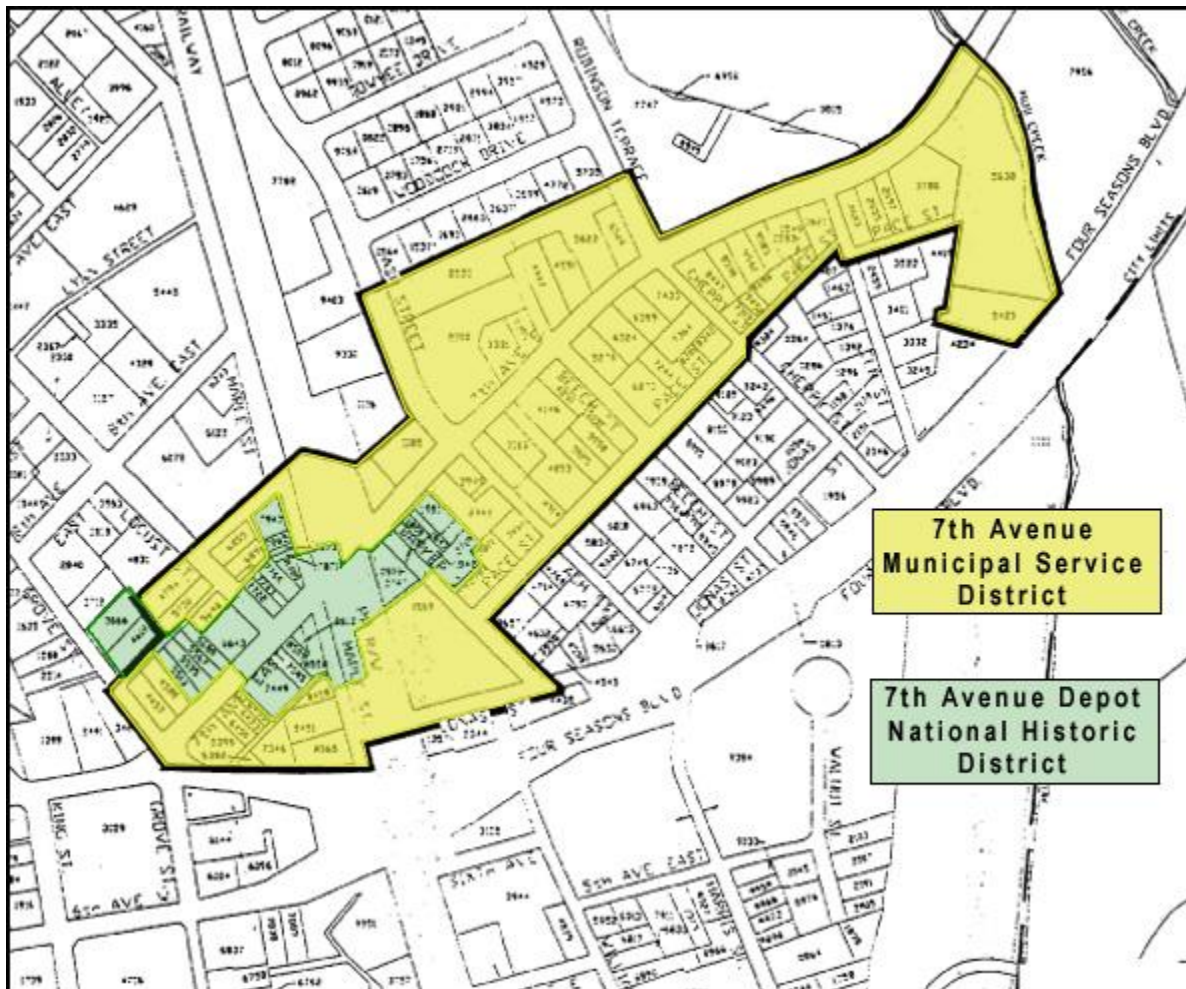
Revenues by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes						
210010	411300	TAX LL PRIOR 2008	\$ (9.05)	\$ (10.00)	\$ (10.00)	\$ -
210010	411400	TAX - INTEREST	\$ (104.03)	\$ (100.00)	\$ (100.00)	\$ -
210010	420101	AD VAL TAX - MTR VEHS	\$ (996.76)	\$ (925.00)	\$ (550.00)	\$ 375.00
210010	420800	2008 AD VAL TAX - R/P	\$ -	\$ (10.00)	\$ (10.00)	\$ -
210010	420900	2009 AD VAL TAX - R/P	\$ -	\$ (10.00)	\$ (10.00)	\$ -
210010	421000	2010 AD VAL TAX - R/P	\$ -	\$ (10.00)	\$ (10.00)	\$ -
210010	421100	2011 AD VAL TAX - R/P	\$ (147.67)	\$ (10.00)	\$ (10.00)	\$ -
210010	421200	2012 AS VAL TAX-R/P	\$ (267.13)	\$ (100.00)	\$ (10.00)	\$ 90.00
210010	421300	2013 AD VAL TAX - R/P	\$ (10,617.22)	\$ (160.00)	\$ (100.00)	\$ 60.00
210010	421400	2014 AD VAL TAX R/P	\$ -	\$ (10,300.00)	\$ (150.00)	\$ 10,150.00
210010	421500	2015 AD VAL TAX R/P	\$ -	\$ -	\$ (16,054.00)	\$ (16,054.00)
<i>Sub-Total</i>			\$ (12,141.86)	\$ (11,635.00)	\$ (17,014.00)	\$ (5,379.00)
Unrestricted Intergovernmental						
210030	432300	S&U TAX REIMBURSEMENT	\$ (2,500.00)	\$ (6,650.00)	\$ (6,650.00)	\$ -
<i>Sub-Total</i>			\$ (2,500.00)	\$ (6,650.00)	\$ (6,650.00)	\$ -
Investment Earnings						
210070	483100	INTEREST INCOME	\$ (7.88)	\$ (25.00)	\$ (25.00)	\$ -
<i>Sub-Total</i>			\$ (7.88)	\$ (25.00)	\$ (25.00)	\$ -
Miscellaneous Income						
210080	443900	MISCELLANEOUS INCOME	\$ (133.00)	\$ (150.00)	\$ (150.00)	\$ -
210080	444000	INSURANCE SETTLEMENTS	\$ (3,470.50)	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ (3,603.50)	\$ (150.00)	\$ (150.00)	\$ -
Other Financing Sources						
210090	498207	DONATIONS/CONTRIBUTIONS	\$ -	\$ -	\$ -	\$ -
210090	498210	OPER TRANS FR GEN FD	\$ (37,470.00)	\$ -	\$ -	\$ -
210090	499200	FUND BALANCE APPROP	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ (37,470.00)	\$ -	\$ -	\$ -
GRAND TOTAL			\$ (55,723.24)	\$ (18,460.00)	\$ (23,839.00)	\$ (5,379.00)



Expenditures

Seventh Avenue East developed as a commercial district during the late 19th and early 20th century around Hendersonville's first depot, established in 1879. The majority of the buildings are simple one and two-story brick commercial and warehouse structures in the typical pattern of buildings connecting to each other. There are thirty-two contributing structures.



Mission

Reestablish a thriving commercial area that serves the needs of the adjacent neighborhoods, Henderson County residents and visitors. HSAD is made up of district business and property owners, area residents, and community volunteers who have come together with the common goal of revitalizing this important area in Hendersonville. Through an active partnership with the City, HSAD coordinates district projects and activities in the area of beautification and design, economic development, safety, and promotions.

FY14-15 Accomplishments

- ✓ Completed a study with the UNC School of Government
- ✓ Annual Clean-up day was held
- ✓ Building Improvements were made & Zoning Violations were enforced
- ✓ Met with the Downtown Advisory Committee to establish similar goals and vision
- ✓ Created a Downtown Advisory Liaison
- ✓ Expanded the MSD to include Locust and Ashe Streets
- ✓ Created the Seventh Avenue Advisory Committee
- ✓ Implemented a streetscape design

FY15-16 Goals & Initiatives

- ✓ Work with City Council on implementing some or all of the results of the UNC Final Report
- ✓ Generate ideas and plans for a link to Main Street
- ✓ Work with day laborers to establish a safe and manageable pick-up and drop-off location
- ✓ Continue to work with the Mission
- ✓ Provide Façade and Incentive Grant funding
- ✓ Generate a plan for improving newly incorporated areas of the MSD



Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
7th-Finance						
214130	538200	TAX SCROLL & BILLING	\$ 12.79	\$ 10.00	\$ -	\$ (10.00)
214130	557000	LAND	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 12.79	\$ 10.00	\$ -	\$ (10.00)
7th-Administration						
214751	526000	OFFICE SUPPLIES	\$ -	\$ -	\$ -	\$ -
214751	529900	SUPPLIES & MATERIALS	\$ 7,846.71	\$ 5,500.00	\$ 6,500.00	\$ 1,000.00
214751	533900	STREET/TRAFFIC LIGHTS	\$ 7,442.87	\$ 9,700.00	\$ 9,089.00	\$ (611.00)
214751	535200	R & M - WEBSITE	\$ 700.00	\$ 250.00	\$ 250.00	\$ -
214751	537000	ADVERTISING-ECON DEV	\$ 700.00	\$ 3,000.00	\$ 3,000.00	\$ -
214751	549750	PERMITS	\$ -	\$ -	\$ -	\$ -
214751	553000	NON-CAPITAL EQUIPMENT	\$ 1,911.09	\$ -	\$ -	\$ -
214751	557000	LAND	\$ -	\$ -	\$ -	\$ -
214751	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ -	\$ -	\$ -
214751	560500	7TH AVE DEVELOP PROGM	\$ 19,575.00	\$ -	\$ 3,000.00	\$ 3,000.00
214751	569000	FACADE GRANTS	\$ 5,000.00	\$ -	\$ 2,000.00	\$ 2,000.00
214751	569500	ECONOMIC DEVELOPMENT	\$ 24,000.00	\$ -	\$ -	\$ -
214751	575200	BANK SERVICE CHARGES	\$ 4.39	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 67,180.06	\$ 18,450.00	\$ 23,839.00	\$ 5,389.00
GRAND TOTAL			\$ 67,192.85	\$ 18,460.00	\$ 23,839.00	\$ 5,379.00

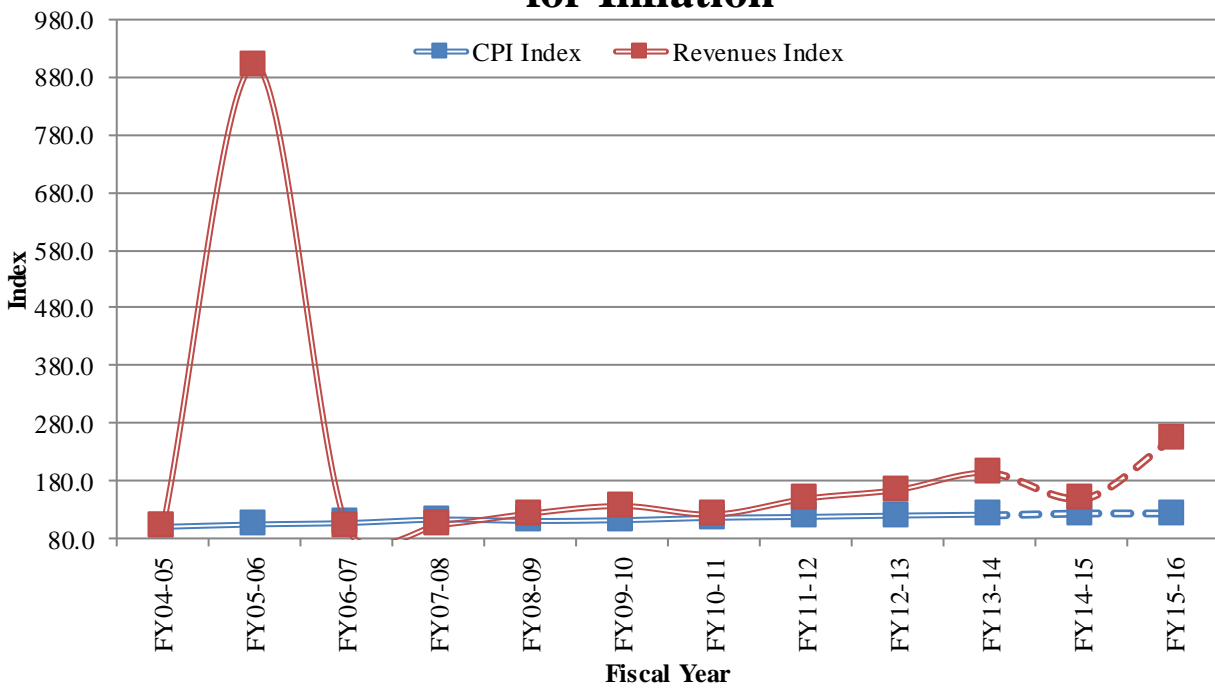
FY15-16 Budget Highlights

The 7th Avenue Fund is requesting a total of \$23,839 for FY15-16. As a result of a proposed MSD expansion the Fund has the ability to provide funding for façade grants and tax incentive programs, totaling \$5,000 combined for FY15-16.

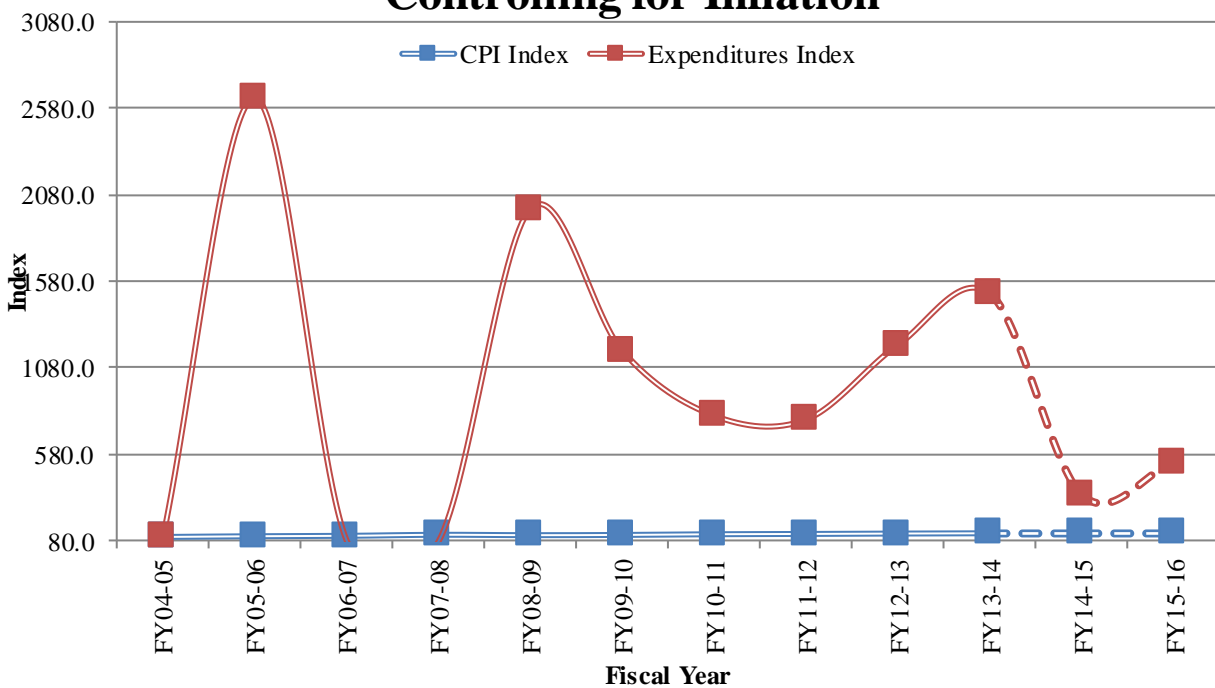


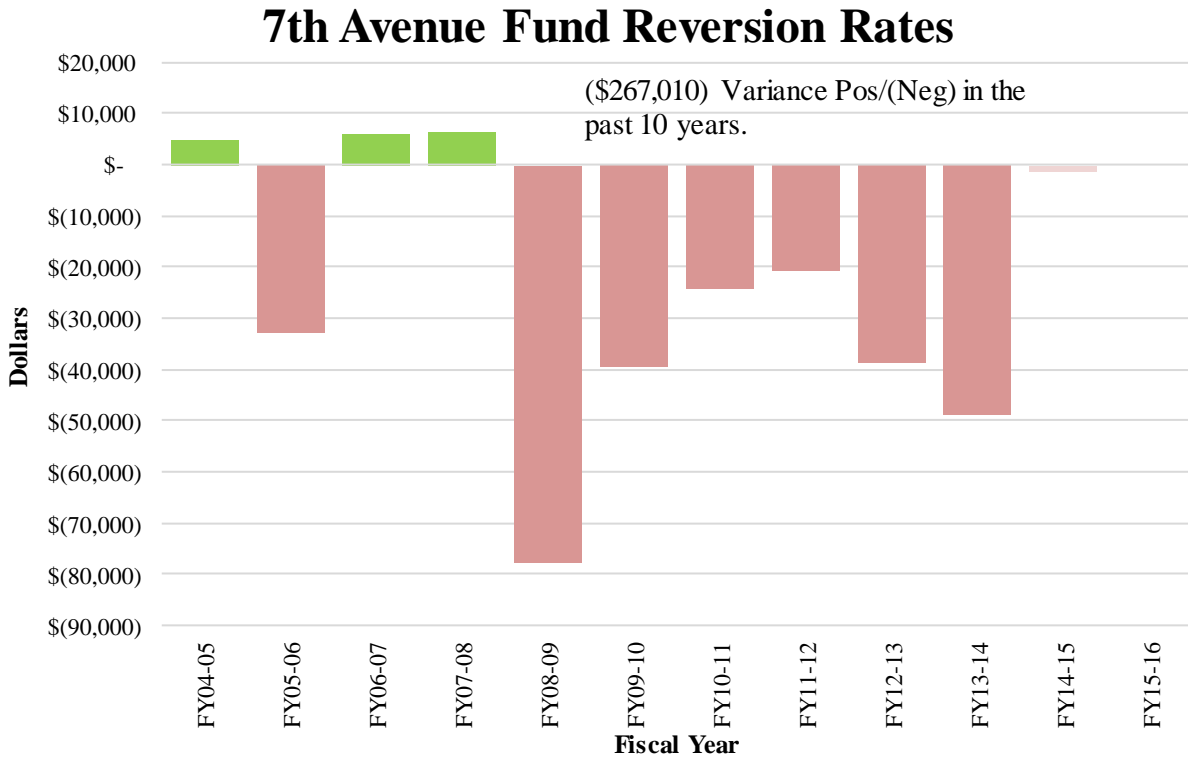
Revenue and Expenditure Trends

7th Avenue Fund Revenues Index Controlling for Inflation



7th Avenue Fund Expenditures Index Controlling for Inflation





The trends depict a scenario in which the 7th Avenue Fund is highly reliant on transfers and fund balance appropriations to function. The Fund is working towards a more sustainable budgeting strategy however, the Fund’s current level of revenue will not sustain any large initiatives.



Capital Planning & Budget Process

A capital budget is a financial plan for the construction, improvement, or acquisition of capital assets such as land, buildings, and equipment. The planning process for the acquisition of capital assets is called capital budgeting. A capital budget is a key element in the organization's master budget, which also includes an operating budget. Although the building blocks of the operating budget are organizational units or programs, it is projects that are the typical units of analysis in the capital budget.

The model for the City of Hendersonville's capital budgeting will be presented below:

1. Planning Stage
 - Submission of capital requests
 - Classification and analysis of capital requests
 - Ranking capital requests into priority
 - Preparation of CIP that schedules capital requests for approval, funding, and implementation over a 5-year planning period
 - Forecast of financial resources that will be available to fund the capital requests (for a specific CIP period)
2. Budget Stage
 - Project evaluation (determines whether to undertake a capital project or purchase a capital item)
 - Selection of financing for approved capital request
 - Approval and appropriation of funding
3. Implementation Stage
 - Acquiring, managing, and investing the funds available for capital requests
 - Purchasing equipment, land, and/or other capital assets
 - Designing, contracting for, and/or supervising projects

The following steps constitute the complete capital budget process for the City of Hendersonville.

