

City of Hendersonville, NC



Adopted Budget FY2017-2018

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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

“Bearers of Service”

**Sponsors: Simple Giving – Margaret Stallings Arnold and Edwin J. Arnold, Jr., BG
(Retired) U S Army**

Artist: Andrea Martin

To Benefit: Sheep Dog Impact Assistance

Auction Date: October 21st, 2017

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 and 7th Avenue 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 2017 which began July 1, 2016. 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 2018 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, 2016

Executive Director

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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 precisely reflect 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 FY17-18 consists of eight major sections: (1) Introduction, (2) Community and Organizational Profile, (3) Financial Summaries, (4) General Fund, (5) Enterprise Funds, (6) Other Funds, (7) Capital Improvements Plan, and (8) 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 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 Capital Improvement Plan, Pay and Classification Schedule, and Fee Schedule for the coming fiscal year.

Community and Organization Profile

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

Financial Summaries

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 funds.



The Financial Summaries section provides 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 understanding of fund-based revenues and expenditures.

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 generate funding through 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 Main Street Tax District Fund, the Historic Seventh Avenue Tax District Fund, Health and Welfare Fund, and the Debt Service Fund, to name a few. 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. Line items are the most detailed way to list budgeted expenditure and revenue information. 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.

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 required 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. The CIP is updated frequently because not all capital needs can be recognized five to six years before community need is identified.

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. Personnel listings and summary information can be found in the Supplemental Information section.



The Budget Process

In accordance with the Local Government Budget and Fiscal Control Act (LGBFCA), the budget document for fiscal year ending June 30, 2017 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 when “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: (1) departmental formulation of expenditure requests and revenue estimates, (2) preparation of a recommended budget document by the budget officer, and (3) 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 2018:

City of Hendersonville Budget Calendar FY17-18		
Budget Procedure	Legally Required Date	Projected Date
<input type="checkbox"/> Distribute CIP Requests		10/18/16
<input type="checkbox"/> Department Head Retreat		11/10/16
<input type="checkbox"/> CIP Requests Due		12/02/16
<input type="checkbox"/> CIP Meetings with Department Heads		December-January
<input type="checkbox"/> Distribute Budget Request Forms		01/03/17
<input type="checkbox"/> Budget Request Forms Due	Before 04/30/17	02/10/17
<input type="checkbox"/> Establish Prelim. Rev./Exp. Estimates		02/13/17 – 02/17/17
<input type="checkbox"/> Council Retreat/Budget Preview		02/23/17 – 02/24/17
<input type="checkbox"/> Special Appropriations Due		02/24/17
<input type="checkbox"/> Prelim. Budget Review Meeting (Admin. & Finance)		03/02/17 – 03/03/17
<input type="checkbox"/> Meetings with Department Heads		03/06/17 – 03/24/17
<input type="checkbox"/> Revised Rev./Exp. Estimates		03/31/17
<input type="checkbox"/> Budget Review & Adjustments		April
<input type="checkbox"/> Budget Memos		April
<input type="checkbox"/> Budget Workshop		05/05/17
<input type="checkbox"/> Public Notice of Budget Hearing	By 06/01/17	05/17/17
<input type="checkbox"/> Turn in Budget to City Council/City Clerk	By 06/01/17	05/17/17
<input type="checkbox"/> Public Budget Hearing/Adopt Budget Ordinance	By 07/01/17	06/01/17



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 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. Ten days must elapse between submission of the budget and adoption of the Budget Ordinance [G.S. 159-13(a)]. 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.

Legal provisions also allow local governments to amend current budgets, with some stipulations. 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: (1) the Manager proposes a package of amendments, (2) the appropriate committee of the Council holds hearings and suggests changes to the legislation, and (3) the full Council considers and acts upon the reviewed proposal.

The budget is enacted upon official adoption of the Budget Ordinance, not later than July 1st. 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 left corner of each page. These headings identify the subject, fund, department, or division being discussed and assist the reader in locating desired information. Within each section, bold and underlined headings identify major topics. 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. A glossary of terms is located in the *Supplemental Information* section 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	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 84,850.01	\$ 76,652.76	\$ 94,030.00	\$17,377.24

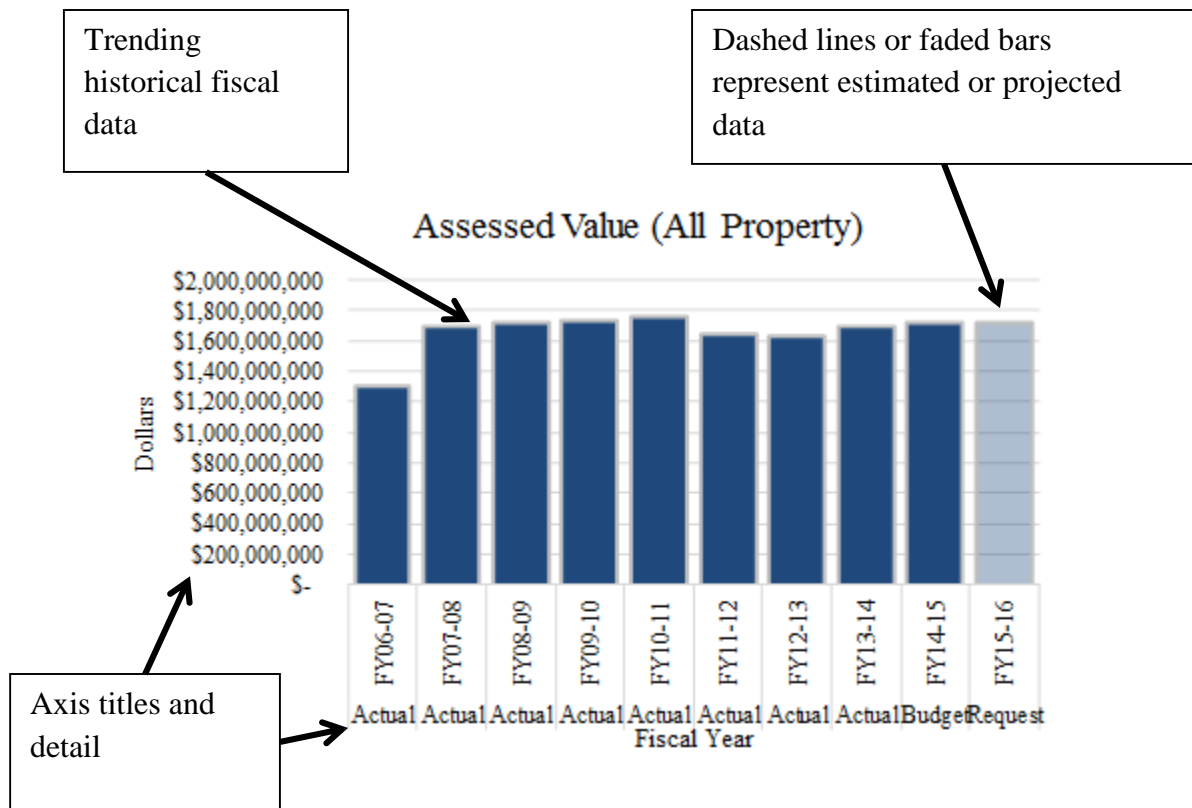
Includes capital items such as land, vehicles, equipment, etc.

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 increase in performance measurement initiatives. A good set of performance measures will reveal how effectively, efficiently, and equitably a given service was rendered, at what level of quality the service was delivered, and what effect the service has on the recipients 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 of measurement. 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. Instructions to calculate constant dollars are included in the following section:



1. Determine an index (in this case, CPI) and convert it to 100.0 for the base year
 - Divide current year CPI by the base year CPI, then multiply by 100
 - 100.0 base represents a starting point for comparisons
 - Base value (100.0) represents a 0% change in inflation

$$(\text{CPI Current Year} \div \text{CPI Base Year}) \times 100 = \text{CPI Index}$$

OR

$$(123.3 / 123.3) \times 100 = 100.0$$

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

2. Calculate the deescalating rate (percent of dollar value)
 - Subtract current year CPI from the base year CPI, then add back base year CPI and divide by 100
 - Finds effective spending power of a dollar as a percentage
 - If in year 3 the real value of a dollar is 87% of the year 1 value, then \$1.00 in year 1 is worth only \$0.87 in year 3.

$$(\text{CPI base year}) - (\text{CPI current year}) + (\text{CPI base year}) / 100 = \text{Deescalating Percent}$$

OR

$$(100.0 - 112.6 + 100.0) / 100 = 87\%$$

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
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3. Convert current revenues to effective (“real”) revenues.
 - Multiply current revenues by the deescalating percent
 - Shows actual spending level for the City- controlling for inflation

$$(\text{Revenues}) * (\text{Deescalating Percent}) = \text{Effective Revenues}$$

Or

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

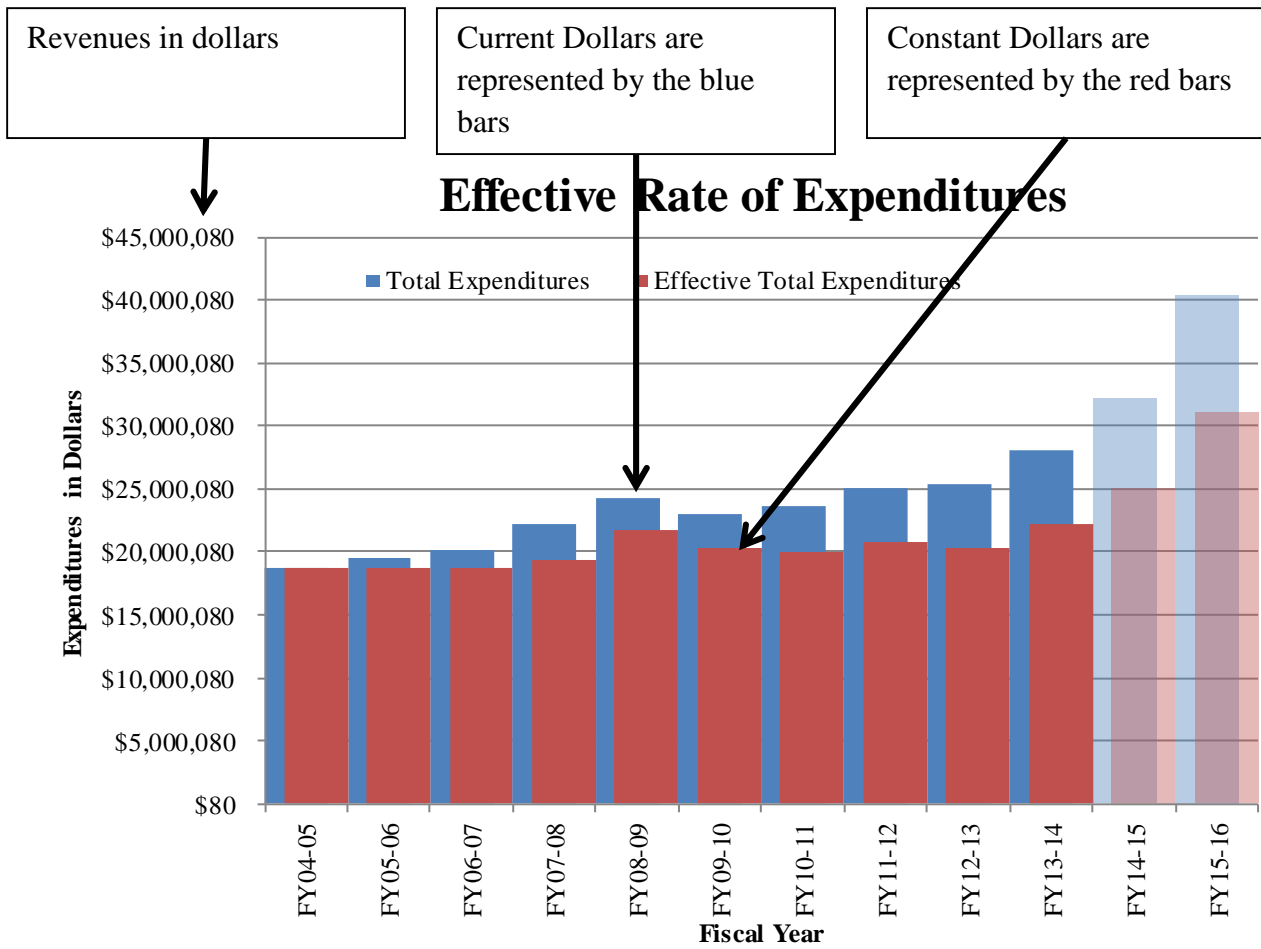
INFLATION COMPARISON EXAMPLE

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This calculation shows effective revenues in comparison to actual revenues. An example of the difference between actual and revenues is presented visually in bar chart format on the next page.



Below is an example of charts found throughout this document:



In addition to the revenue comparison percent differences between actual and effective revenues can be calculated in an index (General Fund Revenues Index).



The steps to calculating the General Fund Revenues Index are as follows:

1. Convert actual revenues into an index
 - Calculated by dividing actual revenues for the current year by actual revenues for the base year, then multiplying the dividend by 100.
 - Can be used to compare the CPI with the General Fund Index
 - Determines how well the organization has kept pace with inflation rates

$$\begin{aligned}
 & \text{(Actual Revenues Current Year / Actual Revenues Base) * 100} \\
 & \text{= General Fund Revenues Index}
 \end{aligned}$$

OR

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

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

2. Calculate the deescalating percent for the General Fund
 - Use the same steps as described in finding the deescalating percent for CPI
 - Used to observe the effects of inflation on General Fund Revenues

Difference between GF and CPI shown as a percent

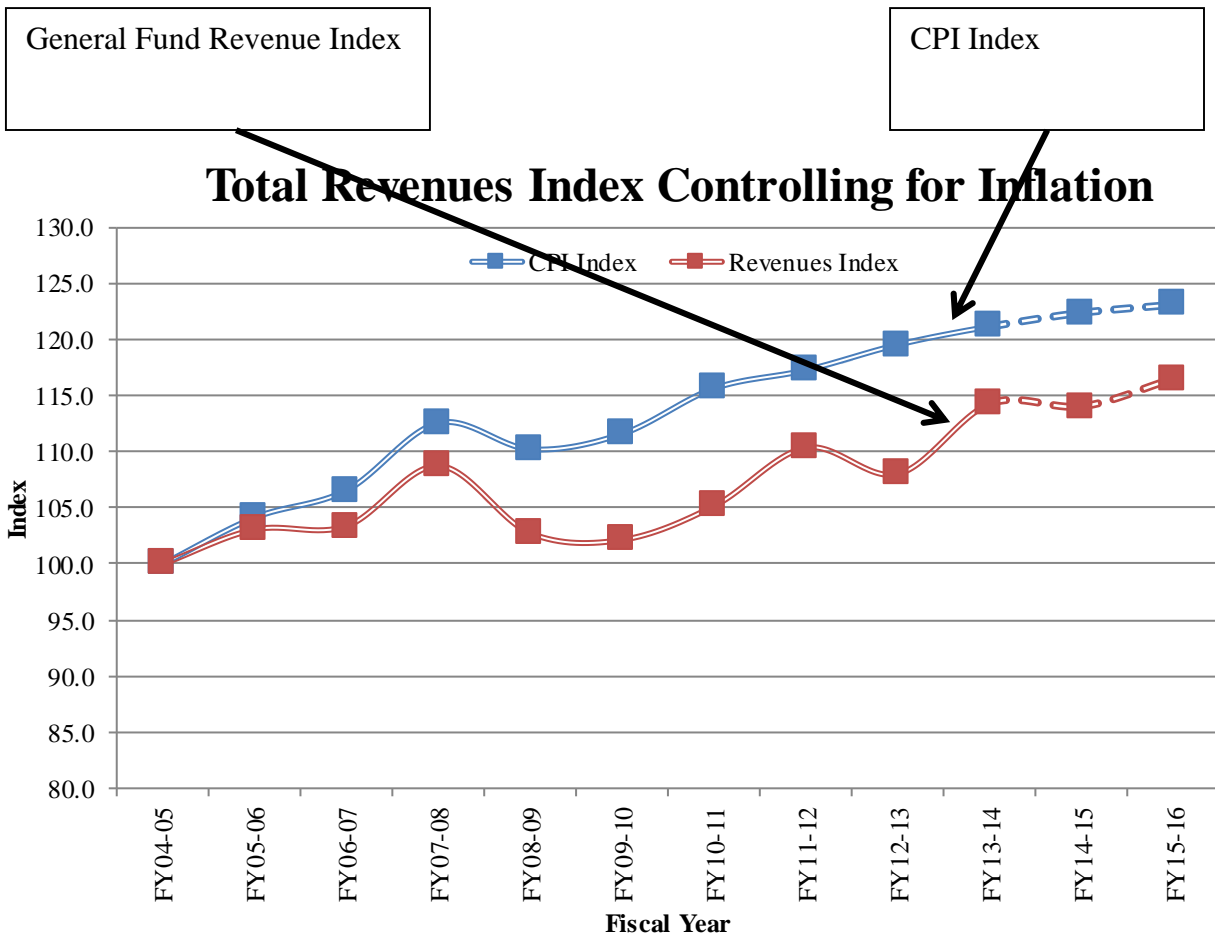
INFLATION COMPARISON EXAMPLE

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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. The rate of inflation is detailed by the “CPI Index” (blue line). The rate of general fund revenues detailed by the “GF Index” (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. In year five the organization’s revenue generation dropped dramatically. Declines in revenue can be caused by a variety of variables; however, what it tells the reader is that the organization’s revenues are no longer keeping pace with inflation (i.e. the organization has less buying power).

This type of information can be very useful when realizing actual dollar values. The value of a dollar has inflated in the past ten years, and it is important for municipalities to consider and calculate these effects in budget documents. This information is 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
STEVE CARAKER
Mayor Pro Tem
RON STEPHENS
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 19th, 2017

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) 2017-2018 for your review and consideration.

The FY17-18 Budget is based upon information presented and discussed during our City Council/Staff Retreat on February 23rd – 24th, 2017. In addition, the City Council attended a formal Budget Workshop on May 5th, 2017. These meetings provided an avenue for priority setting, fact finding, and general inquiries regarding the City's Budget for FY17-18.

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.

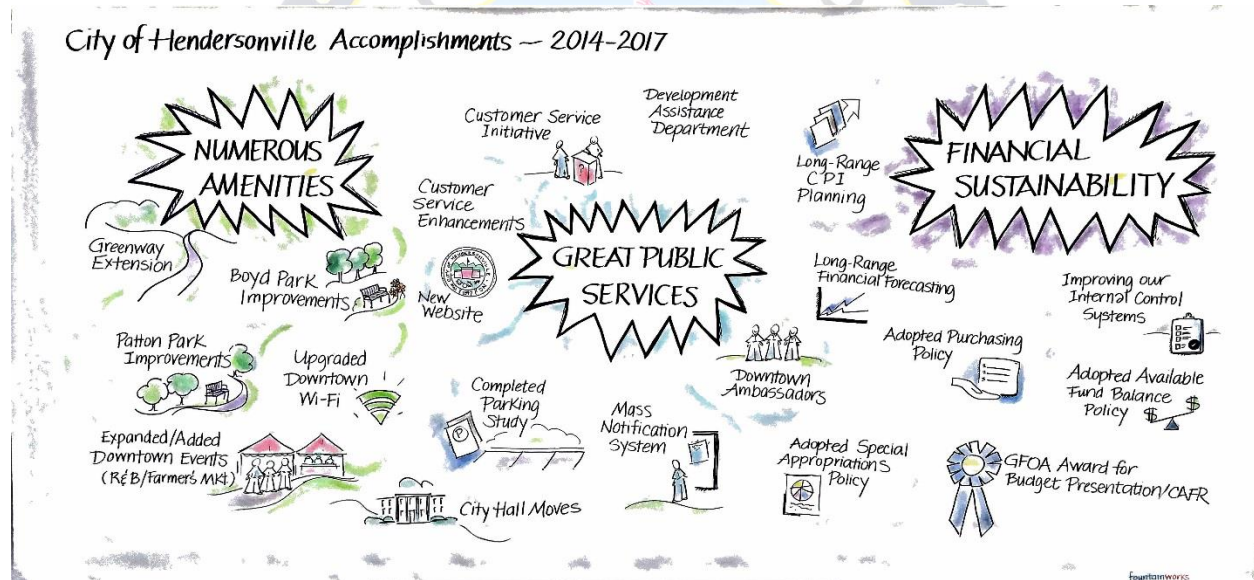
Great Public Services: Hendersonville will provide high quality public services by utilizing excellent customer service to enhance the safety, health, and quality life for our citizens and visitors.



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.

Since the City Council adopted its mission, vision, and focus areas in FY14-15, the City has had many noteworthy accomplishments. We presented some of these at the Council/Staff Retreat in February. Below is the graphic of the wall charts of successes reviewed at the Retreat:



We look to continue to enhance our programs and services in this budget for fiscal year 2017-18.

Additionally, the City Council expanded on their priorities as they related to these focus areas for the next 3 to 5 years. These priority areas were broken into three categories, facilities, parks, and



infrastructure. As we pursue these priorities we will continue to be cognizant of the operating impacts they have on personnel and service delivery/quality throughout the City. The priorities are listed below:

Facilities

1-2 Year Priorities

- Police station
- Public restroom
- Other buildings (building/parks maintenance, water/sewer equipment shed, etc...)
- Begin to explore fire station 3
- Explore renovation options for fire station 1

3-5 Year Priorities

- Customer service renovations
- Parking (deck and surface lots) secure locations

Parks

1-2 Year Priorities

- Whitmire building (parking lot, bridge replacement, flooring)
- Berkeley Mills Park Master Plan (parking, playground, restrooms) – Explore raising private funds
- Expanding parking lot at greenway

3-5 Year Priorities

- Greenways; Other parks

Infrastructure

1-2 Year Priorities

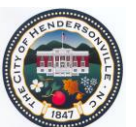
- Streetscape – 7th Avenue (do in phases)
- Streetscape – Main Street Avenues (phase it in)
- Urban Redevelopment Area (URA)
- Streetscape – Main to Grove (if a hotel developer redevelops the Mill property)
- Highway 64 Maintenance (explore costs and feasibility)
- Other Streetscapes
- Water and Sewer Major Projects
- Wastewater Master Plan

3-5 Year Priorities

- Streetscape – 7th to 4th

These priorities will be added into the City's strategic plan and will be discussed further in the *Community and Organization Profile* section of this document.

The following budget message contains an overview of all budgeted funds for FY17-18.



Introduction

The following document contains the City Manager’s final recommendation for the City’s Budget for FY17-18. 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 enhance the proposed budget. This document reflects that guidance and recommendations.

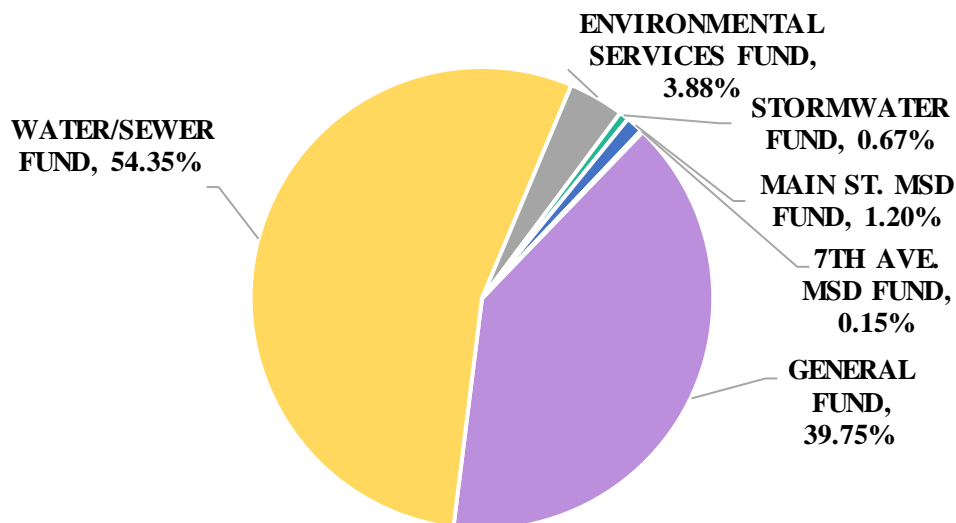
Budget Overview

The City’s FY17-18 Budget includes six (6) major governmental and enterprise funds. The table below presents the budget for each City fund and the total budget in balance:

MAJOR FUNDS OVERVIEW FY17-18

FUND	EXPENDITURES	REVENUES	FUND BALANCE APPROP.
GENERAL FUND	\$ 15,389,143	\$ 14,371,447	\$ 1,017,696
WATER/SEWER FUND	\$ 21,040,194	\$ 15,279,773	\$ 5,760,421
ENVIRONMENTAL SERVICES FUND	\$ 1,502,464	\$ 1,448,200	\$ 54,264
STORMWATER FUND	\$ 260,841	\$ 225,000	\$ 35,841
MAIN ST. MSD FUND	\$ 463,808	\$ 463,808	\$ -
7TH AVE. MSD FUND	\$ 57,827	\$ 57,827	\$ -
SUB-TOTAL	\$ 38,714,277	\$ 31,846,055	\$ 6,868,222
TOTALS IN BALANCE	\$ 38,714,277	\$ 38,714,277	

The chart below presents each major fund as a percent of total expenditures:



General Fund

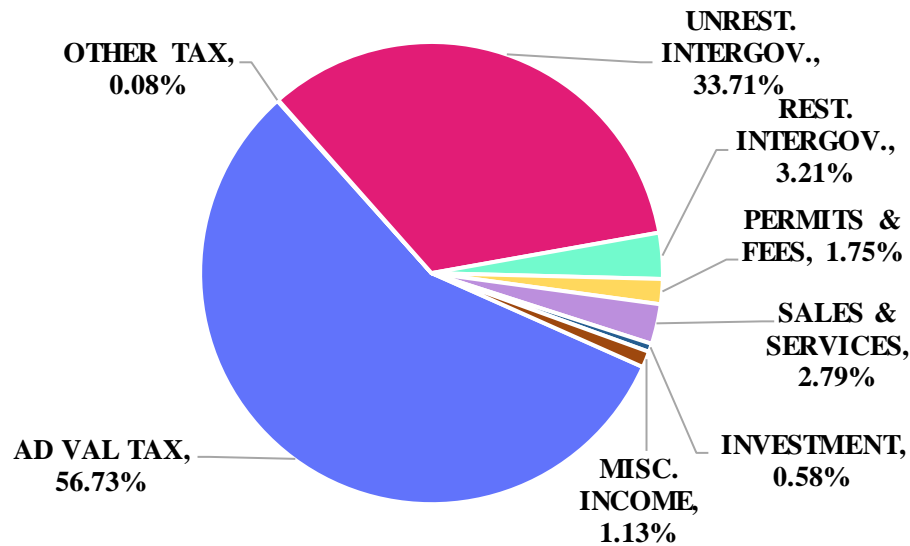
The General Fund is the primary fund in terms of the operating budget. It is “general” because any transaction that cannot be accounted for in another fund must be recorded in the General Fund. The General Fund Budget totals **\$15,389,143** for FY17-18.