Planning Stage

Identification and initial analysis of a capital request is the backbone of the Capital Improvement Program. The Program hinges on identification and planning of capital acquisitions several years in advance of execution. This permits the City to have a planning stage in its capital budget process and to carefully evaluate individual capital requests.

To start, the City has detailed how their Capital Request Form will look. An important factor to understand when gauging this form is life cycle costing or the total cost of ownership. Life cycle costing is an analytical technique used to determine the total cost of ownership over the lifetime of the asset. This is the sum of all monies attributed to the asset or project from its conception to its disposal or termination. A life cycle cost is presented as a simple formula:

$$\text{Life cycle cost} = A + O + M + D$$

Where:

A = Acquisition cost of a project; including initial expenditures for facilities and equipment, system design, engineering, and installation.

O = Operating costs; including labor costs, energy costs, material costs, and any other overhead costs discounted over the life of the project [All cost must be converted to their net present value (NPV)].

M = Maintenance costs; including total maintenance and repair discounted over the life of the project.

D = Disposal costs include restoration of the local environment and disposal of services. They equal the cost or value of an asset at the end of the economic life discounted to its present value.

Submission of Capital Requests

The City's Capital Request Forms do not mirror this method exactly but do keep life cycle costs in mind. The form provides expected operating costs including personnel, maintenance, materials, supplies, and other costs as well as, project costs which include land, equipment, construction, and professional services. The City's forms also include a section detailing which Council goals the request addresses as well as, the matrix score it receives from the City's two-dimension rating system. The forms provide an area for financing methods which can range from installment purchases to general obligation bonds. It also provides the total funds requested including interest.



Below is a blank City of Hendersonville Capital Request Form:

City of Hendersonville Capital Request Form							
Project Title							
Department		Division					
Budget Code(s)							
Council Goals Addressed		<input type="checkbox"/> Economic Vitality <input type="checkbox"/> Sound Infrastructure <input type="checkbox"/> Great Public Services <input type="checkbox"/> Strong Partnerships <input type="checkbox"/> Numerous Amenities <input type="checkbox"/> Financial Sustainability		Matrix Score			
Total Funds Requested (including interest)	Approp. to Date	Year 1 FY12-13	Year 2 FY13-14	Year 3 FY14-15	Year 4 FY15-16	Year 5 FY16-17	Future Years 2017+
Project Description							
Project Justification							
Impact on Operating Budget							
Expenditure	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	Future Yrs	Total
Salaries & Benefits							\$0
Materials & Supplies							\$0
Repair & Maintenance							\$0
Other							\$0
<i>Total Operating Impact</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Project Costs							
Activity	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	Future Yrs	Total
Professional Services							\$0
Land / ROW / Easement							\$0
Construction							\$0
Equipment / Machinery							\$0
<i>Total Capital Cost</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating + Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Method(s)							
Funding Source(s)	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	Future Yrs	Total
							\$0
							\$0
							\$0
							\$0
							\$0
Total Project Financing	\$0	\$0	\$0	\$0	\$0	\$0	\$0



Ranking of Capital Requests

Another important aspect of the planning phase is priority setting. Since no organization has sufficient resources to meet all capital needs the development of a ranking system is critical in the capital planning process. The City has developed a two-dimension rating system. With a two-dimension system, two types of priorities are established, the categories for each are ranked and assigned a numeric score, and the scores for the categories from one dimension are multiplied by the scores for the categories from the other dimension to produce a matrix of ratings. The two dimensions used in the City’s matrix are the degree of urgency and the priority of the function. Each category has subsets ranked from high to low.

Below is a copy of the City’s rating system:

City of Hendersonville Two-Dimension Rating Matrix							
Degree of Urgency	Priority of Function						
	1	2	3	4	5	6	7
	Protection	Environmental Health	General Government	Maintenance	Community Development	Recreation	History/Culture
1 Legislation	1	2	3	4	5	6	7
2 Hazard	2	4	6	8	10	12	14
3 Efficiency	3	6	9	12	15	18	21
4 Economic Advantage	4	8	12	16	20	24	28
5 Expand Service	5	10	15	20	25	30	35
6 New Program or Convenience	6	12	18	24	30	36	42

A low rating from this matrix would indicate a high priority for the City while a high ranking would indicate a low priority. Matrices are useful in providing a common framework for decision makers to rank requests. It is particularly helpful in ranking medium priority requests since most high and low priority requests are readily apparent. Problems can arise in using rating systems, making the selection of criteria extremely important. A ranking or rating system is not likely to work if the decision makers disagree significantly about the priorities, or if the categories are changed to accommodate individual requests.

The following details the categories selected and used by the City of Hendersonville:

Degrees of Urgency

- Legislation: Required by legislation or regulation of federal or state government.
- Hazard: Removes an obvious or potential hazard to public health or safety.
- Efficiency: Replaces equipment or a facility that is obsolete, or would be too costly to repair, or maintains and better utilizes existing equipment and facilities.
- Economic Advantage: Directly benefits the City’s economic base by increasing property values or other revenue potential.
- Expand Service: Expands or increase a service or improves a standard of service.



- New Program or Convenience: Makes possible a new service or increase convenience or comfort.

Priority of Function

- Protection of persons and property: police, fire, rescue, inspections, etc...
- Environmental Health: water, sewer, sanitation, public health, etc...
- General Government: office facilities, central services, etc...
- Maintenance: general maintenance of City owned property.
- Community Development: public housing, rehabilitation, etc...
- Recreation: Parks, athletic programs, etc...
- Heritage/Culture: education, libraries, historic districts, etc...

Preparation of CIP

The City of Hendersonville prepares a five-year CIP to function as a planning tool for capital improvements. Only the current year schedule, when adopted by City Council, becomes part of the operating budget. The CIP schedule beyond the current fiscal year is subject to adjustments upon annual review by staff and Council. Future forecasts in the CIP serve the City by helping plan for capital repairs, replacements, and acquisitions, which aids in financial planning to ensure the City's fiscal health and credit.

A Capital Request Form needs to be submitted for any major asset that has a value over \$5,000 and a useful life expectancy of five years or more. This includes buildings, construction projects, equipment, vehicles, land acquisition, and major renovations. Most assets less than \$5,000 and greater than \$1,000 are budgeted annually under capital outlay – non depreciable. Items under \$1,000 are budgeted under office supplies or supplies and materials in a department budget.

The essential feature of the City's CIP is the appropriation of capital expenditures among the years covered by the CIP. The CIP will include a detail summary sheet of all projects and Capital Request Forms. The summary sheet will include the project title, which department/fund it belongs to, total project expenditures, each year (of 5) expenditures, and expenditures beyond the years of the CIP. A calendar, in accordance with the budget calendar, will be produced detailing the CIP schedule for the coming year.



The calendar below details the CIP schedule for FY15-16:

City of Hendersonville CIP Calendar FY15-16	
Description	Date
Departments begin meeting internally to develop CIP project requests	October
Departments submit CIP project requests to Finance & Administration	November 21st, 2014
City Manager & Finance Officer review CIP project request	December 4th, 2014
Department Head discuss CIP project requests with City Manager & Finance Officer	December 8th - 12th, 2014
City Manager & Finance Officer score Capital Project Requests	December 17th, 2014
CIP project impact & financial analysis is prepared	By January 9th, 2015
City Manager presents preliminary CIP Budget to City Council	TBD

After the CIP preparation process is complete the City Manager will present the preliminary project list to Council in a goal setting/priority meeting in early 2015. It is important that department heads are educated on the Capital Request Forms and the dates by which they need to be submitted. The CIP will set the stage for the annual budget process.

Financial Projections

Projections will be made to provide an estimate of the financial resources available for capital outlay purposes for the same period that the CIP covers. This also means that future operating needs will have to be projected. There are four major factors that play a role in predicting available resources for capital purposes. These are annual operating revenues and expenditures, outstanding debt, annual debt service payments, and intergovernmental aid and grants.

Predicting revenues and expenditures is done through trends analyses. These forecasts will also include foreseen tax/rate increases, legislative decisions, property valuations, population growth, cost of living adjustments, contractual services, new positions, and a wide variety of other factors. What should be understood is that if operating revenues are expected to greatly exceed operating expenditures in a particular year, the sum can be transferred to the capital budget to finance capital improvements and outlays. The excess can also be reverted to the fund balance.



Fund balances may also build to amounts greater than needed and then drawn down to finance capital projects. Fund balances should be considered when forecasting resources for the CIP.

Debt is another avenue for financing capital programs. This makes projecting outstanding debt and annual debt service an important aspect in capital program planning.

The following is a list of financing options for the City of Hendersonville when debt financing is required:

General Obligation Bonds

General Obligation (GO) bonds require voter approval because the debt is secured by the taxing power of the local government. When a local government issues GO bonds they promise to pay back the loan by using all revenue available at its disposal, including its ability to raise taxes. GO bonds in North Carolina require approval of the North Carolina Local Government Commission (LGC). GO bonds typically have the lowest interest rates and twenty-year terms.

Revenue Bonds

Revenue bonds are secured and repaid from specific revenues and can only be used to finance revenue-producing projects. Revenues earned from these projects are used to repay the bond. These revenues are most often the net earnings from enterprise or self-supporting utilities. Revenue bonds are commonly used to finance water and sewer capital improvements. The LGC requires an independent, nationally recognized consulting firm to conduct a feasibility study and that revenues from the project be 20 percent greater than total debt service costs and operating expenses of the projects.

Installment Purchase Agreements

Installment purchase (IP) (or lease-purchase) financing can be either short-term or long-term. IP agreements allow local governments to borrow money at a lower rate than conventional loans because lenders do not have to pay taxes on the interest portion of the payments it receives. This type of financing is typically used for items such as equipment and vehicles. For large IP agreements, the LGC must approve the debt.

Certificates of Participation

Certificates of Participation (COPs) operate similar to revenue bonds and typically have higher interest rates than GO bonds because the debt is secured by funds resulting from projects being financed and cannot be secured by the “full faith and credit” of the government. The local government uses revenue to pay off debt on a capital project. However, unlike revenue bonds, local governments can use the revenue from the entire unit to pay off the debt and are not limited to using revenue only produced by the financed project. COPs are typically financed for ten- to twenty-year terms. This type of financing should be considered for revenue-generating projects.



Tax Increment Financing Bonds

Tax Increment Financing (TIF) bonds are high risk for investors because the debt is secured on anticipated increases in property value. A TIF project begins by designating an area as a TIF district and determining a base property value. The base valuation is set for a specific number of years, during which time public and private investments should improve the property. The increase in value over the base valuation is the increment. Local governments continue to accrue taxes levied on the base valuation for normal operations. Additional taxes levied on the increment are for the repayment of debt service or other qualifying needs associated with the TIF. At the end of the specified time, all debt associated with the TIF is amortized and all tax revenues can be used at the discretion of the local government. A successful TIF project is dependent upon an increase in property value of the designated district. The inherent risk in TIF is the assumption that property values will increase enough to repay the associated debt. TIF bonds can be financed up to thirty years.

Bond Anticipation Notes

In some cases the City will authorize a bond issue, but not wish to borrow the full sum at one time. Bond anticipation notes are short-term notes, typically maturing in a year's time, that are primarily secured by the proceeds of the eventual bond issue itself. The City must receive the approval of the LGC before the notes are issued, and the LGC will sell the notes on the government's behalf.

A final forecast should be based on intergovernmental aid and grants. These options can be significant sources of financing for local government capital projects. However, forecasting the availability of such grants and aid can be problematic. Many grants and aid are subject to reductions because of federal and state budget shortages and changes in federal and state administrations. Even for the aid or grant programs for which this does not occur, legal and administrative provisions governing the distribution of the aid often change. Considering the aforementioned, grants and aid should be considered but not counted on in a forecast of guaranteed financial resources for a capital improvement program.

Budget Stage

The budget stage of a CIP involves feasibility studies, selection of financing methods, and appropriating moneys to fund capital requests.

Project Evaluation

Evaluation refers to a detailed and often technical study of a capital outlay request. It is a precursor to the approval and ranking of a project. As such, it relates more to capital budgeting than to capital planning. Project evaluation is typically done one of two ways, in house or contracted out, depending on the size. The purpose of the evaluation is to help determine the need for and/or economic viability of the project. It may also involve preparation of general



plans and project specifications. There are a variety of techniques available for program evaluation ranging from quantitative analysis to informed judgment.

Project Financing

This stage of the CIP process differs from planning in that it involves the actual selection of the financing method and how heavily the City should rely on said method. As discussed before there are a wide variety of funding mechanisms for capital projects. One of the most popular and advantageous methods to financing capital projects is commonly referred to as pay-as-you-go. This type of financing encourages responsible spending by requiring the same officials who approve projects to also raise the revenues to pay for them. It also avoids paying the interest charges involved with debt. Another advantage is avoiding the accumulation of large, fixed debt service payments in the operating budget. A wealth of information exists on capital financing, it is up to the City to decide what is the best avenue for financing their projects in this stage of the Capital Improvement Program.

Authorization of Capital Projects

The final step in the budget stage is the authorization and appropriation of funds for the capital requests. This is typically done by the governing body through:

- The annual budget ordinance,
- A capital projects ordinance that provides funding for all capital requests approved in a year,
- Or one or more bond orders approved by the governing board and perhaps by the voters.

Each of the aforementioned appropriating vehicles has their own advantages and disadvantages.

Implementation Stage

The final step in the capital planning and budget process is implementation. Financial plans and arrangements are either a success or a failure in this stage. A key facet in ensuring successful implementation is the management and investment of revenue available for financing. A locality may have revenue accumulated to finance a project well before the revenue must be spent. It is beneficial to plan for investing in funds so that they become available to meet payments required by a capital project.

It is important to keep in mind that in keeping a separate capital budget process:

1. The unit faces large capital needs requiring the expenditure of substantial amounts of money.
2. Meeting these needs is likely to shape or alter the basic features of the community.
3. Debt will be required to meet at least some of the needs.

4. Other procedures will probably not guarantee that the needs are met in an orderly and fiscally sound manner.

CIP Policy

The CIP helps the City manage capital expenditures to meet the following goals:

- ✓ Eliminate hazards and risks to public health and safety
- ✓ Promote economic development
- ✓ Improve service effectiveness and efficiency
- ✓ Maintain financial stability

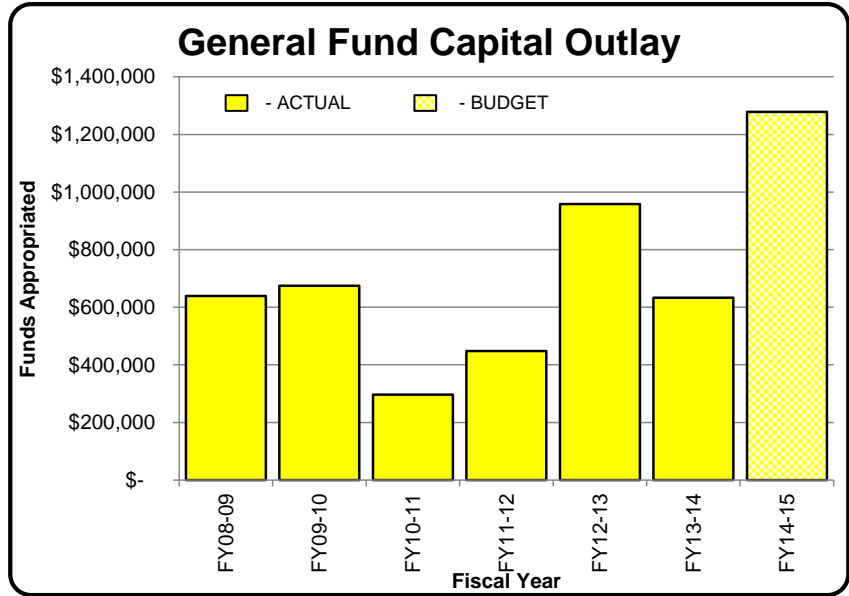
To achieve these goals, the following policies and finance strategies guide staff in CIP development:

- ✓ A capital project is a physical asset with an initial cost greater than \$5,000 and a projected useful life greater than 5 years or a non-recurring operating expenditure greater than \$5,000 directly related to service delivery. Capital assets may include infrastructure, buildings, vehicles, or information technology equipment and software. Planning and design costs associated with the request should be included in the projected costs when applicable.
- ✓ Similar projects costing less than \$5,000 should not be lumped together to form a single project greater than \$5,000. Such smaller projects should be included within the upcoming operating budget.
- ✓ The term of any City debt issue shall not exceed the useful life of the asset for which the debt is issued.
- ✓ The capital program will recognize the borrowing limitation of the City to maintain fiscal stability.
- ✓ The City will search for all possible outside funding sources for CIP projects to help offset City debt, including grants, private-partnerships, and intergovernmental agreements.
- ✓ A financial analysis will accompany the CIP to illustrate the City's capacity to repay debt and identify the effects on financial indicators.
- ✓ The City will seek to maintain financial indicators within an acceptable level as compared to peer cities.
- ✓ The City will attempt to utilize pay-as-you-go financing when possible, particularly for capital assets with costs less than \$75,000



General Fund

The General Fund has experienced sporadic growth since FY08-09, with average Capital Outlay appropriations totaling \$704,139. The original budget for FY14-15 is \$1,278,500, which is \$319,808 higher than the next highest fiscal year (12-13). This increase is attributable to a \$700,000, budgeted, land acquisition. This purchase is part of a strong partnership



project involving Henderson County, Pardee, Wingate University, and Blue Ridge Community College (BRCC). This capital expenditure is coded in the Administration Department.

Typically the largest capital expenditures are realized in Fire, Police, and Public Works. Each on average makes up 14%, 20%, and 46% of the total General Fund, respectively.

Department	Average Capital Outlay
Administration	\$102,404
Information Technology	\$35,875
Fire	\$100,271
Police	\$139,870
Public Works	\$321,576
Zoning	\$4,143
GENERAL FUND	\$704,139

7 Year Average

An important aspect to consider is the work previously completed by the Information Technology Department has been contracted out. The capital outlay typically appropriated to this department will undergo changes, depending on the course of action the City takes.

Public Works

The Public Works Department is the largest aspect of General Fund Capital Outlay and is made up of 8 divisions, Administration, Fleet Maintenance, Buildings Maintenance, Streets and Highways, Powell Bill, Traffic Engineering, Grounds Maintenance, and Patton Pool. Streets, Powell Bill, and Grounds consistently make up the largest portions of this appropriation, on average 29%, 30%, and 14% respectively.

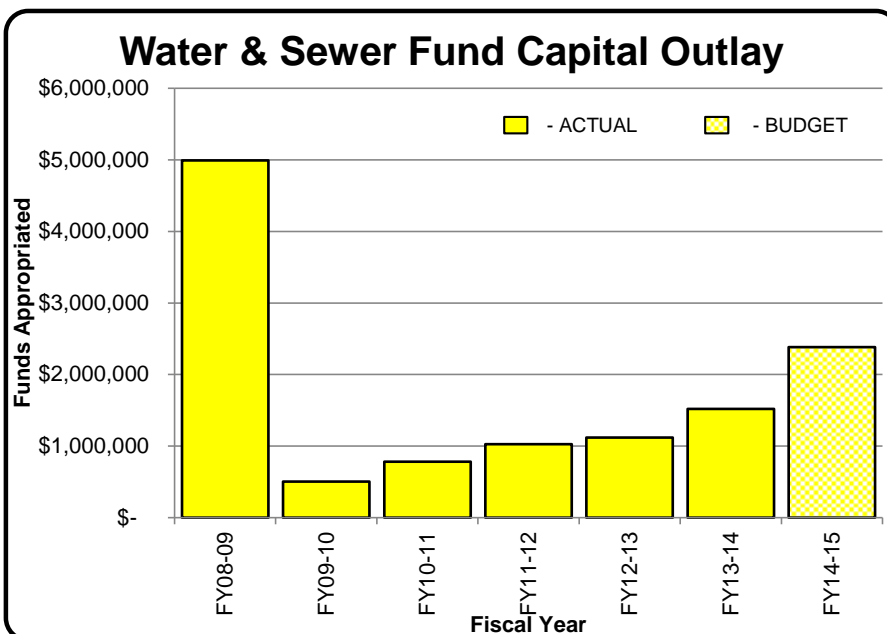


Department	Avg. Capital Outlay	Department	Avg. Capital Outlay
Administration	\$10,966	Powell Bill	\$98,706
Fleet	\$11,743	Traffic Eng.	\$1,271
Buildings	\$29,501	Grounds	\$45,646
Streets	\$93,478	Patton Pool	\$30,267

7 Year Average

Water & Sewer Fund

The Water & Sewer Fund has experienced steady growth since FY08-09, with an average Capital Outlay appropriation totaling \$1,760,447. It appears that there is an outlier in year



FY08-09 where the Fund appropriated \$4,993,062. This one-time appropriation was for water lines. Besides this large outlier, it appears that the Water & Sewer Fund Capital Outlay has increased at a steady rate, an average of \$375,569 per year. The majority of Funding allocated goes to water lines.