General Fund – Revenues

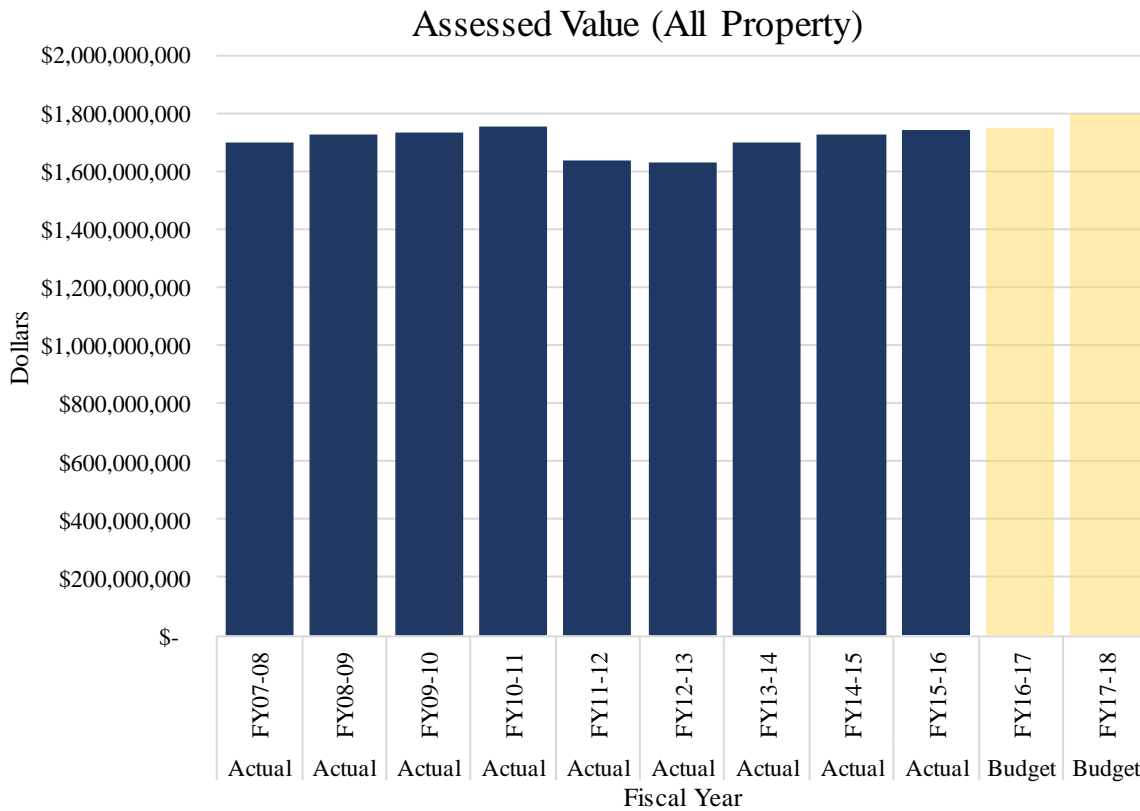
The following section will detail the City’s operating revenues for the General Fund. The total budget for General Fund revenues, excluding “Other Financing Sources”, is **\$14,361,447**. The table below details the City’s General Fund operating revenues by source for FY17-18:

GENERAL FUND REVENUES						<i>*Based on Budget*</i>	
REVENUE SOURCE	BUDGET FY16-17	ESTIMATE FY16-17	BUDGET FY17-18	ESTIMATE FY17-18	DOLLAR CHANGE	PERCENT CHANGE	
AD VAL TAX	\$ 7,826,595	\$ 8,072,495	\$ 8,147,201	\$ 8,397,460	\$ 320,606	3.97%	
OTHER TAX	\$ 14,600	\$ 15,059	\$ 11,800	\$ 12,162	\$ (2,800)	-18.59%	
UNREST. INTERGOV.	\$ 4,625,711	\$ 4,771,044	\$ 4,841,925	\$ 4,990,655	\$ 216,214	4.53%	
REST. INTERGOV.	\$ 494,521	\$ 510,058	\$ 461,521	\$ 475,698	\$ (33,000)	-6.47%	
PERMITS & FEES	\$ 158,575	\$ 163,557	\$ 251,900	\$ 259,638	\$ 93,325	57.06%	
SALES & SERVICES	\$ 363,550	\$ 374,972	\$ 401,300	\$ 413,627	\$ 37,750	10.07%	
INVESTMENT	\$ 83,000	\$ 85,608	\$ 83,600	\$ 86,168	\$ 600	0.70%	
MISC. INCOME	\$ 166,830	\$ 172,071.55	\$ 162,200	\$ 167,182	\$ (4,630)	-2.69%	
SUB-TOTAL	\$ 13,733,382	\$ 14,164,864	\$ 14,361,447	\$ 14,802,590	\$ 628,065	4.43%	
OTHER FINANCING SOURCES	\$ 1,132,175	\$ 330,862	\$ 1,027,696	\$ 197,702	\$ (104,479)	-31.58%	
NET TOTAL	\$ 14,865,557	\$ 14,495,726	\$ 15,389,143	\$ 15,000,292	\$ 523,586	3.61%	

The chart below presents each revenue source as a percent of total budgeted revenues for FY17-18:



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 is not a revaluation year for the City and staff is estimating a **3.23%** increase in taxable value. The City Manager is recommending setting the tax rate at **\$0.47** per **\$100** valuation, a **\$0.01** increase over last fiscal year. This \$0.47 level is estimated to generate **\$7,448,426** in ad valorem tax revenue and **\$600,000** in ad valorem motor vehicle tax revenue for FY17-18. The chart below presents the total assessed value for all property in the City of Hendersonville, less tax exempt property:



The next revaluation of real property is scheduled to occur in two years, FY19-20. This revaluation is a critical piece of the City’s strategic planning and budgeting processes. The City Council includes estimated new future revenues from revaluations in planning for future expenditures. Historically, the last 5 revaluations have had the following effects:

Reval Year	Assessed Value	Percent Change	Tax Rate
FY99-00	\$ 888,057,333	33.35%	\$ 0.45
FY03-04	\$1,157,251,500	16.25%	\$ 0.43
FY07-08	\$1,699,593,100	29.92%	\$ 0.38
FY11-12	\$1,636,627,500	-6.78%	\$ 0.41
FY15-16	\$1,737,261,913	0.76%	\$ 0.46



Unrestricted Intergov. – 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 valuation basis in Henderson County. The City of Hendersonville has the second largest ad valorem tax valuation 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 2015-16 strong, have remained perhaps even stronger in Fiscal Year 2016-17. Through the first six months of FY16-17, sales tax distributions were up **5.8%** over the same period in FY15-16. This growth is a good indicator of the local economy, consumer confidence, and recent development trends. It is always important to remember that this is an elastic tax, meaning it may fluctuate greatly year to year. For now, substantial growth seems to be the trend.



The table below displays actual sales tax data in black and estimated collections in blue for FY16-17:

Sales Tax Comparison

Reflects Sales	Collection	FY14-15	FY15-16	FY16-17	\$ Change (FY16 - FY17)	% Change (FY16 - FY17)
July	Oct.	\$ 232,213	\$ 275,879	\$ 268,663	\$ (7,217)	-2.62%
Aug.	Nov.	\$ 233,824	\$ 267,878	\$ 271,415	\$ 3,537	1.32%
Sep.	Dec.	\$ 233,233	\$ 271,367	\$ 276,052	\$ 4,685	1.73%
Q1		\$ 699,270	\$ 815,124	\$ 816,130	\$ 1,006	0.12%
Oct.	Jan.	\$ 218,643	\$ 232,447	\$ 263,071	\$ 30,624	13.17%
Nov.	Feb.	\$ 230,001	\$ 264,741	\$ 288,644	\$ 23,903	9.03%
Dec.	March	\$ 270,676	\$ 283,077	\$ 320,552	\$ 37,475	13.24%
Q2		\$ 719,319	\$ 780,265	\$ 872,267	\$ 92,002	11.79%
Jan.	April	\$ 206,281	\$ 226,818	\$ 239,138	\$ 12,320	5.43%
Feb.	May	\$ 195,559	\$ 230,090	\$ 231,965	\$ 1,875	0.81%
March	June	\$ 237,405	\$ 295,454	\$ 297,862	\$ 2,408	0.81%
Q3		\$ 639,245	\$ 752,362	\$ 768,965	\$ 16,603	2.21%
April	July	\$ 222,258	\$ 281,646	\$ 283,941	\$ 2,295	0.81%
May	August	\$ 263,121	\$ 280,988	\$ 283,278	\$ 2,290	0.81%
June	Sep.	\$ 278,878	\$ 295,504	\$ 297,912	\$ 2,408	0.81%
Q4		\$ 764,257	\$ 858,138	\$ 865,132	\$ 6,994	0.81%
Sub-Total		\$ 2,822,091	\$ 3,205,889	\$ 3,322,493	\$ 116,604	3.64%
Minus Transfers		\$ 103,100	\$ 106,652	\$ 199,350	\$ 92,698	86.92%
Total		\$ 2,718,991	\$ 3,099,237	\$ 3,123,144	\$ 23,906	0.77%

It is important to note that the City’s collections lag the actual taxable sale by four months.

The “Minus Transfers” row reflects a portion of sales tax revenue that is distributed to the City’s two municipal service districts (MSDs), based on percentage of assessed value. The Main St. MSD receives 5% of the actual revenues and the 7th Avenue MSD receives 1% of the actual revenues. This continues to be a strong revenue source for the two MSDs.

The FY17-18 Budget includes a conservative 4% increase in sales tax revenues from the FY16-17 estimated final collection. The budget for local sales tax collections in the General Fund is \$3,507,017, less \$207,017 in transfers, for a total of \$3,300,000 in FY17-18.

Lastly, there are two proposed bills in the North Carolina General Assembly (NCGA) regarding local sales tax. House Bill 900 Safe Infrastructure and Low Property Tax Act would provide municipalities the option, if approved through a public referendum, to leverage a ¼ cent sales tax within their corporate limits. This local sales tax option could provide an estimated \$1.4 million in new revenue. A revenue source like this one is substantial. Senate Bill 0126 Change the LOST Adjustment Factor would change the current adjustment factors for how Article 40 local option sales taxes are distributed to counties and municipalities. The adjustment factors, under this law, would be based on economic



development tier designations. Henderson County is a tier three county. This means the adjustment factor would change from **1.04** under the current system to **0.90** under the proposed law. This would result in an estimated **\$206,000** loss of recurring sales tax revenues for the City of Hendersonville. The changes would be effective July 1st, 2017. The City Council has adopted a strategy of monitoring this bill and if it passes we will use our fund balance to cover any deficits created in the first year, ultimately developing a plan to combat the lost revenue by FY18-19.

Restricted Intergov. – Powell Bill Street Allocation: Two years ago, the General Assembly eliminated the tie between the gas tax and Powell Bill funds and instead made the Powell Bill a direct appropriation of state dollars. The General Assembly could choose to adjust the amount of Powell Bill funds during its budget process during the long session this year, but the best projection at this time is that there will be no change in the coming fiscal year.

In addition to Powell Bill funds provided by the State, the City contributes approximately one penny worth of property tax revenue to the program. The total funding budgeted for the Powell Bill line item in FY17-18 is **\$461,521**.

In addition to the Powell Bill funds, this revenue source accounts for various other restricted intergovernmental contributions. In FY16-17 the City received contributions from the Tourism Development Authority (TDA) to assist in a downtown hotel study and barricades for large events.

Permits & Fees: The City's fire inspection program started in January of FY16-17. Starting in FY17-18 we will see a full fiscal year of inspection revenues. These revenues are conservatively budgeted to total **\$200,000**. This is the main reason for the increase in the permits and fees revenue source for FY17-18.

Fund Balance: The North Carolina Local Government Commission recommends that local governments maintain a minimum available fund balance of no less than eight percent (8%) of expenditures. The City of Hendersonville's fund balance goal is 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 available fund balance as of June 30, 2016 is **5,091,043**, or **34.26%** of budgeted expenditures. The proposed FY17-18 budget estimates a year end fund balance appropriation of **\$197,701**. The estimated available fund balance at the end of FY17-18 is **\$5,222,397** or **34.06%** of expenditures. The total fund balance for the General Fund totals **\$7,381,399** as of June 30th, 2016. By the year end of FY17-18 the total fund balance is estimated to be **\$6,852,836**. This is a strong fund balance and is well within City Council's stated goal.



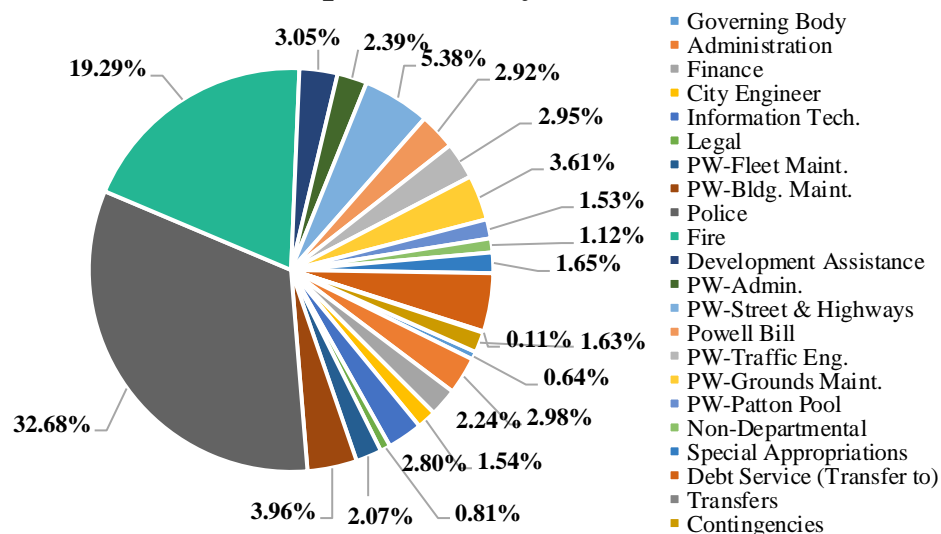
General Fund – Expenditures

The total budget for General Fund expenditures is **\$15,389,143**. The table below details the City’s General Fund expenditures by function for FY17-18:

EXPENDITURE FUNCTION	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Governing Body	\$ 82,857	\$ 83,388	\$ 97,903	\$ 14,515
Administration	\$ 550,692	\$ 949,232	\$ 458,273	\$ (490,959)
Finance	\$ 425,242	\$ 419,395	\$ 345,294	\$ (74,101)
City Engineer	\$ 191,665	\$ 221,240	\$ 236,946	\$ 15,706
Information Tech.	\$ 348,521	\$ 380,639	\$ 430,986	\$ 50,347
Legal	\$ 109,650	\$ 121,752	\$ 124,827	\$ 3,075
PW-Fleet Maint.	\$ 298,249	\$ 348,755	\$ 318,257	\$ (30,498)
PW-Bldg. Maint.	\$ 453,641	\$ 746,327	\$ 608,674	\$ (137,653)
Police	\$ 4,289,445	\$ 4,677,920	\$ 5,028,414	\$ 350,494
Fire	\$ 2,107,927	\$ 2,419,937	\$ 2,967,937	\$ 548,000
Development Assistance	\$ 468,952	\$ 468,097	\$ 468,867	\$ 770
PW-Admin.	\$ 327,996	\$ 364,230	\$ 367,646	\$ 3,416
PW-Street & Highways	\$ 805,606	\$ 818,518	\$ 828,689	\$ 10,171
Powell Bill	\$ 475,874	\$ 476,280	\$ 448,682	\$ (27,598)
PW-Traffic Eng.	\$ 455,754	\$ 423,484	\$ 453,740	\$ 30,256
PW-Grounds Maint.	\$ 534,970	\$ 534,252	\$ 555,135	\$ 20,883
PW-Patton Pool	\$ 273,833	\$ 262,933	\$ 236,154	\$ (26,779)
Non-Departmental	\$ 11,891	\$ 185,874	\$ 172,110	\$ (13,764)
Special Appropriations	\$ 119,380	\$ 255,191	\$ 253,868	\$ (1,323)
Debt Service (Transfer to)	\$ 1,118,773	\$ 633,723	\$ 718,956	\$ 85,233
Transfers	\$ 978,121	\$ 58,228	\$ 16,611	\$ (41,617)
Contingencies	\$ -	\$ 7,141	\$ 251,174	\$ 244,033
Total	\$ 14,429,040	\$ 14,856,536	\$ 15,389,143	\$ 532,607

The chart below presents each function as a percent of total budgeted expenditures for FY17-18:

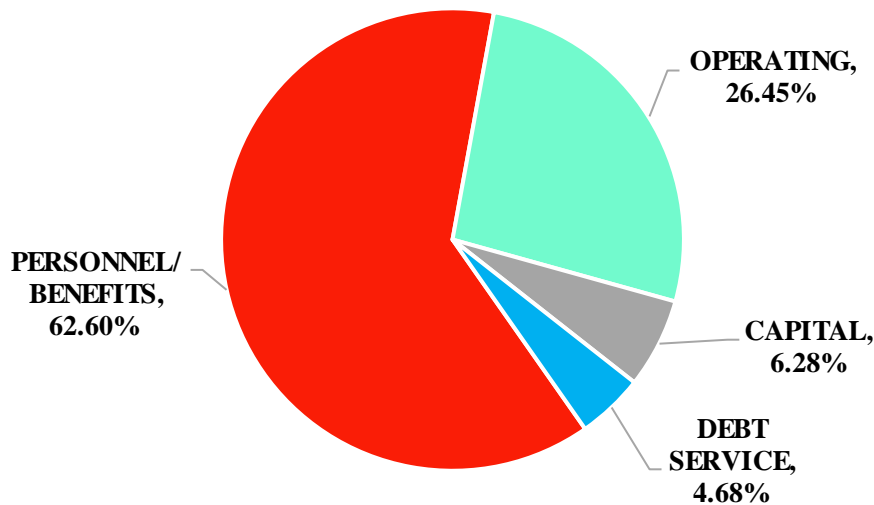
General Fund Expenditures by Function FY17-18



The table below details the City’s General Fund expenditures by type for FY17-18:

GENERAL FUND EXPENDITURES					*Based on Budget*	
EXPENDITURE TYPE	BUDGET FY16-17	ESTIMATE FY16-17	BUDGET FY17-18	ESTIMATE FY17-18	DOLLAR CHANGE	PERCENT CHANGE
PERSONNEL/BENEFITS	\$ 8,570,910	\$ 8,356,001	\$ 9,622,583	\$ 9,380,294	\$ 1,051,673	12.27%
OPERATING	\$ 4,316,547	\$ 4,193,874	\$ 4,065,468	\$ 3,943,217	\$ (251,079)	-5.82%
CAPITAL	\$ 1,286,149	\$ 1,253,900	\$ 965,525	\$ 941,214	\$ (320,624)	-24.93%
DEBT SERVICE	\$ 633,723	\$ 633,723	\$ 718,956	\$ 718,956	\$ 85,233	13.45%
SUB-TOTAL	\$ 14,807,329	\$ 14,437,498	\$ 15,372,532	\$ 14,983,681	\$ 565,203	3.82%
TRANSFERS OUT	\$ 58,228	\$ 58,228	\$ 16,611	\$ 16,611	\$ (41,617)	-71.47%
NET TOTAL	\$ 14,865,557	\$ 14,495,726	\$ 15,389,143	\$ 15,000,292	\$ 523,586	3.52%

The chart below presents each expenditure type as a percent of total budgeted expenditures for FY17-18:



Personnel and benefits type expenditures make up the largest portion of General Fund expenditures, at approximately **62%** of the total budget. Operating expenditures make up another large portion at **26%** of the total budget. The remainder of the General Fund budget is spent on capital and debt service.

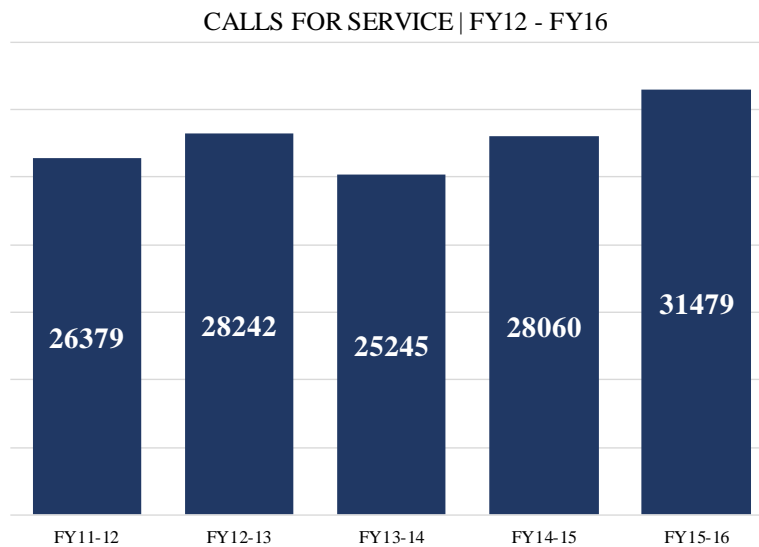
Personnel/Benefits: Personnel and benefits type expenditures include salaries, stipends, insurance, retirement contributions, and respective taxes (i.e. income tax, etc...). The total increase, for this expenditure type, between the FY16-17 and FY17-18 budgets is **\$1,051,673**, or **+12.27%**. This large increase is a result of a **25%** increase in health insurance premiums and new positions. The remainder of the increase is due to natural growth from merit and market increases. The performance based pay program amounts are currently not scheduled to change



(+1.00% Achieves/+1.75% Exceeds/+2.50% Outstanding). The market, “cost-of-living”, adjustment is proposed to be 1.00%. The following positions were discussed at City Council’s budget workshop and were recommended to be added to the FY17-18 budget:

1. New Grade Minimums and Years in Service Compression Adjustment of the Pay & Class Study ≈ **\$151,174**
2. 2 Animal Control Officer ≈ **\$123,725** (plus vehicles/equipment **\$105,000**)
 - a. A penny on the tax rate is proposed to be increased to fund these positions
3. 3 Firefighter Positions (1 per shift) ≈ **\$169,399**
4. 1 Street Maintenance Worker Positions ≈ **\$41,314**
 - a. Funding was adjusted from a temporary position and other operating costs to help pay for this additional position without increasing the budget
5. 1 Tele-communicator Position ≈ **\$48,320**

The new positions total an estimated **\$382,758**, of additional recurring expenditures. These positions were prioritized based on the goal of getting the Fire Department staffing to a minimum acceptable level in terms of safety on the fire-ground and in accordance with the Fire Dept. Strategic Plan. The additional tele-communicator is needed to provide at least 2 personnel working per shift in dispatch to address the increasing call volumes and service demands. A chart detailing total calls for service is provided below:



The additional hire will drop the calls per FTE employee from 5,246 to 4,497.

Two animal control officers are recommended to be hired because the County will no longer provide animal control services within municipalities. One additional penny on the tax rate is recommended to provide funding for these positions. An additional street maintenance worker is needed to assist in the growing resurfacing demands. This position was hired through the reduction of temporary salaries and other operating expenditures.



The pay and classification program has been a priority of the City Council and was completed this fiscal year. A consultant provided this information to Council in March of 2017 and the City Council directed staff to determine what is financially feasible, while having a substantial impact on our employees. The final recommendation is to implement two of the three pieces of the plan. This recommendation includes adopting the new pay scale and new grade minimums in addition to adding in a compression adjustment for years in service. The total cost for these two pay and classification adjustments is estimated to be **\$151,174**.

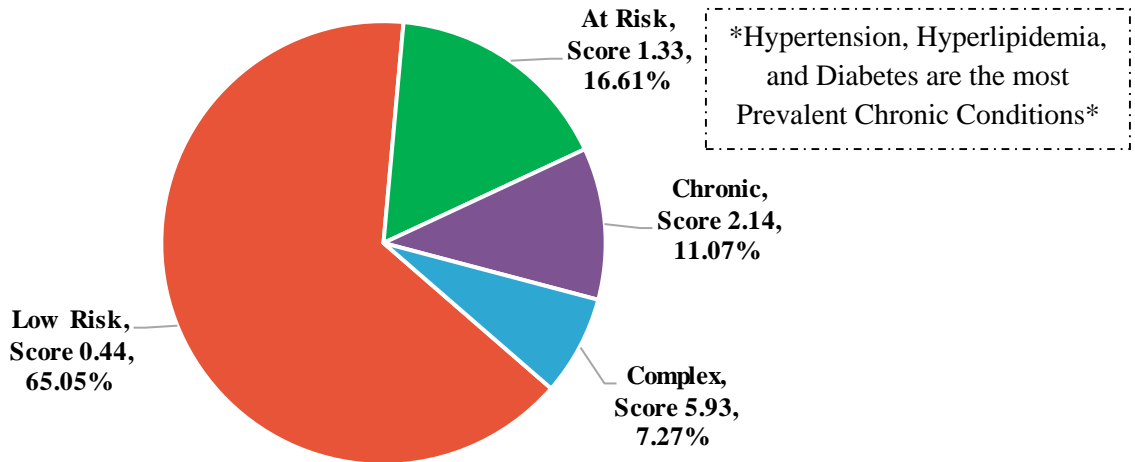
The 25% increase in health insurance premiums is the final variable that lead to the million dollar increase in personnel and benefits type expenditures. The original increase was **45%** however, the increase was capped at **25%**, thanks to the League's pool of customers. This increase will cost the City approximately **\$350,000** annually across all funds. Some key performance indicators are listed below:

- 2015 Claims Paid = **\$1.25 million** | 2016 Claims Paid = **\$1.69 million**
 - **≈ 30%** increase over prior year
- **24%** of Claims are for Pharmacy/Rx (there are a growing number of expensive specialty drugs being prescribed)
- Large Claims (> \$20,000) Costs Increased by **\$444,281**
 - **≈ 144%** increase over prior year
- Emergency Room Visits Decreased by **≈ 41%**
- On Average **10%** of Members were Non-Compliant for Mandatory Preventative Screenings (i.e., physical exams, colonoscopies, mammograms, etc...)

While some of the information, like a decrease in emergency room visits, was positive, there were some concerning performance indicators. One of the biggest factors in rate setting is our total expense ratio, which compares how much we contributed to the plan to what the total claims actually cost. Our ratio for 2016 was **112.9%** or claims costing **12.9%** more than what we contributed. A provider is typically looking for a ratio of **92%** as a baseline, due to inflation as it relates to medical products and services. Additionally, a provider will consider risk factors, or how much a customer is expected to cost compared to an average risk population, when determining customer contribution levels.



The City’s population risk stratification is detailed below:



The “Score” represents the average level of risk on the MARA risk stratification scale. This scale is used to estimate future claims. Over the prior year, we are seeing an increase from employees in the “At Risk” category to the “Chronic” category of 5 percentage points. This projected risk, increasing Rx costs, and our total expense ratio, totaling almost 20 percentage points higher than the 92% level, is what lead to our 25% increase.

City Council has directed staff to develop a plan to provide incentives for meeting certain wellness program goals (cost sharing if in non-compliance). Additionally, staff is recommending that the employee deductible as part of the MERP be increased from \$500 to \$1,000. This means that the employee is now possibly responsible for costs up to \$3,700, previously \$3,350. This adjustment results in an approximate \$25,000 savings in claims the City pays. Finally, staff will continue to monitor and improve the City’s wellness program. In addition to the program basics, the committee that leads this program conducts an annual benefits fair for employees, provides employee trainings and educational workshops, sponsors a “Big Change” training program for employees (application basis), and are exploring the possibility of having an on-site wellness clinic for employees. This clinic would be staffed with registered nurses and provide employees an easy way to get basic health checks. The wellness program has strong support from the employee base and has been a well-received program. While the benefits are indirect and difficult to measure, management believes this is a great program that encourages wellness and healthy lifestyles within the City. The Wellness Committee meets regularly and continues to evaluate and make changes to the program. The clinic is a top priority and the Committee continues to work with staff and management to evaluate ways to fund this initiative.



Operating: Operating type expenditures include everything that is not considered capital, salaries/benefits, or debt, so it includes a wide array of accounts and expenditures. The change between the FY16-17 and FY17-18 budgets is a decrease of **\$236,269**, or **-5.49%**.