The Water & Sewer Fund is consistently the largest portion of the City’s total Capital Outlay. The following details the percent of total for the Water & Sewer fund:

Fiscal Year	Percent of Total Capital Outlay
FY08-09 Actual	87.9%
FY09-10 Actual	42.7%
FY10-11 Actual	64.0%
FY11-12 Actual	52.0%
FY12-13 Actual	50.8%
FY13-14 Actual	64.2%
FY14-15 Budget	65.0%
AVERAGE	67.4%

It is important to recognize that the City’s water and sewer system will continue to grow and capital projects are the avenue for this growth. With a strong fund balance it is expected to see some funding used for future capital projects in this Fund.

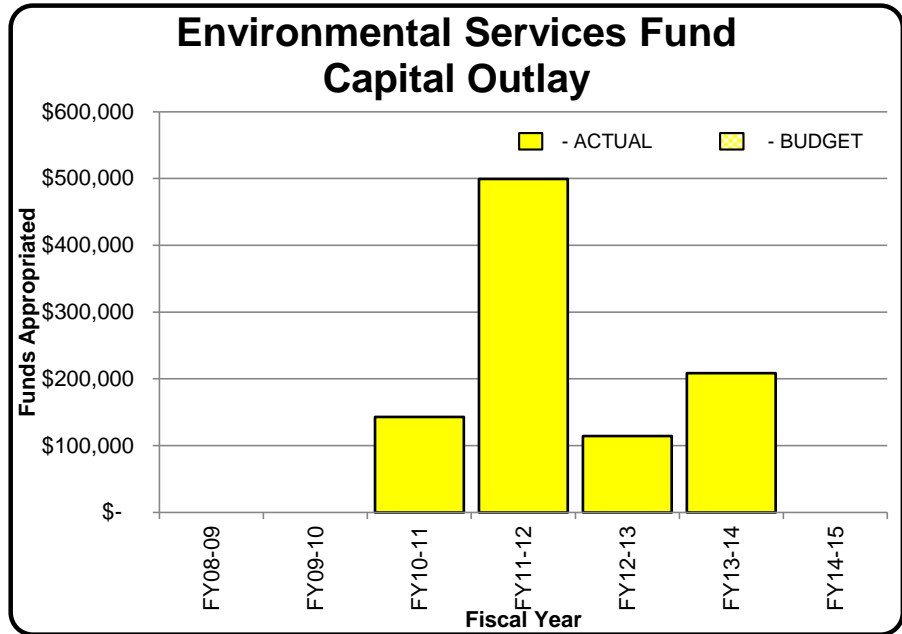


Other Funds

The three remaining funds that utilize Capital Outlay expenditures are the Environmental Services Fund (ESF), Downtown Fund, and Historic Seventh Avenue Fund (HSAF). On average these three funds combined make up 6% of the total Capital Outlay budget.

Environmental Services Fund

Capital Outlay appropriations in the ESF are sporadic and are utilized whenever funds are made available. The most typical capital purchases for this Fund are motor vehicles. The total average Capital Outlay for the past seven years is \$137,955.

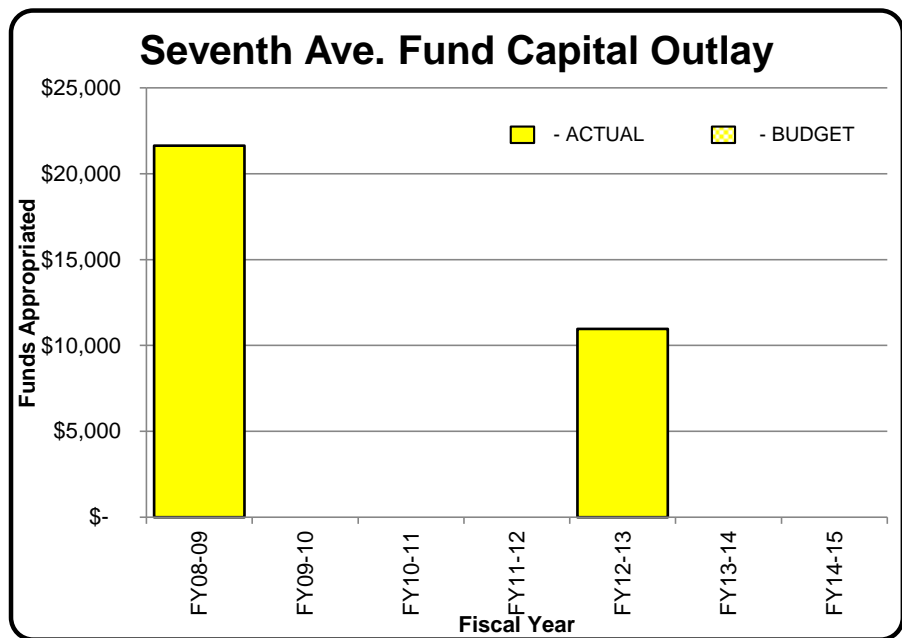


Downtown Fund

The only Capital Outlay, in the past seven years, that came from the Downtown Fund budget occurred in FY08-09 for \$26,635.

Historic Seventh Avenue Fund

Like the Downtown Fund, the HSAF has seen little Capital Outlay expenditures for its own budget.



The two funds, Downtown and HSAF, typically expend capital funds on lighting, streetscape, and beautifications efforts.



The following table details the City’s historical Capital Outlay:

Pay-As-You-Go or Cash Funding

DESCRIPTION	ACTUAL FY08-09	ACTUAL FY09-10	ACTUAL FY10-11	ACTUAL FY11-12	ACTUAL FY12-13	ACTUAL FY13-14	ORIGINAL FY14-15
GENERAL FUND	\$ 638,982	\$ 675,001	\$ 296,708	\$ 448,216	\$ 958,692	\$ 632,872	\$ 1,278,500
GOVERNING BODY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMINISTRATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,825	\$ 700,000
FINANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CITY ENGINEER	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INFORMATION TECHNOLOGY	\$ 5,938	\$ 73,060	\$ 52,995	\$ 19,312	\$ 24,820	\$ -	\$ 75,000
LEGAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
POLICE	\$ 228,451	\$ 93,651	\$ 103,402	\$ 119,900	\$ 100,918	\$ 130,768	\$ 202,000
FIRE	\$ -	\$ -	\$ 44,158	\$ -	\$ 583,171	\$ 44,567	\$ 30,000
ZONING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,000
PLANNING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PUBLIC WORKS	\$ 404,593	\$ 508,290	\$ 96,153	\$ 309,004	\$ 249,783	\$ 440,712	\$ 242,500
ADMINISTRATION	\$ -	\$ -	\$ -	\$ -	\$ 26,759	\$ -	\$ 50,000
FLEET	\$ 50,380	\$ 7,200	\$ -	\$ -	\$ 24,619	\$ -	\$ -
BUILDINGS	\$ 6,298	\$ 18,800	\$ 12,079	\$ -	\$ 102,828	\$ -	\$ 66,500
STREETS	\$ 174,366	\$ 43,460	\$ 12,413	\$ 269,954	\$ -	\$ 54,150	\$ 100,000
POWELL BILL	\$ -	\$ 370,000	\$ -	\$ -	\$ -	\$ 320,943	\$ -
TRAFFIC ENG	\$ -	\$ -	\$ 8,900	\$ -	\$ -	\$ -	\$ -
GROUNDS	\$ 46,940	\$ 68,830	\$ 62,761	\$ 39,050	\$ 10,320	\$ 65,619	\$ 26,000
PATTON POOL	\$ 126,609	\$ -	\$ -	\$ -	\$ 85,257	\$ -	\$ -
DOWNTOWN FUND	\$ 26,635	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SEVENTH AVENUE FUND	\$ 21,640	\$ -	\$ -	\$ -	\$ 10,962	\$ -	\$ -
ENVIRONMENTAL SERVICES FUND	\$ -	\$ -	\$ 142,907	\$ 499,554	\$ 114,502	\$ 208,721	\$ -
WATER & SEWER FUND	\$ 4,993,062	\$ 504,155	\$ 780,695	\$ 1,025,283	\$ 1,117,531	\$ 810,038	\$ 2,382,000
TOTAL	\$ 5,680,319	\$ 1,179,156	\$ 1,220,310	\$ 1,973,053	\$ 2,201,687	\$ 1,651,631	\$ 3,660,500



General Fund

Administration

Council Chamber Technology Upgrade: \$33,295

The Council Chambers and Assembly Room at the City Operations Center have dated technology. This includes switchboards/mixers, displays/screens, docking stations, speakers, wiring/surge protection, etc... Real World Audio has provided a quote totaling \$33,294.61 for one room. Management recommends upgrading the assembly room in the first year and then the Council Chambers the next, in FY16-17.

City Engineer

Blythe Street Sidewalks: \$250,000

The City is utilizing the remaining funds, \$250,000, from a 2008 Sidewalk Bond to improve the sidewalks along Blythe Street from 5th Avenue to 3rd Avenue.

North Main Street Sidewalks: \$400,000

The City is utilizing the remaining funds, \$400,000, from a 2008 Sidewalk Bond to improve the sidewalks along the east side of North Main Street from O’Cain Ct. to the City limits (railroad).

Finance

Bank Reconciliation Software: \$4,450

The process of reconciliation ensures the accuracy and validity of financial information. Also, a proper reconciliation process ensures that unauthorized changes have not occurred to transactions during processing. Reconciliations are currently performed outside of the accounting system. This creates greater risk of undiscovered inaccuracies and does not provide clear proof of a completed reconciliation. The new module will enable us to be more efficient, consistent, and clearly document our reconciliation process.

Police

Police Vehicle Replacement: \$124,200

Replace Police vehicles as needed yearly at a set rate of three (3) vehicles per year. This is a turnkey cost that includes all the equipment needed for the vehicles, excluding the MDT laptops that are purchased using operating funds.

Public Works

Motor Vehicle Replacement: \$27,500

The Public Works Department purchases a variety of motor vehicles ranging from sedans to trucks. This provides enough funding for approximately one (1) motor vehicle replacement.

Old Tracey Grove Road Bridge Replacement Project: \$150,000

This bridge was last inspected two years ago and received a 34.8 sufficiency rating and “structurally deficient” status rating. We have requested that this project be placed on the STIP which will enable the City to receive funding from FHWA for 80% of the cost of replacing the bridge. The City will still be responsible for the other 20% of costs. The total cost over two years is \$1,040,000, costing the City General Fund \$208,000 (\$30,000 year 1, \$178,000 year 2).

Patton Pool – Cover for Pool: \$18,000

The pool cover helps keeps leaves and trash out of the pool during the winter. This reduces start-up times by eliminating the need to empty the pool for cleaning. It also reduces chemical expenses and man-power.

Salt Spreaders: \$14,000

Replacement of a 1997, 1999, and 2001 salt spreader over three years, \$42,000 total, with new stainless steel salt spreaders. These new stainless steel spreaders will increase the longevity of the asset.

Snow Blades: \$10,000

Replacement of four 1998 snow plows/blades over a four year period, \$40,000 total. The snow plows are over ten years old and have required repair and modification to fit the new trucks.

Zero Turn Mower: \$14,000

Replacement of two mowers, from 2003 and 2005, over two years, at a total cost of \$28,000. These units are either at or near the end of their useful life without having exuberant maintenance costs.

Zoning

Zoning Building Improvements: \$50,000

Funding provided to up fit certain aspects of the County building which will house the new Development Assistance Department. Will need funds for furniture, flooring, paint, and other infrastructure.

Water & Sewer Fund

Water Projects

Cobblestone Hydro Pump Station: \$200,000

This project includes the installation of a duplex, hydropneumatic pump station in the Cobblestone development adjacent to the ground storage tank, located on Pinnacle Mountain Rd., serving this development. Homes in the area are below the 30-psi (State minimum) and this hydro station would allow the City to provide a more adequate pressure, above the minimum level.

Eastside Transmission Main, Phase 2: \$400,000

This project will extend off of U.S. Highway 64 East project (Phase 1) and will place this portion of the City's water distribution on a higher pressure gradient thus relieving some of the existing flow and low pressure concerns in this part of the water distribution system. The whole project will cost \$1,978,000, with \$150,000 used for land acquisition and professional services in year 1. The remaining \$1,828,000 used for construction will be allocated in year 2.

Northside (Fletcher Area) Water System Improvements: \$3,121,200

Installation of a 16" DIP water main, a booster pumping station and 1.0-MG ground storage tank. This project will increase the elevation of the pressure gradient in this area, in addition to adding more water storage capacity in this portion of Henderson County.

Rugby Drive 12-Inch Interconnection: \$97,200

Install approximately 4,600-ft. of 12" ductile iron pipe water main along Rugby Dr. from N. Rugby Rd. to U.S. Highway 25 North. This will complete a system loop that will connect NC Highway 191 (Haywood Rd.) to U.S. Highway 25 N. thus improving pressure and providing an additional feed to the Fletcher line helping to reduce outages when the line has to be shut down for repairs. The total project costs \$630,000 with \$97,200 being allocated to land acquisition and professional services in year 1 FY15-16. The remaining \$533,000 will be allocated to construction costs in year 2 FY16-17.

Rutledge Rd. Water System Improvements: \$30,200

This will complete a system loop that will connect Rutledge Dr. with Trenholm Subdivision and with Greenville Highway 225 thus improving pressure and providing an additional feed to the Flat Rock area helping to reduce outages when the line has to be shut down for repairs. The total cost of the project is \$465,000 with \$30,200 being allocated for professional services in year 1 FY15-16. The remaining \$434,800 will be allocated to construction and land acquisition in year 2 FY16-17.

SCADA System Upgrade: \$793,000

This project will allow departmental staff to remotely monitor and control all water and sewer infrastructure including pump stations, storage tanks, and metering vaults from either treatment plant or the City Operations Center. Staff is currently installing the upgrades site by site and at the current pace will take 5+ years to complete. This request will hire a contractor complete the installation in a two year period, total cost \$1,436,000.

WTP High Service Pump Station: \$2,164,000

This project includes upgrading all four high service pumps and motors with high efficiency motors and variable frequency drives (VFDs). This project also includes upgrading the backwash motor and pump.

Water Equipment

Bank Reconciliation Software: \$4,450

The process of reconciliation ensures the accuracy and validity of financial information. Also, a proper reconciliation process ensures that unauthorized changes have not occurred to transactions during processing. Reconciliations are currently performed outside of the accounting system. This creates greater risk of undiscovered inaccuracies and does not provide clear proof of a completed reconciliation. The new module will enable us to be more efficient, consistent, and clearly document our reconciliation process.

Trench Roller/Compactor: \$60,000

The trench roller/compactor is used to compact backfilled material in trenches in order to reduce settlement. This equipment has a useful life of about 10-15 years and the existing equipment is about 12-years old. This equipment is also experiencing some expensive maintenance and repairs to keep it running properly.

Vacuum Excavator: \$50,000

This is a skid mounted hydro-excavation vacuum unit (500 gallon spoil tank, 125 gallon fresh water tank, 575CFM vacuum, pressure wash system with spray wand). This unit will provide an extremely effective and efficient tool for cleaning and clearing valve boxes.

WTP Centrifuge: \$308,000

Replace existing 30+ year old centrifuge used for drying sludge at the water treatment plant. Then centrifuge has reached the end of its life expectancy and is the only means by which we can dry sludge at the water treatment plant. This equipment has been rebuilt several times and has reached a point where it needs to be replaced.

WTP Raw Water Intake System: \$32,000

Raw water intake screen located in Mills River adjacent to the raw water pumping station.

Sewer Projects

Garden Lane Pump Station Elimination: \$197,000

This project consists of the elimination of a problematic pump station and replacement with 8-inch gravity sewer line off of Greenville Highway. The existing pump station is the City’s oldest and does not have an emergency generator. This project will eliminate the pump station thereby decreasing operation and maintenance expenses.

Glenbrook Gravity Sewer: \$364,000

This project consists of the elimination of a problematic pump station and replacement with 8-inch gravity sewer line at 5th Avenue new Blythe Street. Construction will include realignment of other existing sewer that currently goes through several residential properties.

Gravity Filter Replacement: \$1,250,000

Replace existing gravity sand filters with a new technology, utilizing membrane. These filters are approaching 12 years of use. We would like to have an evaluation performed on the existing filters before proceeding with new filters. The evaluation will cost approximately \$20,000, included in the total \$1,020,000.

Inflow and Filtration Improvements: \$100,000

Repair and replacement work associated with inflow and infiltration of sewer collection system.

Sewer Equipment

Equipment Shed: \$250,000

Construction of a heated 50ft. x 60ft. storage building for storing Vactor and other equipment that require temperature controlled environments.

Generators and ATS: \$150,000

Installing generators at pump stations that either do not have one or need replacement.

Motor Vehicles: \$100,000

Regular replacement of water/sewer motor vehicles.

Downtown Fund

Downtown

Electric Panel Upgrade on Main Street: _____ \$10,000

Several electric panels on Main Street need to be upgraded in order to handle the vendors during the special events. We plan to upgrade two panels the first year and three panels the second year. The total cost over two years is \$25,000.

The following table details the FY15-16 Requested Capital Outlay

Pay-As-You-Go or Cash Funding

DESCRIPTION	7 YR. AVERAGE TOTAL	ACTUAL FY13-14	ORIGINAL FY14-15	REQUESTED FY15-16	DOLLAR CHANGE +/-(-)
GENERAL FUND	\$ 704,139	\$ 632,872	\$ 1,278,500	\$ 445,445	\$ (833,055)
GOVERNING BODY	\$ -	\$ -	\$ -	\$ 33,295	\$ 33,295
ADMINISTRATION	\$ 102,404	\$ 16,825	\$ 700,000	\$ -	\$ (700,000)
FINANCE	\$ -	\$ -	\$ -	\$ 4,450	\$ 4,450
CITY ENGINEER	\$ -	\$ -	\$ -	\$ -	\$ -
INFORMATION TECHNOLOGY	\$ 35,875	\$ -	\$ 75,000	\$ -	\$ (75,000)
LEGAL	\$ -	\$ -	\$ -	\$ -	\$ -
POLICE	\$ 139,870	\$ 130,768	\$ 202,000	\$ 124,200	\$ (77,800)
FIRE	\$ 100,271	\$ 44,567	\$ 30,000	\$ -	\$ (30,000)
ZONING	\$ 4,143	\$ -	\$ 29,000	\$ 50,000	\$ 21,000
PLANNING	\$ -	\$ -	\$ -	\$ -	\$ -
PUBLIC WORKS	\$ 321,576	\$ 440,712	\$ 242,500	\$ 233,500	\$ (9,000)
ADMINISTRATION	\$ 10,966	\$ -	\$ 50,000	\$ 177,500	\$ 127,500
FLEET	\$ 11,743	\$ -	\$ -	\$ -	\$ -
BUILDINGS	\$ 29,501	\$ -	\$ 66,500	\$ -	\$ (66,500)
STREETS	\$ 93,478	\$ 54,150	\$ 100,000	\$ 24,000	\$ (76,000)
POWELL BILL	\$ 98,706	\$ 320,943	\$ -	\$ -	\$ -
TRAFFIC ENG	\$ 1,271	\$ -	\$ -	\$ -	\$ -
GROUNDS	\$ 45,646	\$ 65,619	\$ 26,000	\$ 14,000	\$ (12,000)
PATTON POOL	\$ 30,267	\$ -	\$ -	\$ 18,000	\$ 18,000
DOWNTOWN FUND	\$ 3,805	\$ -	\$ -	\$ 46,000	\$ 46,000
SEVENTH AVENUE FUND	\$ 4,657	\$ -	\$ -	\$ -	\$ -
ENVIRONMENTAL SERVICES FUND	\$ 137,955	\$ 208,721	\$ -	\$ 30,000	\$ 30,000
WATER & SEWER FUND	\$ 1,658,966	\$ 810,038	\$ 2,382,000	\$ 9,770,850	\$ 7,388,850
TOTAL	\$ 2,509,522	\$ 1,651,631	\$ 3,660,500	\$ 10,292,295	\$ 6,631,795

\$120,000 will be refunded to the General Fund through NCDOT (FHWA) for Old Tracey Grove Road Bridge



General Fund

Major Projects and Capital Outlay

The capital outlay pay-as-you-go or cash funding appropriated by the General Fund has increased drastically in recent years. Major projects are the reason for this increase. In FY14-15 the City acquired land, \$700,000, for a joint medical building project with the County, Blue Ridge Community College, Pardee, and Wingate. In this year, we see the pursuit of a PARTF grant, for Berkeley Mills Park, with the City matching \$300,000 in funds for the first year. In addition to the park, there are certain major expenses that cannot be avoided. First, the bridge on Old Tracey Grove Road has been marked as structurally deficient and is in dire need of replacement. This project will require \$150,000 be paid up front by the City in FY15-16 (year 1), with an 80% refund from NCDOT, total approximate cost of \$30,000 in year one. Another \$890,000 is required to be paid up front by the City in FY16-17 (year 2), with an 80% refund from NCDOT, total approximate cost of \$178,000 in year 2. The total approximate cost for this project is \$1,040,000 with an 80% refund, costing the City \$208,000 over two years. Another project that will need to be addressed in the near future is the stormwater improvements on Meadowbrook Terrace, costing approximately \$400,000. These major purchases have driven the General Fund appropriations well above the prior seven year average of \$704,139.