Approximately half of this decrease is from a decrease in transfers to other projects. Another significant portion comes from decreases in smaller non-capital projects that are being completed in FY16-17. In the budget process departments adjusted approximately **\$250,000** out of their requests. This request includes **\$100,000** budgeted for special appropriations.

There are no major recommended changes for the General Fund operating budget.

Capital: Capital type expenditures are physical or intangible assets with an initial value greater than \$5,000 and a projected useful life greater than 5 years. These typically include infrastructure, buildings, vehicles, software, and equipment. The change between the FY16-17 and FY17-18 budgets is a decrease of **\$320,624**, or **-24.93%**. Fluctuations in capital spending from year to year are normal, and the current request for **\$965,525** is in line with historical averages. Some highlights of this year's requests are 5 police vehicles, Tom's Park bridge replacement, a pavement condition survey, Patton and Sullivan park improvements, gateway signage, a skid steer replacement, and AED replacements.

Again, there are no major recommended changes for the General Fund capital budget.

Debt Service: Debt service type expenditures are those associated with the payment of principal and interest owed by the City. The change between the FY16-17 and FY17-18 budget is an increase of **\$85,233**, or **13.45%**. This increase is due to the addition of a debt service note for a new fire engine, approved in last year's budget.

To make certain 1-2 year priorities discussed at the Council retreat possible, the City will need debt issuances to help pay for the projects. Considering those priorities and financial sustainability, the City Manager recommends beginning the Police Headquarters and Patton Park Maintenance Building/Public Parking/Restrooms projects in FY17-18. Capital project ordinances and reimbursement resolutions will be proposed for each project with debt proceeds being the primary funding source upon completion of these projects. A parking deck is on the radar and may work well with the Police Headquarters project if the opportunity presents itself. For now, a parking deck is not included in this recommendation. Additionally, the City is working in a public-private partnership to redevelop the old Grey Hoisery Mill for a downtown hotel use. As part of this partnership the City will provide streetscape improvements to enhance the redevelopment's connection with Main Street. The streetscape improvements are proposed to be funded through a debt issuance using the revenues from the sale of the Mill building as the source of repayment. This debt issuance is dependent on the Mill being redeveloped.

More detail can be found in the *Community and Organization Profile* and *Financial Summaries* sections of this document.



Main Street MSD Fund

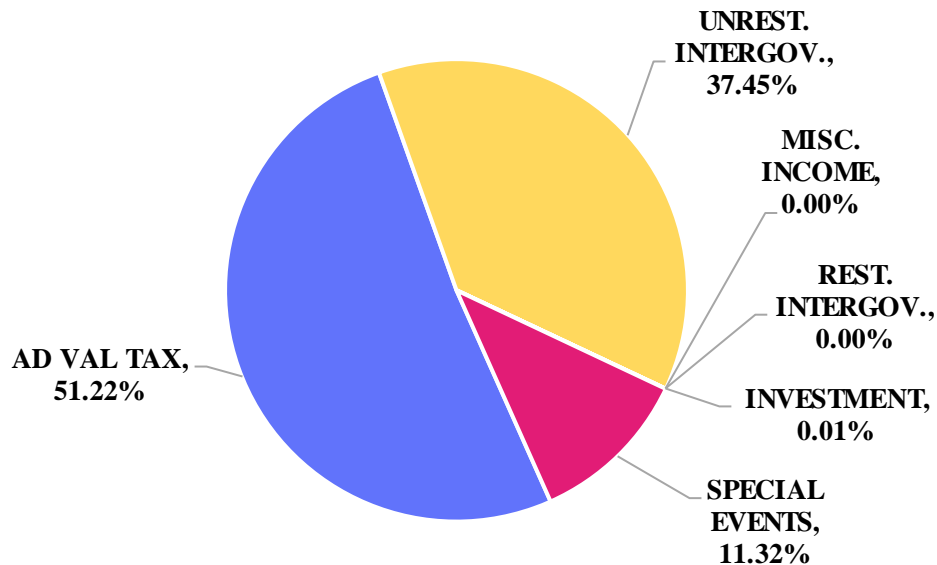
The Main St. MSD Fund is a municipal service district (MSD) within the City of Hendersonville. The tax rate for the MSD is **\$0.28** per **\$100** valuation. The Fund supports one full-time and one part-time employee which manage the budget, events, and services that occur in the district.

Main Street MSD Fund – Revenues

The following section will detail the City’s operating revenues for the Main St. MSD Fund. The Main St. MSD Fund has six primary revenue sources. The total budget for the Main St. MSD Fund revenues, excluding “Other Financing Sources”, is **\$463,808**. The table below details the City’s Main St. MSD Fund revenues by source for FY17-18:

MAIN ST. MSD FUND REVENUES					*Based on Budget*	
REVENUE SOURCE	BUDGET FY16-17	ESTIMATE FY16-17	BUDGET FY17-18	ESTIMATE FY17-18	DOLLAR CHANGE	PERCENT CHANGE
AD VAL TAX	\$ 237,725	\$ 242,480	\$ 237,574	\$ 242,325	\$ (151)	-0.06%
UNREST. INTERGOV.	\$ 154,086	\$ 157,168	\$ 173,684	\$ 177,158	\$ 19,598	12.72%
REST. INTERGOV.	\$ 20,098	\$ 20,500	\$ -	\$ -	\$ (20,098)	-100.00%
INVESTMENT	\$ 50	\$ 51	\$ 50	\$ 51	\$ -	0.00%
MISC. INCOME	\$ 1,000	\$ 1,020	\$ -	\$ -	\$ (1,000)	-100.00%
SPECIAL EVENTS	\$ 143,192	\$ 146,056	\$ 52,500	\$ 53,550	\$ (90,692)	-63.34%
SUB-TOTAL	\$ 556,151	\$ 567,274	\$ 463,808	\$ 473,084	\$ (92,343)	-16.60%
OTHER FINANCING SOURCES	\$ 12,500	\$ -	\$ -	\$ -	\$ (12,500)	-100.00%
NET TOTAL	\$ 568,651	\$ 567,274	\$ 463,808	\$ 473,084	\$ (104,843)	-18.44%

The chart below presents each revenue source as a percent of total budgeted revenues for FY17-18:



Ad Valorem Tax: Ad valorem taxes encompass the greatest share of revenue at **\$237,574** or **51.22%** of all revenue. This number is in line with last year’s budget. Ad valorem taxes are not projected to increase significantly in the coming year. The City Manager recommends that the tax rate remain at **\$0.28** per **\$100** valuation.

Unrestricted Intergov. – Sales Taxes: The Main St. MSD Fund receives a portion of local option sales tax revenue each fiscal year. The FY17-18 budget, continues the proportional method of sales tax distribution based on assessed value. The Main St. MSD Fund makes up approximately **5%** of the City’s total assessed value. This equates to a **\$173,684** portion of total local option sales tax revenues. This is a **\$19,598** increase over the prior year.

Restricted Intergov. – TDA Contribution: In FY16-17 the Main St. MSD Fund received **\$20,000** from the Tourism Development Authority (TDA) to purchase enhanced decorative lighting for the district during the holidays. The original plan was to purchase these lights in phases, however with the TDAs help we were able to purchase all the lights needed for the full upgrade to the entire district. We do not foresee any restricted intergovernmental revenues at this point in the budget preparation process. If revenues become available, this revenue source will be amended during the budget year.

Special Events: There are four Main St. events that generate revenue, five in total. The events and the amount of revenue they generate is listed below:

- Bearfootin’ Public Art – \$44,000
- Rhythm & Brews – \$0 [see description on 501©(3)]
- Sidewalk Antique Festival – \$6,000
- Trick or Treat Street – \$1,000
- Holiday Events – \$0

Typically, these revenues are expended on the costs to provide the event. Some events do not break even and require funds from other Main St. MSD revenue sources (like ad valorem tax and sales taxes). Additionally, this year the budget decreased significantly in special events revenue, approximately **\$90,692**. This is the result of moving one of the events to be ran under a local 501©(3), the Friends of Downtown organization. This organization will run the Rhythm & Brews event and be supported by the City’s Downtown Program and Committee.

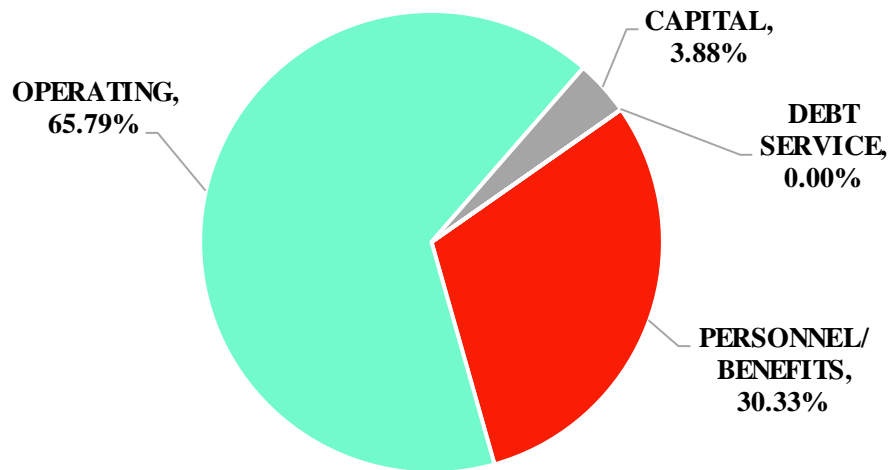


Main Street MSD Fund – Expenditures

The total budget for Main St. MSD Fund expenditures is **\$463,808**. This is \$104,843 less than the current year’s budget. The table below details the City’s Main St. MSD Fund expenditures by type for FY17-18:

MAIN STREET MSD FUND EXPENDITURES					<i>*Based on Budget*</i>	
EXPENDITURE TYPE	BUDGET FY16-17	ESTIMATE FY16-17	BUDGET FY17-18	ESTIMATE FY17-18	DOLLAR CHANGE	PERCENT CHANGE
PERSONNEL/BENEFITS	\$ 137,872	\$ 135,115	\$ 140,681	\$ 137,867	\$ 2,809	2.04%
OPERATING	\$ 408,141	\$ 399,978	\$ 305,127	\$ 299,024	\$ (103,014)	-25.24%
CAPITAL	\$ 10,200	\$ 9,996	\$ 18,000	\$ 17,640	\$ 7,800	76.47%
DEBT SERVICE	\$ 12,438	\$ 12,189	\$ -	\$ -	\$ (12,438)	-100.00%
SUB-TOTAL	\$ 568,651	\$ 557,278	\$ 463,808	\$ 454,532	\$ (104,843)	-18.44%
TRANSFERS OUT	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
NET TOTAL	\$ 568,651	\$ 557,278	\$ 463,808	\$ 454,532	\$ (104,843)	-18.44%

The chart below presents each expenditure type as a percent of total budgeted expenditures for FY17-18:



Operating expenditures make up the largest portion of total expenditures at **65.79%** while personnel/benefits make up another large portion at **30.33%** of total expenditures for FY17-18. Events are a major expense related with the Main St. MSD Fund and are included in the operating expenditure type.



Personnel/Benefits: The MSD is supported by one full-time, one permanent part-time, and two temporary employees. They are the Downtown Director, Promotions Coordinator, and Downtown Ambassadors. The increase in this type of expenditure is small and reflects projected market and merit increases for employees, in addition to rising healthcare costs.

Operating Expenditures: The regular operating expenditures for the MSD have decreased dramatically. Discussed in the revenues section, the costs associated with the Rhythm and Brews event have been allocated to a 501©(3) that is now running the event, with the assistance of the City's Downtown Program. Some other operational highlights are funds budgeted for toe catch grinding along the MSD sidewalks and the continued façade grant program.

Capital: The one CIP item that is in the budget for FY17-18 is the electric panel upgrades on Main Street. Two electric panels will be upgraded to more effectively handle the electric demands during special events. Additionally, funding is allocated to upgrade smaller electric outlets along light poles on the avenues.

Debt Service: Debt service type expenditures decreased by **\$12,438**, and have a budget of **\$0** for FY17-18. The City received debt proceeds to purchase six parking kiosks in FY15-16. Staff determined that since revenues from these kiosks goes into the General Fund, that the General Fund should assume the cost of paying for this debt service note.



7th Avenue MSD 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 special events.

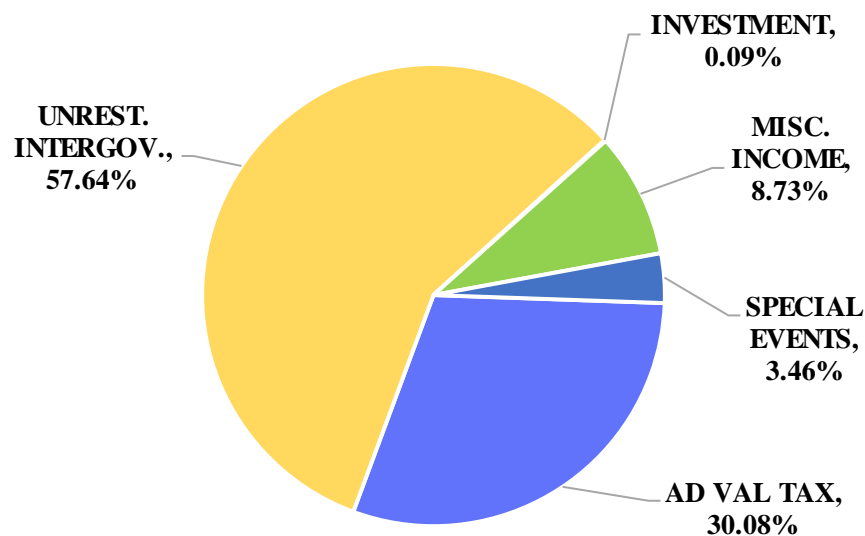
7th Avenue MSD Fund – Revenues

The following section will detail the City’s operating revenues for the 7th Avenue MSD Fund. The 7th Avenue MSD Fund has five primary revenue sources. The total budget for the 7th Avenue MSD Fund revenues, excluding “Other Financing Sources”, is **\$57,827**.

The table below details the City’s 7th Avenue MSD Fund revenues by source for FY17-18:

REVENUE SOURCE	BUDGET ESTIMATE		BUDGET ESTIMATE		*Based on Budget*	
	FY16-17	FY16-17	FY17-18	FY17-18	DOLLAR CHANGE	PERCENT CHANGE
AD VAL TAX	\$ 16,775	\$ 17,027	\$ 17,394	\$ 17,655	\$ 619	3.69%
UNREST. INTERGOV.	\$ 27,428	\$ 27,839	\$ 33,333	\$ 33,833	\$ 5,905	21.53%
INVESTMENT	\$ 25	\$ 25	\$ 50	\$ 51	\$ 25	100.00%
MISC. INCOME	\$ 5,100	\$ 5,177	\$ 5,050	\$ 5,126	\$ (50)	-0.98%
SPECIAL EVENTS	\$ 5,035	\$ 5,111	\$ 2,000	\$ 2,030	\$ (3,035)	-60.28%
SUB-TOTAL	\$54,363	\$55,178	\$57,827	\$58,694	\$ 3,464	6.37%
OTHER FINANCING SOURCES	\$ 11,190	\$ -	\$ -	\$ -	\$ (11,190)	-100.00%
NET TOTAL	\$65,553	\$55,178	\$57,827	\$58,694	\$ (7,726)	-11.79%

The chart below presents each revenue source as a percent of total budgeted revenues for FY17-18:



Ad Valorem Tax: Ad valorem taxes encompass the second greatest share of revenue at **\$17,394** or **30.08%** of all revenue. The City Manager recommends that the tax rate remain at **\$0.12** per **\$100** valuation.

Unrestricted Intergov. – Sales Taxes: The 7th Avenue MSD Fund receives a portion of local option sales tax revenue each fiscal year. The FY17-18 budget, continues the proportional method of sales tax distribution based on assessed value. The 7th Avenue MSD Fund makes up approximately **1%** of the City's total assessed value. This equates to a **\$33,333** portion of total local option sales tax revenues. This increase makes unrestricted intergovernmental revenue the largest revenue source at **57.64%** of all revenues.

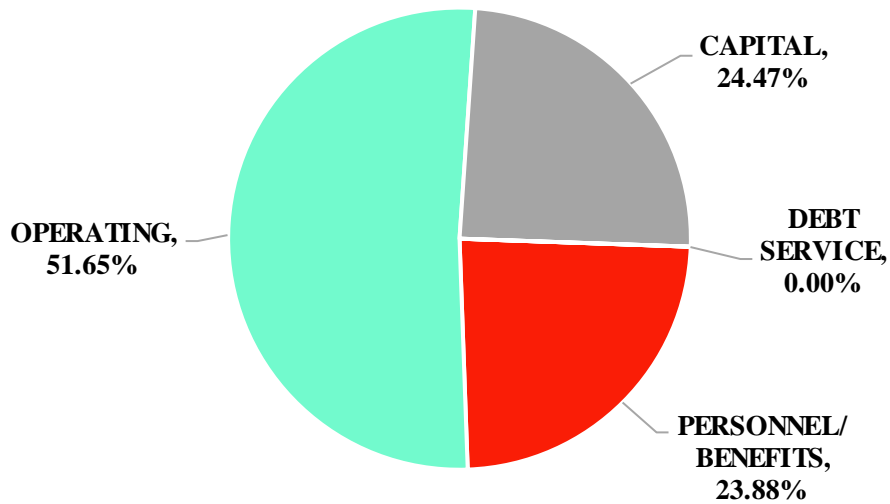


7th Avenue Historic District – Expenditures

The total budget for 7th Avenue MSD Fund expenditures is **\$57,827**. The table below details the City’s 7th Avenue MSD Fund expenditures by type for FY17-18:

EXPENDITURE TYPE	7TH AVENUE MSD FUND EXPENDITURES				*Based on Budget*	
	BUDGET FY16-17	ESTIMATE FY16-17	BUDGET FY17-18	ESTIMATE FY17-18	DOLLAR CHANGE	PERCENT CHANGE
PERSONNEL/BENEFITS	\$ 10,498	\$ 10,288	\$ 13,808	\$ 13,532	\$ 3,310	31.53%
OPERATING	\$ 44,690	\$ 43,796	\$ 29,870	\$ 29,273	\$ (14,820)	-33.16%
CAPITAL	\$ 10,365	\$ 10,158	\$ 14,149	\$ 13,866	\$ 3,784	36.51%
DEBT SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
SUB-TOTAL	\$ 65,553	\$ 64,242	\$ 57,827	\$ 56,670	\$ (7,726)	-11.79%
TRANSFERS OUT	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
NET TOTAL	\$ 65,553	\$ 64,242	\$ 57,827	\$ 56,670	\$ (7,726)	-11.79%

The chart below presents each expenditure type as a percent of total budgeted expenditures for FY17-18:



Operating expenditures make up the largest portion of total expenditures at 51.65% while capital expenditures make up another large portion at 24.47% of total expenditures for FY17-18.

Personnel/Benefits: The 7th Avenue MSD Fund contributes to the cost of salary and benefits for the Downtown Director and Promotions Coordinator. These positions will be working directly for the district. The Fund is paying for approximately **10%** of their costs.



Operating Expenditures: In FY16-17 the 7th Avenue MSD Fund paid for a streetscape study and design. This is the primary difference in year to year costs for operating type expenditures.

Capital: This funding will go towards Locust St. and 7th Avenue infrastructure upgrades. The Seventh Avenue Advisory Committee has directed the City to look into landscaping upgrades for the historic train depot, additional hanging baskets, and/or retractable awnings to assist farmer’s market vendors.



Water & Sewer Fund

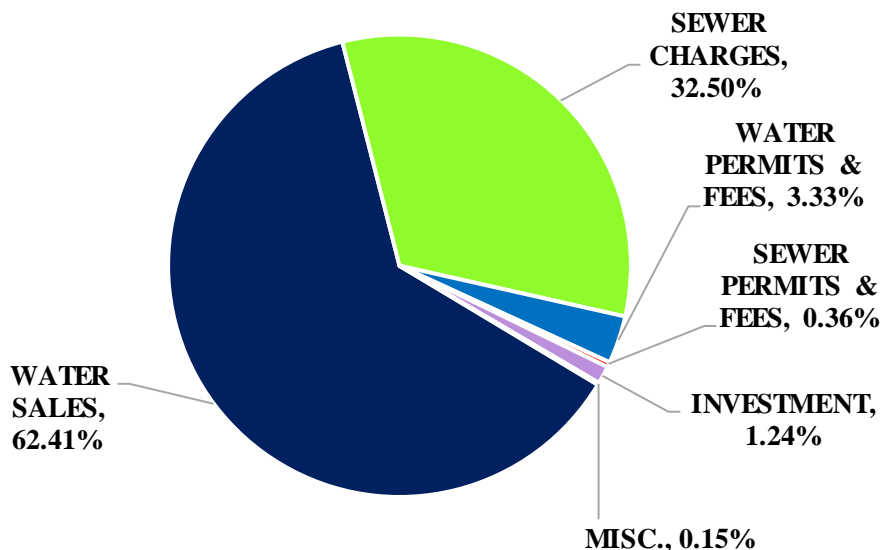
The Water and Sewer Fund is an enterprise fund and is primarily funded through user charges. The Fund is the largest part of the City of Hendersonville’s operating budget, **54.35%** or **\$21,040,194** of the total \$40,242,858 budget for FY17-18. A major part of the current and prior year budgets are transfers to capital project ordinances and the reimbursement of costs associated with NCDOT projects. In FY17-18, these costs total approximately **\$3,630,133**.

Water & Sewer Fund – Revenues

The following section will detail the City’s operating revenues for the Water and Sewer Fund. The total operating revenue budget for this Fund, excluding “Other Financing Sources” is **\$15,279,773**. The following table shows the revenues for FY17-18:

WATER/SEWER FUND REVENUES						*Based on Budget*	
REVENUE TYPE	BUDGET FY16-17	ESTIMATE FY16-17	BUDGET FY17-18	ESTIMATE FY17-18	DOLLAR CHANGE	PERCENT CHANGE	
WATER SALES	\$ 9,213,997	\$ 9,782,445	\$ 9,536,461	\$ 9,919,168	\$ 322,464	3.50%	
SEWER CHARGES	\$ 4,657,362	\$ 4,944,693	\$ 4,966,412	\$ 5,165,719	\$ 309,050	6.64%	
WATER PERMITS & FEES	\$ 600,880	\$ 637,951	\$ 509,500	\$ 529,947	\$ (91,380)	-15.21%	
SEWER PERMITS & FEES	\$ 71,870	\$ 76,304	\$ 55,000	\$ 57,207	\$ (16,870)	-23.47%	
INVESTMENT	\$ 190,000	\$ 201,722	\$ 190,000	\$ 197,625	\$ -	0.00%	
MISC.	\$ 47,506	\$ 50,437	\$ 22,400	\$ 23,299	\$ (25,106)	-52.85%	
SUB-TOTAL	\$ 14,781,615	\$ 15,693,551	\$ 15,279,773	\$ 15,892,965	\$ 498,158	3.37%	
OTHER FINANCING SOURCES	\$ 5,992,172	\$ 3,570,014	\$ 5,760,421	\$ 3,754,424	\$ (231,751)	-3.87%	
NET TOTAL	\$ 20,773,787	\$ 19,263,565	\$ 21,040,194	\$ 19,647,389	\$ 266,407	1.28%	

The chart below presents each revenue source as a percent of total budgeted revenues for FY17-18:



Water Sales and Sewer Charges: As depicted above, revenue growth is dependent on “Water Sales” and “Sewer Charges”. Management has maintained a conservative estimate in its revenues estimation for FY17-18. Using a moving average financial forecast, historically, revenues have increased by **1%-2%** annually. In more recent years (the past three) this growth has averaged **3.5%**. Management has built in a **2%** estimate for growth in water and sewer sales/charges and tap fees. Additionally, the City Manager is recommending a **2%** increase for inside water and sewer customers and a **1.5%** increase for outside water and sewer customers. City Council directed staff to continue the staggered increases to help decrease the difference in what outside customers pay compared to inside customers. These revenue sources are estimated to increase by **\$631,514** over the prior year.

The table below shows the effects of what the proposed rate increase will have on an average customer:

CUSTOMER IMPACT

CUSTOMER	OLD BILL	NEW BILL	MONTHLY DIFF.	ANNUAL DIFF.	RATE DIFF. OLD	RATE DIFF. NEW
WATER R INSIDE 5,000 GALLONS	\$ 19.79	\$ 20.21	\$ 0.42	\$ 5.04	-	-
WATER R OUTSIDE 5,000 GALLONS	\$ 30.17	\$ 30.69	\$ 0.52	\$ 6.24	152.45%	151.86%
SEWER R INSIDE 5,000 GALLONS	\$ 28.77	\$ 29.35	\$ 0.58	\$ 6.96	-	-
SEWER R OUTSIDE 5,000 GALLONS	\$ 44.30	\$ 44.94	\$ 0.64	\$ 7.68	153.98%	153.12%
WATER C/I INSIDE 10,000 GALLONS	\$ 33.79	\$ 34.51	\$ 0.72	\$ 8.64	-	-
WATER C/I OUTSIDE 10,000 GALLONS	\$ 51.92	\$ 52.75	\$ 0.83	\$ 9.96	153.65%	152.85%
SEWER C/I INSIDE 10,000 GALLONS	\$ 51.07	\$ 52.10	\$ 1.03	\$ 12.36	-	-
SEWER C/I OUTSIDE 10,000 GALLONS	\$ 79.10	\$ 80.24	\$ 1.14	\$ 13.68	154.89%	154.01%

R = Residential C/I = Commercial/Industrial

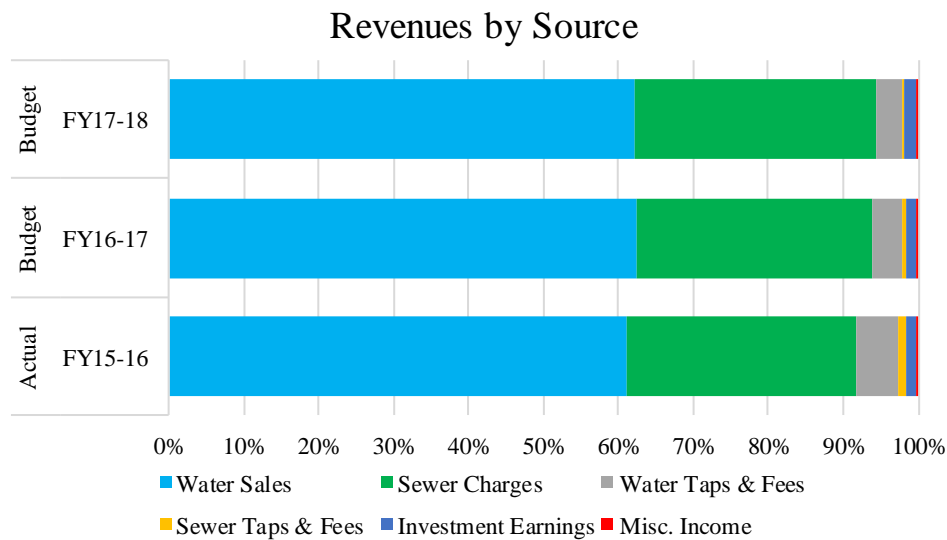
This recommended increase follows a strategy established last year. First, management recommends small increases in rates year after year rather than large increases all at once. This strategy will decrease “sticker shock” when the customer receives their bill. The Fund’s substantial fund balance allows for this approach, and will help cover any deficits. This will be one of many small increases recommended over the coming years. Second, management recommends decreasing the discrepancy between outside customer bills and inside customer bills. The stakeholder meeting identified this as an issue.

Additionally, the City Manager recommends the hiring of a rate consultant to evaluate our rate structure and provide recommendations for future revenue needs, different rate structures (unified, block, etc...), rate differential, and indirect costs. The City’s operating ratio, discussed during the Council Retreat in February, fell below **1.00** (revenues are coming in less than expenditures). This ratio is important because it represents the Fund’s capacity to pay for



recurring operating expenditures. This rate study will help in determining future operating revenue needs.

Water & Sewer Permits & Fees: In August of the FY16-17 budget, the N.C. court system ruled on a case, ultimately eliminating the authority to charge impact fees. The City of Hendersonville charges “system development charges” (SDCs) to developers for existing and future infrastructure capacity. In September, of the FY16-17 budget, the City Council voted to suspend system development charges (SDCs), until more information is obtained regarding a municipality’s legal authority to leverage the fee. The loss of this revenue source equates to approximately half a million dollar loss annually. The effects can be seen in the year over year breakdown of revenue sources for the Water and Sewer Fund, below:



The grey and yellow bars represent water and sewer taps and fees revenues. The SDCs were a major part of these revenue sources. This suspension has increased the already large reliance on user charges for revenues that support the system. These user charges now make up approximately **95%** of all revenues.

Other Financing Sources – Fund Balance: Similar to the General Fund, the Water and Sewer Fund maintains a fund balance or retained earnings. However, the LGC does not provide a recommended minimum level. The City Council has established and adopted its own policy goal of a range from 50% - 75%. This level is higher than the General Funds because water and sewer type infrastructure and expenditures are typically larger. The current fund balance is **\$25,246,428** as of June 30th, 2016, or **122%** of estimated operating expenditures as of June 30th, 2016. The City Council has assigned an estimated **\$12.4** million to various capital project ordinances that will be completed over the next several years. After the appropriation of this assigned fund balance, the remaining fund balance is estimated to be **\$13** million or **66%** of budgeted expenditures, well within the Council’s goal range.



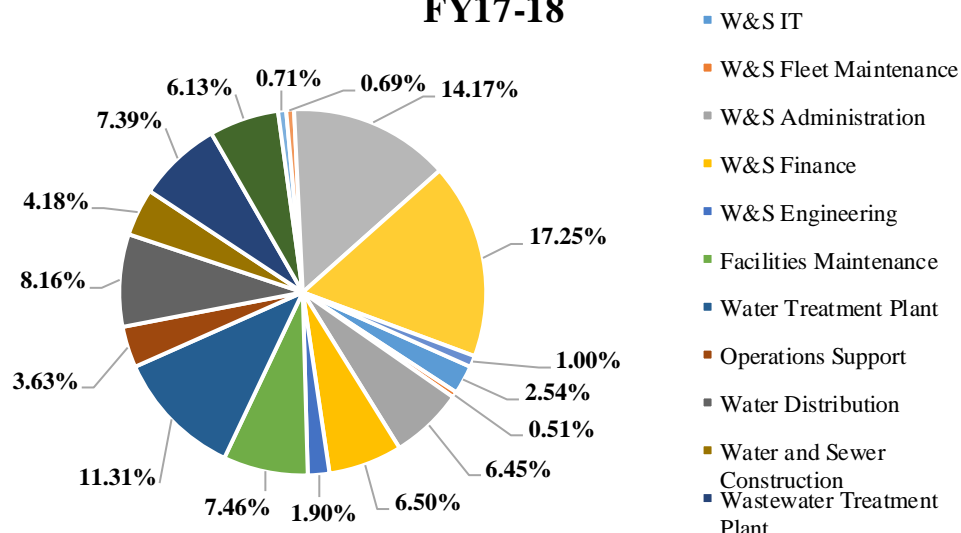
Water & Sewer Fund – Expenditures

Hendersonville Water and Sewer is responsible for providing water service to more than 64,000 residents and businesses of Hendersonville and Henderson County and sewer service to more than 19,000 residents and businesses. The Water and Sewer Fund continues to evaluate and improve its already high quality services through work with various outside consultants, stakeholder groups, and internal strategic priority meetings. The recommended expenditures in this memo reflect the priorities identified in the aforementioned initiatives. The table below details the City’s Water and Sewer Fund expenditures by function for FY17-18:

EXPENDITURE FUNCTION	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
W&S IT	\$ 330,895	\$ 486,900	\$ 534,006	\$ 47,106
W&S Fleet Maintenance	\$ 100,966	\$ 107,020	\$ 106,313	\$ (707)
W&S Administration	\$ 984,969	\$ 1,236,362	\$ 1,356,896	\$ 120,534
W&S Finance	\$ 919,259	\$ 1,081,670	\$ 1,368,268	\$ 286,598
W&S Engineering	\$ 350,310	\$ 372,987	\$ 399,737	\$ 26,750
Facilities Maintenance	\$ 1,065,548	\$ 1,658,824	\$ 1,570,494	\$ (88,330)
Water Treatment Plant	\$ 1,741,800	\$ 2,001,911	\$ 2,380,084	\$ 378,173
Operations Support	\$ 874,536	\$ 730,532	\$ 764,736	\$ 34,204
Water Distribution	\$ 2,314,048	\$ 2,513,657	\$ 1,716,944	\$ (796,713)
Water and Sewer Construction	\$ -	\$ 778,511	\$ 879,809	\$ 101,298
Wastewater Treatment Plant	\$ 1,424,054	\$ 1,438,120	\$ 1,555,078	\$ 116,958
Sewer Collection	\$ 955,057	\$ 2,421,950	\$ 1,290,629	\$ (1,131,321)
Non-Departmental	\$ 2,977	\$ 150,874	\$ 149,950	\$ (924)
Special Appropriations	\$ 126,130	\$ 126,000	\$ 145,000	\$ 19,000
Debt Service (Transfer to)	\$ 3,755,409	\$ 3,742,622	\$ 2,982,434	\$ (760,188)
Transfers	\$ 4,519,327	\$ 1,896,006	\$ 3,630,133	\$ 1,734,127
Contingencies	\$ -	\$ 26,441	\$ 209,683	\$ 183,242
Total	\$ 19,465,285	\$ 20,770,387	\$ 21,040,194	\$ 269,807

The chart below presents each function as a percent of total budgeted expenditures for FY17-18:

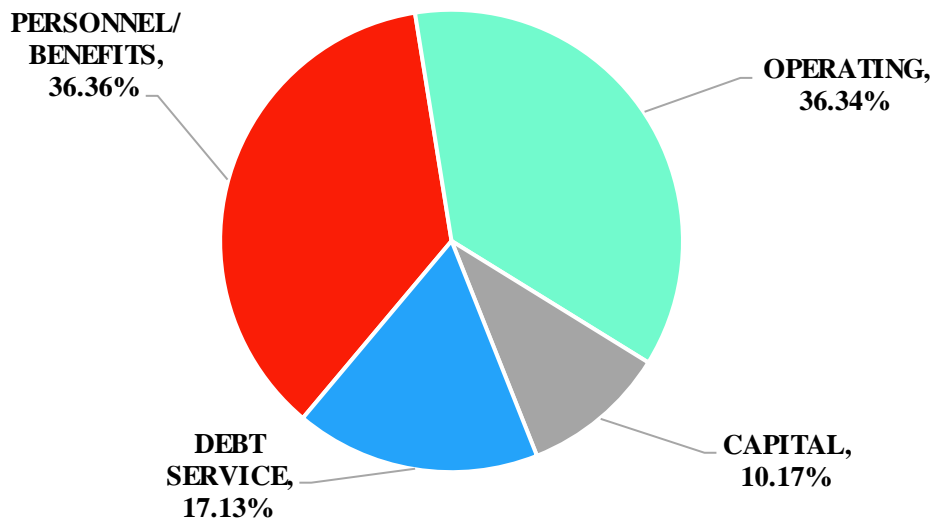
**Water & Sewer Fund Expenditures by Function
FY17-18**



Below is a breakdown of the Fund’s total expenditures:

WATER/SEWER FUND EXPENDITURES					*Based on Budget*	
EXPENDITURE TYPE	BUDGET FY16-17	ESTIMATE FY16-17	BUDGET FY17-18	ESTIMATE FY17-18	DOLLAR CHANGE	PERCENT CHANGE
PERSONNEL/BENEFITS	\$ 5,617,434	\$ 5,168,039	\$ 6,330,222	\$ 5,823,804	\$ 712,788	12.69%
OPERATING	\$ 6,180,984	\$ 5,686,505	\$ 6,326,880	\$ 5,820,730	\$ 145,896	2.36%
CAPITAL	\$ 3,336,741	\$ 3,069,802	\$ 1,770,525	\$ 1,628,883	\$ (1,566,216)	-46.94%
DEBT SERVICE	\$ 3,742,622	\$ 3,443,212	\$ 2,982,434	\$ 2,743,839	\$ (760,188)	-20.31%
SUB-TOTAL	\$ 18,877,781	\$ 17,367,559	\$ 17,410,061	\$ 16,017,256	\$ (1,467,720)	-7.77%
TRANSFERS OUT	\$ 1,896,006	\$ 1,896,006	\$ 3,630,133	\$ 3,630,133	\$ 1,734,127	91.46%
NET TOTAL	\$ 20,773,787	\$ 19,263,565	\$ 21,040,194	\$ 19,647,389	\$ 266,407	1.28%

The chart below presents each expenditure type as a percent of total budgeted expenditures for FY17-18:



Personnel/Benefits: Personnel and benefits type expenditures include salaries, insurance, retirement contributions, and respective taxes (i.e. income tax, etc...). The total increase, for this expenditure type, between the FY16-17 and FY17-18 budgets is **\$712,788**, or **+12.69%**. This increase is the result of the 25% health insurance premium increase, implementation of two parts of the pay and classification plan, and the hiring of additional personnel.

In a strategic planning meeting in October, a continuation of a 2015 strategic meeting, staff met with a water and sewer consultant to discuss a strategy for addressing critical operational needs for the Utility. This information has also been discussed and shared with City Council. In FY16-17 the City hired an additional leak repair crew, a customer service representative, and a facilities maintenance technician. Also, mid-year we filled a vacant Operations Manager



position. This year's recommendation is to hire additional positions to address water loss accounting, internal controls, creation of standard procedure manuals, capital asset tracking, inventory controls, customer service, developer/business services, design manuals, purchasing, produce an annual report, project communication, better coordination with stakeholders, and grant/loan funding administration. After these strategic planning processes, in addition to comparisons with other utility systems, we concluded that the following positions are necessary to continue strong fiscal responsibility and to support the maintenance and growth of the system:

1. Utility Finance Manager
2. Budget & Management Analyst
3. Development Review Engineer
4. Customer Service Representative (2)

The recommended additional positions make up an estimated **\$322,745** of the **\$712,788** increase. Another factor in the increase is the implementation of two parts: (1) the new grade minimums and (2) years in service compression adjustment (pay and classification plan) which totals approximately **\$109,683**. A 25% health insurance increase also added a substantial cost burden, in addition to natural growth from merit and market increases. The performance based pay program amounts are currently not scheduled to change (**+1.00% Achieves/+1.75% Exceeds/+2.50% Outstanding**). The market, "cost-of-living", adjustment is proposed to be **1.00%**.

Operating Expenditures: Operating type expenditures include everything that is not considered capital, salaries/benefits, or debt, so it includes a wide array of expenditures. The change between the FY16-17 and FY17-18 budgets is an increase of **\$145,737**, or **+2.36%**. This increase is due to general growth in the system and estimated operational costs expected to be incurred due to the acquisition of the Etowah Sewer Company. Another important item to note when considering operating expenditures is their likelihood to fluctuate from budget to actual spending. Fluctuation is commonly due to the nature of system repair and maintenance. Leaks and other damages to the system vary in cost and severity, and tend to drive the need for a high initial budget that may not always be completely used during the year.

Capital & Debt Service: The Utility's pay-go capital budget is in line with historical averages, totaling **\$1.7M**, and was discussed in the City's initial CIP communication in February. Some capital items were moved to future years in an initial adjustment, estimated **\$379,000**, which was asked of the Department. Management and staff believe this level of pay-go capital improvements is sustainable.

In addition to basic recurring capital acquisitions and replacements, there are a variety of major capital projects planned for Hendersonville Water and Sewer. Major capital projects are defined as any project greater than \$500,000 or predicted to take longer than one fiscal year to complete. A water system master plan was developed in FY16-17 and a wastewater master plan is



beginning this spring with completion anticipated in late FY17-18. These master plans will help guide system improvements through calendar year 2040. Using these processes staff has identified a variety of major projects expected to be completed in the next five years. These are detailed in a Gantt chart developed by staff, which can be found in the *Capital Improvement Plan* section of this document. In addition to the technical planning procedures, staff is working with a financial advisor (First Tryon Advisors) to look at funding strategies and capacity. After initial meetings, the advisors have identified two major factors that need to be considered:

1. Debt Service Coverage Ratio and Days Cash on Hand

- a. The Local Government Commission (LGC) will need to approve any revenue bond series issuance. They will look at these two measures to determine if the Utility can afford a loan.

2. Rate Study/Feasibility

- a. The LGC will want to see a rate/feasibility study completed for the system.

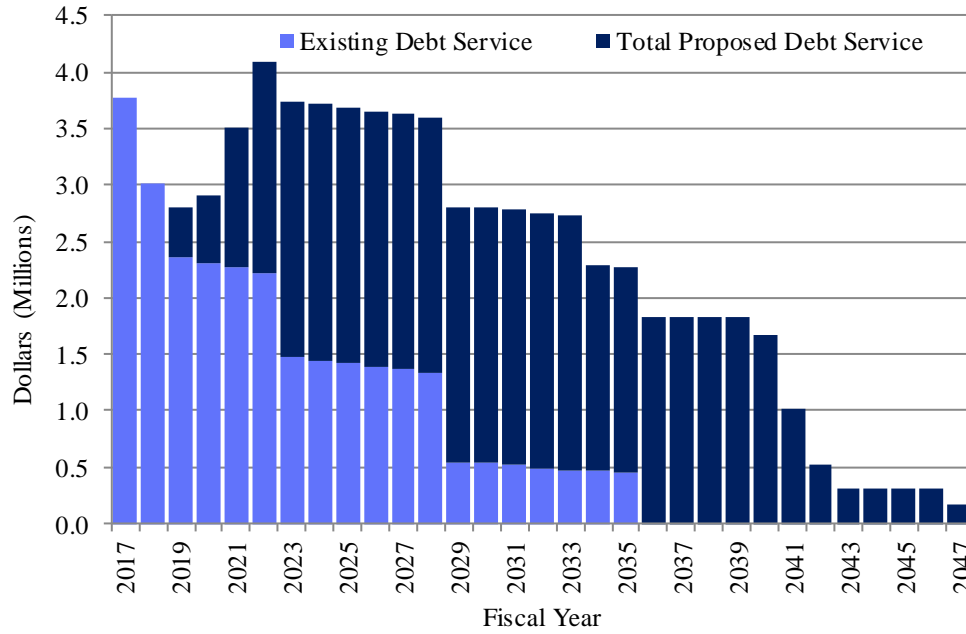
Through continued work with the advisors, a model for determining financing capacity was developed. This model details the projects to be completed and the proposed financing mechanism. As a result, predictive debt service coverage ratio and days cash on hand measures are produced through 2040. With the advice from the financial advisors, staff has recommended the City pursue a mix of pay-go and traditional loans for the first series of projects. The first series of projects include:

Eastside Transmission Main	WTP High Service Pump Station
Etowah Water System Impr.	WWTP Generator/ATS
Rutledge Rd. Water System Impr.	WWTP Gravity Filter Replacement
SCADA System Upgrade	

The projects total **\$17.5 million** with **\$5.1 million** proposed to be financed through a traditional loan issuance and **\$12.4 million** proposed to be financed with reserves (fund balance). Of this \$12.4 million, **\$8.3 million** has already been transferred to the appropriate capital project ordinance. This leaves **\$4.1 million** left to be transferred to provide full funding for these projects.

This financing strategy for the first series of projects will provide the ratios needed to satisfy the LGC and lead to a financially sustainable financing strategy. Additionally, the rate study will help predict revenue demands for the projects. In combination with the rate study, the Water and Sewer’s Fund debt service schedule will help identify financing capacity. The following table provides the Fund’s existing and proposed future debt service obligations through FY46-47:





This amortization schedule reflects the current plans that have been developed through stakeholder input, Council discussion, master plan development, and staff meetings. The proposed schedule meets the expected debt service coverage ratio and days cash on hand measures, discussed earlier. The table below displays these ratios projected over the next ten years:

FISCAL YEAR	DEBT SERVICE COVERAGE	DAYS CASH ON HAND
Goals	1.40x	270 days
2017	1.44x	684 days
2018	1.83x	325 days
2019	1.99x	409 days
2020	1.95x	336 days
2021	1.63x	336 days
2022	1.42x	381 days
2023	1.57x	437 days
2024	1.60x	493 days
2025	1.64x	550 days
2026	1.67x	607 days



Environmental Services Fund

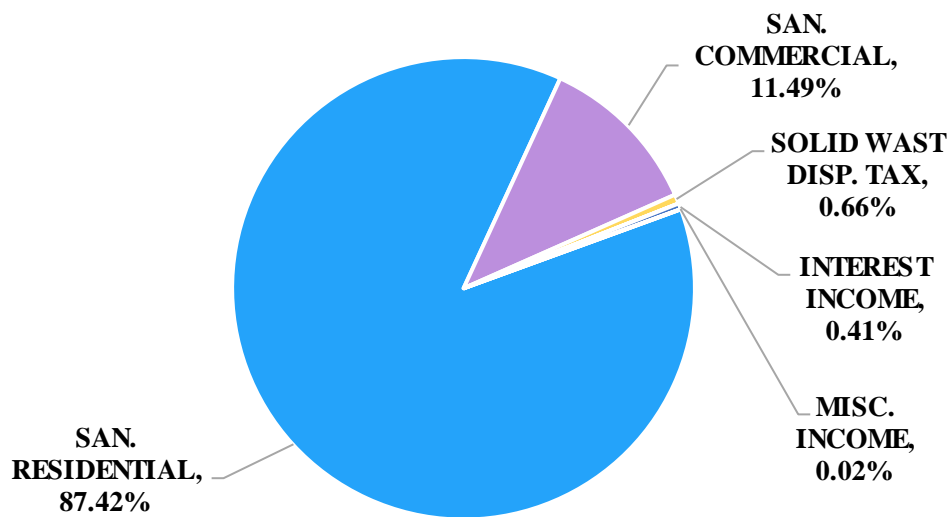
The Environmental Services Fund is an enterprise fund that provides sanitation and other related services to City customers. The Stormwater function has been broken out into its own separate fund to provide clear accounting of its operations and expenses. The Sanitation Division has a total of fourteen employees and is managed by the Public Works Director. The Environmental Services Fund Budget totals **\$1,502,464** for FY17-18.

Environmental Services Fund – Revenues

The Environmental Services Fund has five main sources of revenue, the largest being user fees charged for services. The table below displays the Fund’s revenues by source:

ENVIRONMENTAL SERVICES FUND REVENUES						<i>*Based on Budget*</i>	
REVENUE TYPE	BUDGET FY16-17	ESTIMATE FY16-17	BUDGET FY17-18	ESTIMATE FY17-18	DOLLAR CHANGE	PERCENT CHANGE	
SAN. RESIDENTIAL	\$ 1,047,003	\$ 1,062,708	\$ 1,065,000	\$ 1,080,975	\$ 17,997	1.72%	
SAN. COMMERCIAL	\$ 126,766	\$ 128,667	\$ 140,000	\$ 142,100	\$ 13,234	10.44%	
SOLID WAST DISP. TAX	\$ 8,000	\$ 8,120	\$ 8,000	\$ 8,120	\$ -	0.00%	
STORMWATER FEE	\$ 200,000	\$ 203,000	\$ -	\$ -	\$ (200,000)	-100.00%	
INTEREST INCOME	\$ 5,000	\$ 5,075	\$ 5,000	\$ 5,075	\$ -	0.00%	
MISC. INCOME	\$ 17,724	\$ 17,990	\$ 200	\$ 203	\$ (17,524)	-98.87%	
SUB-TOTAL	\$ 1,404,493	\$ 1,425,560	\$ 1,218,200	\$ 1,236,473	\$ (186,293)	-13.26%	
OTHER FINANCING SOURCES	\$ -	\$ -	\$ 284,264	\$ 235,942	\$ 284,264	#DIV/0!	
NET TOTAL	\$ 1,404,493	\$ 1,425,560	\$ 1,502,464	\$ 1,472,415	\$ 97,971	6.98%	

The chart below presents each revenue source as a percent of total budgeted revenues for FY17-18:



Sanitation Fees – Residential and Commercial: These fees are the primary revenue drivers for the fund. Being an enterprise fund it operates like a business and its user charges support its expenses. Residential sanitation charges make up approximately **87.42%** of all revenues, with commercial charges making up the majority of the remaining **12%**. There are no recommended changes in the fee schedule for FY17-18. The dollar increases in sanitation charges are the result of growth in the number of customers being served.

Stormwater Fee: A stormwater fee was levied in this Fund in the past. However, the City's stormwater program has grown and staff found it important to have its own Fund to account for its functions and start building its own fund balance. In combination with the City's NPDES stormwater permit, stormwater projects continue to be more prevalent in the City. This fee is no longer levied in the Environmental Services Fund.

Other Financing Sources – Debt Proceeds and Fund Balance: In FY17-18 it is proposed that **\$284,264** be derived from other financing sources. This revenue source is most commonly associated with fund balance appropriation. However, there are other contributors like sales of fixed assets, insurance proceeds, and debt proceeds. This year includes the purchase of a new garbage truck, and this truck will be financed using debt proceeds. These debt proceeds make up approximately \$230,000 of the \$284,264. This leaves **\$54,264** of fund balance appropriation. As the revenue table provides, at end of year FY17-18, it is estimated that this fund balance appropriation will only be **\$5,942**. It is possible that no fund balance appropriation will be needed at year end. The Environmental Services Fund had a total fund balance of \$635,261 as of June 30th, 2016. It is estimated that by year end FY16-17, that fund balance will drop to **\$550,000** due to the transfer of funds in FY16-17, to the newly created Stormwater Fund, to help set up a base fund balance to support the Fund's initial years. The Environmental Services Fund is financially sustainable and has a strong fund balance.



Environmental Services Fund – Expenditures

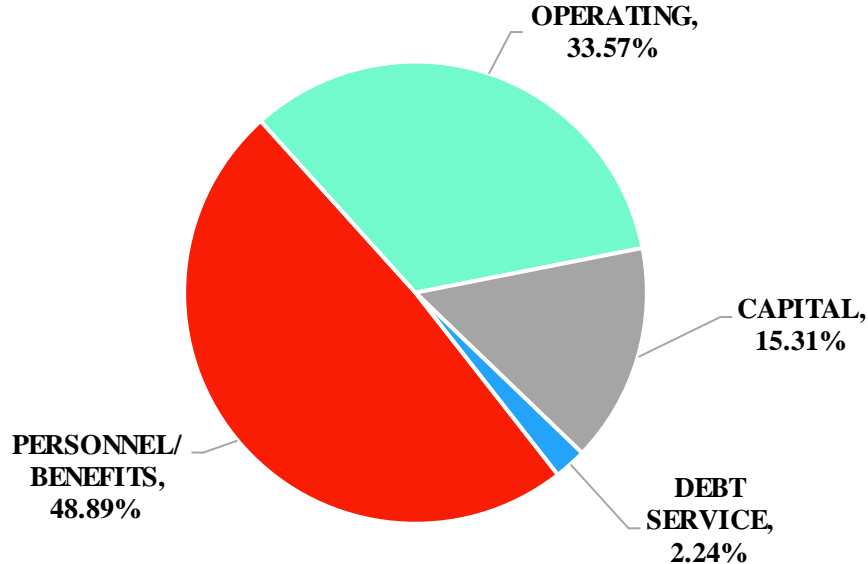
The Environmental Services Fund serves a variety of functions, including the performance of solid waste collection, recycling collection, brush collection, leaf collection, and appliance collection. In addition, it provides funding for administration, fleet maintenance, non-departmental services, and debt service payments. The table below details the City’s Environmental Services Fund expenditures by type for FY17-18:

ENVIRONMENTAL SERVICES FUND EXPENDITURES

Based on Budget

EXPENDITURE TYPE	BUDGET FY16-17	ESTIMATE FY16-17	BUDGET FY17-18	ESTIMATE FY17-18	DOLLAR CHANGE	PERCENT CHANGE
PERSONNEL/BENEFITS	\$ 817,170	\$ 800,827	\$ 734,528	\$ 719,837	\$ (82,642)	-10.11%
OPERATING	\$ 496,113	\$ 486,191	\$ 504,307	\$ 494,221	\$ 8,194	1.65%
CAPITAL	\$ 57,582	\$ 56,430	\$ 230,000	\$ 225,400	\$ 172,418	299.43%
DEBT SERVICE	\$ 33,628	\$ 32,955	\$ 33,629	\$ 32,956	\$ 1	0.00%
SUB-TOTAL	\$ 1,404,493	\$ 1,376,403	\$ 1,502,464	\$ 1,472,415	\$ 97,971	6.98%
TRANSFERS OUT	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
NET TOTAL	\$ 1,404,493	\$ 1,376,403	\$ 1,502,464	\$ 1,472,415	\$ 97,971	6.98%

The chart below presents each expenditure type as a percent of total budgeted expenditures for FY17-18:



Personnel/Benefits: The personnel and benefits type expenditures are to decrease by \$82,642 in FY17-18. This is the result of the aforementioned movement of stormwater into its own fund. Additionally, there has been some turnover which has added to this decrease. There are no other major highlights for this expenditure type.



Operating Expenditures: The operating expenditures for this Fund have increased slightly in FY17-18, **\$6,694** in total. The increase is due to natural growth in operational costs.

Capital: The capital type expenditures depict an increase of **\$172,418**, or **+299.43%** in FY17-18. The City will be purchasing a new garbage truck, at an estimated cost of **\$230,000**. This truck will be financed through a traditional bank loan. Additionally, there is funding for a route analysis study to help improve the efficiencies of the City’s growing number of customers.

Debt Service: The budgeted appropriation in the debt service type expenditure line is for loan payments on the most recent garbage truck purchase. With the debt purchase of an additional garbage truck debt service appropriations are expected to increase in the coming fiscal years.



Stormwater Fund

The City has created a new fund to account for stormwater services and functions. This Fund provides services that help manage the City’s NPDES phase II permit and post-construction stormwater management. The City must develop, implement, and enforce a stormwater management program designed to reduce the discharge of pollutants from their MS4 to the “maximum extent practicable”, to protect water quality, and to satisfy the appropriate water quality requirements of the CWA. The stormwater management program must include the following six (6) minimum control measures:

- 1. Public education and outreach
- 2. Public participation/involvement
- 3. Illicit discharge detection and elimination
- 4. Construction site runoff control
- 5. Post-construction runoff control
- 6. Pollution prevention

Stormwater Fund – Revenues

The Stormwater Fund has one main source of revenue, the stormwater base fee. The table below displays the Fund’s revenues by source:

STORMWATER FUND REVENUES						*Based on Budget*	
REVENUE TYPE	BUDGET FY16-17	ESTIMATE FY16-17	BUDGET FY17-18	ESTIMATE FY17-18	DOLLAR CHANGE	PERCENT CHANGE	
STORMWATER FEE	\$ -	\$ -	\$ 225,000	\$ 229,500	\$ 225,000	#DIV/0!	
SUB-TOTAL	\$ -	\$ -	\$ 225,000	\$ 228,375	\$ 225,000	#DIV/0!	
OTHER FINANCING SOURCES	\$ -	\$ -	\$ 35,841	\$ 24,641	\$ 35,841	#DIV/0!	
NET TOTAL	\$ -	\$ -	\$ 260,841	\$ 253,016	\$ 260,841	#DIV/0!	