The following table details the General Fund’s **capital outlay** without these major projects:

General Fund			
Capital Outlay Less Major Projects			
Major One-Time Project	Cost	Original Cap Outlay	Cap Outlay Less Major Projects
FY15-16			
<i>Berkeley Mills Park</i>	\$300,000		
<i>Meadowbrook Stormwater</i>	\$400,000		
<i>Old Tracey Bridge</i>	\$150,000		
Sub-Total	\$850,000	\$1,440,345	\$590,345
FY14-15			
<i>Joint Medical Project</i>	\$700,000		
Sub-Total	\$700,000	\$1,278,500	\$578,500

The table identifies that capital outlay, without these major projects, has been less than the past seven year average, \$704,139. Fund balance has provided the funding support for major projects in the current fiscal year (FY14-15) and will need to be considered for funding some of these major projects going forward.

Fund Balance and Capital Outlay

The City budgeted \$1,122,300 of the General Fund’s fund balance for the current year (FY14-15). The aforementioned joint medical project was intended to be purchased using fund balance.



Capital Improvements Plan – Financial Impact & Analysis Budget FY15-16

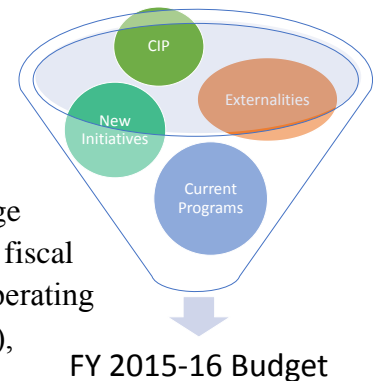
This was a one-time appropriation and is a normal use of the City’s cash reserves, or fund balance. However, this still leaves a sizeable piece of fund balance that is being utilized to support the daily operation of the City of Hendersonville.

The following table details the General Fund’s **fund balance appropriation** without the aforementioned major project:

General Fund			
Fund Balance Appropriation Less Major Projects			
Major One-Time Project	Cost	Original Fund Balance Appropriation	Fund Balance Appropriation Less Major Projects
FY14-15			
<i>Joint Medical Project</i>	\$700,000		
Sub-Total	\$700,000	\$1,122,300	\$422,300

Without the Joint Medical Project, the fund balance appropriation for City operations would have been \$422,300 for this year (FY14-15). I will refer to this amount as the City’s operating deficit. At the current rate, the General Fund has the capacity to sustain approximately seven (7) years of fund balance appropriations before dipping below the Local Government Commission (LGC) recommended eight percent (8%).

Now that we have established the operating deficit, it is important to gauge the many factors impacting the fund balance/budget coming into the next fiscal year (FY15-16). This will help detail the possible change in the City’s operating deficit. Some variables to consider are growth (sales tax, property, etc...), legislation, increased debt capacity, operational efficiencies, personnel/employee growth, etc...



The following table provides estimated variables impacting next year’s (FY15-16) operating budget:

General Fund Status			
(FY15-16 Projection)			
Deficit		New Revenue/Positive Variances	
Operating Deficit	\$ 422,300	Reval (1% Estimate)	\$ 100,000
Loss of PLT	\$ 386,000	Business Registry	\$ 25,000
Downtown Sales Tax	\$ 100,000	PLT Replacement	?
<i>Sub-Total</i>	\$ 908,300	<i>Sub-Total</i>	\$ 125,000
Total Deficit	\$783,300		



As the table provides, the City’s operating deficit is expected to increase in the coming year. A major contributor to this deficit is the loss of the authority to levy a privilege license tax on business licenses. If the North Carolina General Assembly had not revoked that authority, then the County wide tax revaluation would have had more of an impact in lowering the operating deficit. It will be important to understand how this operating deficit could impact the fund balance going forward.

The following table provides the General Fund’s estimated fund balance trend if the deficit is not addressed:

General Fund
Fund Balance and the Operating Deficit

Fiscal Year	Unassigned Fund Balance	Budgeted Expenditures	Available	\$ Change	% Change
2019	\$1,951,646	\$15,819,334	N/A	-\$783,300	N/A
2018	\$2,734,946	\$15,358,577	17.29%	-\$783,300	-5.62%
2017	\$3,518,246	\$14,911,239	22.91%	-\$783,300	-5.94%
2016	\$4,301,546	\$14,476,931	28.85%	-\$783,300	-6.28%
2015	\$5,084,846	\$13,906,346	35.12%	-\$1,122,300	-9.51%
2014	\$6,207,146	\$11,096,240	44.64%	-\$202,959	-13.13%
2013	\$6,410,105	\$10,849,055	57.77%	\$587,988	4.10%
2012	\$5,822,117	\$10,684,720	53.66%	-\$1,199,905	-12.06%
2011	\$7,022,022	\$10,605,990	65.72%	\$998,911	8.93%
2010	\$6,023,111	\$10,870,550	56.79%	-\$105,627	0.41%
2009	\$6,128,738	\$10,820,560	56.38%	N/A	N/A

Total Revenues assumes a 3% increase each fiscal year

The fund balance drops approximately four percent (5%) each year the operating deficit continues at the \$783,300 level. Adding the one-time major projects into this equation adds to the percent decrease.



Capital Improvements Plan – Financial Impact & Analysis Budget FY15-16

The following table provides the General Fund’s estimated fund balance trend with the addition of major projects:

General Fund					
Fund Balance and the Operating Deficit plus Major Projects					
Fiscal Year	Unassigned Fund Balance	Budgeted Expenditures	Available	\$ Change	% Change
2019	\$651,646	\$15,819,334	N/A	-\$783,300	N/A
2018	\$1,434,946	\$15,358,577	9.07%	-\$983,300	-6.67%
2017	\$2,418,246	\$14,911,239	15.75%	-\$1,033,300	-7.40%
2016	\$3,451,546	\$14,476,931	23.15%	-\$1,633,300	-11.98%
2015	\$5,084,846	\$13,906,346	35.12%	-\$1,122,300	-9.51%
2014	\$6,207,146	\$11,096,240	44.64%	-\$202,959	-13.13%
2013	\$6,410,105	\$10,849,055	57.77%	\$587,988	4.10%
2012	\$5,822,117	\$10,684,720	53.66%	-\$1,199,905	-12.06%
2011	\$7,022,022	\$10,605,990	65.72%	\$998,911	8.93%
2010	\$6,023,111	\$10,870,550	56.79%	-\$105,627	0.41%
2009	\$6,128,738	\$10,820,560	56.38%	N/A	N/A

As the table displays, the total fund balance available drops off at a much steeper rate with the major projects and operating deficit combined, twelve percent (12%) in the first year.

It is also important to highlight that the Council had previously identified that fund balance in excess of forty-five percent (45%) would be transferred to a Capital Reserve Fund which has been used to pay the debt service on the City Hall Renovation Loan. At the end of the current fiscal year (FY14-15) the fund balance will drop below the forty-five percent level and no funds will be transferred to the Capital Reserve Fund. If the Capital Reserve Fund is not replenished the General Fund will have to pay the approximate \$200,000 annual loan on the City Hall project. There is enough reserve for payments on this loan to continue for four years. An analysis on the City’s debt service will further expand on this subject.

Capital Outlay and Debt Service

The City of Hendersonville is currently paying four (4) notes, 1998 G.O. Sidewalk Bonds, Bank of America (BOA) City Hall Renovation, 2008 G.O. Sidewalk Bonds, and BB&T Loan Main St./Fire Station/Engine.

The following table details the City’s debt obligation as of June 30th, 2014:

General Fund						
Debt Service Outlook						
Project	Finance Type	Outstanding Principal	Interest	End Date	FY14-15 Payment	FY15-16 Payment
1998 Sidewalk Bonds	General Obligation	\$360,000	5.00%	FY17-18	\$108,000	\$103,500
City Hall Renovation	Bank Loan	\$1,050,000	4.10%	FY18-19	\$264,960	\$233,350
2008 Sidewalk Bonds	General Obligation	\$1,700,000	4.30%	FY26-27	\$169,100	\$165,350
Main St., Fire Station/Engine	Bank Loan	\$5,700,000	4.10%	FY32-33	\$496,313	\$485,843

The City Hall Renovation is funded completely out of the Capital Reserve Fund. The remaining three bonds and loans are funded through operating revenue from the General Fund. As the table



details, these operating debt service costs drop off each year as the principal is paid down. In addition, the 1998 Sidewalk Bonds will be paid in full by FY17-18, freeing up a \$90,000 principal payment. The interest payment on this bond over the next four years is \$45,000. The decreasing payments will help cut into the General Funds operating deficit. However, it is important to remember that other variables like employee (wage and benefit) growth, may counteract this positive variance.

Operating Impacts

In addition to addressing the fund balance policy and the operating deficit, the City Council should consider the wide ranging operational impacts large capital projects have on the General Fund. Each City Department is tasked with providing excellent and expanding on existing services, while attempting to do so with limited resources. Resource limitation significantly impacts the department's ability to meet operational demands. Every expansion of City services comes with the risk of additional personnel requirements to fulfill those services. Additional personnel needs in police, fire, and public works have already started to become more prevalent. An additional employee in each department would have an approximate impact of over \$125,000. Repair and maintenance of equipment, fuel, technology, and various other equipment costs will increase with the each increase in personnel. In summary, it is highly important to remember the vast ripple effects additional and/or expanded services can have on the basic operations of the City.

Water & Sewer Fund

The City Water & Sewer system has been identified as a major priority by City Council. Over many years the Fund's fund balance reserve has grown to a level that will support the construction, updates, maintenance, and expansion of the City's system, as it takes a regional form. The previous capital outlay has grown in the past seven years (pg. 12) and will continue to grow as the City utilizes fund balance reserves to assist the water and sewer system in its leap from good to great. As detailed in this Fund's request detail (pgs. 18-20) the requested \$8,693,950 will go towards software/monitoring system upgrades, interconnections to enhance pressure levels, gravity lines to increase efficiency, filters for effective water and wastewater treatment, and area specific improvements that will cut down on outages. This Fund has the capacity to support a regional system and will be a major piece in the execution of the City's goals.

This Fund's normal operations will play a key role in its ability to utilize its cash reserves. Sufficient personnel, equipment, and management will provide the avenue for capital expansion and upgrades.



The following table details the Water & Sewer fund revenue and expenditure variance +/-(-):

Water & Sewer Fund
Operating Reversion Amounts

Fiscal Year	Revenues	Expenditures	Variance +/-(-)
2014	\$14,442,094	\$13,276,575	\$1,165,519
2013	\$14,090,505	\$11,838,167	\$2,252,338
2012	\$14,111,471	\$11,510,622	\$2,600,849
2011	\$13,593,328	\$11,035,246	\$2,558,082
2010	\$12,899,339	\$10,892,640	\$2,006,699
2009	\$12,703,763	\$16,043,788	-\$3,340,025
Sub-Total			\$7,243,462

The table details that there has been \$7,243,462 positive variance between revenues and expenditures. In addition, the Water and Sewer Fund’s fund balance totals \$23,546,089 or 143.22% of this fiscal year’s (FY14-15) budgeted expenditures. This balance is continuing to grow. One may expect that the City rate structure is causing this surplus. However, according UNC School of Government’s rate study, the City of Hendersonville rates are considerably lower than other providers in the State. It will be important for the City Council to expand the operational side of the Water and Sewer Fund in order to execute the capital projects requested in the coming years.

Debt Service

In addition, it is recommended that the City Council consider paying off portions of the Water and Sewer Fund’s debt service.

The following table details the Water & Sewer Fund’s debt obligation as of June 30th, 2014:

Water & Sewer Fund
Debt Service Outlook

Project	Finance Type	Outstanding Principal	Interest	End Date	FY14-15 Payment	FY15-16 Payment
WTP Renovation	Bank Loan	\$3,946,566	4.75%	FY17-18	\$1,217,241	\$1,217,240
SRLF Sewer Lines	SRLF	\$302,640	3.43%	FY16-17	\$111,261	\$107,800
SRLF WWTP Project	SRLF	\$5,300,000	2.91%	FY21-22	\$816,730	\$797,451
SRLF Bright Water Project	SRLF	\$486,013	2.91%	FY30-31	\$40,642	\$39,933
AMR Project	Bank Loan	\$10,867,220	2.58%	FY26-27	\$1,023,357	\$1,005,051
SRLF Jackson Park Sewer	SRLF	\$4,340,600	2.00%	FY34-35	\$0	\$283,863
SRLF Wolfpen Sewer	SRLF	\$2,867,595	2.00%	FY34-35	\$0	\$187,219
SRLF Shepherd/Atkinson	SRLF	\$1,815,000	2.00%	FY34-35	\$0	\$122,475
Sub-Total					\$3,209,231	\$3,761,032

SRLF = State Revolving Loan Fund

Deciding which notes to pay in full will require a thorough analysis by the Finance Department, which will account for early payment fees, and which payments would be the most financially



beneficial. This is a consideration to keep in mind when deciding uses for this Fund’s fund balance.

Environmental Services Fund

The current year FY14-15 will be the first year that the Environmental Services Fund is budgeted to balance without a transfer from the General Fund. Historically, capital outlay has been funded by the General Fund and any future requests will require that type of transfer or fund balance appropriations. The Environmental Services Fund’s fund balance stands at \$484,707 total. That is enough funding to provide the \$230,000 for capital, requested in FY15-16. However, going forward this fund balance will not sustain these types of purchases. The City Council will need to consider a rate where the Fund can sustain future truck replacements, or financing the trucks over several years. Otherwise, the Fund will continue to rely on the General Fund for sustainability.

Downtown Fund

In prior years, the Downtown Fund has relied on its fund balance reserves to maintain operations and capital purchases. However, the fund balance is drawing low and will only be able to support the Fund for two years at most. In addition to a lack of funding source, the Downtown Fund will continue to need funding for capital repairs and construction. With these two criteria in mind City Staff recommends that the revenue generated from sales and use tax be kept within this Fund and not transferred to the General Fund, as was the practice in prior years. This estimated \$100,000 per year will provide enough revenue to fund all operations and additional capital projects, including those requested for this coming year FY15-16. The capital requests for the coming fiscal year include electric panel upgrades along Main St., \$15,000, lighting upgrades along the avenues, \$15,000, and parking kiosks, \$16,000. These upgrades will continue into the foreseeable future.

In FY14-15 the Downtown Fund budgeted to appropriate \$46,000 from its fund balance to cover operations. The Fund’s current total fund balance available is \$98,725. If the Fund utilizes the budgeted \$46,000, then there will be \$52,725 of fund balance available.

The following table details the funding available by retaining the sales and use tax revenue:

Downtown Fund
Sales & Use Tax Funding Capacity

Expenditures		Funding Capacity
Funds Remaining after \$46,000 Fund Balance Appropriation		\$54,000
Parking Kiosks	\$16,000	\$38,000
Electric Panels	\$15,000	\$23,000
Lighting Upgrades	\$15,000	\$8,000
Sub-Total		\$8,000



Depending on the number and pricing of capital outlay requests, this Fund appears to have a baseline capacity of approximately \$50,000 for purchases or reversion of revenues. Establishing long term capital improvements or expanded operations for this Fund should be considered. A possible operational use could be the hiring of seasonal parking ambassadors for Main Street. One seasonal employee at \$12.00 an hour, working 20 hours a week for six months will cost the City \$6,717.

Historic 7th Avenue Fund

The parking lot purchase on 7th Avenue will require funding support from the General Fund and/or the reserves in the 501-(c)(3) for the prior HSAD group, which has \$28,000 of its own funds. The City Fund does not currently have the capacity to make any capital purchases.