The chart below presents each revenue source as a percent of total budgeted revenues for FY17-18:

Stormwater Fee: These fees are the primary revenue source for the fund. They are derived from a \$2 flat monthly fee to all water customers within the City limits and extraterritorial jurisdiction (ETJ).

Other Financing Sources – Fund Balance: The Stormwater Fund will have an estimated \$100,000 of fund balance at year end FY16-17. In FY17-18 there is a budgeted fund balance appropriation of \$35,841. It is estimated that only \$24,641 will be appropriated at year end. A major part of this appropriation is due to a major capital improvement project, which is a one-time expense.

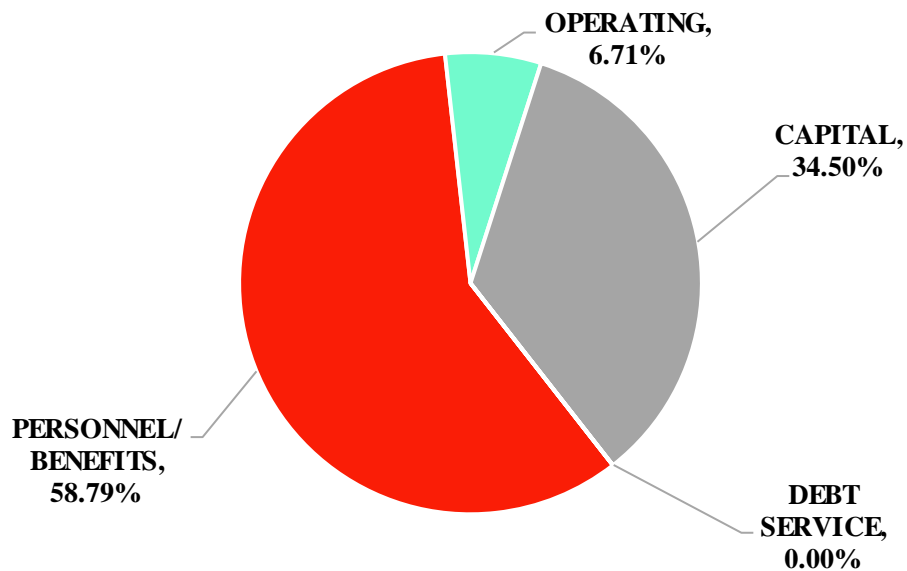


Stormwater Fund – Expenditures

The Stormwater Fund supports the City’s Stormwater Program in meeting the requirements of the 6 minimum control measures set forth by our NPDES Phase II Permit. The Fund provides annual inspections of public and privately owned stormwater control measures, establishment of stormwater Capital Improvement Projects (CIP), illicit discharge detection/elimination, outfall surveys and water quality monitoring, community outreach, response to stormwater requests by residents/businesses (public/private), and acquiring funding for innovative stormwater management. The Fund supports a Stormwater Quality Specialist, an Equipment Operator, and a portion of a Civil Engineer’s salary. The majority of funding goes towards their time and additional capital projects. The table below details the City’s Environmental Services Fund expenditures by type for FY17-18:

STORMWATER FUND EXPENDITURES						<i>*Based on Budget*</i>	
EXPENDITURE TYPE	BUDGET FY16-17	ESTIMATE FY16-17	BUDGET FY17-18	ESTIMATE FY17-18	DOLLAR CHANGE	PERCENT CHANGE	
PERSONNEL/BENEFITS	\$ -	\$ -	\$ 153,351	\$ 148,750	\$ 153,351	#DIV/0!	
OPERATING	\$ -	\$ -	\$ 17,490	\$ 16,965	\$ 17,490	#DIV/0!	
CAPITAL	\$ -	\$ -	\$ 90,000	\$ 87,300	\$ 90,000	#DIV/0!	
DEBT SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
SUB-TOTAL	\$ -	\$ -	\$ 260,841	\$ 253,016	\$ 260,841	#DIV/0!	
TRANSFERS OUT	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
NET TOTAL	\$ -	\$ -	\$ 260,841	\$ 253,016	\$ 260,841	#DIV/0!	

The chart below presents each expenditure type as a percent of total budgeted expenditures for FY17-18:



Non-Major Funds

In addition to the five major funds, the City budgets for a variety of other funds. These include special revenue funds, capital reserve funds, internal service funds, and debt service funds. A summary of these funds is provided below:

NON-MAJOR FUNDS OVERVIEW FY17-18

FUND	EXPENDITURES	REVENUES	FUND BALANCE APPROP.
DEBT SERVICE FUND - GF	\$ 1,077,726	\$ 718,956	\$ 358,770
FIRE - COMMUNITY FUND	\$ 250	\$ -	\$ 250
HEALTH AND WELFARE FUND	\$ 369,605	\$ 369,605	\$ -
HISTORIC PRESERVATION COMMISSION	\$ 15,000	\$ -	\$ 15,000
POLICE - DRUG FORFEITURES	\$ 50,000	\$ -	\$ 50,000
POLICE - KENNEL CLUB	\$ 5,000	\$ -	\$ 5,000
POLICE - MOTOR UNIT	\$ 500	\$ -	\$ 500
POLICE - NEEDY PERSONS	\$ 8,000	\$ -	\$ 8,000
POLICE - RAD	\$ 1,500	\$ -	\$ 1,500
WALK OF FAME	\$ 1,000	\$ 1,000	\$ -
SUB-TOTAL	\$ 1,528,581	\$ 1,089,561	\$ 439,020
TOTALS IN BALANCE	\$ 1,528,581	\$ 1,528,581	

A more detailed description of these other funds can be found in the *Other Funds* section of the budget for FY17-18.



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 2017-2018 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 2017-2018 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, 2017 AND ENDING JUNE 30, 2018

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, 2017; 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 major governmental and enterprise budgets for the City of Hendersonville and its activities for the fiscal year beginning July 1, 2017, and ending June 30, 2018, in accordance with the chart of accounts heretofore established for this City:

Governmental Funds	
General Fund	\$ 15,389,143
Main Street MSD Fund	463,808
Seventh Avenue MSD Fund	57,827
Enterprise Funds	
Environmental Services Fund	\$ 1,502,464
Stormwater Fund	260,841
Water and Sewer Fund	21,040,194
Total Appropriations	\$ 38,714,277
Less: Interfund Transfers Out	4,365,700
Total Net Appropriations	\$ 34,348,577

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, 2017, and ending June 30, 2018. 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-seven cents (\$0.47) per one hundred dollars valuation of property as listed for taxes as of March 1, 2017. This rate is based on an estimated total valuation of property for the purpose of taxation of \$1,754,965,444 and estimated collection rate of 98.01%.

A tax rate is also levied of twenty-eight cents (\$0.28) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2017, for the Main Street Municipal Service District formed upon a petition of some of the property owners, established for the purpose of infrastructure improvements and special events in the district. This rate is based on an estimated total valuation of property for the purpose of taxation of \$83,702,411 and an estimated collection rate of 98.01%.

A tax rate is also levied of twelve cents (\$0.12) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2017, for the Seventh Avenue Municipal Service District formed upon a petition of some of the property owners, established for the purpose of infrastructure improvements and special events in the district. The rate is based on an estimated total valuation of property for the purpose of taxation of \$16,383,675 and an estimated collection rate of 98.01%.

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 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
- d) other various fees associated with enhanced direct services provided by the City.

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 City's Position Allocation to Salary Range which provides all jobs and associated pay bands be adopted as the official Pay and Classification Schedule of the City of Hendersonville.



The *Pay and Classification Schedule* is incorporated by reference and placed on file in the office of the City Clerk.

SECTION 8: The following amounts are hereby appropriated for the special revenue budgets, together with a financial plan for internal service budgets, for the City of Hendersonville and its activities for the fiscal year beginning July 1, 2017, and ending June 30, 2018, in accordance with the chart of accounts heretofore established for this City:

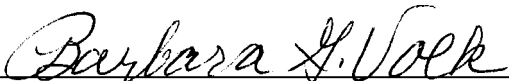
Special Revenue Funds	
Debt Service Fund - GF	\$ 1,077,726
Fire Community Fund	250
Historic Preservation Commission Fund	15,000
Police Drug Forfeitures Fund	50,000
Police Kennel Club Fund	5,000
Police Motor Unit Fund	500
Police Needy Persons Fund	8,000
Police RAD Fund	1,500
Walk of Fame Fund	1,000
Internal Service Funds	
Health and Welfare Fund	\$ 369,605
Total Appropriations	\$ 1,528,581

SECTION 9: 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 10: This ordinance shall become effective on and after July 1, 2017.

SECTION 11: 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 first day of June, 2017.


Barbara Volk, Mayor, City of Hendersonville

ATTEST:


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 resources and the annual national census.

History

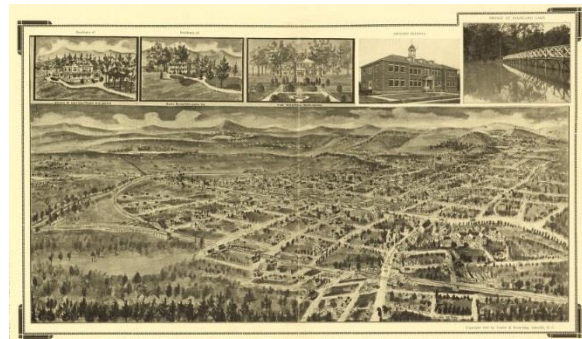
The first presence of settlers in Henderson County began to take shape in 1785, legally acquiring Cherokee lands with the Treaty of Hopewell. The Treaty only designated half of present day Henderson County; however, the settlers and newcomers migrated beyond that set boundary and came to inhabit the 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.



**C.M. Pace House*



**Hendersonville - Original Lots*

Entering the 20th Century, the City of Hendersonville 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 tourism 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. In support of historic preservation the Mayor and Council 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. The City is conveniently located next to Interstates 26 and 40, in addition to the Asheville Regional Airport. Residents and visitors take advantage of the beautiful mountain landscape and wide variety of recreational destinations surrounding the area.

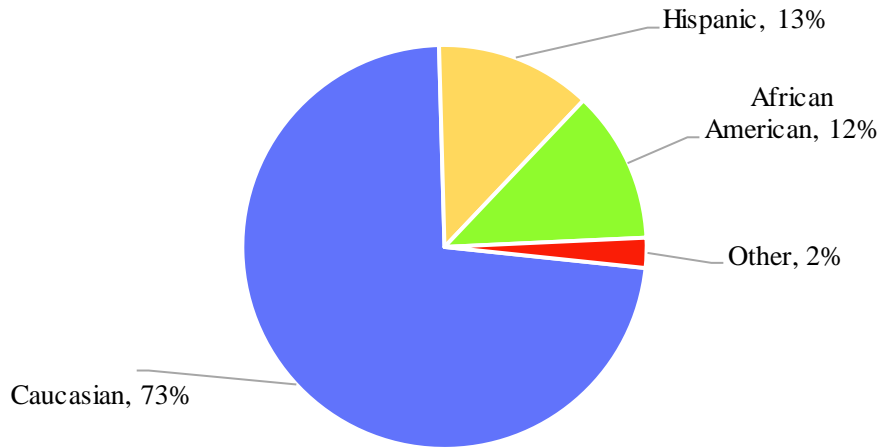


Demographics

The population of the City of Hendersonville as of 2014 was 13,650. This is a 31.0% increase since 2000. The median resident age is 45.2 years and the median household income was \$36,416 as of 2014.

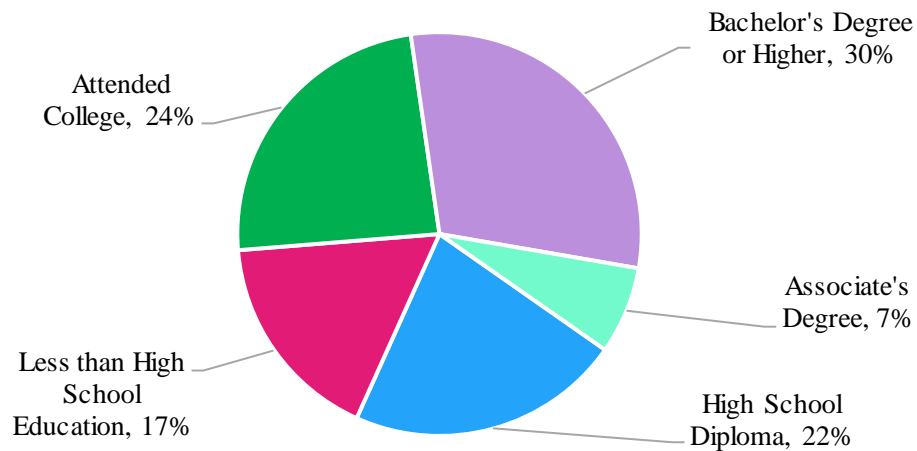
The following pie chart details the percent each race comprises of the total population:

Hendersonville Race Breakdown (2013)



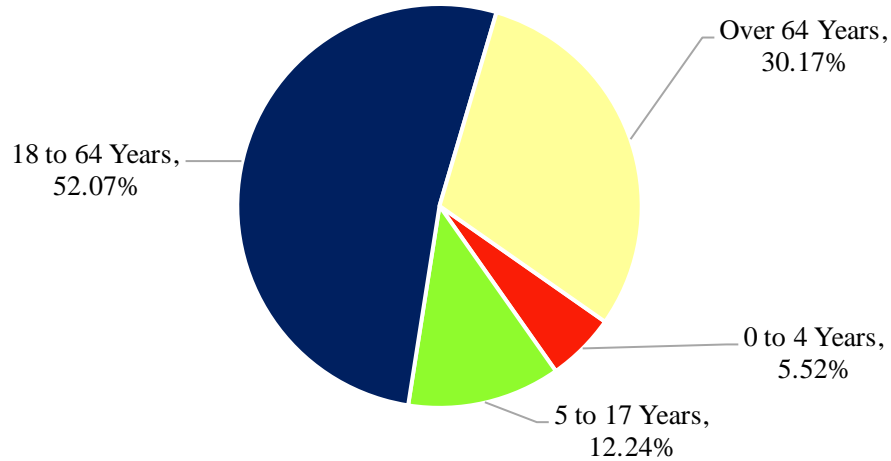
The pie chart below details the percent each level of education comprises of the total population:

Hendersonville Education Breakdown (2013)



The pie chart below details the percent each group of ages comprises of the total population:

Hendersonville Age Breakdown (2010)



Other demographic factors in the City of Hendersonville include a poverty rate of 22% (2010), and a homeownership rate of 48% (2010). Out of the 5,141 houses in Hendersonville, 4,573 are occupied. The median price asked for vacant for-sale houses and condos in 2013 was \$124,143. The median price asked for vacant for-rent units in 2013 was \$764 per month.



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, healthcare systems, and industries located within the County. The area has experienced unbroken population growth for over four decades and more than half of new residents are under the age of 35. The Economic Assessment Report of Henderson County (Syneva Economics, September 2015) evaluated five key economic activities: manufacturing, health care, agri-business, tourism and in-migration. Manufacturing activities contribute the most total and supported jobs, have the highest wages, and have the top job multiplier among job categories. Manufacturing accounts for 60.7% of the FY2015 Business-Personal Property value, totaling \$606.3 million. In addition, this sector contributes \$267.9 million tax dollars generated at the local level. Industrial parcels paid \$1,592,338 in taxes to Henderson County in 2014. Industrial parks located within the area include: Broadpointe



**Broadpointe Industrial Park*

Industrial near I-26 and Highway 280, Mountain Home Industrial Park located just outside of the City of Hendersonville, and Ferncliff Industrial Park located near the west side of Asheville Regional Airport.

Manufacturing has stable growth and contributed to 13% of the job growth from 2009 to 2014. Since 2012, there has been \$618.5M in new investment and 1,642 new manufacturing jobs announced. In the fourth quarter of 2016, manufacturers paid \$285,574,372 in payroll and accounted for 15% of the workforce. According to the Economic Assessment Report of Henderson County, the average weekly wage in manufacturing is \$965, 42% above the overall county average. There are more than 140 manufacturing and industrial companies that support the economy. The 2007 Lockwood Greene Economic Master Plan identified primary target markets including: plastics,



**Sierra Nevada Brewing Co.*

automotive, life sciences, outdoor recreation, machinery, advanced materials, food and beverage and paper and packaging. Each target market contributes to the diversity of our economy by producing different products and employing different production processes. Among the largest companies in the area are: Current by GE, Continental, Wilsonart International, Kimberly-Clark Corporation, Kyocera Industrial Ceramics, Meritor, and Sierra Nevada Brewing Company.

Manufacturing thrives in the region because of a strong emphasis on infrastructure and support resources that ensure the sector's success. Industry representatives commonly cite transportation infrastructure, industrial-quality utilities and fiber, and a strong concentration of advanced manufacturing skillset in the local workforce. At the crossroads of I-26 and I-40, the area affords significant logistics and supply chain advantages, providing an easy mechanism to move raw materials and finished goods across the Eastern seaboard. Air transport and commercial air service provided by the Asheville Regional Airport (AVL) ensures that people and products have efficient access to the globe.

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, Basic Brewery, and Sanctuary Brewing Company are open and operating near downtown Hendersonville.

Apples, which were first planted at the end of the 18th century, are 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. Furthermore, North Carolina still ranked seventh in the nation in apple production.

The organic farming of apples and vegetables is an emerging market for wholesale and retail sales. In all its various forms, agricultural production contributes 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. These sectors should continue to prosper as 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 hosts 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 major attraction for the area and is expected to grow as more tourists and outdoor enthusiasts discover its existence.

The City of Hendersonville's Main Street Municipal Service District (MSD) hosts 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 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 continues 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 personal property and real estate tax payers in the City of Hendersonville, year end June 30, 2016:

TEN LARGEST PERSONAL PROPERTY TAX PAYERS BY ASSESSED VALUATION AS OF JUNE 30, 2016

Tax Payer	Assessed Value	Percent of Total Assessed Value	Total Tax Paid
Morris Broadband LLC	\$ 18,038,131	1.04%	\$ 91,216
Duke Energy Corp.	\$ 12,231,550	0.70%	\$ 56,769
Ingles Markets Inc.	\$ 9,401,767	0.54%	\$ 43,248
Bellsouth Tel. Co.	\$ 6,201,575	0.36%	\$ 37,672
Public Service Company of NC Inc.	\$ 3,845,828	0.22%	\$ 18,359
Sam's East Inc	\$ 1,955,417	0.11%	\$ 8,995
GE HFS LLC	\$ 1,905,969	0.11%	\$ 8,767
Harris-Teeter #379	\$ 1,901,777	0.11%	\$ 8,748
Wal-Mart Stores East LP	\$ 1,679,219	0.10%	\$ 7,724
Lowes of Hendersonville	\$ 1,588,094	0.09%	\$ 7,305
SUB-TOTAL	\$ 40,711,196	2.34%	\$ 197,588
Total City Assessed Value	\$ 1,737,261,913		

TEN LARGEST REAL ESTATE TAX PAYERS BY ASSESSED VALUATION AS OF JUNE 30, 2016

Tax Payer	Assessed Value	Percent of Total Assessed Value	Total Tax Paid
Triangle Ballantyne Hendersonville, Inc.	\$ 25,185,900	1.45%	\$ 115,855
Morris Broadband LLC	\$ 18,038,131	1.04%	\$ 91,216
Wal-Mart Real Estate Business Trust	\$ 17,541,300	1.01%	\$ 80,690
Highland Investors Limited Partnership	\$ 16,107,900	0.93%	\$ 74,096
Hyder, Boyd L	\$ 15,438,000	0.89%	\$ 71,022
First Citizens Bank & Trust Co.*	\$ 8,143,600	0.47%	\$ 58,004
Duke Energy Carolinas, LLC	\$ 12,231,550	0.70%	\$ 56,769
Ingles Market Inc.	\$ 11,650,500	0.67%	\$ 53,592
Home Depot USA Inc.	\$ 11,131,415	0.64%	\$ 51,206
Blue Ridge Mall LLC	\$ 11,355,000	0.65%	\$ 52,233
SUB-TOTAL	\$ 146,823,296	8.45%	\$ 704,684
Total City Assessed Value	\$ 1,737,261,913		

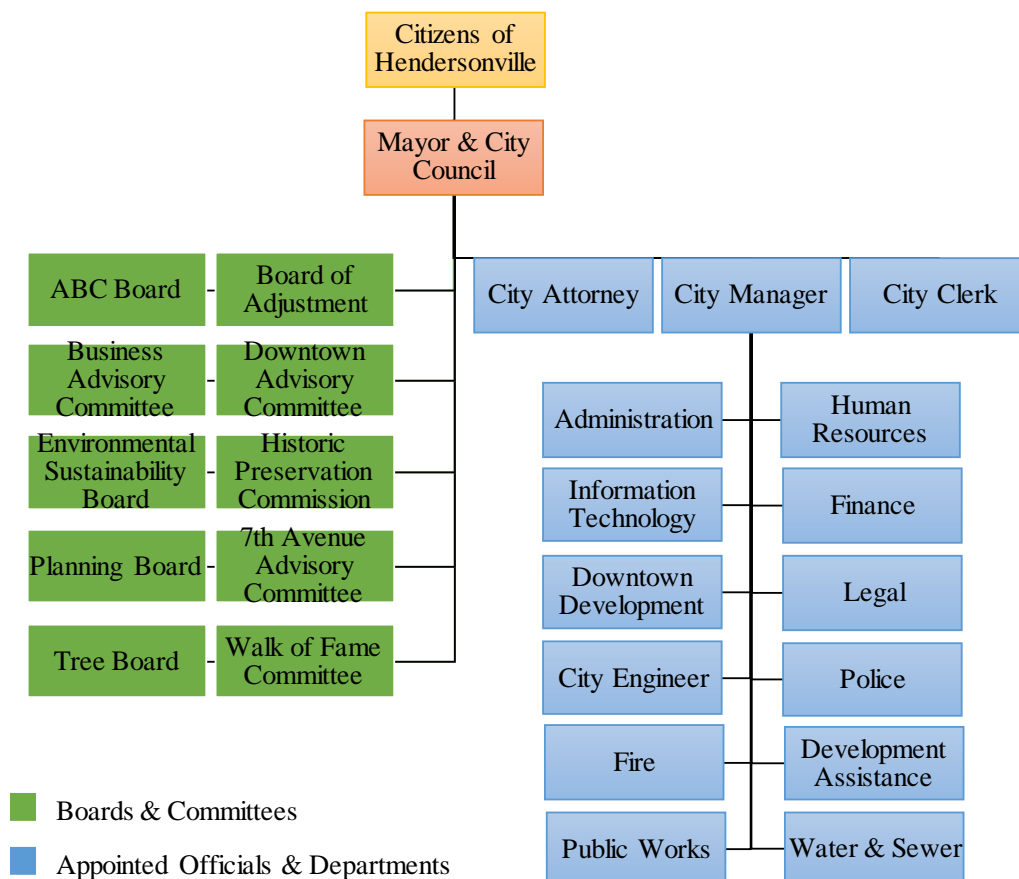
Those tax payers with an asterisk "*" after their name denotes that they pay additional municipal service district (MSD) taxes via location in one of the City's two MSDs.



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 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 Manager serves as a professional and assists the Council and Mayor in the efficient, equitable, 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 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, Performance Budgeting, & Financial Impacts

The City of Hendersonville has updated its strategic plan for fiscal year 2018 and beyond, 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

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

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 (HCPED) to promote economic development.
2. Complete 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. Continue to evaluate downtown parking needs and vet solutions.
6. Implement a communitywide way finding program to enhance signage.
7. Continue to promote effective, equitable, and efficient development processes within the City.

Priority: 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.

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. Continue Water and Sewer Technical Advisory Committee meetings.
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. Continue to improve the Fire and Police Department’s relationship with the public.



Priority: 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.

Focus Areas

✓ Water	✓ Sewer	✓ Parks	✓ Information Technology
✓ Vehicles	✓ Equipment	✓ Main Street/ 7 th Avenue	✓ Streets & Sidewalks

Strategic Goals

1. Develop a Sewer System Master Plan.
2. Update infrastructure monitoring systems (SCADA).
3. Select site and architectural renderings for new Police Headquarters.
4. Implement a strong inflow and infiltration (I & I) program.
5. Improve capacity throughout the water and sewer system.
6. Continue to evaluate City communications to improve customer service and reliability.
7. Conduct pavement condition survey and evaluate the effectiveness of the last 5 years of the City’s resurfacing program.

Priority: 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.

Focus Areas

✓ Main Street	✓ Patton Park	✓ Sullivan Park	✓ Whitmire Building
	✓ Berkeley Mills Park	✓ Oklawaha Greenway	

Strategic Goals

1. Explore private funding mechanisms for the Berkeley Mills Park Master Plan.
2. Improve the appearance of all parks.
3. Support the development of the Ecusta Trail.
4. Continue improvements of the Oklawaha Greenway, including parking and access.
5. Continue to support downtown events and activities.



Priority: 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.

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. Continue to improve the City’s Customer Service Program.
4. Update the City Code to ensure all laws and regulations are current.
5. Develop a strategic plan for Hendersonville Police Department.
6. Seek CPSE Fire Department Accreditation.
7. Continue enhanced Police activities such as the ACE Team.

Priority: 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.

Focus Areas

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

Strategic Goals

1. Continue to fund the 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 comprehensive preventive maintenance programs.
5. Encourage the formation of interdepartmental teams to improve communication and organization efficiencies.



Performance Budgeting and Strategic Planning

A critical piece to the *Strategic Planning and Financial Impacts* section of the budget is the City's pursuit of a performance budgeting program. Performance budgeting will be a 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. This methodology 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 program takes time and resources. The City of Hendersonville is in the early stages of this process and has established preliminary measures and linkages to outcomes and priorities. City Council has already established a mission, vision, goals, and priorities, provided in the prior pages. Continuing the process will include reviewing measures already tracked and evaluating their ability to be linked to City outcomes.

Departments will begin establishing objectives linked to City goals and priorities. 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.

The City has developed the following sample timeline to guide this program:

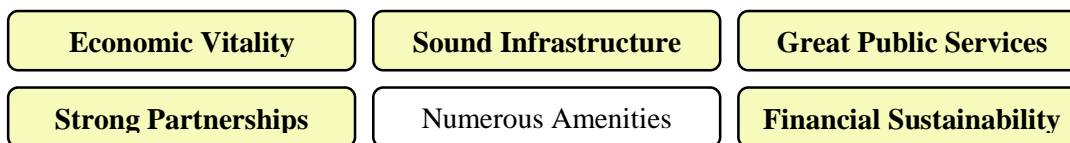
1. Budget office compiles actuals for FY16-17 measures and includes them in budget for FY17-18.
2. Submit target/goals for upcoming FY17-18 in budget packet, February 2017.
3. Budget office presents proposed budget for FY17-18 with FY15-16 PM Actuals, FY16-17 Estimates, and FY17-18 Estimates & Target/Goals.
4. Begin tracking measures for FY17-18 July 1st, 2017.
5. Reporting of measures for prior fiscal year (FY16-17) completed by December 31st, 2017.

The following pages will provide the current Department performance overviews for FY17-18.



Fire Department – Performance Overview

City-wide Priorities Supported



Objective: To provide fire inspections for more than 90% of the eligible structures by June 30th, 2018 and 95% by June 30th, 2021.

Performance Indicators	Actual FY15-16	Estimate FY16-17	Target FY17-18	Long-Term Target
Number of fire inspections performed.	1658	1821	1688	1781
Number of eligible structures.	1850	1875	1875	N/A
Percent of fire inspections performed.	89.62%	97.12%	90.00%	95.00%

Objective: To promote quality service through professional development represented by maintaining 100% of Fire FTE employees with an EMT certification each year.

Performance Indicators	Actual FY15-16	Estimate FY16-17	Target FY17-18	Long-Term Target
% of Fire FTE's with EMT certification.	98.60%	100.00%	100.00%	100.00%

Objective: To provide staffing to safely confine and contain a typical residential structure fire represented by at least fourteen (14) firefighters responding by June 30th, 2019.

Performance Indicators	Actual FY15-16	Estimate FY16-17	Target FY17-18	Long-Term Target
Average number of available responders (does not include automatic-aid).	9	10	11	14
Average number of actual responders (including automatic-aid).	11.2	11.8	13	15
Average number of FTEs per apparatus.	2.8	2.8	3.0	4.0



Objective: To increase the Department's number of engine/ladder companies by one, in order to reduce its reliability measure to less than 25% by June 30th, 2021.

Performance Indicators	Actual FY15-16	Estimate FY16-17	Target FY17-18	Long-Term Target
Number of engine/ladder companies.	3	3	3	4
Number of calls.	4163	4589	4987	N/A
Number of overlapping calls.	1875	2564	2431	N/A
% of overlapping calls (reliability measure).	45.04%	55.87%	48.75%	< 25%

Human Resources Department – Performance Overview

City-wide Priorities Supported

Economic Vitality	Sound Infrastructure	Great Public Services
Strong Partnerships	Numerous Amenities	Financial Sustainability

Objective: To increase the number of covered employees that are compliant with mandatory preventative screenings through an incentive program by 3% by June 30th, 2020..

Performance Indicators	Actual FY15-16	Estimate FY16-17	Target FY17-18	Long-Term Target
Percent of employees compliant with mandatory screenings.	90.00%	94.00%	93.00%	93.00%

Objective: To lessen City health risks by reducing the percentage of covered employees in the "Chronic" risk category, identified by the MARA scale, to less than 10% by June 30th, 2020, through wellness participation and education.

Performance Indicators	Actual FY15-16	Estimate FY16-17	Target FY17-18	Long-Term Target
Percent of eligible employees in the wellness program.	N/A	88.00%	95.00%	98.00%
Number of eligible employees attending at least 2 wellness classes.	N/A	59.00%	80.00%	98.00%



Percent of employees in the "Chronic" risk category.	8.00%	11.00%	9.00%	< 10%
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Objective: To train employees in excellent customer service through 100% participation in regular principle of the month discussions through June 30th, 2021.

Performance Indicators	Actual FY15-16	Estimate FY16-17	Target FY17-18	Long-Term Target
Percent of employees participating in principle of the month discussions.	N/A	62.00%	80.00%	98.00%

Water & Sewer – Performance Overview

City-wide Priorities Supported

Economic Vitality	Sound Infrastructure	Great Public Services
Strong Partnerships	Numerous Amenities	Financial Sustainability

Objective: To maintain a capital asset condition ratio, with a remaining useful life greater than 60% through June 30th, 2021.

Performance Indicators	Actual FY15-16	Estimate FY16-17	Target FY17-18	Long-Term Target
Capital assets being depreciated.	\$117,655,282	\$124,365,122	N/A	N/A
Accumulated depreciation.	\$45,140,929	\$47,211,180	N/A	N/A
Capital assets condition ratio.	61.63%	62.04%	62.00%	> 60.00%

Objective: To reduce the system's water loss ratio to below 23% by June 30th, 2020.

Performance Indicators	Actual FY15-16	Estimate FY16-17	Target FY17-18	Long-Term Target
WTP annual production in gallons.	2,700,303,000	2,532,315,273	N/A	N/A
Annual consumption in gallons.	1,968,205,490	2,016,593,455	N/A	N/A
Water loss ratio.	27.11%	20.37%	22.50%	< 23.00%



Objective: To reduce the system's inflow and infiltration ratio to below 33% by June 30th, 2020.

Performance Indicators	Actual FY15-16	Estimate FY16-17	Target FY17-18	Long-Term Target
Annual usage in gallons.	795,474,300	740,486,072	N/A	N/A
Annual treatment in gallons.	1,229,980,300	1,011,418,909	N/A	N/A
Inflow and infiltration ratio.	35.33%	26.79%	30.00%	< 33.00%

Objective: To provide excellent customer service by answering 80% of calls received, evidenced by a calls going to voicemail ratio of less than 20%, by June 30th, 2020.

Performance Indicators	Actual FY15-16	Estimate FY16-17	Target FY17-18	Long-Term Target
Number of calls per year.	55,742	60,000	N/A	N/A
Number of calls going to voicemail per year.	21,000	18,600	N/A	N/A
% of calls going to voicemail.	37.67%	31.00%	25.00%	< 20.00%

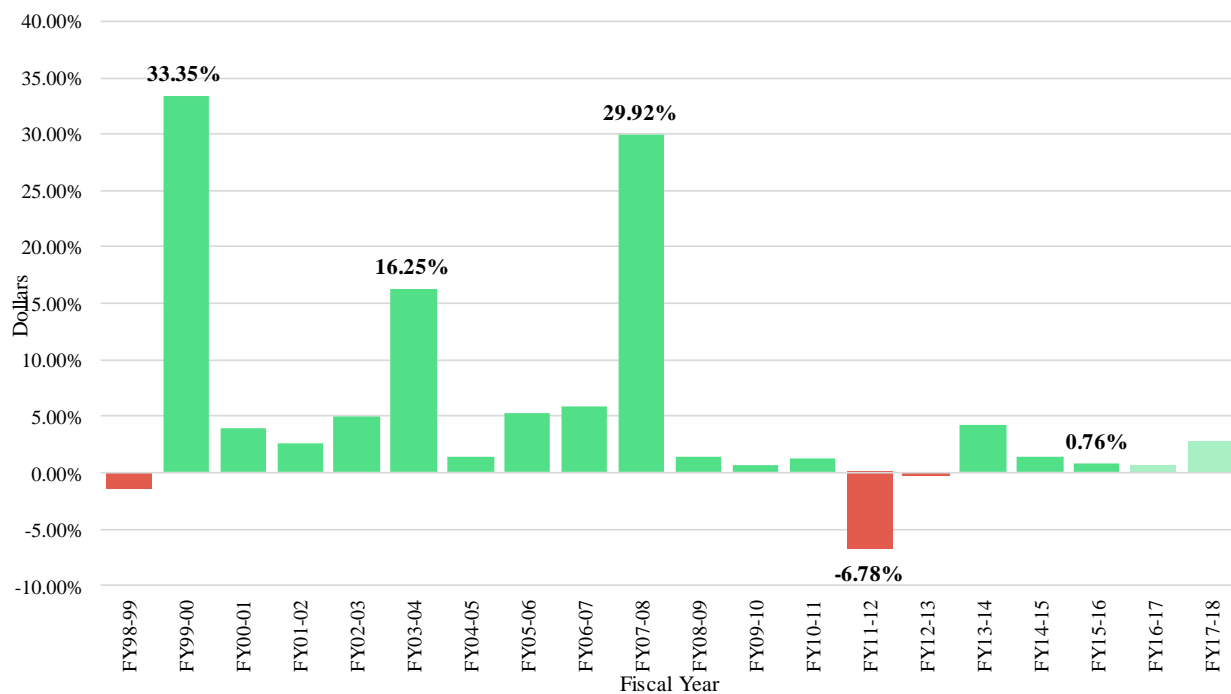


Short-term Organization-wide Factors

This section will highlight and provide more detail on how specific short-term factors affected the development of the City’s budget, as first presented in the *Budget Message* section. 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.

Ad Valorem Tax – Property Revaluation FY19-20

A major near term factor that has driven decision-making in the upcoming budget and future years is the scheduled revaluation of all real property within the City and County, scheduled for FY19-20. A strong revaluation may provide opportunities for the City to capitalize on staffing and infrastructure challenges. The following chart displays percent change in property values for the past 20 years (the revaluation year’s actual percentages provided in bold):

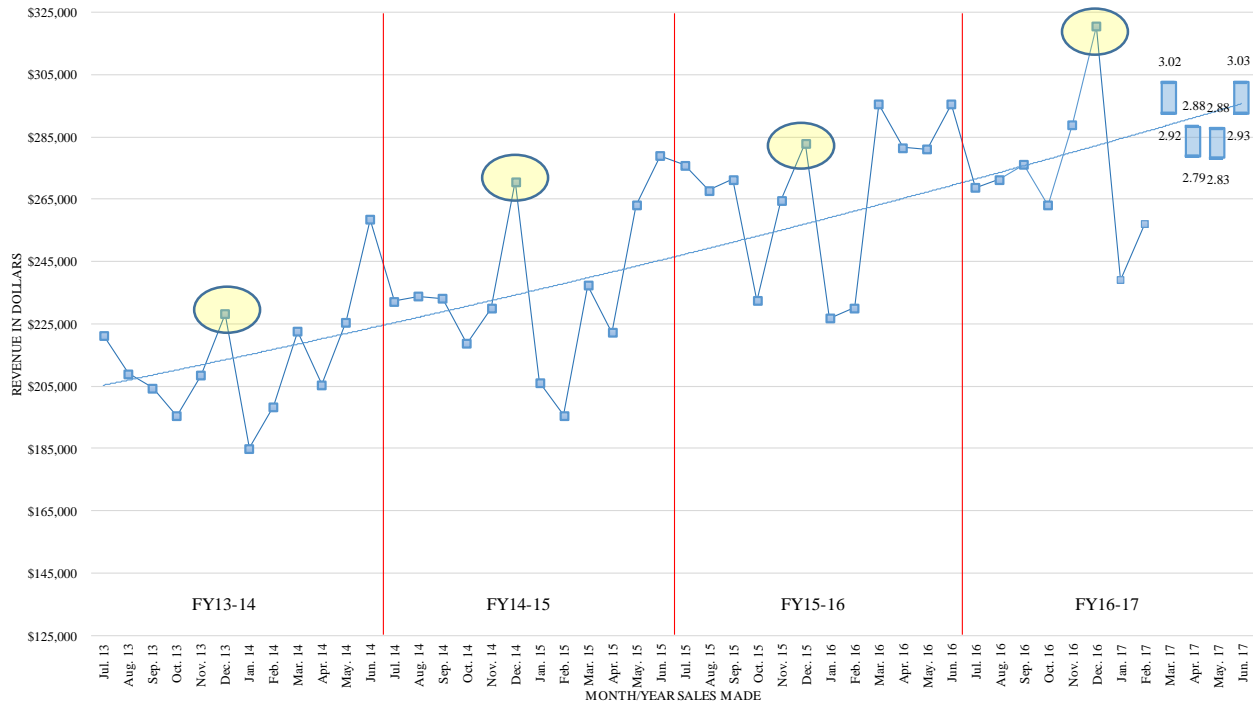


The trend shows strong real property revaluations in the early 2000’s and then a significant decrease after the recession (2009). Modest to no growth occurred in FY15-16. City Staff believe that we may have a strong revaluation in FY19-20 due to a more recovered economy, which has resulted in an increase in development within the City. More than 250 residential units will have been built, 2-3 large grocery stores, 3 hotels, and other smaller commercial developments have occurred since the last revaluation in FY15-16. A revaluation similar to the early 2000’s will provide a potential increase in ad valorem tax revenues for the City.



Revenue Growth – Local Option Sales Tax

As discussed in the *Budget Message* section of this document, the City’s share of local options sales taxes have been driving revenue growth. The total revenue growth for local options sales taxes from FY13-14 to an estimated FY16-17 is **\$783,669**, or **30.5%**. The following table displays sales tax revenue collections by month from September 2013 to May 2017:



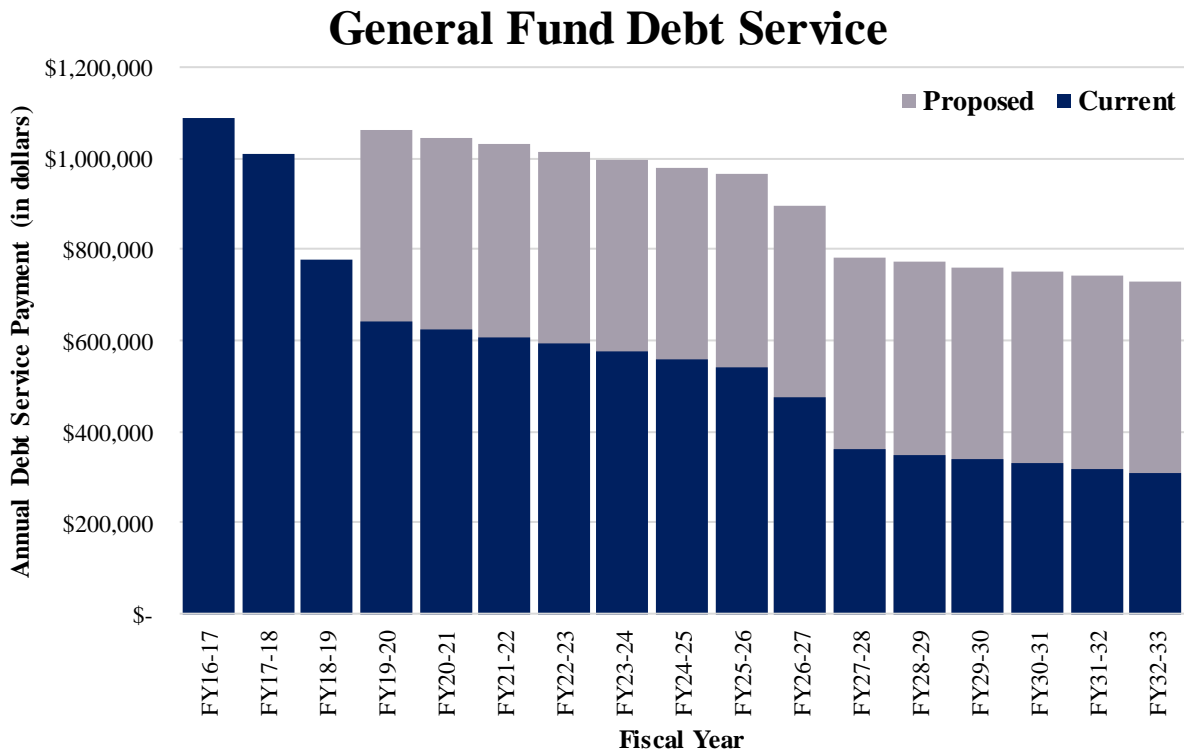
December of each year is highlighted by a transparent yellow circle in order to show comparable growth. This revenue source is elastic, meaning it rises and falls in a sporadic manner. We are currently experiencing substantial year over year growth. It is important to remember that this revenue source is elastic and dependent on a wide variety of variables including the local, regional, and national economy, legislative action, local development, tourism, and consumer confidence. We expect this revenue source to continue its recent growth pattern and have conservatively budgeted a 4.0% increase in FY17-18. A continued rise in development and construction permits, growing demands for parking, and a more stable national economy have created confidence in this projection.

General Fund Debt Obligation – Debt Service Fund and New Debt

The City’s debt obligation is broken out over the various funds. The General Fund and the Water and Sewer Fund comprise the largest portions of debt obligation. The City’s full financial data on debt obligation can be found in the *Financial Summaries* section of this document. This short-term factor is specifically related to the General Fund.



The following is a current breakdown of the City’s General Fund debt obligation through FY32-33:



The table and chart, above, represents five (5) debt service notes currently being paid by the General Fund. Of these five notes, three will be paid in full by FY18-19. In FY15-16 the City found it financially prudent to transfer a lump sum of fund balance to a debt service fund to pay for the remaining debt obligation of three notes, the 1998 G.O. Sidewalk Bonds, BB&T Capital Equipment Loan, and Bank of America City Hall Renovation Loan. This provided a decrease in regular operating debt service costs of approximately \$470,000. The operational savings has been critical in combatting growing health insurance expenditures and providing funding opportunities for other personnel related priorities.

The chart also displays an estimated future debt service payments associated with two capital projects approved in the FY17-18 budget. These projects are the New Police Headquarters project and the Buildings and Grounds Maintenance Facility project. Both projects are adopted by a capital project ordinance and have reimbursement resolutions which will allow the City to expend money and reimburse itself with debt proceeds upon issuing a financing agreement. The two projects are estimated to have a recurring cost of \$351,805 and \$70,361, respectively. This new expenditure is expected to occur in FY19-20, at which time new revenues from a county-wide property revaluation are expected to be available.

Additionally, the City has incurred an additional debt service note for a new fire engine. This added approximately \$53,500 of principal and interest payments. Also, the General Fund is now



paying for the debt service on the parking kiosk note that was used to install parking kiosks in downtown parking lots. This note is estimated to add a principal and interest payment of \$12,438 in FY17-18. The following table provides a summary of debt service notes associated with the General Fund:

Project	Finance Type	Oustanding Principal	Interest Rate	End Date	FY17-18 Payment
1998 G.O. Sidewalk Bond	General Obligation	\$ 180,000	5.00%	FY17-18	\$ 99,000
2008 G.O. Sidewalk Bond	General Obligation	\$ 1,500,000	4.30%	FY26-27	\$ 161,350
Capital Equipment Loan	Bank Loan	\$ 146,924	4.10%	FY17-18	\$ 99,137
City Hall Reno. Loan	Bank Loan	\$ 583,334	4.10%	FY18-19	\$ 255,164
Fire Engine #2 Replacement Loan	Bank Loan	\$ 664,621	2.49%	FY31-32	\$ 53,135
Main St., Fire Station/Engine Loan	Bank Loan	\$ 5,100,000	4.10%	FY32-33	\$ 475,373
Parking Kiosk Loan	Bank Loan	\$ 56,023	3.10%	FY21-22	\$ 12,438

Medical Insurance Expenditures

Another major factor contributing to the FY17-18 Budget is the 25% health insurance premium increase, as discussed in the *Budget Message* section of this document. This increase is estimated to cost the City \$350,000 annually across all funds. In response to this increase, City Council has directed staff to create an incentive based program to encourage employees to participate in wellness, practice healthy habits, and get regular preventative screenings. This program is currently being developed. While the City has continued positive wellness practices and provided wellness education, there are some factors that are out of the City's control. Approximately, 7.27% of the City's covered employees have a "complex" classified risk. Most of these types of claims and risks are outside of the City's control and influence. So, the City has made it a priority to focus on the "chronic" classified risk category, which includes things like hypertension, hyperlipidemia, and diabetes. The City will also continue its initiative of starting an on-site nursing clinic, with an expectation to have one operational by FY18-19. The City's success in addressing these challenges will be tracked and measured through objectives and performance indicators.

Fire Department Strategic Plan and Inspections Program

In FY16-17 the Hendersonville Fire Department concluded its work on a strategic plan to be adopted and continuously revised to direct the professional service delivery of fire protection and education. The report outlines some short-term and long-term priorities. One of the top short-term priorities was staffing on the Ladder truck. This apparatus currently has two personnel staffing the truck. This methodology presents safety as well as operational concerns. Considering these concerns and the Department's objective, provided in the performance measures section, to meet Council's priority of great public services, funding has been allocated to staff three additional firefighters which will provide one additional firefighter per shift on the ladder truck. The strategic plan contains a total of forty-two (42) specific recommendations and can be found on the City's website. This ladder company staffing was a top priority of staff and Council.



The North Carolina Legislature mandated that all structures, besides 1 & 2 family dwellings, be inspected for fire code violations on a structured timeline. Previously, the City has had one employee dedicated to inspecting the approximate 2,000 structures in the City. The ability for one inspector to effectively meet the one to three year inspection requirement is not feasible. In response, the City has created a fee schedule to generate enough revenue to effectively and efficiently meet the State mandate. The new revenue produced from this fee schedule funded a Fire Marshal and Assistant Fire Marshal in the first year. It will further support the addition of another Assistant Fire Marshal in FY17-18. These positions will provide fire inspections, plan reviews, enforce the NC fire code, and conduct fire education and prevention programs. This service will more effectively meet the standards mandated by the North Carolina Legislature.

Police Department Personnel – Animal Control Officers and Telecommunications

The Hendersonville Police Department is working on a strategic plan and looking at how performance measures can help drive managerial thinking and decision making. One priority concerning great public services was the provision of animal control services within the City. The County Sheriff's Office formerly provided the service but has since stopped providing services within municipal limits. Animal Control Officers were not a part of the original budget and were requested to be included at City Council's Budget Workshop in May. The City Council saw their five-year strategic plan and how adding these officers without additional revenue would affect the General Fund's financial sustainability. In response, it was recommended a penny per \$100 valuation be increased on the FY16-17 tax rate of \$0.46 per \$100 valuation. The adopted tax rate is \$0.47 per \$100 valuation. This will fund the two Animal Control Officer positions, which will provide services during peak hours on alternating shifts, to be determined by the Police Department.

Additionally, the Police Department has identified a critical need for additional staffing in the 911 Dispatch Center. The staffing level before the addition included 5 full-time dispatchers and 1 full-time supervisor. The Department has used the U.S. Department of Justice's guidelines which includes comparing average telephone call duration, peak hour calls, and goals of answering 90% of calls within 10 seconds. According to the formula, Hendersonville call volume drives the need for 7-9 dispatchers, depending on peak hours. An additional dispatcher will help the Department get closer to this guideline and enhance customer service.

Overall

Overall, the factors mentioned above have had the greatest short-term impact on the ability of the City to accomplish its major goals and priorities. Increasing sales tax revenues and the excess operating expenditure budget realized after creating a debt service fund, have been drivers of increased available budget. This available budget has allowed the General Fund to continue enhanced public safety programs, and provide more funding for pay-as-you-go capital projects. These capital projects are critical in achieving goals and priorities. More detail about capital projects can be found in the *Capital Improvements Plan* section of this document.



Long-Term Financial Plan

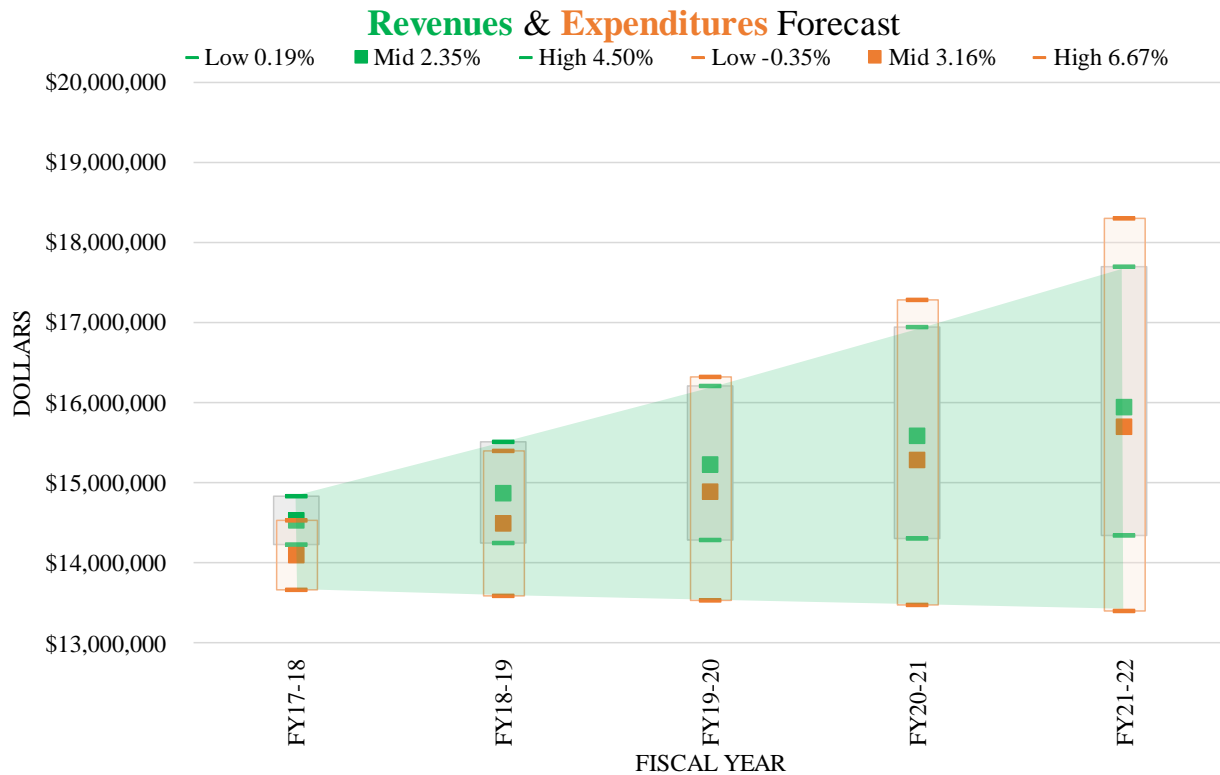
The City’s long-term financial health is contingent upon prudent planning and management which, aided by increases in revenue through growth and new sources, will provide financial sustainability. The City’s current financial condition has been communicated in the *Budget Message*, *Capital Improvements Plan*, and *Financial Summaries* sections. This section will first, provide a financial forecast for the City’s funds, second, discuss how the City’s long-term priorities and outside variables effect the forecast, and finally, briefly describe the future priorities and operating expenditures for the City. This plan will be reviewed, modified, and prioritized in, and up to, the City’s first budget meeting for the FY18-19 budget process.

Financial Forecasting, Planning, and Effects on Future Budgets

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”. These forecasts will focus mainly on the General Fund because of its primary function in the City’s operations and the Water and Sewer Fund because of its size and importance in the community.

General Fund

The following chart displays the revenue and expenditure forecast for the General Fund.



The chart above depicts a revenue forecast in green with high, average, and low percent growth (represented by a green dash, square, and dash, respectively), in addition to an expenditure forecast in orange with high, average, and low percent growth (represented by an orange dash, square, and dash, respectively). The area shaded in green represents the portion of the forecast where the highest possible revenue forecast overlaps the lowest possible expenditure forecast. This is the area of future financial sustainability. Providing high and low standard errors enhances the reader's ability to understand where the total budget may likely fall in a given year.

The City has identified financial sustainability as a priority. In order to achieve this in the General Fund, the City will need to maintain a low rate of expenditure growth over the next five years. By maintaining a low growth level of expenditures the City will allow its revenue growth to balance with total expenditures. This will require all new or enhanced expenditure services to be funded with new revenue or the re-prioritization of those existing resources. Revenues are the key to the funding of future priorities.

There are two major revenue factors that are the focus of the City's long-term financial plan. They are the ad valorem tax revenues, including the next county-wide revaluation, and sales tax.

First, is ad valorem taxes and the next county-wide property revaluation. This revaluation is set to occur in FY18-19, with effects of the revaluation being realized in the FY19-20 budget. With continued economic growth the City is expecting a positive revaluation, which means an increase of total property value in the City. An increase in property value after the revaluation provides an opportunity to evaluate the current property tax rate. The rate can be left the same and provide additional revenue if property values increase. A revenue neutral tax rate is required to be published in the budget.

The second major factor is sales tax. This revenue source will reflect the current economic conditions and has recently grown dramatically. If this growth continues, it could provide a reliable revenue source for future capital needs. Additionally, legislation has been discussed in the General Assembly which would provide municipalities the ability to leverage a ¼ cent local option sales tax. This revenue source, if adopted and enacted, would provide substantial new revenues, estimated to be over one million dollars annually. These two major revenue factors are critical in balancing the budget, and providing funding for natural personnel growth and inflation.