YEAR	PROJECT	TOTAL COST	FUNDING MECHANISM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	FUTURE YEARS
ADMINISTRATION									
FY15-16	Council Chamber Technology Upgrade	\$66,590	Cash	\$33,295	\$33,295	\$0	\$0	\$0	\$0
FY15-16	All Projects	\$66,590		\$33,295	\$33,295	\$0	\$0	\$0	\$0
All	ADMINISTRATION	\$66,590		\$33,295	\$33,295	\$0	\$0	\$0	\$0
CITY ENGINEER									
FY15-16	Blythe Street Sidewalks	\$250,000	Bond	\$250,000	\$0	\$0	\$0	\$0	\$0
FY15-16	N. Main St. Sidewalks	\$400,000	Bond	\$400,000	\$0	\$0	\$0	\$0	\$0
FY15-16	All Projects	\$400,000		\$400,000	\$0	\$0	\$0	\$0	\$0
All	CITY ENGINEER	\$400,000		\$400,000	\$0	\$0	\$0	\$0	\$0
FINANCE									
FY15-16	Bank Reconciliation Software	\$4,450	Cash	\$4,450	\$0	\$0	\$0	\$0	\$0
FY15-16	All Projects	\$4,450		\$4,450	\$0	\$0	\$0	\$0	\$0
All	FINANCE	\$4,450		\$4,450	\$0	\$0	\$0	\$0	\$0
FIRE									
FY16-17	Replacement of AED's	\$25,000	Cash	\$0	\$25,000	\$0	\$0	\$0	\$0
FY16-17	Inflatable Fire Education House	\$27,500	Cash	\$0	\$27,500	\$0	\$0	\$0	\$0
FY16-17	Replacement of Engine 4 (Currently 23 years old)	\$900,000	Loan	\$0	\$900,000	\$0	\$0	\$0	\$0
FY16-17	All Projects	\$27,500		\$0	\$952,500	\$0	\$0	\$0	\$0
FY18-19	Replacement of Self-Contained Breathing Apparatus	\$200,000	Cash	\$0	\$0	\$0	\$40,000	\$40,000	\$120,000
FY18-19	Thermal Imaging Cameras	\$45,000	Cash	\$0	\$15,000	\$15,000	\$0	\$15,000	\$30,000
FY18-19	All Projects	\$245,000		\$0	\$15,000	\$15,000	\$40,000	\$55,000	\$150,000
FY19-20	Replace Deputy Fire Chief Vehicle	\$40,000	Cash	\$0	\$0	\$0	\$0	\$40,000	\$0
FY19-20	All Projects	\$40,000		\$0	\$0	\$0	\$0	\$40,000	\$0
FY20+	L-1 Replacement	\$1,400,000	Loan	\$0	\$0	\$0	\$0	\$0	\$1,400,000
FY20+	All Projects	\$1,400,000		\$0	\$0	\$0	\$0	\$0	\$1,400,000
All	FIRE	\$1,712,500		\$0	\$967,500	\$15,000	\$40,000	\$95,000	\$1,550,000
POLICE									
FY15-16	Vehicle Replacement	\$952,200	Cash	\$124,200	\$207,000	\$207,000	\$207,000	\$207,000	\$0
FY15-16	All Projects	\$952,200		\$124,200	\$207,000	\$207,000	\$207,000	\$207,000	\$0
FY16-17	EnCase Forensic Computer Data Recovery System	\$16,000	Cash	\$0	\$16,000	\$0	\$0	\$0	\$0
FY16-17	Computer Equipment Replacement	\$56,000	Cash	\$0	\$21,000	\$20,000	\$15,000	\$0	\$0
FY16-17	Police Mobile System Server & Software	\$126,000	Cash/StateAid	\$0	\$23,000	\$23,000	\$0	\$0	\$0
FY16-17	All Projects	\$198,000		\$0	\$60,000	\$43,000	\$15,000	\$0	\$0
FY17-18	MDT Replacements	\$44,000	Cash	\$0	\$0	\$22,000	\$22,000	\$0	\$0
FY17-18	All Projects	\$44,000		\$0	\$0	\$22,000	\$22,000	\$0	\$0
All	POLICE	\$1,194,200		\$124,200	\$267,000	\$229,000	\$229,000	\$207,000	\$0
PUBLIC WORKS									
FY15-16	Motor Vehicles	\$27,500	Cash	\$27,500	\$0	\$0	\$0	\$0	\$0
FY15-16	Old Tracey Grove Road Bridge Replacement Project	\$1,040,000	NCDOT (FHWA)	\$150,000	\$890,000	\$0	\$0	\$0	\$0
FY15-16	Patton Pool - Cover for Pool	\$18,000	Cash	\$18,000	\$0	\$0	\$0	\$0	\$0
FY15-16	Salt Spreaders	\$42,000	Cash	\$14,000	\$14,000	\$14,000	\$0	\$0	\$0
FY15-16	Snow Blades	\$40,000	Cash	\$10,000	\$10,000	\$10,000	\$10,000	\$0	\$0
FY15-16	Zero Turn Mower	\$28,000	Cash	\$14,000	\$14,000	\$0	\$0	\$0	\$0
FY15-16	All Projects	\$1,195,500		\$233,500	\$928,000	\$24,000	\$10,000	\$0	\$0
FY16-17	Backhoe Replacement	\$85,000	Cash	\$0	\$85,000	\$0	\$0	\$0	\$0
FY16-17	Berkeley Park Improvements	\$750,000	Cash	\$0	\$300,000	\$250,000	\$200,000	\$0	\$0
FY16-17	Boyd Tennis Court Light	\$28,000	Cash	\$0	\$28,000	\$0	\$0	\$0	\$0
FY16-17	Gateway Signs	\$48,000	Cash	\$0	\$12,000	\$12,000	\$12,000	\$12,000	\$0
FY16-17	Jonesboro Storm Water Pipe	\$13,000	Cash	\$0	\$13,000	\$0	\$0	\$0	\$0
FY16-17	Nitrogen Tire Filling Station	\$8,000	Cash	\$0	\$8,000	\$0	\$0	\$0	\$0
FY16-17	Patton Park Field Light Replacement	\$150,000	Cash	\$0	\$150,000	\$0	\$0	\$0	\$0
FY16-17	Patton Park Pond	\$32,000	Cash	\$0	\$32,000	\$0	\$0	\$0	\$0
FY16-17	Patton Park Pedestrian Bridge and Vehicular Bridge Replacement	\$50,000	Cash	\$0	\$50,000	\$0	\$0	\$0	\$0
FY16-17	Patton Pool Lights	\$17,000	Cash	\$0	\$17,000	\$0	\$0	\$0	\$0
FY16-17	Patton Pool Umbrellas	\$20,000	Cash	\$0	\$20,000	\$0	\$0	\$0	\$0
FY16-17	Resurface Whitmire Building Parking Lot	\$20,000	Cash	\$0	\$20,000	\$0	\$0	\$0	\$0
FY16-17	Sidearm Mower and Tractor Replacement	\$105,000	Cash	\$0	\$105,000	\$0	\$0	\$0	\$0
FY16-17	Tom's Park Pedestrian Bridge	\$30,000	Cash	\$0	\$30,000	\$0	\$0	\$0	\$0
FY16-17	Traffic Conflict Monitor Tester	\$15,000	Cash	\$0	\$15,000	\$0	\$0	\$0	\$0
FY16-17	All Projects	\$1,371,000		\$0	\$885,000	\$262,000	\$212,000	\$12,000	\$0



YEAR	PROJECT	TOTAL COST	FUNDING MECHANISM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	FUTURE YEARS
PUBLIC WORKS									
FY17-18	Boyd Park Mini-Golf Lights	\$17,000	Cash	\$0	\$0	\$17,000	\$0	\$0	\$0
FY17-18	Fleet Maintenance Lot Resurfacing	\$65,000	Cash	\$0	\$0	\$65,000	\$0	\$0	\$0
FY17-18	Grounds Maintenance Equipment Storage	\$40,000	Cash	\$0	\$0	\$40,000	\$0	\$0	\$0
FY17-18	Maple Street Improvements	\$270,000	Powell Bill Fund	\$0	\$0	\$270,000		\$0	\$0
FY17-18	Pavement Condition Survey	\$17,000	Cash	\$0	\$0	\$17,000	\$0	\$0	\$0
FY17-18	Streets Dept Walk Saw	\$6,000	Cash	\$0	\$0	\$6,000	\$0	\$0	\$0
FY17-18	Sullivan Park Improvements	\$25,000	Cash	\$0	\$0	\$25,000	\$0	\$0	\$0
FY17-18	Wayfinding Signage	\$75,000	Cash	\$0	\$0	\$75,000	\$0	\$0	\$0
FY17-18	Whitmire Building Floor Replacement	\$30,000	Cash	\$0	\$0	\$30,000	\$0	\$0	\$0
<i>FY17-18</i>	<i>All Projects</i>	<i>\$545,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$545,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
FY18-19	Air Compressor	\$18,000	Cash	\$0	\$0	\$0	\$18,000	\$0	\$0
FY18-19	Asphalt Roller	\$65,000	Cash	\$0	\$0	\$0	\$65,000	\$0	\$0
FY18-19	Hendersonville Gateway Park	\$110,000	Cash	\$0	\$0	\$0	\$110,000	\$0	\$0
FY18-19	Patton Park Tennis Court Lights	\$36,000	Cash	\$0	\$0	\$0	\$36,000	\$0	\$0
<i>FY18-19</i>	<i>All Projects</i>	<i>\$229,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$229,000</i>	<i>\$0</i>	<i>\$0</i>
FY19-20	Bucket Truck Replacement	\$100,000	Cash	\$0	\$0	\$0	\$0	\$100,000	\$0
FY19-20	Rotary Park Playground Equipment	\$15,000	Rotary Donation	\$0	\$0	\$0	\$0	\$15,000	\$0
<i>FY19-20</i>	<i>All Projects</i>	<i>\$115,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$115,000</i>	<i>\$0</i>
FY20+	Columbarium at Oakdale Cemetery	\$18,000	Cash	\$0	\$0	\$0	\$0	\$0	\$18,000
FY20+	Southside Park Development	\$2,400,000	Grant	\$0	\$0	\$0	\$0	\$0	\$2,400,000
FY20+	Splash Pad or Water Slide	\$130,000	Cash	\$0	\$0	\$0	\$0	\$0	\$130,000
<i>FY20+</i>	<i>All Projects</i>	<i>\$2,548,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$2,548,000</i>
All	PUBLIC WORKS	\$6,003,500		\$233,500	\$1,813,000	\$831,000	\$451,000	\$127,000	\$2,548,000
ZONING									
FY15-16	Zoning Building Improvements	\$50,000	Cash	\$50,000	\$0	\$0	\$0	\$0	\$0
<i>FY15-16</i>	<i>All Projects</i>	<i>\$50,000</i>		<i>\$50,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
All	ZONING	\$50,000		\$50,000	\$0	\$0	\$0	\$0	\$0
PUBLIC WORKS DOWNTOWN									
FY15-16	Electric Panel Upgrade on Main Street	\$25,000	Cash	\$10,000	\$15,000	\$0	\$0	\$0	\$0
FY15-16	Lighting on Downtown Avenues	\$60,000	Cash	\$0	\$15,000	\$15,000	\$15,000	\$15,000	\$0
FY15-16	Parking Kiosks	\$108,500	Loan	\$108,500	\$0	\$0	\$0	\$0	\$0
<i>FY15-16</i>	<i>All Projects</i>	<i>\$193,500</i>		<i>\$118,500</i>	<i>\$30,000</i>	<i>\$15,000</i>	<i>\$15,000</i>	<i>\$15,000</i>	<i>\$0</i>
FY17-18	Hanging Baskets on King Street	\$12,000	Cash	\$0	\$0	\$12,000	\$0	\$0	\$0
<i>FY17-18</i>	<i>All Projects</i>	<i>\$12,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$12,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
All	DOWNTOWN	\$205,500		\$118,500	\$30,000	\$27,000	\$15,000	\$15,000	\$0
PUBLIC WORKS ENVIRONMENTAL SERVICES									
FY15-16	Truck Replacement Schedule	\$986,850	Loan	\$256,850	\$0	\$230,000	\$0	\$0	\$500,000
<i>FY15-16</i>	<i>All Projects</i>	<i>\$986,850</i>		<i>\$256,850</i>	<i>\$0</i>	<i>\$230,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$500,000</i>
FY16-17	Environmental Services Building	\$25,000	Cash	\$0	\$25,000	\$0	\$0	\$0	\$0
<i>FY16-17</i>	<i>All Projects</i>	<i>\$25,000</i>		<i>\$0</i>	<i>\$25,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
All	ENVIRONMENTAL SERVICES	\$1,011,850		\$256,850	\$25,000	\$230,000	\$0	\$0	\$500,000
PUBLIC WORKS 7TH AVENUE									
FY17-18	Parking Lot Purchase/Upgrade	\$100,000	Cash	\$0	\$0	\$100,000	\$0	\$0	\$0
<i>FY17-18</i>	<i>All Projects</i>	<i>\$100,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$100,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
All	7TH AVENUE	\$100,000		\$0	\$0	\$100,000	\$0	\$0	\$0



YEAR	PROJECT	TOTAL COST	FUNDING MECHANISM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	FUTURE YEARS
WATER & SEWER									
FY15-16	Bank Reconciliation Software	\$4,450	Cash	\$4,450	\$0	\$0	\$0	\$0	\$0
FY15-16	Cobblestone Hydro Pump Station	\$200,000	Cash	\$200,000	\$0	\$0	\$0	\$0	\$0
FY15-16	Eastside Transmission Main, Phase 2	\$2,820,000	Cash/Loan	\$400,000	\$2,420,000	\$0	\$0	\$0	\$0
FY15-16	Equipment Shed	\$250,000	Cash	\$250,000	\$0	\$0	\$0	\$0	\$0
FY15-16	Garden Lane Pump Station Elimination	\$197,000	Cash	\$197,000	\$0	\$0	\$0	\$0	\$0
FY15-16	Generators and ATS	\$2,250,000	Cash	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$1,500,000
FY15-16	Glenbrook Gravity Sewer	\$364,000	Cash	\$364,000	\$0	\$0	\$0	\$0	\$0
FY15-16	Gravity Filter Replacement	\$1,250,000	Cash	\$1,250,000	\$0	\$0	\$0	\$0	\$0
FY15-16	Inflow and filtration Improvements	\$2,000,000	Cash	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$1,500,000
FY15-16	Motor Vehicles	\$2,500,000	Cash	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,500,000
FY15-16	Northside (Fletcher Area) Water System Improvements	\$3,121,200	Cash	\$3,121,200	\$0	\$0	\$0	\$0	\$0
FY15-16	Rugby Drive 12-inch Interconnection	\$769,000	Cash	\$97,000	\$672,000	\$0	\$0	\$0	\$0
FY15-16	Rutledge Rd. Water System Improvements	\$375,200	Cash	\$30,200	\$345,000	\$0	\$0	\$0	\$0
FY15-16	SCADA System Upgrade	\$1,586,000	Cash	\$793,000	\$793,000	\$0	\$0	\$0	\$0
FY15-16	Trench Roller/Compactor	\$60,000	Cash	\$60,000	\$0	\$0	\$0	\$0	\$0
FY15-16	Vacuum Excavator	\$50,000	Cash/Loan	\$50,000	\$0	\$0	\$0	\$0	\$0
FY15-16	WTP Centrifuge	\$308,000	Cash	\$308,000	\$0	\$0	\$0	\$0	\$0
FY15-16	WTP High Service Pump Station Upgrade	\$2,164,000	Cash	\$2,164,000	\$0	\$0	\$0	\$0	\$0
FY15-16	WTP Raw Water Intake System	\$64,000	Cash	\$32,000	\$0	\$0	\$0	\$0	\$32,000
FY15-16	<i>All Projects</i>	<i>\$20,332,850</i>		<i>\$9,770,850</i>	<i>\$4,680,000</i>	<i>\$450,000</i>	<i>\$450,000</i>	<i>\$450,000</i>	<i>\$4,532,000</i>
FY16-17	Howard Gap Rd. Water Extension, Phase 1	\$1,027,000	Cash	\$0	\$92,000	\$935,000	\$0	\$0	\$0
FY16-17	Mud Creek Sewer Replacement	\$1,116,000	Cash	\$0	\$1,116,000	\$0	\$0	\$0	\$0
FY16-17	Pathways of Solomon Jones Hydro Pump Station	\$200,000	Cash	\$0	\$200,000	\$0	\$0	\$0	\$0
FY16-17	Southside Water System Improvements	\$2,977,000	Cash	\$0	\$389,000	\$2,588,000	\$0	\$0	\$0
FY16-17	WTP Relocate Raw Water Intake - MR	\$427,000	Cash	\$0	\$87,000	\$340,000	\$0	\$0	\$0
FY16-17	WWTP Generator & ATS	\$911,000	Loan	\$0	\$911,000	\$0	\$0	\$0	\$0
FY16-17	<i>All Projects</i>	<i>\$6,658,000</i>		<i>\$0</i>	<i>\$2,795,000</i>	<i>\$3,863,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
FY17-18	36-inch Asphalt Saw	\$27,000	Loan/Grant	\$0	\$0	\$27,000	\$0	\$0	\$0
FY17-18	Backhoe/Excavator Replacements	\$353,000	Loan	\$0	\$0	\$71,000	\$0	\$0	\$282,000
FY17-18	Dump Truck Replace - Water	\$390,000	Cash	\$0	\$0	\$80,000	\$80,000	\$0	\$230,000
FY17-18	Howard Gap Rd. Water Main Extension, Phase 2	\$1,916,000	Cash	\$0	\$0	\$250,000	\$1,666,000	\$0	\$0
FY17-18	NC-191 Transmission Line Upgrade	\$2,100,000	Cash/NC DOT	\$0	\$0	\$700,000	\$700,000	\$700,000	\$0
FY17-18	S. Rugby Road Water Main Interconnection	\$1,496,000	Cash	\$0	\$0	\$230,000	\$1,266,000	\$0	\$0
FY17-18	Smokey Ridge Apartments Sewer Pump Station Elimination	\$407,000	Cash	\$0	\$0	\$407,000	\$0	\$0	\$0
FY17-18	WTP Bradley Creek Reservoir Dredging	\$625,000	Cash	\$0	\$0	\$43,000	\$582,000	\$0	\$0
FY17-18	<i>All Projects</i>	<i>\$7,314,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$1,808,000</i>	<i>\$4,294,000</i>	<i>\$700,000</i>	<i>\$512,000</i>
FY18-19	Air Compressor Replacements	\$54,000	Cash	\$0	\$0	\$0	\$18,000	\$18,000	\$18,000
FY18-19	Oakland St. and Fleming St. Sanitary Sewer and Water Improvements	\$2,135,000	Cash	\$0	\$0	\$0	\$2,135,000	\$0	\$0
FY18-19	Pace Rd. Water Main Extension and Interconnect	\$861,000	Cash	\$0	\$0	\$0	\$41,000	\$820,000	\$0
FY18-19	WWTP Sludge Drying System	\$3,912,000	Cash	\$0	\$0	\$0	\$227,000	\$3,685,000	\$0
FY18-19	<i>All Projects</i>	<i>\$6,962,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$2,421,000</i>	<i>\$4,523,000</i>	<i>\$18,000</i>



YEAR	PROJECT	TOTAL COST	FUNDING MECHANISM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	FUTURE YEARS
WATER & SEWER									
FY19-20	Dana Rd. Water Main Extension	\$1,423,000	Cash	\$0	\$0	\$0	\$0	\$225,000	\$1,198,000
FY19-20	Eastside Improvements - Phase 3	\$1,662,000	Cash	\$0	\$0	\$0	\$0	\$200,000	\$1,462,000
FY19-20	Finley Cove Rd. Pump Station	\$189,000	Cash	\$0	\$0	\$0	\$0	\$56,000	\$133,000
FY19-20	Willow Rd., Cherokee Dr., Park St. Sanitary Sewer and Water Improvements	\$3,120,000	Cash	\$0	\$0	\$0	\$0	\$3,120,000	\$0
FY19-20	WTP Expansions, 18-MGD	\$12,832,000	Loan	\$0	\$0	\$0	\$0	\$225,000	\$12,607,000
FY19-20	WTP SCADA System Servers	\$104,000	Cash	\$0	\$0	\$0	\$0	\$26,000	\$78,000
FY19-20	<i>All Projects</i>	<i>\$19,330,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$3,852,000</i>	<i>\$15,478,000</i>
FY20+	1st Avenue W and Oak St. Sanitary Sewer and Water Improvements	\$739,000	Cash	\$0	\$0	\$0	\$0	\$0	\$739,000
FY20+	7th Avenue Residential Sanitary Sewer and Water Improvements	\$862,000	Cash	\$0	\$0	\$0	\$0	\$0	\$862,000
FY20+	AMI Metering Infrastructure Replacement	\$11,557,000	Cash	\$0	\$0	\$0	\$0	\$0	\$11,557,000
FY20+	Backhoe/Excavator Replacement - Sewer	\$191,000	Cash	\$0	\$0	\$0	\$0	\$0	\$191,000
FY20+	Brookwood Sewer Pump Station Replacement	\$344,000	Cash	\$0	\$0	\$0	\$0	\$0	\$344,000
FY20+	CCTV Sewer Inspection Vehicle	\$470,000	Loan	\$0	\$0	\$0	\$0	\$0	\$470,000
FY20+	Cornerstone/Comet Dr. Sanitary Sewer Improvements	\$123,000	Cash	\$0	\$0	\$0	\$0	\$0	\$123,000
FY20+	Druid Hills Sanitary Sewer and Water Improvements	\$4,016,000	Cash	\$0	\$0	\$0	\$0	\$0	\$4,016,000
FY20+	Dump Truck Replace - Sewer	\$160,000	Cash	\$0	\$0	\$0	\$0	\$0	\$160,000
FY20+	Equipment Trailer Replacements - Water	\$30,000	Cash	\$0	\$0	\$0	\$0	\$0	\$30,000
FY20+	Fairgrounds Avenue (E. Flat Rock Area) - Repair and Replacement Project	\$1,566,000	Cash	\$0	\$0	\$0	\$0	\$0	\$1,566,000
FY20+	Florida Avenue Sanitary Sewer and Water Improvements	\$1,008,000	Cash	\$0	\$0	\$0	\$0	\$0	\$1,008,000
FY20+	French Broad River Raw Water Intake and Pump Station, Phase 2	\$4,974,000	Loan	\$0	\$0	\$0	\$0	\$0	\$4,974,000
FY20+	Fruitland Rd. Water Main Extension	\$1,483,000	Cash	\$0	\$0	\$0	\$0	\$0	\$1,483,000
FY20+	LongJohn Mountain Interconnect, Pump Stations and Storage Tank	\$3,587,000	Cash	\$0	\$0	\$0	\$0	\$0	\$3,587,000
FY20+	N. Highland Lake Rd. Interconnection	\$690,000	Cash	\$0	\$0	\$0	\$0	\$0	\$690,000
FY20+	N. Main St. Sanitary Sewer and Water Improvements	\$1,060,000	Cash	\$0	\$0	\$0	\$0	\$0	\$1,060,000
FY20+	Replace Equipment Trailers - Water	\$45,000	Cash	\$0	\$0	\$0	\$0	\$0	\$45,000
FY20+	S. Mills Gap Rd. Water Main Extension	\$1,125,000	Cash	\$0	\$0	\$0	\$0	\$0	\$1,125,000
FY20+	Sewer Vactor Truck Replacement	\$718,000	Loan	\$0	\$0	\$0	\$0	\$0	\$718,000
FY20+	Skid Steer ROW Clearing Equipment	\$82,000	Cash	\$0	\$0	\$0	\$0	\$0	\$82,000
FY20+	Spartanburg Highway Sanitary Sewer Improvements	\$117,000	Cash	\$0	\$0	\$0	\$0	\$0	\$117,000
FY20+	Tapping Machine (4" to 12")	\$60,000	Cash	\$0	\$0	\$0	\$0	\$0	\$60,000
FY20+	U.S. Highway 64 E / Highland Square Sanitary Sewer Improvements	\$142,000	Cash	\$0	\$0	\$0	\$0	\$0	\$142,000
FY20+	US Highway 64 West 30-inch Transmission Main	\$6,256,000	Cash	\$0	\$0	\$0	\$0	\$0	\$6,256,000
FY20+	Williams St. / 4th Avenue E Sanitary Sewer Replacement	\$267,000	Cash	\$0	\$0	\$0	\$0	\$0	\$267,000
FY20+	WWTP Expansion, 6.0 MGD	\$200,000	Cash	\$0	\$0	\$0	\$0	\$0	\$200,000
FY20+	<i>All Projects</i>	<i>\$41,872,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$41,872,000</i>
All	WATER & SEWER	\$102,468,850		\$9,770,850	\$7,475,000	\$6,121,000	\$7,165,000	\$9,525,000	\$62,412,000



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Personnel Summary

The following will provide an overview and detail of the City of Hendersonville's position allocation to salary range, position counts, and position distribution within the range:

Position Allocation to Range Summary

GRADE	HIRING RATE	MIN	MID	MAX
1	\$ 20,554.51	\$ 21,582.24	\$ 27,267.19	\$ 31,278.62
2	\$ 21,585.53	\$ 22,664.81	\$ 27,214.78	\$ 32,844.04
3	\$ 22,662.66	\$ 23,795.79	\$ 28,572.72	\$ 34,482.78
4	\$ 23,794.27	\$ 24,983.99	\$ 30,000.34	\$ 36,206.40
5	\$ 24,985.61	\$ 26,234.89	\$ 31,501.82	\$ 38,018.03
6	\$ 26,235.62	\$ 27,547.41	\$ 33,077.70	\$ 39,919.77
7	\$ 27,546.41	\$ 28,923.73	\$ 34,731.11	\$ 41,915.81
8	\$ 28,924.26	\$ 30,370.47	\$ 36,467.82	\$ 44,011.39
9	\$ 30,370.21	\$ 31,888.72	\$ 38,293.07	\$ 46,215.94
10	\$ 31,888.45	\$ 33,482.88	\$ 40,204.24	\$ 48,520.03
11	\$ 33,483.19	\$ 35,157.35	\$ 42,215.48	\$ 50,947.76
12	\$ 35,156.52	\$ 36,914.34	\$ 44,315.25	\$ 53,494.94
13	\$ 36,916.80	\$ 38,762.64	\$ 46,544.42	\$ 56,172.05
14	\$ 38,763.01	\$ 40,701.16	\$ 48,870.52	\$ 58,978.03
15	\$ 40,698.28	\$ 42,733.19	\$ 51,314.49	\$ 61,930.70
16	\$ 42,734.13	\$ 44,870.84	\$ 53,879.48	\$ 65,024.83
17	\$ 44,869.53	\$ 47,113.01	\$ 56,572.30	\$ 68,275.07
18	\$ 47,113.90	\$ 49,469.59	\$ 59,402.91	\$ 71,691.92
19	\$ 49,471.43	\$ 51,945.00	\$ 62,372.35	\$ 75,273.27
20	\$ 51,943.16	\$ 54,540.32	\$ 65,489.52	\$ 79,035.88
21	\$ 54,540.64	\$ 57,267.67	\$ 68,766.49	\$ 82,992.34
22	\$ 57,265.94	\$ 60,129.24	\$ 72,202.72	\$ 87,139.49
23	\$ 58,978.03	\$ 61,926.93	\$ 75,237.64	\$ 91,497.25
24	\$ 63,136.71	\$ 66,293.54	\$ 79,604.83	\$ 96,072.95
25	\$ 66,296.84	\$ 69,611.69	\$ 83,585.39	\$100,873.93
26	\$ 69,612.05	\$ 73,092.66	\$ 87,767.64	\$105,923.23



Position Allocation to Range Detail

GRADE	HIRING RATE	MIN	MID	MAX	Position
1	20,554.51	21,582.24	27,267.19	31,278.62	
2	21,585.53	22,664.81	27,214.78	32,844.04	
3	22,662.66	23,795.79	28,572.72	34,482.78	
4	23,794.27	24,983.99	30,000.34	36,206.40	Street Maintenance Worker I Environmental Services Worker Recycle Worker Property Maintenance Worker
5	24,985.61	26,234.89	31,501.82	38,018.03	Street Maintenance Worker II Meter Reader Environmental Services Truck Driver Recycle Truck Driver Office Assistant
6	26,235.62	27,547.41	33,077.70	39,919.77	Line Maintenance Mechanic Environmental Services Equipment Operator Equipment Service Attendent Field Customer Service Specialist
7	27,546.41	28,923.73	34,731.11	41,915.81	Meter Maintenance Mechanic Administrative Support Specialist Customer Services Specialist Equipment Operator Police Support Specialist
8	28,924.26	30,370.47	36,467.82	44,011.39	Facility Maintenance Mechanic Police Telecommunicator Property Maintenance Crewleader Traffic Enforcement Officer Utility Locations Specialist Warehouse Specialist Sr. Line Maintenance Mechanic Sr. Police Support Specialist Treatment Plant Operator I



GRADE	HIRING RATE	MIN	MID	MAX	Position
9	30,370.21	31,888.72	38,293.07	46,215.94	Accounting Technician
					Building Maintenance Tech
					Equipment Mechanic
					Firefighter/EMT
					Lead Telecommunicator
10	31,888.45	33,482.88	40,204.24	48,520.03	Street Maintenance Crewleader
					Police Officer
					Senior Administrative Support Specialist
					Senior Accounting Technician
					Senior Facility Maintenance Mechanic
					Traffic Control Technician
					Utility Operations Support Specialist
					City Tax Collector
					Environmental Services Crew Leader
Treatment Plant Operator II					
11	33,483.19	35,157.35	42,215.48	50,947.76	Equipment Services Specialist
					Fire Engineer
					Line Maintenance Crewleader
					Zoning Code Enforcement Officer
					Property Maintenance Supervisor
					Inflow & Infiltration Technician
					Leak Detection Technician
					Public Information Officer
					Promotions Coordinator
12	35,156.52	36,914.34	44,315.25	53,494.94	Utilites Operations Support Supervisor
					Police Detective
					Laboratory Technician
					Environmental Services Coorindator W/S
					Budget & Management Analyst
					Treatment Plant Operator III
13	36,916.80	38,762.64	46,544.42	56,172.05	Administrative Aide
					Building Maintenance Supervisor
					Fire Lieutenant
					Deputy Fire Marshal
					Fleet Maintenance Superintendent
					Meter Services Supervisor
					Police Sergent
					Environmental Services Supervisor
					Street Maintenance Supervisor
GIS Analyst					
14	38,763.01	40,701.16	48,870.52	58,978.03	Collections & Distribution Systems Supervisor
					Police Communications & Technology Manag
					Laboratory Supervisor
					Treatment Plant Supervisor
					Quality Excellence Coordinator
					Paralegal



GRADE	HIRING RATE	MIN	MID	MAX	Position
15	40,698.28	42,733.19	51,314.49	61,930.70	Fire Captain
					Assistant to City Manager
					Investigations Lieutenant
					Police Lieutenant
					Planner
					Facility Maintenance Superintendent
					Accountant
					Engineering Technician
16	42,734.13	44,870.84	53,879.48	65,024.83	Constructions Inspector
					Electrical and Instruction Technician
					City Clerk
17	44,869.53	47,113.01	56,572.30	68,275.07	Main Street / Economic Development Director
					Fire Marshal
					Treatment Plant Superintendent
					Senior Accounting Supervisor
18	47,113.90	49,469.59	59,402.91	71,691.92	Revenue Accounting Supervisor
					Assistant Finance Director
					Deputy Fire Chief
19	49,471.43	51,945.00	62,372.35	75,273.27	Police Captain
20	51,943.16	54,540.32	65,489.52	79,035.88	Assistant Police Chief
					Assistant Public Works Director
					Zoning Administrator
					Tech & Metering Manager
21	54,540.64	57,267.67	68,766.49	82,992.34	Civil Engineer
					GIS Administrator
					Utilities Engineer
22	57,265.94	60,129.24	72,202.72	87,139.49	Assistant Utilities Director
					Human Resources Director
23	58,978.03	61,926.93	75,237.64	91,497.25	Fire Chief
					Information Technology Director
					Downtown Economic Development Director
24	63,136.71	66,293.54	79,604.83	96,072.95	Finance Director
					Planning Director
					Public Works Director
					Police Chief
					City Engineer
					Development Assistance Director
25	66,296.84	69,611.69	83,585.39	100,873.93	
26	69,612.05	73,092.66	87,767.64	105,923.23	Utilities Director



Position Count Detail

POSITION	SALARY GRADE	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE	FY15-16 F.T.E
<i>Governing Body</i>						
Mayor	N/A	1.00	1.00	1.00	0.00	0.00
Mayor Pro-Tem.	N/A	1.00	1.00	1.00	0.00	0.00
Council Member	N/A	3.00	3.00	3.00	0.00	0.00
	<i>Sub-Total</i>	5.00	5.00	5.00	0.00	0.00
<i>Administration</i>						
City Manager	N/A	1.00	1.00	1.00	0.00	1.00
City Clerk	16	1.00	1.00	1.00	0.00	1.00
Human Resources Director	22	1.00	1.00	1.00	0.00	1.00
Assistant to City Manager	15	0.00	1.00	1.00	0.00	1.00
Public Information Officer	11	0.00	1.00	1.00	0.00	0.50
Downtown Economic Development Director	23	1.00	1.00	1.00	0.00	1.00
Promotions Coordinator	11	1.00	1.00	1.00	0.00	0.50
Parking Ambassador	N/A	0.00	0.00	2.00	2.00	0.00
Administrative Intern	N/A	0.00	1.00	1.00	0.00	0.00
	<i>Sub-Total</i>	5.00	8.00	10.00	2.00	6.00
<i>Finance</i>						
Finance Director	24	1.00	1.00	1.00	0.00	1.00
Senior Accounting Supervisor	17	1.00	1.00	1.00	0.00	1.00
Revenue Accounting Supervisor	17	1.00	1.00	1.00	0.00	1.00
City Tax Collector	10	1.00	1.00	0.00	-1.00	0.00
Accountant	15	1.00	1.00	2.00	1.00	2.00
Payroll Benefits Coordinator	12	1.00	1.00	1.00	0.00	1.00
Accounting Technician	9	1.00	1.00	1.00	0.00	1.00
Quality Excellence Coordinator	14	1.00	1.00	1.00	0.00	1.00
Customer Services Specialist	7	5.00	5.00	5.00	0.00	4.50
	<i>Sub-Total</i>	13.00	13.00	13.00	0.00	12.50
<i>City Engineer</i>						
City Engineer	24	1.00	1.00	1.00	0.00	1.00
Civil Engineer	21	1.00	1.00	1.00	0.00	1.00
GIS Administrator	21	1.00	1.00	1.00	0.00	1.00
Construction Inspector	15	2.00	2.00	2.00	0.00	2.00
Engineering Technician	15	1.00	1.00	1.00	0.00	1.00
Engineering Intern	N/A	0.00	0.00	1.00	1.00	0.00
	<i>Sub-Total</i>	6.00	6.00	7.00	1.00	6.00
<i>Legal</i>						
City Attorney	N/A	1.00	1.00	1.00	0.00	1.00
Paralegal	14	1.00	1.00	1.00	0.00	0.50
	<i>Sub-Total</i>	2.00	2.00	2.00	0.00	1.50



POSITION	SALARY GRADE	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE	FY15-16 F.T.E
<i>Public Works-Fleet Maintenance</i>						
Fleet Maintenance Superintendent	13	1.00	1.00	1.00	0.00	1.00
Equipment Services Specialist	11	1.00	1.00	1.00	0.00	1.00
Equipment Mechanic	9	4.00	4.00	4.00	0.00	4.00
<i>Sub-Total</i>		6.00	6.00	6.00	0.00	6.00
<i>Public Works-Building Maintenance</i>						
Building Maintenance Supervisor	13	1.00	1.00	1.00	0.00	1.00
Building Maintenance Technician	9	2.00	2.00	2.00	0.00	2.00
Mini-Golf Attendant	N/A	2.00	2.00	2.00	0.00	0.00
<i>Sub-Total</i>		5.00	5.00	5.00	0.00	3.00
<i>Police</i>						
<i>Police-Sworn Officers</i>						
Police Chief	24	1.00	1.00	1.00	0.00	1.00
Police Captain	18	2.00	2.00	2.00	0.00	2.00
Police Lieutenant	15	6.00	6.00	6.00	0.00	6.00
Police Sergeant	13	5.00	5.00	5.00	0.00	5.00
Police Detective	12	5.00	5.00	5.00	0.00	5.00
Police Officer	10	18.00	18.00	18.00	0.00	18.00
School Resource Officer	N/A	2.00	2.00	2.00	0.00	2.00
<i>Police-Civilian Staff</i>						
Police Communications & Technology Manage	14	1.00	1.00	1.00	0.00	1.00
Administrative Aide	13	1.00	1.00	1.00	0.00	1.00
Lead Telecommunicator	9	1.00	1.00	1.00	0.00	1.00
Police Telecommunicator	8	4.00	4.00	4.00	0.00	4.00
Sr. Police Support Specialist	8	1.00	1.00	1.00	0.00	1.00
Traffic Enforcement Officer	8	1.00	1.00	1.00	0.00	1.00
Police Support Specialist	7	3.00	3.00	3.00	0.00	3.00
<i>Police-Part-Time</i>						
Crossing Guard	N/A	7.00	7.00	7.00	0.00	0.00
Reserve Telecommunications	N/A	1.00	1.00	1.00	0.00	0.00
Reserve Officer	N/A	6.00	6.00	6.00	0.00	0.00
<i>Sub-Total</i>		65.00	65.00	65.00	0.00	51.00
<i>Fire</i>						
Fire Chief	23	1.00	1.00	1.00	0.00	1.00
Deputy Fire Chief	18	1.00	1.00	1.00	0.00	1.00
Deputy Fire Marshal	13	1.00	1.00	1.00	0.00	1.00
Fire Captain	15	3.00	3.00	3.00	0.00	3.00
Fire Lieutenant	13	6.00	6.00	6.00	0.00	6.00
Fire Engineer	11	9.00	9.00	9.00	0.00	9.00
Firefighter/EMT	9	6.00	6.00	6.00	0.00	6.00
Reserve Firefighter	N/A	15.00	15.00	15.00	0.00	0.00
<i>Sub-Total</i>		42.00	42.00	42.00	0.00	27.00



POSITION	SALARY GRADE	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE	FY15-16 F.T.E
<i>Development Assistance</i>						
Development Assistance Director	24	1.00	1.00	1.00	0.00	1.00
Planning Director	24	1.00	1.00	1.00	0.00	1.00
Planner	15	0.00	1.00	1.00	0.00	1.00
Zoning Code Enforcement Officer	11	1.00	1.00	2.00	1.00	2.00
Administrative Aide	13	1.00	1.00	0.00	-1.00	0.00
<i>Sub-Total</i>		4.00	5.00	5.00	0.00	5.00
<i>Public Works-Administration</i>						
Public Works Director	24	1.00	1.00	1.00	0.00	1.00
Assistant Public Works Director	20	1.00	1.00	1.00	0.00	1.00
Administrative Aide	13	1.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>		3.00	3.00	3.00	0.00	3.00
<i>Public Works-Streets & Highways</i>						
Street Maintenance Supervisor	13	1.00	1.00	1.00	0.00	1.00
Street Maintenance Crewleader	10	1.00	1.00	1.00	0.00	1.00
Equipment Operator	7	1.00	1.00	1.00	0.00	1.00
Street Maintenance Worker II	5	2.00	2.00	2.00	0.00	2.00
Street Maintenance Worker I	4	2.00	2.00	2.00	0.00	2.00
Temporary Worker	N/A	2.00	2.00	2.00	0.00	0.00
<i>Sub-Total</i>		9.00	9.00	9.00	0.00	7.00
<i>Public Works-Traffic Engineering</i>						
Traffic Control Technician	10	2.00	2.00	2.00	0.00	2.00
<i>Sub-Total</i>		2.00	2.00	2.00	0.00	2.00
<i>Public Works-Grounds Maintenance</i>						
Property Maintenance Supervisor	11	1.00	1.00	1.00	0.00	1.00
Property Maintenance Crewleader	8	2.00	2.00	2.00	0.00	2.00
Property Maintenance Worker	4	5.00	5.00	5.00	0.00	5.00
Temporary Worker	N/A	2.00	2.00	2.00	0.00	0.00
<i>Sub-Total</i>		10.00	10.00	10.00	0.00	8.00
<i>Public Works-Patton Pool</i>						
Pool Manager	N/A	1.00	1.00	1.00	0.00	0.00
Assistant Manager	N/A	2.00	2.00	2.00	0.00	0.00
Gate/Concessions Manager	N/A	1.00	1.00	1.00	0.00	0.00
Head Guard	N/A	9.00	9.00	9.00	0.00	0.00
Aerobics Instructor	N/A	1.00	1.00	1.00	0.00	0.00
Lifeguard	N/A	12.00	12.00	12.00	0.00	0.00
Gate/Concessions Operator	N/A	9.00	9.00	9.00	0.00	0.00
<i>Sub-Total</i>		35.00	35.00	35.00	0.00	0.00



POSITION	SALARY GRADE	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE	FY15-16 F.T.E
<i>W/S Administration</i>						
Utilities Director	26	1.00	1.00	1.00	0.00	1.00
Environmental Services Coordinator	12	1.00	1.00	1.00	0.00	1.00
Senior Administrative Support Specialist	10	1.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>		3.00	3.00	3.00	0.00	3.00
<i>W/S Facilities Maintenance</i>						
Electrical and Instruction Technician	16	1.00	1.00	1.00	0.00	1.00
Facility Maintenance Superintendent	15	1.00	1.00	1.00	0.00	1.00
Senior Facility Maintenance Mechanic	10	2.00	2.00	2.00	0.00	2.00
Facility Maintenance Mechanic	8	2.00	2.00	2.00	0.00	2.00
<i>Sub-Total</i>		6.00	6.00	6.00	0.00	6.00
<i>Water Treatment Plant</i>						
Treatment Plant Superintendent	17	1.00	1.00	1.00	0.00	1.00
Treatment Plant Supervisor	14	1.00	1.00	1.00	0.00	1.00
Treatment Plant Operator III	12	4.00	4.00	4.00	0.00	4.00
Treatment Plant Operator II	10	1.00	1.00	1.00	0.00	1.00
Treatment Plant Operator I	8	4.00	4.00	4.00	0.00	4.00
<i>Sub-Total</i>		11.00	11.00	11.00	0.00	11.00
<i>Shop Operations Center</i>						
Utilities Engineer	21	0.00	0.00	1.00	1.00	1.00
Technology and Metering Manager	20	1.00	1.00	1.00	0.00	1.00
Meter Services Supervisor	13	1.00	1.00	1.00	0.00	1.00
GIS Analyst	13	1.00	1.00	1.00	0.00	1.00
Utility Operations Support Supervisor	12	1.00	1.00	1.00	0.00	1.00
Utility Operations Support Specialist	10	1.00	1.00	1.00	0.00	1.00
Warehouse Specialist	8	1.00	1.00	1.00	0.00	1.00
Utility Locations Specialist	8	2.00	2.00	2.00	0.00	2.00
Meter Maintenance Mechanic	7	3.00	3.00	3.00	0.00	3.00
<i>Sub-Total</i>		11.00	11.00	12.00	1.00	12.00
<i>Water Maintenance & Construction</i>						
Collections & Distribution Systems Supervisor	14	1.00	1.00	1.00	0.00	1.00
Line Maintenance Crewleader	11	1.00	1.00	1.00	0.00	1.00
Senior Line Maintenance Mechanic	8	4.00	4.00	4.00	0.00	4.00
Line Maintenance Mechanic	6	8.00	8.00	8.00	0.00	8.00
Leak Detection Technician	11	0.00	0.00	1.00	1.00	1.00
<i>Sub-Total</i>		14.00	14.00	15.00	1.00	15.00
<i>Wastewater Treatment Plant</i>						
Treatment Plant Superintendent	17	1.00	1.00	1.00	0.00	1.00
Laboratory Supervisor	14	1.00	1.00	1.00	0.00	1.00
Laboratory Technician	12	1.00	1.00	1.00	0.00	1.00
Treatment Plant Supervisor	14	1.00	1.00	1.00	0.00	1.00
Treatment Plant Operator III	12	2.00	2.00	2.00	0.00	2.00
Treatment Plant Operator II	10	2.00	2.00	2.00	0.00	2.00
Treatment Plant Operator I	8	1.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>		9.00	9.00	9.00	0.00	9.00



POSITION	SALARY GRADE	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	COUNT CHANGE	FY15-16 F.T.E
<i>Wastewater Maintenance & Construction</i>						
Collections & Distribution Systems Supervisor	14	1.00	1.00	1.00	0.00	1.00
Line Maintenance Crewleader	11	1.00	1.00	1.00	0.00	1.00
Senior Line Maintenance Mechanic	8	2.00	2.00	2.00	0.00	2.00
Line Maintenance Mechanic	6	6.00	6.00	6.00	0.00	6.00
Inflow & Infiltration Technician	11	0.00	0.00	1.00	1.00	1.00
<i>Sub-Total</i>		10.00	10.00	11.00	1.00	11.00
<i>Environmental Services</i>						
Environmental Services Supervisor	13	1.00	1.00	1.00	0.00	1.00
Administrative Support Specialist	7	1.00	1.00	1.00	0.00	1.00
Environmental Services Crew Leader	10	0.00	0.00	1.00	1.00	1.00
Equipment Operator	7	5.00	5.00	4.00	-1.00	4.00
Environmental Services Worker	4	7.00	7.00	7.00	0.00	7.00
<i>Sub-Total</i>		14.00	14.00	14.00	0.00	14.00
TOTAL		290.00	294.00	300.00	6.00	219.00

Note that the count includes part-time employees represented by “1.00” full count

Note the F.T.E. column includes Full-time as “1.00” and Permanent Part-time as “0.50”

The increase in total number of employees by a count of “6.00” is a result of the following additions:

1. Two part-time “Parking Ambassador” positions,
2. One part-time “Engineering Intern” position,
3. One full-time “Leak Detection Technician” position,
4. One full-time “Inflow & Infiltration Technician” position, and
5. One full-time “Utilities Engineer” position (previously vacant).