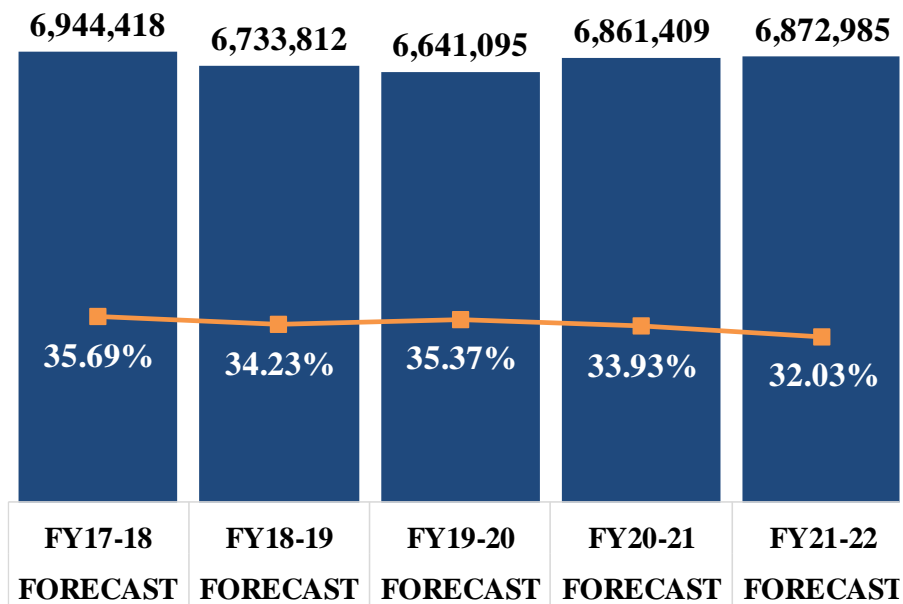
The current forecast has improved from years past thanks to decisions like the creation of a debt service fund and proactive economic development and planning practices that have attracted business and tourism to the area. This forecast is further used to look at fund balance effects, tax rate information, and future estimate surpluses and deficits. This information has provided a backbone for available revenues for capital pay-go spending. It has also provided the City Council a method to look at what different variables do to the forecast when added into the model. The following page displays the current strategic planning model used by the City.



5-Year Forecast

	ESTIMATE FY17-18	FORECAST FY17-18	FORECAST FY18-19	FORECAST FY19-20	FORECAST FY20-21	FORECAST FY21-22
Revenues	14,606,063	14,841,084	15,263,336	15,622,024	15,989,142	16,364,887
Recurring Expenditures	13,487,472	13,419,488	13,925,815	14,378,404	14,845,702	15,328,187
Non-Recurring Capacity	\$ 1,118,591	\$ 1,421,595	\$ 1,337,521	\$ 1,243,620	\$ 1,143,440	\$ 1,036,699
Revenue Variable(s)	175,610	175,610	0	844,731	0	0
Expenditure Variable(s)	539,282	539,282	56,941	422,166	98,506	0
Adj. Revenues	14,781,673	15,016,693	15,446,848	16,654,580	17,045,962	17,446,543
Adj. Recurring Expenditures	14,026,754	13,958,771	14,539,565	15,434,266	16,034,386	16,555,504
Adj. Non-Recurring Capacity	754,919	1,057,923	907,284	1,220,313	1,011,576	891,039
CIP	965,525	965,525	1,000,000	1,000,000	1,000,000	1,000,000
Surplus/(Deficit)	\$ (210,606)	\$ 92,398	\$ (92,716)	\$ 220,313	\$ 11,576	\$ (108,961)
One Cent on Tax Rate	175,610	175,610	179,579	197,537	202,001	206,566
Current Tax Rate	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700
Tax Rate Equivalent	0.0120	(0.0053)	0.0052	(0.0112)	(0.0006)	0.0053
Adj. Tax Rate (cents)	\$ 0.4820	\$ 0.4647	\$ 0.4752	\$ 0.4588	\$ 0.4694	\$ 0.4753
Total Fund Balance	6,944,418	6,944,418	6,733,812	6,641,095	6,861,409	6,872,985
Available Fund Balance	5,233,812	5,536,816	5,141,095	5,361,409	5,372,985	5,264,024
% Available	35.69%	38.74%	34.23%	35.37%	33.93%	32.03%

Total FB (BARS) & % Available (LINE)



This planning tool provides for the adjustment of different variables including the projected revenues and projected recurring expenditures within their respective range of standard error from the financial forecast. The highlighted column (blue) represents the starting forecast being used, in this case the estimate based on the adopted budget, not the forecast based on trend data, for FY17-18. The table and chart also provides projected tax rates needed to balance the budget, total fund balance, and available fund balance. Additionally, a project surplus/deficit is calculated for each fiscal year. The adopted plan for FY17-18 includes the following variables:

VARIABLE FY17-18	VARIABLE FY18-19	VARIABLE FY19-20	VARIABLE FY20-21	VARIABLE FY21-22
PERSONNEL/BENEFITS				
<u>P&C New Grade Minimums</u> <u>P&C Years Service</u> <u>Fire Fighters (3)</u> <u>Telecommunicator (1)</u> <u>Animal Control Officers (2)</u>	<u>P&C Years in Class</u>			
INFRASTRUCTURE/FACILITIES/PARKS				
<u>Police Station</u> <u>Other Buildings</u>	<u>7th Avenue</u>			
NEW REVENUES				
<u>One Penny</u>		<u>10% Reval</u>		

This tool prompts long-term decision making and managerial thinking. City Council and Staff are able to add variables such as major projects requiring debt service, additional personnel, new or increased revenue sources, and other variables. For example the “Infrastructure/Facilities/Parks” rows represent various projects that are expected to require debt financing. The estimated cost, appearing in the “Revenue Variable(s)” and “Expenditure Variable(s)” rows in the strategic planning model, assumes specific interest rates, terms, and project costs to generate the variable. Most project names like “Police Station”, assume that payments will start in later years, upon completion of the project. Also, many of the “Personnel/Benefits” variables are recurring costs. This tool looks multiple years into the future and provides forecasted data based on decisions made in this year and moving forward.

These assumptions and listed priorities are provided on the following pages.



Variable	Description	Assumptions	Type	Term	Other Comments
Personnel/Benefits					
5% 401k Match	A 5% city match for a 401k employee retirement plan.	Assumes that 50% of General Fund employees would contribute 5% of their annual salary to a 401k totalling \$147,964 and the City would match those contributions	Benefit Recurring	On-going	None.
Animal Control Officers (2)	Hire two additional sworn officers to serve as animal control officers in the City.	Assumes \$56,156 cost per officer and an additional \$90,000 for vehicles, supplies, and equipment.	Salary Recurring	On-going	None.
Battalion Chiefs (3)	Hire 3 Battalion Chiefs to serve as serve as the on-duty chief of operations and lead incident commander.	A Battalion Chief is typical for a department with three or more stations. This position will be needed when the City approves a third station and it may make sense to hire the position before the station is built as it will provide an increase in minimum daily staffing. Assumes \$83,715 cost per employee.	Salary Recurring	On-going	This position is being considered for year 3-5.
Fire Fighters (3)	Hire 3 Firefighters to increase the staffing per shift by 1 employee.	Three positions are needed to provide 1 additional firefighter per shift. Assumes \$48,675 cost per employee.	Salary Recurring	On-going	None.
Fire Fighters (9)	Hire 9 Firefighters to serve on a new engine company. Nine positions will provide for 3 employees per shift to serve on a new apparatus, either ran out of station 1 or new station 3.	Assumes \$48,675 cost per employee and that an additional engine company will be needed in the next 5 years. This company will be ran out of station 1 or a new station 3.	Salary Recurring	On-going	None.
P&C Full	The full cost of implementing the pay and classification recommendations.	Assumes a cost of \$208,115 for all three parts.	Salary Recurring	On-going	None.
P&C New Grade Minimums	The cost of implementing the new grade minimums option of the pay and classification recommendations.	Assumes a cost of \$54,116 to move all employees to the new pay plan.	Salary Recurring	On-going	None.
P&C Years in Class	The cost of implementing the years in class option of the pay and classification recommendations.	Assumes a cost of \$56,941 to apply the compression adjustment for the years in class option.	Salary Recurring	On-going	None.
P&C Years Service	The cost of implementing the years in service option of the pay and classification recommendations.	Assumes a cost of \$97,059 to apply the compression adjustment for the years in service option.	Salary Recurring	On-going	None.
Planner (1)	Hire a Planner I position to assist with the development and plan review within the City.	Assumes \$55,557 cost per employee.	Salary Recurring	On-going	We may need to start looking at the Development Department's workload over the next 5 years.
Police Officers (2)	Hire 2 Police Officers to serve as sworn officers.	Assumes \$53,834 cost per employee. Assumes two officers are needed to provide one additional employee coverage per 24 hours.	Salary Recurring	On-going	Start considering staffing levels as they compare to service demands.
Telecommunicator (1)	Hire 1 Telecommunicator position to assist with increaseing call volumes.	Assumes \$39,768 cost per employee.	Salary Recurring	On-going	None.
Worker I (1)	Hire 1 Worker I position to address increased service demands as the City grows.	Assumes \$35,458 cost per employee.	Salary Recurring	On-going	New buildings and projects come with the need for increased maintenance that the public works staff manages.
New Debt/Major Projects					
7th Avenue	A debt issuance to pay for a portion of the 7th Avenue streetscape project.	Assumes the initial phase of the 7th Avenue streetscape improvements project (upper block and Locust St.) will cost \$1.4 million, with a \$98,506 annual payment for a 20 year term. Assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt Recurring	20	None.
Berkeley Park	A debt issuance to pay for the Berkeley Park master plan.	Assumes a project cost of \$1.35 million, with a \$94,987 annual payment for a 20 year term. Assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt Recurring	20	Includes the master plan (destination playground, parking, etc...) and various other CIP items relating to Berkeley (baseball field improvements).
City Hall Reno.	A debt issuance to pay for the renovation of City Hall.	Assumes a project cost of \$750,000, with a \$52,771 annual payment for a 20 year term. Assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt Recurring	20	After the Police Department is moved into a new facility, City Hall will need to be renovated for a different use. This is expected to occur beyond FY19-20.



Variable	Description	Assumptions	Type	Term	Other Comments
New Debt/Major Projects					
Fire Engine	A debt issuance to pay for a new fire engine.	Assumes a project cost of \$750,000, with a \$90,181 annual payment for a 10 year term. Assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt Recurring	10	A new fire engine will need to be purchased with the installation of a third fire station or additional company of fire fighters (whichever comes first). This would be more in line with at timeframe of FY20-21 and beyond.
Fire Ladder	A debt issuance to pay for a new fire ladder truck.	Assumes a project cost of \$1.5 million, with a \$180,362 annual payment for a 10 year term. Assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt Recurring	10	The current ladder truck is scheduled to be replaced in FY21-22 or FY22-23.
FS#1 Reno.	A debt issuance to pay for the renovation of Fire Station #1.	Assumes a project cost of \$1 million, with a \$70,361 annual payment for a 20 year term. Assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt Recurring	20	The age of Fire Station #1 is beginning to cause maintenance issues. The outside porch is a particular area of problems. That area will also need to be built out if an additional engine company were added to the station.
FS#3 Construction	A debt issuance to pay for the construction of Fire Station #3.	Assumes a project cost of \$2 million, with a \$140,722 annual payment for a 20 year term. Assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt Recurring	20	With the growth of the City and in accordance with the Fire Dept. Strategic Plan an additional station will be needed to better serve the southside of the City. This would occur sometime in FY20-21 and beyond.
Main St. Ave.	A debt issuance to pay for Main St. Avenue streetscapes.	Assumes a single avenue streetscape from Church St. to King St. cost of \$700,000, with a \$49,253 annual payment for a 20 year term. Assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt Recurring	20	Pricing and cost estimates will vary for each avenue. Staff would recommend 1st Avenue take priority, then 4th and 3rd. The hotel project may drive prioritization.
Other Buildings	A debt issuance to pay for the building/property maintenance building/public restroom/greenway parking construction at Patton Park and N. Main Street.	Assumes a project cost of \$1 million, with a \$70,361 annual payment for a 20 year term. Assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt Recurring	20	Building needed for safety concerns. Will provide public restrooms and parking for greenway.
Police Station	A debt issuance to pay for a new police headquarters.	Assumes a project cost of \$5 million, with a \$351,805 annual payment for a 20 year term. Assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt Recurring	20	Building needed for space needs. City Hall is at capacity and the Police Department does not fit well within this building. This project will provide all Police functions in one location and free up space in City Hall.
Revenues					
\$5 Tag Fee	A revenue source applied as a \$5 vehicle registration tag fee.	Assumes \$55,000 of new recurring annual revenue.	Revenue	On-going	Can charge up to \$30, has to be used for street improvements. If used for a debt note on streetscapes, we can do away with this fee once the debt note is paid in full.
\$10 Tag Fee	A revenue source applied as a \$10 vehicle registration tag fee.	Assumes \$110,000 of new recurring annual revenue.	Revenue	On-going	See above (H29).
\$15 Tag Fee	A revenue source applied as a \$15 vehicle registration tag fee.	Assumes \$165,000 of new recurring annual revenue.	Revenue	On-going	See above (H29).
2.5% Reval	A 2.5% increase in property tax revenue from an increase in property values from the next county-wide revaluation.	Assumes \$260,209 of new recurring annual revenue if the property tax rate goes unchanged (not revenue neutral).	Revenue	On-going	Historical revaluations have had the following effects: FY99-00 = +33.35% FY03-04 = +16.25% FY07-08 = +29.92% FY11-12 = -6.78% FY15-16 = +0.76%.
5% Reval	A 5% increase in property tax revenue from an increase in property values from the next county-wide revaluation.	Assumes \$433,682 of new recurring annual revenue if the property tax rate goes unchanged (not revenue neutral).	Revenue	On-going	See above (H32).

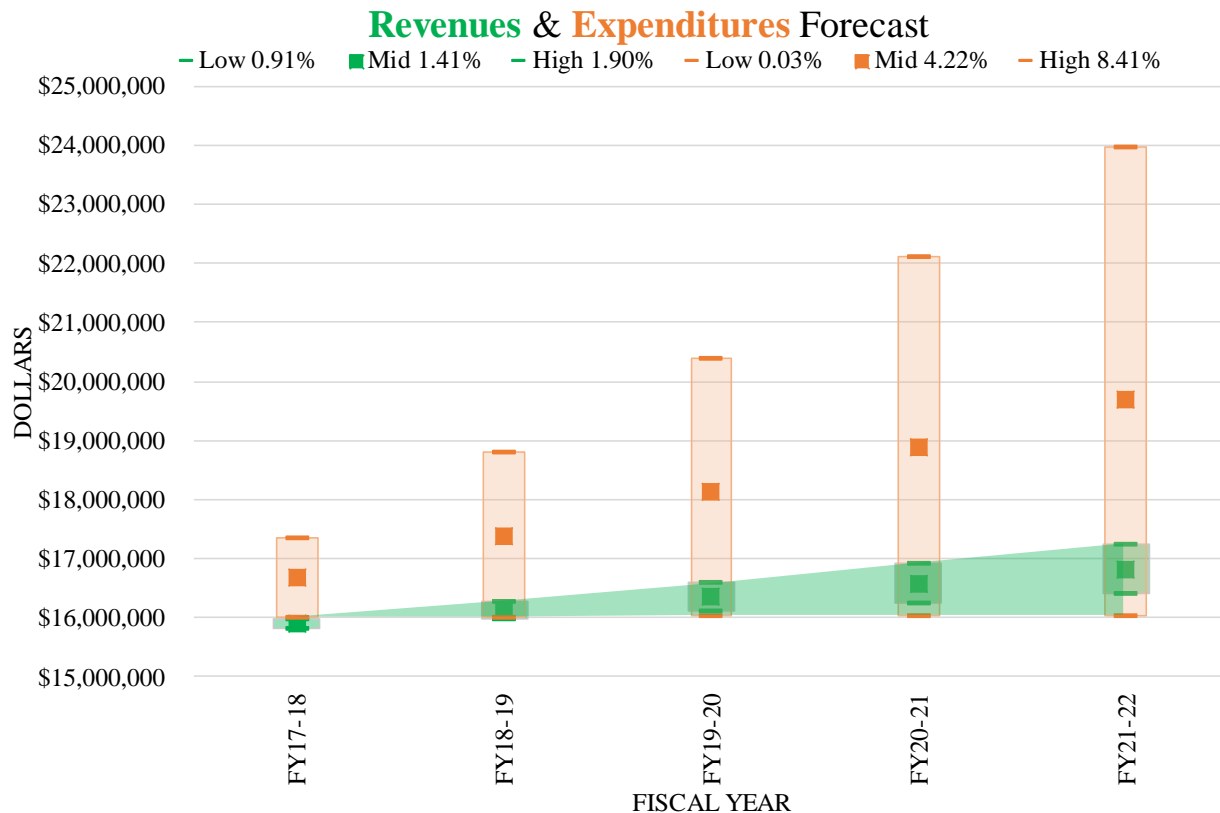


Variable	Description	Assumptions	Type	Term	Other Comments
Revenues					
7.5% Reval	A 7.5% increase in property tax revenue from an increase in property values from the next county-wide revaluation.	Assumes \$650,524 of new recurring annual revenue if the property tax rate goes unchanged (not revenue neutral).	Revenue	On-going	See above (H32).
10% Reval	A 10% increase in property tax revenue from an increase in property values from the next county-wide revaluation.	Assumes \$867,365 of new recurring annual revenue if the property tax rate goes unchanged (not revenue neutral).	Revenue	On-going	See above (H32).
12.5% Reval	A 12.5% increase in property tax revenue from an increase in property values from the next county-wide revaluation.	Assumes \$1,084,206 of new recurring annual revenue if the property tax rate goes unchanged (not revenue neutral).	Revenue	On-going	See above (H32).
One Penny	An additional penny added to the property tax rate.	Assumes the value that is provided on the "DASHBOARD" tab for the corresponding year. The value of a penny changes based on a variety of factors including the assumed reval amount.	Revenue	On-going	None.
\$0.0025 Sales Tax	A revenue source applied as a quarter cent sales tax on every dollar per sale (0.25% sales tax).	Assumes \$1,392,060 in new recurring annual revenue.	Revenue	On-going	Currently, we do not have the authority to levy this tax but it has been discussed in the legislature.

The table provides background information on the long-term projects and priorities of the City. This is used within the strategic planning tool to assist in understanding how the variables will be used and effect the long-term financial sustainability of the City. There are some priorities that are not included like public restrooms and a parking deck. These have been left out because there are still too many unknowns associated with the projects.

Water and Sewer Fund

The following chart displays the revenue and expenditure forecast for the Water and Sewer Fund.



The chart above is similar to the forecast for the General Fund in that it displays revenue and expenditure forecasts on the same axis with standard errors of increase and decrease. Revenues are in green and expenditures are in orange. Additionally, a green shaded area overlays the graph, representing the forecasted area of financial sustainability. It is important to note, while the General Fund forecast is useful in predicting future revenue and expenditure trends, the same model for the Water and Sewer Fund is not as effective. The distinguishing factor is that the Water and Sewer Fund is an enterprise fund and is primarily reliant on user charges for revenue. This makes the revenue forecast narrow and depict simply growth in the system and usage. Additionally, expenditures can fluctuate greatly due to high dollar operating and capital costs that can occur unexpectedly. As an enterprise fund, and is accounted for using the full accrual method of accounting. This requires that major water and sewer projects that are budgeted for in capital project ordinance be rolled back into financial statements at year-end, which are used to provide historical trend data. Despite these challenges, the chart does provide a basic level of expenditures and considering normal operating and maintenance costs can prove a reliable gauge for future needs.

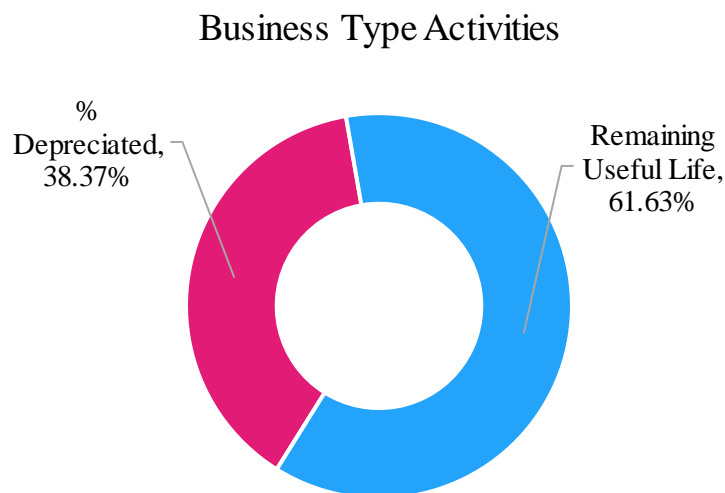
The most important long-range factor discussed in the *Budget Message* section of this budget are the continued capital needs for the growing system. The City completed a water system master plan in FY16-17 and is conducting a sewer system master plan throughout FY17-18. These plans will help identify revisions for the City's CIP for the Water and Sewer Fund. Current projects will continue to be funded and were taken into consideration during the planning processes. Expanded on in the *Capital Improvements Plan* section of the budget, the City has developed a Gantt chart to guide the sometimes long processes involved in major water and sewer projects. The Gantt chart includes any project greater than \$500,000 or that is expected to last longer than one year. The current five-year chart includes approximately \$70 million worth of projects. The chart also includes proposed financing strategies, identifies projected vs. actual schedule (design, bid, construction, etc...), as well as various funding submittal deadlines and easement acquisition deadlines. This chart is a critical piece in successfully implementing the master plan documents. It also assists in the financial planning process. The City is working with a financial advisor to provide expertise in debt issuances, affordability, and financial sustainability. North Carolina has an arm of the Treasurer's Office called the Local Government Commission (LGC). Established in 1931, this Commission was created to address problems in local government finance by the depression. Currently, North Carolina has a larger percentage of local government units rated "AAA" by national bond rating agencies compared to other states. Our financial advisors help us meet the requirements set out by the LGC, and both agencies will assist in our successful issuance of debt to fund major system improvements.

Additional long-term variables to be considered are the Fund's revenues. User charges are the primary source of revenues for the Fund. Recently, the Fund's operating ratio dropped below 1.00. This ratio depicts the Fund's ability for revenues to meet day-to-day operating demands. A measure below 1.00 should raise attention. Ideally, a measure greater than 1.10 is reliable for



supporting future major expenditures. The City has decided to implement a plan of small rate increases to address this declining ratio. Small rate increases will help combat “sticker shock” and create minimal impact for customers, while increasing revenues to a more sustainable level. The Fund’s healthy fund balance allows for long-term rate stabilization. The City recognizes the importance of this ratio and has hired a rate consultant to study our structure. They will be considering cost recovery, conservation, equity, and affordability when planning for the future. It is important to address rates each year, as maintaining low rates at the expense of the utility’s financial health will either lead to a sudden, massive rate increase in the future, or to failing systems and endangering public health.

A final piece of the City’s long term financial plan as it relates to its utility system is recurring capital improvements and investment. The City allocates approximately \$1.3 to \$1.8 million of operating revenues to recurring, pay-as-you-go, capital improvements each year. An additional estimated \$500,000 of that is designated for the regular repair and replacement of damaged water and sewer lines that are located by the utility’s leak detection crew. These initiatives are targeted at decreasing the utility’s water loss ratio, approximately 26%, and increasing its capital assets condition ratio, 61.63% remaining useful life as of June 30th, 2016. The water loss ratio provides the percent of water that goes unaccounted for in the system every year. There will always be some level of water loss. However, the City would like to limit this loss as much as possible. The capital asset condition ratio depicts the remaining useful life of the utility’s assets. The chart below displays the remaining useful life of the Water and Sewer Fund’s assets:



This ratio has decreased by approximately 10% since FY11-12 (71% remaining useful life). With continued reinvestment, master plan implementation, and prudent financial planning the City expects this number to increase in the coming years. This is an objective and performance measure for the City.

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 capital reserves) that are legally restricted to expenditures for specified purposes. The City of Hendersonville's Special Revenue Funds include the Main Street Tax District Fund, Seventh Avenue Tax District Fund, Fire Community Fund, Historic Preservation Commission Fund, Police Drug Forfeitures Fund, Police Kennel Club Fund, Police Motor Unit Fund, Police Needy Persons Fund, Police RAD Fund, Walk of Fame Fund, and Debt Service Fund.

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 Fund, Fletcher Area System



Improvements Fund, Mud Creek Dump Cleanup Fund, Rutledge Rd. System Improvements Fund, SCADA System Upgrade Fund, WTP High Service Pump Station Fund, WWTP Gravity Filter Replacement Fund, WWTP Generator/ATS Replacement Fund, Tracey Grove Bridge Replacement Fund, Glenbrook Gravity Sewer Improvements Fund, North Oak Street Infrastructure Improvements Fund, Fire Engine Replacement Fund, Wastewater System Master Plan Fund, and the Etowah System Improvements Fund. These are multi-year funds that have been adopted by the City Council. More information on multi-year funds can be found in the City's Comprehensive Annual Financial Report (CAFR). The City will create a capital project fund for any project that costs more than \$500,000 or lasts over one fiscal year.

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:

Enterprise Funds. The Water and Sewer 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. The Environmental Services 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. The last enterprise fund is the Stormwater Fund, which is used to account for the application of the City's NPDES Phase II Permit.

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 and benefits.