There are also a variety of reclassifications and other positions changes that did not affect the overall head count in the City of Hendersonville.

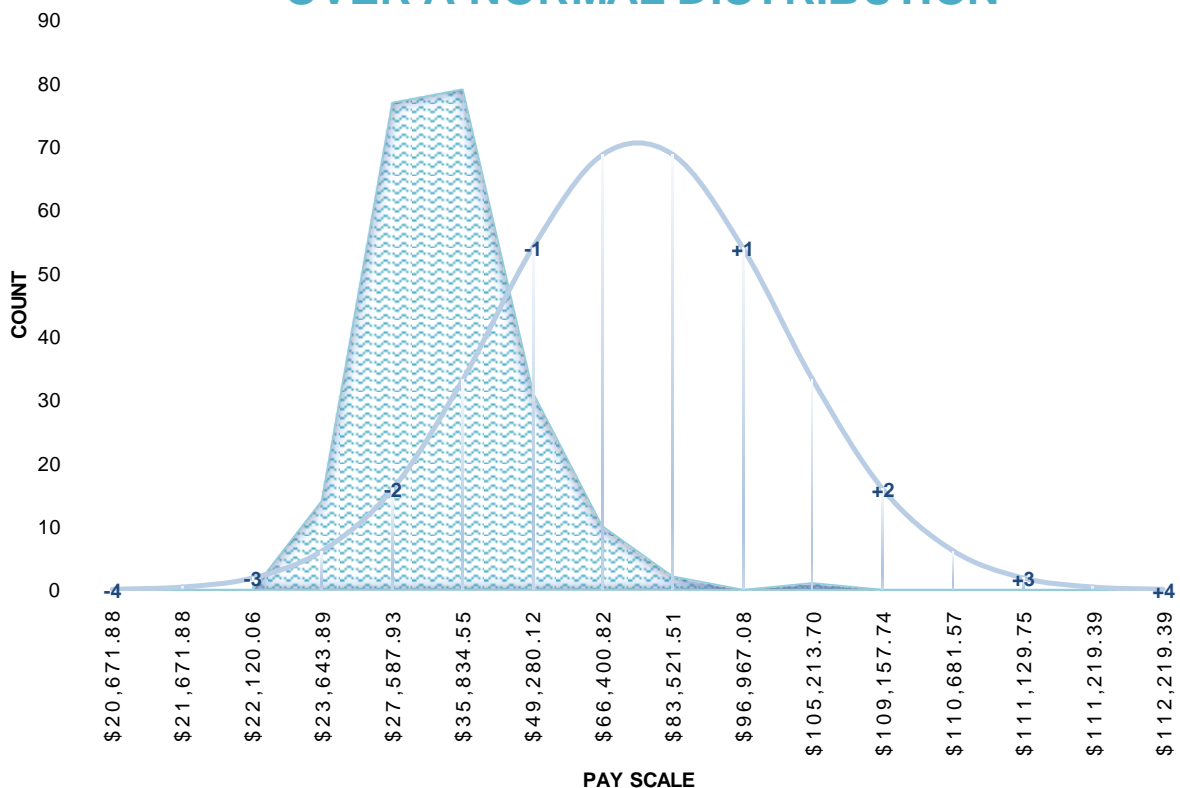


Position Allocation Distribution Summary

The following chart details the City’s position allocation distributed over a normal distribution. In general, when we gather data, we expect to see a particular pattern to the data. A normal distribution is one where the data is evenly distributed around the mean, which when plotted as a histogram will result in a bell curve. The closer a value is to the mean, the more you’ll see it, and the number of values on either side of the mean at any particular distance are equal.

Ideally, the salaries of City employees will represent something similar to a normal distribution. Anything that is compressed towards either end of the pay range is considered pay or salary compression. Pay compression is the situation that occurs when there is only a small difference in pay between employees regardless of their skills or experience. Pay compression is the result of the market-rate for a given job outpacing the increases historically given by the organization to high tenure employees. Therefore, newcomers can only be recruited by offering them as much or more than senior professionals.

CITY OF HENDERSONVILLE EMPLOYEE SALARY DISTRIBUTION OVER A NORMAL DISTRIBUTION



The chart represents all permanent employees overlapping a normal distribution of the entire pay range. As the chart details, there is slight compression towards the front of the range. Ideally, about 68% of employees would fall between the -1 and +1 standard deviation.



Fee Schedule

CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2015 - 2016

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
ADMINISTRATION	
Application for Certificate of Public Convenience & Necessity (taxicab)	\$60.00
CDs	\$1.00
Copy Charges (per page)	
Black	\$0.15
Color	\$0.25
Special Event Vendors: (per day)	
Food Vendors	\$30.00
Non-Food Vendors	\$15.00

DEVELOPMENT ASSISTANCE	
Administrative Review	No Charge
Annexation Waiver, Voluntary (contiguous or satellite)	\$26.00
Comprehensive Plan (per page)	
Black	\$0.15
Color	\$0.25
Conditional Use	\$200.00
Copy Charges (per page)	
Black	\$0.15
Color	\$0.25
Large Format Copy	\$10.00
Demolition Admin Fee	\$100.00
Floodplain Development Permit	\$300.00
Non-Conforming Use	\$100.00
Nuisance Fee (Admin. Cost Doubles for each Offense within a Year)	Cost + \$100 Admin. Cost
Sign Permits (based on cost of sign)	
Minimum	\$40.00
\$1,000	\$45.00
\$2,000	\$50.00
\$3,000	\$55.00
\$4,000	\$60.00
\$5,000	\$65.00
\$6,000	\$70.00
\$7,000	\$75.00
\$8,000	\$80.00
\$9,000	\$85.00
\$10,000	\$90.00
Over \$10,000	\$40.00 per \$1000 over \$10,000

¹Applicable only to applications required to meet the additional standards contained in Section 16-4-23.4.
Fees for towers proposed for siting in PCD or PID district are included in the fee for special use review.



Fee Schedule

CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2015 - 2016

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
DEVELOPMENT ASSISTANCE	
Site Plan Reviews & Amendments	
Commercial, Industrial or Institutional	
5,000 - 19,999 square feet in floor area	\$300.00
20,000 - 50,000 square feet in floor area	\$450.00
Minor Planned Residential Developments	
3 - 10 dwellings	\$300.00
11 - 50 dwellings	\$450.00
Special Use Reviews & Amendments	\$100/acre (\$500 minimum)
Street Closing Petition (\$1000 deposit)	Actual Cost
Subdivision Ordinance (per page)	\$0.15
Subdivision Plats	\$20/lot
Telecommunications Towers, Antennas and Equipment	
Basic Permit (C-3, I-1)	\$450.00
Special Use Permit	\$2500.00 ¹
Temporary Use Permit	\$60.00
Traffic Impact Analysis Study	\$1,000.00
Variance	\$75.00
Zoning Map	\$5.00
Zoning Ordinance (per page)	\$0.15
Zoning Ordinance Map Amendment (Legislative Rezoning)	
Commercial or Industrial	\$275.00
Residential < 3 acres	\$175.00
Residential > 3 acres	\$225.00
Zoning Ordinance Text Amendments	\$175.00
Zoning Permit	\$50.00
ENGINEERING	
Stormwater Permit Fee	\$500.00
FIRE DEPARTMENT	
Operational Permits	
Amusement Buildings	\$50.00
Carnival and Fairs	\$50.00
Covered Mall Buildings	\$50.00
Exhibits and trade shows (per event)	\$50.00
Explosives	\$100.00
Fire Hydrants and Valves	\$50.00
Flammable and Combustible Liquids	\$100.00
Fumigation and thermal insecticide fogging	\$100.00
Private Hydrants	\$50.00
Pyrotechnic special effects material	\$100.00
Spraying and Dipping	\$100.00
Temporary membrane structures, tents, and canopies (excludes special events)	\$50.00



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2015 - 2016

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
FIRE DEPARTMENT	
Construction Permits	
Automatic fire extinguishing systems	\$100.00
Compressed gas	\$100.00
Fire alarm and detection systems and related equipment	\$100.00
Fire pumps and related equipment	\$100.00
Flammable and Combustible liquids	\$100.00
Hazardous Materials	\$100.00
Industrial Ovens	\$100.00
LP Gas	\$100.00
Private fire hydrant	\$100.00
Spraying and Dipping	\$100.00
Standpipe systems	\$100.00
Temporary membrane structures, tents, canopies	\$50.00
(Fee per site) (excludes special events)	
Construction Plans Review	
Commercial hood suppression systems	\$100.00
Petroleum tanks and appurtenances	\$100.00
Sprinkler systems and fire alarm systems:	
1-50,000 square feet	\$50.00
50,001 to 75,000 square feet	\$100.00
75,001 to 100,000 square feet	\$150.00
100,001 to 150,000 square feet	\$200.00
150,001 square feet and over	\$300.00
Explosives and fireworks	\$100.00
Re-inspection Fee (Follow-up) per re-inspection	\$100.00
Work without a permit	\$250.00
Hazardous Material Response Fees	
Engine Company Response - per engine (per hr.)	\$150.00
Ladder/Truck Response - per ladder/truck (per hr.)	\$200.00
Chief Officer - per officer (per hr.)	\$75.00
Fire Marshall/Deputy Fire Marshall - per person (per hr.)	\$50.00
Materials/Supplies Used	Actual replacement cost
Off Duty/Call Back Personnel	Average hourly rate x 1.5
Site Assessment Fee	\$50.00
FINANCE	
Business Registry Fee	\$50.00
Credit Card Processing Fee (per transaction) for Tax Payments	2.75%
Credit Card Processing Fee (per \$300) for Water & Sewer Bills	\$2.95
Returned check fee	\$25.00
Returned electronic item fee	\$10.00
Rejected bank draft	\$5.00



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2015 - 2016

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
POLICE	
Fingerprinting	\$10.00
Precious Metals Dealer Background Check	\$75.00
Parking Fees, Fines & Penalties:	
Monthly parking space fee	\$20.00
Monthly parking space fee in the municipal service business district	\$30.00
Skyland Refundable Parking Permit	\$25.00
Construction parking permit (per day)	\$5.00
Parking meter (per 1/2 hour)	\$0.50
Overtime/Expired meter	\$25.00
Subsequent overtime	\$50 + Doubles each O/T
Loading Zone/15 minute parking	\$25.00
Crosswalk	\$25.00
Handicapped	\$250.00
Fire Lane	\$100.00
Fire Hydrant	\$100.00
Limited Zone (Same Block Parking)	\$50.00
All Other Parking Violations C.O. 50	\$25.00
Penalty after 15 days	\$25.00
Penalty after 30 days additional	\$50.00
Habitual Offender (3 Tickets or more in 30 days)	\$100.00
PUBLIC WORKS	
Operation Center Room Rental Rates	
Large Assembly Room (8 a.m. - 5 p.m.)	\$50.00
Large Assembly Room (5 p.m. - 10 p.m.)	\$25.00
Small Assembly Room (8 a.m. - 5 p.m.)	\$10.00
Small Assembly Room (5 p.m. - 10 p.m.)	\$5.00
Boyd Park Mini-Golf Admission	
Adults	\$3.00
Children	\$2.00
Oakdale Cemetery Lots (per grave space)	
City Resident	\$500.00
Out of City Resident	\$1,000.00
Park Usage	
Berkeley Park - Large Pavilion (May through September)	\$50/half day
Berkeley Park - Field Usage for Organized Groups (per player per season)	\$20.00
Patton Park - Small Pavilion	\$25/half day
Patton Park - Large Pavilion (May through September)	\$50/half day
Patton Park - Field Usage for Organized Groups (per player per season)	\$10.00



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2015 - 2016

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
PUBLIC WORKS	
Patton Pool	
Lap Swim	\$4.00
Daily Admittance Fee (adults)	\$5.00
Daily Admittance Fee (children) (3yrs or younger will be free with adult)	\$4.00
Daily Admittance Fee (non-swimmer)	\$2.00
Season Pass - Family - City Resident	\$150.00
Season Pass - Family - Non City Resident	\$300.00
Season Pass - Individual Adult - City Resident	\$75.00
Season Pass - Individual Adult - Non City Resident	\$150.00
Season Pass - Individual Senior - City Resident	\$60.00
Season Pass - Individual Youth - City Resident	\$60.00
Season Pass - Individual Youth - Non City Resident	\$120.00
Punch Pass - Adult - City Resident (15 admissions)	\$30.00
Punch Pass - Adult - Non City Resident (15 admissions)	\$50.00
Punch Pass - Youth - City Resident (15 admissions)	\$25.00
Punch Pass - Youth - Non City Resident (15 admissions)	\$45.00
Miscellaneous	
Backhoe (per hour)	\$80.00
Building Maintenance Fees (per hour)	\$45.00
Bush Hogs/Tractor Mowing (per hour)	\$80.00
Fleet Maintenance Fees (per hour)	\$45.00
Gas Utility Cuts (per 5' X 5' cut)	\$300.00
Water/Flusher Truck (per load)	\$100.00
Water/Sewer Utility Cuts	\$300.00
Weed Eater/Hedge Trimmer (per hour)	\$40.00
Electrical Usage for Special Events - 20 Amps or Less	\$25/per day
Electrical Usage for Special Events - 21 Amps - 50 Amps	\$50/per day
Electrical Usage for Special Events - over 50 Amps	\$100/per day
Encroachment Permit Fee	\$10.00
Sanitation Services	
Special Loads (tipping fee added to special fee)	\$150.00
(collected with knuckleboom using city staff)	
Small Special load (collected with pickup truck and city staff)	\$50.00
Environmental Services Base Fee	\$2.00
Environmental Services	
<i>Residential Services</i>	
Residential - 96-gal container (non recycler)	\$20.00
Residential - 96-gal container (actively recycles)	\$16.50
Residential - 32-gal container (non recycler)	\$18.00
Residential - 32-gal container (actively recycles)	\$14.25



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2015 - 2016

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
PUBLIC WORKS	
<i>Commercial Services</i>	
Commercial Recycling Collection (up to four 65 gallon carts emptied once per week)	\$10.00
Commercial Recycling Collection (up to four 65 gallon carts emptied twice per week)	\$20.00
Commercial-Business refuse pickup per can (96-gal)	\$25.50
Commercial-Business refuse pickup per can (96-gal) (Actively Recycles)	\$22.00
Stolen/Damaged Cart Replacement Fee	\$100.00
<i>Mulch/Composted Leaves</i>	
2.5 CY (small truck or small trailer)	\$10.00
10 CY (single axle dump truck or equivalent)	\$40.00
We will sell to residents, non-residents and businesses. (2.5 CY = one scoop of backhoe loader front bucket.)	
WATER AND SEWER	
Water Rate Schedule	
Deposits	
Water & Sewer Service Deposit	\$100.00
<i>Inside City Limits</i>	
Residential	
Base Charge per Account	\$5.62 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$2.72 per 1000 gallons
> 40,000 gallons	\$2.99 per 1000 gallons
Commercial/Industrial	
Base Charge per Account	\$5.62 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$2.72 per 1000 gallons
40,000 - 200,000 gallons	\$2.07 per 1000 gallons
> 200,000 gallons	\$2.14 per 1000 gallons
Irrigation	
Base Charge per Account	\$6.08 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$2.99 per 1000 gallons
> 40,000 gallons	\$3.29 per 1000 gallons
<i>Outside City Limits</i>	
Residential	
Base Charge per Account	\$8.38 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$4.33 per 1000 gallons
> 40,000 gallons	\$4.76 per 1000 gallons
Commercial/Industrial	
Base Charge per Account	\$8.38 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$4.33 per 1000 gallons
40,000 - 200,000 gallons	\$3.23 per 1000 gallons
> 200,000 gallons	\$3.07 per 1000 gallons
Municipal	
Base Charge per Account	\$8.38 per month
Rate per 1,000 Gallons	
All Usage	\$2.82 per 1000 gallons



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2015 - 2016

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE	
WATER AND SEWER		
Irrigation		
Base Charge per Account	\$9.12 per month	
Rate per 1,000 Gallons		
0 - 40,000 gallons	\$4.76 per 1000 gallons	
> 40,000 gallons	\$5.23 per 1000 gallons	
Bulk Water Sales		
Base Charge per Account	\$9.12 per month	
Rate per 1,000 Gallons		
0 - 40,000 gallons	\$4.76 per 1000 gallons	
> 40,000 gallons	\$5.23 per 1000 gallons	
<i>Water Fee Schedule</i>		
Taps & Connections		
Water Tap, 5/8"	\$1,000.00	
Water Tap, 1"	\$1,400.00	
Water Taps > 1"	Cost plus 10%	
Water - Stub Out	\$600.00	
Irrigation Tee, 5/8"	\$600.00	
Meters		
Turn On/Set Meter During Business Hours	\$40.00	
Turn On/Set Meter After Business Hours	\$100.00	
Meter Tampering Fee	\$75.00	
Test Meter, at customer's request (<1-in.); if meter faulty - No Charge	\$45.00	
Test Meter, at customer's request (>1-in.); if meter faulty - No Charge	Cost plus 10%	
System Development Charges (SDC)		
System Development Charges (SDC) - New Customers (Residential and Commercial)		
Meter Size, Inches	Meter Equivalent	Cost
5/8"	1	\$1,430.00
1"	3	\$2,330.00
1-1/2"	5	\$4,650.00
2"	7	\$7,500.00
3"	10	\$14,930.00
4"	16	\$23,400.00
6"	40	\$46,730.00
8"	70	\$74,780.00
10"	100	\$107,480.00
*System Development Charges (SDC) - Existing Customers (Residential Only)		
5/8"	1	\$950.00
1"	3	\$1,550.00
<i>*Eligible for financing SDCs up to 36-months</i>		
<i>Fees - associated with financing of System Development Charges (SDC):</i>		
Title Search for SDC financing agreement	\$250.00	
Note & Deed of Trust Document Preparation for SDC financing agreement	\$200.00	
Subordination agreement preparation-per recorded lien for SDC financing	\$50.00	
County Register of Deeds Recording fee per document -SDC financing	\$26.00	
Copies - .25 per page for copies from Register of Deeds - SDC financing	\$0.25	
Engineering Review Fees		
Line Extensions	\$300.00	
Pump Stations	\$75.00	
Storage Tanks	\$75.00	



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2015 - 2016

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
WATER AND SEWER	
Miscellaneous Fees	
Credit Card Processing Fee (per \$300)	\$2.95
Returned check fee	\$25.00
Returned electronic item fee	\$10.00
Rejected bank draft	\$5.00
Late Payment Fee (5 days after due date)	\$10.00
Late Payment Fee (10 days after due date)	\$15.00
Administrative Disconnection Fee	\$40.00
Reconnection for Non-Payment - After Business Hours	\$100.00
Reconnection of Service at Main	Cost plus 10%
Replace Removed Meter due to additional usage after non-payment cut-off	
During Business Hours	\$75.00
After Business Hours	\$100.00
Premise Visit	\$40.00
Fire Hydrant Installation	Cost plus 10%
Assist with Fire Hydrant Flow/Pressure Testing Conducted by Others	\$50.00
Illegal Use of Fire Hydrant/Tampering Fee	\$500 + Damages
Drill for Main Tap, Cost/Inch of Diameter	\$150.00
Chemical Analysis of Water	Cost plus 10%
Water Conservation Incentives Program Rebate Schedule	
Clothes Washer (\$75 min; \$150 max) - Limit one per account	15% of purchase price
High-Efficiency Toilet (\$25 min; \$100 max) - Limit 2 per residential account	15% of purchase price
Weather-Based Irrigation System Controller - Limit one per account	**50% of purchase price or \$200, whichever is less
<i>Limited number of rebates offered annually.</i>	
Sewer Rate Schedule	
Retail - Inside	
Base Charge per Account	\$6.28 per month
Rate per 1,000 Gallons	\$4.33 per 1000-gallons
Retail - Outside	
Base Charge per Account	\$9.45 per month
Rate per 1,000 Gallons	\$6.93 per 1000-gallons
Municipal	
Base Charge per Account	\$9.45 per month
Rate per 1,000 Gallons	\$6.60 per 1000-gallons
<i>Note: These sewer rates are not applicable to the Cane Creek Sanitary Sewer District</i>	
Sewer Fee Schedule	
Taps and Connections	
Sewer Taps, 4" gravity sewer tap	\$1,500.00
Fee per 6" gravity sewer tap	\$1,800.00
Fee per 8" gravity sewer tap	\$2,000.00



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2015 - 2016

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION		COST/CHARGE/FEE
WATER AND SEWER		
System Development Charges (SDC)		
System Development Charges (SDC) - New Customers (Residential and Commercial)		
Meter Size, Inches	Meter Equivalent	Cost
5/8"	1	\$1,280.00
1"	3	\$2,100.00
1-1/2"	5	\$4,200.00
2"	7	\$6,750.00
3"	10	\$13,500.00
4"	16	\$21,080.00
6"	40	\$42,080.00
8"	70	\$67,350.00
10"	100	\$96,830.00
*System Development Charges (SDC) - Existing Customers (Residential Only)		
5/8"	1	\$850.00
1"	3	\$1,400.00
<i>*Eligible for financing SDCs up to 36-months</i>		
<i>Fees - associated with financing of System Development Charges (SDC):</i>		
Title Search for SDC financing agreement		\$250.00
Note & Deed of Trust Document Preparation for SDC financing agreement		\$200.00
Subordination agreement preparation-per recorded lien for SDC financing		\$50.00
County Register of Deeds Recording fee per document -SDC financing		\$26.00
Copies - .25 per page for copies from Register of Deeds - SDC financing		\$0.25
Surcharges		
BOD (biochemical oxygen demand), per lb. in excess of 250-mg/l		\$0.25
TSR (total suspended residue), per lb. in excess of 250-mg/l		\$0.15
Ammonia nitrogen, per lb. in excess of 30-mg/l		\$1.50
Engineering Review Fees		
Line Extensions		\$300.00
Pump Stations		\$75.00



**CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2015 - 2016**

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
WATER AND SEWER	
Miscellaneous Fees	
Premise Visit	\$40.00
Septic Tank Waste Disposal, per 1000-gallons	\$60.00
Septic Tank Waste Disposal Permit	\$75.00
Concrete Core Drill (manhole), Cost/Inch of Diameter	\$100.00
Drill for Main Tap, Cost/Inch of Diameter	\$100.00
Pretreatment Program	Cost of Program Per SIU
Nondischarge Permit Fee	\$300.00
Food Services Sewer Connection Application Fee	\$75.00
**Sewer system development charge (SDC) calculated using residential equivalent unit (REU) of 360-gallons per day.	
Equipment Usage (hourly rates)	
Rubber-Tired Backhoe, Small	\$33.00
Rubber-Tired Backhoe, Large	\$38.00
Mini-Excavator, 8,000-lb	\$18.00
Mini-Excavator, 12,000-lb	\$39.00
Excavator, 30,000-lb	\$65.00
Vac Truck	\$75.00
Dump Truck (single-axle), Small	\$20.00
Dump Truck (single-axle), Large	\$35.00
Dump Truck (triaxle)	\$65.00
Pick-Up Truck	\$14.00
Harben	\$25.00
Camera Truck	\$75.00
Air Compressor	\$20.00
Air Hammer/Pusher	\$0.65
Soil Tamp	\$20.00



Glossary of Terms

Accrual Basis of Accounting (or Full Accrual)

Accounting method for proprietary funds that recognizes revenues in the accounting period in which they are earned and become measurable. Expenses are recognized in the period incurred, if measurable.

Ad Valorem Tax

A tax levied in proportion to the value of property.

Amortization

Paying the principal amount of a debt issue through periodic payments. Amortization payments include interest and any payment no principal.

Appropriation

Authorization granted by City Council to obligate and expend resources for purposes specified in the budget document.

Assessed Valuation

The value of real estate or personal property as determined by tax assessors and used as a bases for levying taxes.

Authorized Bond

Bonds that have been legally approved but may or may not have been sold.

Balanced Budget

A budget in which planned expenditures equal anticipated revenues. North Carolina state law requires municipalities to adopt a balanced operating budget.

Base Budget

Those resources necessary to meet an established and existing service level.

Basis of Accounting

Accounting method that determines when revenues, expenditures, expenses, and transfers (and the related assets and liabilities) are recognized in accounts and reported in financial statements. The two bases of governmental accounting include accrual (or full accrual) and modified accrual.

Benchmarking

The process of identifying best practices of “best in class” performers that can be adopted or adapted to improve performance.

Bond

A written promise to pay a specific amount of money with interest within a specific time, usually long-term.



Bond Rating

A grade indicating a governmental unit's investment qualities. Generally, the higher the bond rating, the less risk investor assume resulting in more favorable interest rate and lower cost of financing capital projects for the governmental unit.

Budget

A plan for the coordination of resources and expenditures. The budget document outlines the City's financial plan for a fiscal year indicating how the City intends to allocate resources to support goals, objectives, and desired service levels.

Budget Amendment

A legal procedure used by City staff and City Council to revise a budget appropriation.

Budget Calendar

The schedule of key dates that the City departments follow in the preparation, adoption, and administration of the budget.

Budget Message

A written overview of the proposed budget from the City Manager to the Mayor and City Council and the public that discusses the major budget items, changes from the current and previous fiscal years, and the City's financial condition.

Budget Ordinance

The official enactment by City Council to establish legal authority for City officials to obligate and expend resources.

Budgetary Control

The control or management of a governmental unit in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

Capital Assets

Tangible property that is not easily converted into cash and is usually held for a long period, such as property, machinery, vehicles, equipment, etc...

Capital Improvement Plan (CIP)

A multi-year plan for the construction or acquisition of major capital items. The plan usually outlines spending needs, the financing source or sources expected, and the impact of the CIP on future annual operating budgets.

Capital Outlay

Expenditure expected to have a useful life greater than one year or a total value of \$10,000 or more resulting in the acquisition of or addition to a fixed asset.



Capital Project

A capital improvement that usually requires a major initial investment, and a significant and continuing financial commitment in the form of operating costs.

Capital Project Fund

A fund used to account for the acquisition and construction of major capital facilities.

Capital Reserve

An account used to indicate that a portion of a fund's balance is restricted for a specific capital purpose and is not available for general appropriation.

Cash Accounting

An accounting method where receipts are recorded during the period they are received, and the expenses in the period in which they are actually paid.

Cash Management

The management of cash necessary to pay for governmental services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflow and outflows of cash, mobilizing cash to improve its availability for investment, and establishing and maintaining banking relationships.

Certificates of Participation (COPS)

A security created as a part of a lease-purchase agreement. The lender, the holder of the certificate, owns a right to participate in periodic lease payments (interest and return of principal) as they are paid.

Community Development Block Grants (CDBG)

An entitlement grant from the U.S. Department of Housing and Urban Development (HUD) to assist low and moderate-income persons of the City in targeted neighborhoods.

Comprehensive Annual Financial Report (CAFR)

A complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Contingency

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Debt Service

The portion of the budget pertaining to payment of principal and interest requirements on outstanding debts.

Deficit

The amount by which expenditures exceed revenues during an accounting period.



Department

An organizational unit of the City responsible for overall management of a major governmental function.

Depreciation

The process of estimating and recording the lost usefulness, expired useful life, or diminution of service from a fixed asset that cannot or will not be restored by repair and must be replaced. The cost of the fixed asset's lost usefulness is the depreciation of the cost to the reserve to replace the item at the end of its useful life.

Designated Fund Balance

Monies over the years that remain unspent after all budgeted expenditures have been made, but which are reserved for specific purposes and are unavailable for appropriation.

Disbursement

Payment for goods and services in cash or by check.

Effectiveness Measure

A performance measure identifying outcome quality.

Efficiency Measure

A performance measure identifying inputs used per unit of output, or unit costs.

Encumbrance

A financial commitment of appropriated funds for services, contracts, or goods that have not yet been delivered by a specified time, usually the end of the fiscal year.

Enterprise Fund

A fund that accounts for a governmental activity supported primarily with user fees or charges and operated using business principles.

Estimated Revenue

The amount of projected revenue to be collected during the fiscal year.

Expenditures

The measurement focus of governmental fund accounting identifying financial resources expended.

Expenses

The measurement focus of proprietary fund accounting identifying costs expired. Expenses reflect the cost of goods or services used.

FICA

Social Security Tax paid by the City for each permanent and temporary employee.



Fiduciary Funds

Funds used to separate, control, and track financial resources in which the government oversees as a third party, or on behalf of, another public entity. The four fiduciary fund types include: 1) Agency Fund, 2) Pension Trust, 3) Expendable Trust, 4) Non-Expendable Trust.

Fiscal Policy

The financial plan embracing the general goals and acceptable procedures for managing the City's financial resources.

Fiscal Year (FY)

The time designating the beginning and the ending period for recording financial transactions. In North Carolina, a municipal government fiscal year begins July 1st and ends June 30th.

Fixed Asset

A long-term tangible piece of property that is not expected to be consumed or converted into cash any sooner than at least one-year's time.

Fringe Benefits

A collection of various benefits provided by an employer, which are exempt from taxation as long as certain conditions are met.

Full Cost Accounting

Type of accounting concerned with accumulating both direct and indirect costs for financial reporting and decision-making purposes.

Full-Time Equivalent (FTE)

An FTE converts the hours worked by a position into a percentage of a full year's number of hours. Generally, on FTE equals 2,080 hours per year per permanent position.

Function

A group of related programs crossing organizational boundaries and aimed at accomplishing a similar broad goal or major service such as public safety, environmental protection, cultural activities, etc...

Fund

A fiscal and accounting entity that has a self-balancing set of accounts recording cash and other financial resources, as well as related liabilities and residual equity. These are segregated to carry on specific activities or objectives in accordance with special regulations, restrictions, or limitations as established by State and Federal governments.

Fund Balance

The amount of assets in excess of the liabilities or appropriations for expenditures also known as surplus funds. North Carolina General Statutes require general fund balance reserves of at least 8% of General Fund expenditures at the end of the fiscal year.



GASB Statement No. 34

The acronym used for Governmental Accounting Standards Board Statement #34: “Basic Financial Statements-Management’s Discussion and Analysis-For State and Local Governments”.

Generally Accepted Accounting Principles (GAAP)

Uniform minimum standards and guidelines for financial accounting and reporting. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices.

General Fund

A governmental fund used to account for financial resources of the City, except those required to be accounted for in another fund. Revenues to support the General Fund are derived from sources such as property tax, sales tax, franchise fees, and service fees. This fund usually includes most of the basic operation services, such as fire, police, finance, public works, administration, planning, etc...

General Ledger

A file that contains a listing of the various accounts necessary to reflect the financial position of the government.

General Obligation Bond (GO Bond)

A bond issued by a government that is backed by the full faith and credit of its taxing authority.

GFOA

The acronym used for Government Finance Officers Association of the United States and Canada.

Goal

A statement of broad direction, purpose, or intent based on the needs of the community. A goal is general and timeless.

Governmental Funds

Funds used to separate, control, and track financial resources of general government operations. The four governmental fund types include: 1) General Fund, 2) Special Revenue Funds, 3) Capital Projects Funds, 4)Debt Service Funds.

Grant

A contribution by a government of other organization to support a particular function.

Inter-fund Transfers

Amounts transferred from one fund to another.

Intergovernmental Revenues

Revenues from other governments (State, Federal, or local) that can be in the form of grants, shared revenues, or entitlements.



Internal Service Fund

This fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, on a cost reimbursement, or cost allocation, basis.

Inventory

A detailed listing of property currently held by a government.

Investment Earnings

Revenue earned on investments with a third party.

Lease/Installment-Purchase Financing

A method of purchasing equipment in which payments are spread over time. The purchased equipment serves as collateral.

Line Item

A budgetary account representing a specific object of expenditure.

Local Government Budget and Fiscal Control Act (LGBFCA)

The act governs all financial activities of local governments within the State of North Carolina.

Local Government Commission (LGC)

A division of the North Carolina Department of State Treasurer, the LGC is responsible for the approval, sale, and delivery of substantially all North Carolina local government bonds and notes as well as monitoring certain fiscal and accounting standards prescribed for units of local government by the Local Government Budget and Fiscal Control Act.

Long Term Debt

Debt with a maturity of more than one year after the date of issuance.

Maturities

The dates on which the principal or stated values of investments or debt obligations become due and/or may be reclaimed.

Mission

A broad statement outlining a department's purpose for existing.

Modified Accrual Basis of Accounting

Accounting method for governmental funds that recognizes revenues in the accounting period in which they become available and measurable. Expenditures are recognized in the period the fund liability is incurred, if measurable, except for unmatured interest on (and principal of) general long-term debt, which should be recognized when due.

North Carolina General Assembly (N.C.G.A.)

The legislative body of the State's government.



North Carolina General Statutes (N.C.G.S.)

Laws governing the State of North Carolina.

Objective

A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. An objective should imply a specific standard of performance for a given program.

Occupational Safety and Health Act (OSHA)

Regulations passed by the U.S. Department of Occupational Safety and Health Administration to assure safe and healthful working conditions for working men and women by authorizing enforcement of the standards developed under the Act.

Operating Budget

A financial plan for the provision of direct services and support functions.

Operating Expenses

The portion of the budget pertaining to the daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as supplies, utilities, and materials.

Pay-As-You-Go (or Pay-Go)

Financial policy of a government unit that finances capital outlays from current revenues rather than from borrowing.

Peer Group

Other municipalities with similar characteristics, such as population, services provided, and tax base, used for comparison of financial condition and performance.

Performance-Based Budget

A budget wherein expenditures, planning, and management decisions are based primarily upon measurable performance of activities.

Performance Indicator

A performance indicator is a measurement designed to determine whether a service objective has been met. It measures the effectiveness of achieving an objective.

Performance Measurement

The regular collection of quantifiable information regarding the results of service delivery.

Personal Property

Movable property classified within two categories; tangible and intangible. “Tangible” or touchable property includes items of visible and movable property not permanently affixed to real property. “Intangible” or non-touchable property includes stocks, bonds, notes, cash, bank deposits, accounts receivable, patents, trademarks, copyrights, and similar assets.



Personnel Services

Salaries and wages paid to employees for fulltime, part-time, and temporary work including overtime and similar compensation.

Policy

A definite course or method of action in light of given conditions to guide and determine present and future decisions.

Powell Bill Funds

Funding from state-shared gasoline taxes that are restricted for use on maintenance of local streets and roads.

Productivity Measure

A performance measure combining efficiency and effectiveness measures into a single factor.

Program

An organized set of related work activities that are directed toward accomplishing a common goal.

Property Taxes

Taxes levied on both real and personal property according to the property's valuation and tax rate.

Proprietary Funds

Funds used to separate, control, and track financial resources of business-type activities carried out by a government. The two proprietary fund types include: 1) Enterprise Funds, and 2) Internal Service Funds.

Real Property

Land, buildings, and items permanently affixed to land or buildings.

Reclassification

Change in a position title and/or the associated pay range based on changes in the job skills required for a given position.

Reserve

An account designated for a portion of the fund balance that is to be used for a specific purpose.

Resources

Assets that can be used to fund expenditures such as property taxes, user fees, beginning fund balance, or working capital.

Restricted Intergovernmental Revenues

Grants, entitlements, and shared revenues that are recorded in the appropriate fund and classified by both source and function for which the revenues are to be spent.



Retained Earnings

Amounts shown as retained earnings represent accumulated earnings of proprietary funds after all budgeted business expenses have been made.

Revaluation

The process of revaluing a jurisdiction's real property in order to adjust the tax value to the market value. By North Carolina law, a revaluation must be conducted at a minimum of every eight years.

Revenue

Funds the City receives as income including tax payments, fees from specific services, receipts from other governments, fines, grants, shared revenues, and interest income.

Revenue Bonds

Bonds issued by a government that are backed by a specific revenue source such as water and sewer fees.

Revenue-Neutral Rate

The tax rate that would generate the same amount of ad valorem revenues as before a revaluation while considering growth.

Special Assessment

A compulsory levy made against certain properties to defray part of the cost of a specific improvement or service, which are deemed primarily to benefit those properties.

Special Revenue Fund

A fund used to account for the revenues from specific sources that are to be used for legally specified expenditures.

Surplus

The amount by which revenues exceed expenditures.

Target-Based Budget (TBB)

A budget wherein departments receive a maximum dollar figure, or target, to provide services.

Tax Base

The assessed valuation of all taxable real and personal property within the City's corporate limits.

Tax Levy

The resultant product when the tax rate per one-hundred dollars valuation is multiplied by the total taxable valuation, or tax base.

Taxes

Compulsory charges levied by a government for financing services performed for the common benefit of the people. This term does not include specific charges made against particular



persons or property for current or permanent benefit, such as special assessments or to user charges for enterprise type services.

Undesignated Fund Balance/Undesignated Retained Earnings

The portion of a fund's unspent monies, or reserves that are not restricted for a specific purpose and are available for general appropriation.

Unencumbered Balance

The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for expenditures.

User Fee/Charge

The payment for direct receipt of a service by the party benefiting from the service.

Workload Measure

A performance measure identifying how much or how many products or services were produced.

Zero-Based Budget (ZBB)

A budget wherein all expenses must be justified for each new period. Budgeting starts from a "zero base" and every function within an organization is analyzed for its needs and costs.



Common Budget Acronyms

CDBG	Community Development Block Grant
CIP	Capital Improvement Plan
COPS	Certificates of Participation
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
LGBFCA	Local Government Budget and Fiscal Control Act
LGC	Local Government Commission
NCGA	North Carolina General Assembly
NCGS	North Carolina General Statute
OSHA	Occupational Safety and Health Act
PM	Performance Measurement