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 each fund category, type, and its respective accounting method for all fiscal year funds for FY17-18:

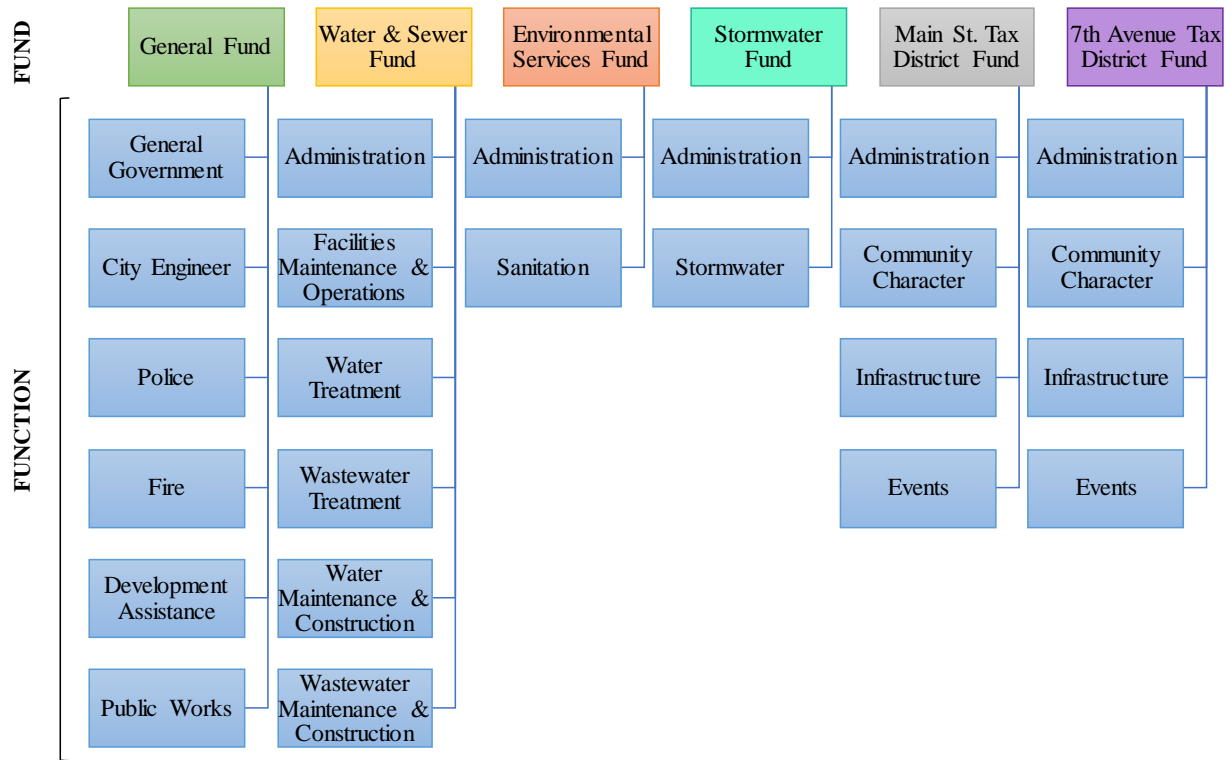
Fund Category	Fund Description	Fund Type	Class	Audit Statement Accounting	Budgetary Accounting
Governmental					
	General Fund	General	Major	Modified Accrual	Modified Accrual
	Main Street Tax District	Special Revenue	Non-Major	Modified Accrual	Modified Accrual
	7th Avenue Tax District	Special Revenue	Non-Major	Modified Accrual	Modified Accrual
	Fire Community fund	Special Revenue	Non-Major	Modified Accrual	Modified Accrual
	Historic Preservation Commission Fund	Special Revenue	Non-Major	Modified Accrual	Modified Accrual
	Police Drug Forfeitures Fund	Special Revenue	Non-Major	Modified Accrual	Modified Accrual
	Police Kennel Club Fund	Special Revenue	Non-Major	Modified Accrual	Modified Accrual
	Police Motor Unit Fund	Special Revenue	Non-Major	Modified Accrual	Modified Accrual
	Police Needy Persons Fund	Special Revenue	Non-Major	Modified Accrual	Modified Accrual
	Police RAD Fund	Special Revenue	Non-Major	Modified Accrual	Modified Accrual
	Debt Service Fund	Special Revenue	Non-Major	Modified Accrual	Modified Accrual
	Walk of Fame Fund	Special Revenue	Non-Major	Modified Accrual	Modified Accrual
Proprietary					
	Water & Sewer Fund	Enterprise	Major	Full Accrual	Modified Accrual
	Environmental Services Fund	Enterprise	Non-Major	Full Accrual	Modified Accrual
	Stormwater Fund	Enterprise	Non-Major	Full Accrual	Modified Accrual
	Health & Welfare Fund	Internal Service	Non-Major	Full Accrual	Modified Accrual
Fiduciary					
	None	N/A	N/A	N/A	N/A

The difference between the accounting methodologies between the governmental and proprietary funds is the nature of how the information is recorded and accounted for. At a basic level, the full accrual methodology accounts for a purchase when it is made and the modified accrual methodology accounts for a purchase when the goods are substantially received. 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 chart details the relationship for all major City functions and its respective fund:



General Government under the General Fund includes administration, budget, finance, human resources, information technology, and legal functions. These functions also provide services to other funds and should be considered as *Administration* for the above chart.

The other special revenue funds listed in the fund category and type table on the previous page are self-supporting and do not have any functional operations besides the description listed for the fund. They are further described in the *Other Funds* section of this document.



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/Operating Budget 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.

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 project funds are multi-year funds and 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]. The City follows this legal requirement as a balanced budget policy.

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.

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 fee schedule that is reviewed annually to determine appropriate fees related to the cost of providing services.

Purchasing Policy

The City of Hendersonville adopted a purchasing policy in August of 2015. The policy is intended for use as a guide to the City of Hendersonville's purchasing methods and practice. When used properly the policies established will enable the City to obtain needed goods and services efficiently and economically. The full purchasing policy can be found on the City's website or in the Finance Department.

Special Appropriations Policy

A special appropriation is an allocation of funding to a specific outside agency. An agency may request for funding with the City each year during the budget process. City Council approves special appropriations based on applications submitted. This application provides general and specific information regarding the agency requesting funds and the purpose for how the funds will be used.

The purpose of the City's Special Appropriations Policy is to provide legal references and a general framework for the effective, efficient, and equitable distribution of City funds to outside agencies in the most financially prudent manner as possible while minimizing risk.



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Revenue & Expenditure Summaries

Financial summaries are windows into the financial health of an organization. The following is a summary of all major revenues and expenditures to provide an overview of the total resources budgeted for FY17-18:

BUDGET FY17-18	EXECUTIVE SUMMARY											TOTAL
	REVENUES AND EXPENDITURES - ALL APPROPRIATED FUNDS											
Fund Description	General	Main Street	7th Avenue	Water & Sewer	Environmental Services	Stormwater	Capital Reserve - GF	Capital Reserve - WS	Debt Service	Fire Car Seat	Fire Community	
Revenues												
Ad Valorem Taxes	\$ (8,147,201)	\$ (237,574)	\$ (17,394)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,402,169)
Other Taxes & Licenses	(11,800)	-	-	-	-	-	-	-	-	-	-	\$ (11,800)
Unrestricted Intergov.	(4,841,925)	(173,684)	(33,333)	-	-	-	-	-	-	-	-	\$ (5,048,942)
Restricted Intergov.	(461,521)	-	-	-	-	-	-	-	-	-	-	\$ (461,521)
Charges for Service	-	-	-	(14,502,873)	(1,213,000)	(225,000)	-	-	-	-	-	\$ (15,940,873)
Permits & Fees	(251,900)	-	-	(564,500)	-	-	-	-	-	-	-	\$ (816,400)
Sales & Services	(401,300)	-	-	-	-	-	-	-	-	-	-	\$ (401,300)
Investment Earnings	(83,600)	(50)	(50)	(190,000)	(5,000)	-	-	-	-	-	-	\$ (278,700)
Misc. Income	(162,200)	(52,500)	(7,050)	(22,400)	(200)	-	-	-	-	-	-	\$ (244,350)
Other Financing Sources	(1,027,696)	-	-	(5,760,421)	(284,264)	(35,841)	-	-	(1,077,726)	-	(250)	\$ (8,186,198)
SUB-TOTAL	\$ (15,389,143)	\$ (463,808)	\$ (57,827)	\$ (21,040,194)	\$ (1,502,464)	\$ (260,841)	\$ -	\$ -	\$ (1,077,726)	\$ -	\$ (250)	\$ (39,792,253)
Expenditures												
Personnel/Benefits	\$ 9,622,583	\$ 140,681	\$ 13,808	\$ 6,330,222	\$ 734,528	\$ 153,351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,995,173
Operating	4,082,079	305,127	29,870	6,326,880	504,307	17,490	-	-	-	-	250	\$ 11,266,003
Capital	965,525	18,000	14,149	5,400,658	230,000	90,000	-	-	-	-	-	\$ 6,718,332
Debt Service (Transfer to)	718,956	-	-	2,982,434	33,629	-	-	-	1,077,726	-	-	\$ 4,812,745
SUB-TOTAL	\$ 15,389,143	\$ 463,808	\$ 57,827	\$ 21,040,194	\$ 1,502,464	\$ 260,841	\$ -	\$ -	\$ 1,077,726	\$ -	\$ 250	\$ 39,792,253
Fund Description	Health & Welfare	Historic Preservation	Police DARE	Police Drug	Police Kennel	Police Motor Unit	Police Needy Persons	Police RAD	Police Youth Exp.	Walk of Fame		
Revenues												
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Other Taxes & Licenses	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Unrestricted Intergov.	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Restricted Intergov.	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Charges for Service	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Permits & Fees	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Sales & Services	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Investment Earnings	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Misc. Income	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Other Financing Sources	(369,605)	(15,000)	-	(50,000)	(5,000)	(500)	(8,000)	(1,500)	-	(1,000)	N/A	\$ (450,605)
SUB-TOTAL	\$ (369,605)	\$ (15,000)	\$ -	\$ (50,000)	\$ (5,000)	\$ (500)	\$ (8,000)	\$ (1,500)	\$ -	\$ (1,000)	N/A	\$ (450,605)
Expenditures												
Personnel/Benefits	\$ 369,605	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	N/A	\$ 369,605
Operating	-	15,000	-	50,000	5,000	500	8,000	1,500	-	1000	N/A	\$ 81,000
Capital	-	-	-	-	-	-	-	-	-	0	N/A	\$ -
Debt Service (Transfer to)	-	-	-	-	-	-	-	-	-	0	N/A	\$ -
SUB-TOTAL	\$ 369,605	\$ 15,000	\$ -	\$ 50,000	\$ 5,000	\$ 500	\$ 8,000	\$ 1,500	\$ -	\$ 1,000	N/A	\$ 450,605
TOTAL REVENUES												\$ (40,242,858)
TOTAL EXPENDITURES												\$ 40,242,858



The following is a summary of all major revenues and expenditures to provide an overview of the total resources budgeted for FY16-17:

BUDGET FY16-17	EXECUTIVE SUMMARY											TOTAL
	REVENUES AND EXPENDITURES - ALL APPROPRIATED FUNDS											
Fund Description	General	Main Street	7th Avenue	Water & Sewer	Environmental Services	Stormwater	Capital Reserve - GF	Capital Reserve - WS	Debt Service	Fire Car Seat	Fire Community	
Revenues												
Ad Valorem Taxes	\$ (7,826,595)	\$ (240,225)	\$ (16,775)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,083,595)
Other Taxes & Licenses	(14,600)	-	-	-	-	-	-	-	-	-	-	\$ (14,600)
Unrestricted Intergov.	(4,625,711)	(164,086)	(27,428)	-	-	-	-	-	-	-	-	\$ (4,817,225)
Restricted Intergov.	(494,521)	(20,098)	-	-	-	-	-	-	-	-	-	\$ (514,619)
Charges for Service	-	-	-	(13,871,359)	(1,391,769)	-	-	-	-	-	-	\$ (15,263,128)
Permits & Fees	(158,575)	-	-	(672,750)	-	-	-	-	-	-	-	\$ (831,325)
Sales & Services	(363,550)	-	-	-	-	-	-	-	-	-	-	\$ (363,550)
Investment Earnings	(83,000)	(1,050)	(25)	(190,000)	(5,000)	-	-	-	-	-	-	\$ (279,075)
Misc. Income	(166,830)	(154,342)	(10,135)	(47,506)	(19,524)	-	-	-	-	-	-	\$ (398,337)
Other Financing Sources	(1,132,175)	(12,500)	(11,190)	(5,992,172)	(70,000)	-	-	(2,263,753)	(1,086,718)	(2,250)	(200)	\$ (10,570,958)
SUB-TOTAL	\$ (14,865,557)	\$ (592,301)	\$ (65,553)	\$ (20,773,787)	\$ (1,486,293)	\$ -	\$ -	\$ (2,263,753)	\$ (1,086,718)	\$ (2,250)	\$ (200)	\$ (41,136,412)
Expenditures												
Personnel/Benefits	\$ 8,570,910	\$ 137,872	\$ 10,498	\$ 5,617,434	\$ 817,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,153,884
Operating	4,374,775	431,791	44,690	6,210,984	577,913	-	-	-	-	2,250	200	\$ 11,642,603
Capital	1,286,149	10,200	10,365	5,202,747	57,582	-	-	2,263,753	-	-	-	\$ 8,830,796
Debt Service (Transfer to)	633,723	12,438	-	3,742,622	33,628	-	-	-	1,086,718	-	-	\$ 5,509,129
SUB-TOTAL	\$ 14,865,557	\$ 592,301	\$ 65,553	\$ 20,773,787	\$ 1,486,293	\$ -	\$ -	\$ 2,263,753	\$ 1,086,718	\$ 2,250	\$ 200	\$ 41,136,412
Fund Description	Health & Welfare	Historic Preservation	Police DARE	Police Drug	Police Kennel	Police Motor Unit	Police Needy Persons	Police RAD	Police Youth Exp.	Walk of Fame		
Revenues												
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Other Taxes & Licenses	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Unrestricted Intergov.	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Restricted Intergov.	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Charges for Service	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Permits & Fees	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Sales & Services	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Investment Earnings	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Misc. Income	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Other Financing Sources	(299,973)	(15,000)	(2,000)	(80,000)	(6,000)	(800)	(8,000)	(1,900)	(2,000)	-	N/A	\$ (415,673)
SUB-TOTAL	\$ (299,973)	\$ (15,000)	\$ (2,000)	\$ (80,000)	\$ (6,000)	\$ (800)	\$ (8,000)	\$ (1,900)	\$ (2,000)	\$ -	N/A	\$ (415,673)
Expenditures												
Personnel/Benefits	\$ 299,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ 299,973
Operating	-	15,000	2,000	80,000	6,000	800	8,000	1,900	2,000	-	N/A	\$ 115,700
Capital	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Debt Service (Transfer to)	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
SUB-TOTAL	\$ 299,973	\$ 15,000	\$ 2,000	\$ 80,000	\$ 6,000	\$ 800	\$ 8,000	\$ 1,900	\$ 2,000	\$ -	N/A	\$ 415,673
											TOTAL REVENUES	\$ (41,552,085)
											TOTAL EXPENDITURES	\$ 41,552,085



The following is a summary of all major revenues and expenditures to provide an overview of actual total resources for FY15-16:

ACTUAL 15-16	EXECUTIVE SUMMARY											TOTAL
	REVENUES AND EXPENDITURES - ALL APPROPRIATED FUNDS											
Fund Description	General	Main Street	7th Avenue	Water & Sewer	Environmental Services	Stormwater	Capital Reserve - GF	Capital Reserve - WS	Debt Service	Fire Car Seat	Fire Community	
Revenues												
Ad Valorem Taxes	\$ (7,842,342)	\$ (235,752)	\$ (18,407)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,096,501)
Other Taxes & Licenses	(13,528)	-	-	-	-	-	-	-	-	-	-	\$ (13,528)
Unrestricted Intergov.	(4,668,476)	(100,000)	(6,652)	-	-	-	-	-	-	-	-	\$ (4,775,128)
Restricted Intergov.	(515,206)	(96,107)	-	(38,537)	(8,000)	-	-	-	-	-	-	\$ (657,850)
Charges for Service	-	-	-	(14,577,000)	(1,213,549)	-	-	-	-	-	-	\$ (15,790,549)
Permits & Fees	(99,712)	-	-	(812,725)	-	-	-	-	-	-	-	\$ (912,437)
Sales & Services	(415,011)	-	-	-	-	-	-	-	-	-	-	\$ (415,011)
Investment Earnings	(115,277)	58	-	(269,097)	(8,076)	-	-	-	-	-	-	\$ (392,392)
Misc. Income	(191,145)	(151,467)	(26)	(138,981)	(5,393)	-	-	-	-	(2,949)	(325)	\$ (490,286)
Other Financing Sources	(847,213)	(78,533)	(36,826)	(217,237)	(223,467)	-	-	-	(961,414)	-	-	\$ (2,364,690)
SUB-TOTAL	\$ (14,707,910)	\$ (661,801)	\$ (61,911)	\$ (16,053,577)	\$ (1,458,485)	\$ -	\$ -	\$ -	\$ (961,414)	\$ (2,949)	\$ (325)	\$ (33,908,371)
Expenditures												
Personnel/Benefits	\$ 8,100,829	\$ 117,314	\$ -	\$ 5,307,226	\$ 711,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,236,599
Operating	3,210,078	378,164	15,260	5,245,649	434,856	-	-	-	-	-	-	\$ 9,284,006
Capital	414,095	148,640	-	5,157,000	276,021	-	(661,527)	-	-	-	-	\$ 5,334,229
Debt Service (Transfer to)	1,118,723	12,438	-	3,755,409	33,628	-	-	-	-	-	-	\$ 4,920,197
SUB-TOTAL	\$ 12,843,725	\$ 656,555	\$ 15,260	\$ 19,465,284	\$ 1,455,735	\$ -	\$ (661,527)	\$ -	\$ -	\$ -	\$ -	\$ 33,775,031
Fund Description	Health & Welfare	Historic Preservation	Police DARE	Police Drug	Police Kennel	Police Motor Unit	Police Needy Persons	Police RAD	Police Youth Exp.	Walk of Fame		
Revenues												
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Other Taxes & Licenses	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Unrestricted Intergov.	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Restricted Intergov.	(7,000)	-	-	(38,612)	-	-	-	-	-	-	N/A	\$ (45,612)
Charges for Service	(257,215)	-	-	-	-	-	-	-	-	-	N/A	\$ (257,215)
Permits & Fees	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Sales & Services	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Investment Earnings	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Misc. Income	(8,495)	(79)	(227)	-	(12,338)	(8,657)	(12,175)	(170)	-	-	N/A	\$ (42,141)
Other Financing Sources	-	-	-	-	-	(7,053)	-	-	-	-	N/A	\$ (7,053)
SUB-TOTAL	\$ (272,710)	\$ (79)	\$ (227)	\$ (38,612)	\$ (12,338)	\$ (15,710)	\$ (12,175)	\$ (170)	\$ -	\$ -	N/A	\$ (352,021)
Expenditures												
Personnel/Benefits	\$ 346,832	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ 346,832
Operating	-	-	574	3,663	7,584	15,710	16,028	29	1,159	-	N/A	\$ 44,747
Capital	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Debt Service (Transfer to)	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
SUB-TOTAL	\$ 346,832	\$ -	\$ 574	\$ 3,663	\$ 7,584	\$ 15,710	\$ 16,028	\$ 29	\$ 1,159	\$ -	N/A	\$ 391,579
											TOTAL REVENUES	\$ (34,260,393)
											TOTAL EXPENDITURES	\$ 34,166,610

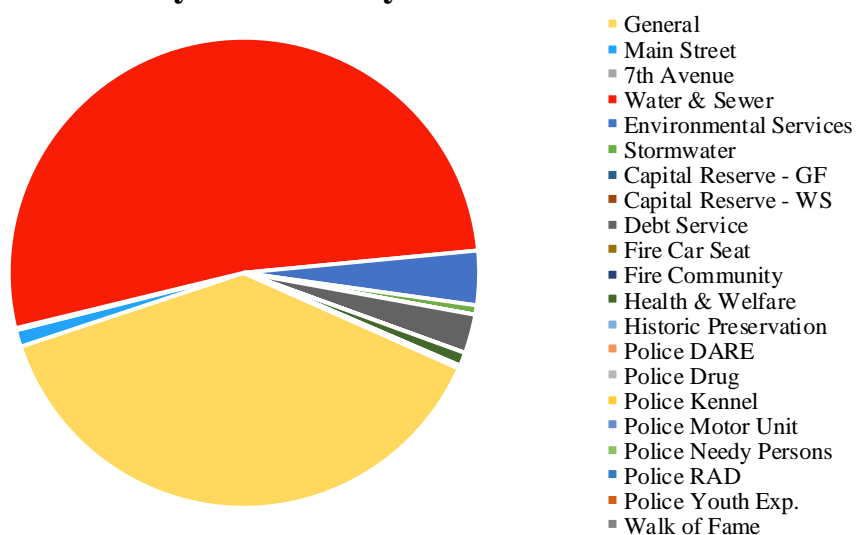


Revenues

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

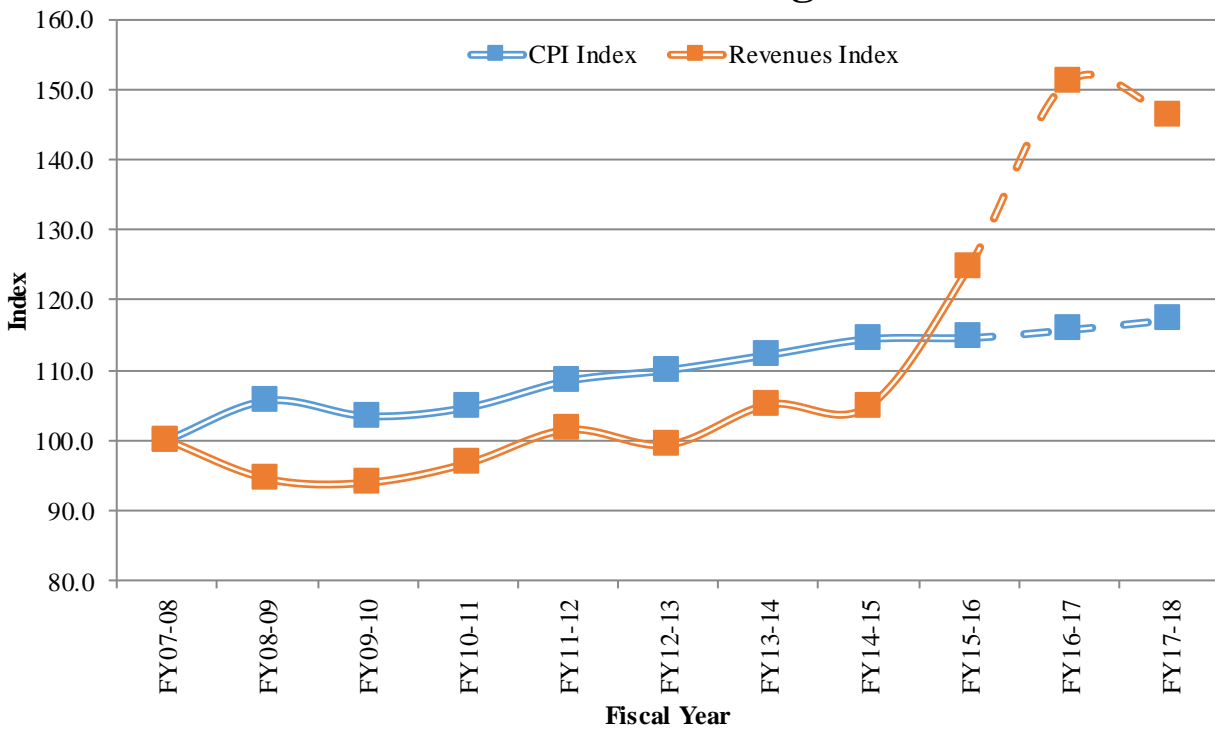
Fund	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE	PERCENT OF TOTAL
General	\$ (14,707,910)	\$ (14,865,557)	\$ (15,389,143)	\$ (523,586)	38.24%
Main Street	\$ (661,801)	\$ (592,301)	\$ (463,808)	\$ 128,493	1.15%
7th Avenue	\$ (61,911)	\$ (65,553)	\$ (57,827)	\$ 7,726	0.14%
Water & Sewer	\$ (16,053,577)	\$ (20,773,787)	\$ (21,040,194)	\$ (266,407)	52.28%
Environmental Services	\$ (1,458,485)	\$ (1,486,293)	\$ (1,502,464)	\$ (16,171)	3.73%
Stormwater	\$ -	\$ -	\$ (260,841)	\$ (260,841)	0.65%
Capital Reserve - GF	\$ -	\$ -	\$ -	\$ -	0.00%
Capital Reserve - WS	\$ -	\$ (2,263,753)	\$ -	\$ 2,263,753	0.00%
Debt Service	\$ (961,414)	\$ (1,086,718)	\$ (1,077,726)	\$ 8,992	2.68%
Fire Car Seat	\$ (2,949)	\$ (2,250)	\$ -	\$ 2,250	0.00%
Fire Community	\$ (325)	\$ (200)	\$ (250)	\$ (50)	0.00%
Health & Welfare	\$ (272,710)	\$ (299,973)	\$ (369,605)	\$ (69,632)	0.92%
Historic Preservation	\$ (79)	\$ (15,000)	\$ (15,000)	\$ -	0.04%
Police DARE	\$ (227)	\$ (2,000)	\$ -	\$ 2,000	0.00%
Police Drug	\$ (38,612)	\$ (80,000)	\$ (50,000)	\$ 30,000	0.12%
Police Kennel	\$ (12,338)	\$ (6,000)	\$ (5,000)	\$ 1,000	0.01%
Police Motor Unit	\$ (15,710)	\$ (800)	\$ (500)	\$ 300	0.00%
Police Needy Persons	\$ (12,175)	\$ (8,000)	\$ (8,000)	\$ -	0.02%
Police RAD	\$ (170)	\$ (1,900)	\$ (1,500)	\$ 400	0.00%
Police Youth Exp.	\$ -	\$ (2,000)	\$ -	\$ 2,000	0.00%
Walk of Fame	\$ -	\$ -	\$ (1,000)	\$ (1,000)	0.00%
TOTAL	\$ (34,260,393)	\$ (41,552,085)	\$ (40,242,858)	\$ 1,309,227	100.00%

City Revenues by Fund FY17-18



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

Total Revenues Controlling for Inflation



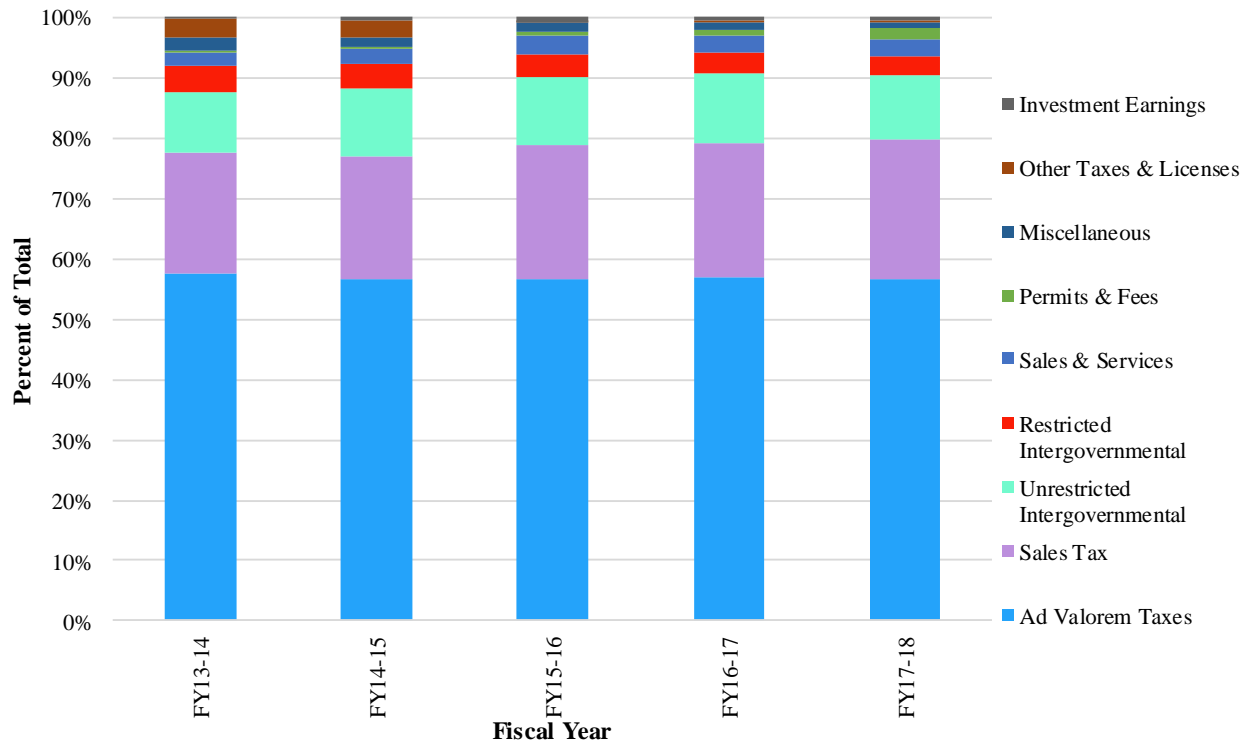
The Consumer Price Index (CPI) provides the effects inflation has on the market overtime. By using this data the City is able to adjust its revenues to actual levels, controlling for inflation. The chart shows that the City of Hendersonville’s effective revenues are estimated to equal, or exceed, levels equal to that of market inflation.

According to the data, the CPI details an 17.2% increase since FY07-08. The City’s total revenues are estimated to increase 46.4% over that same time period, and actual increase of 24.7% through FY15-16. Inflation can have powerful effects on an organization’s dollar worth if not monitored.

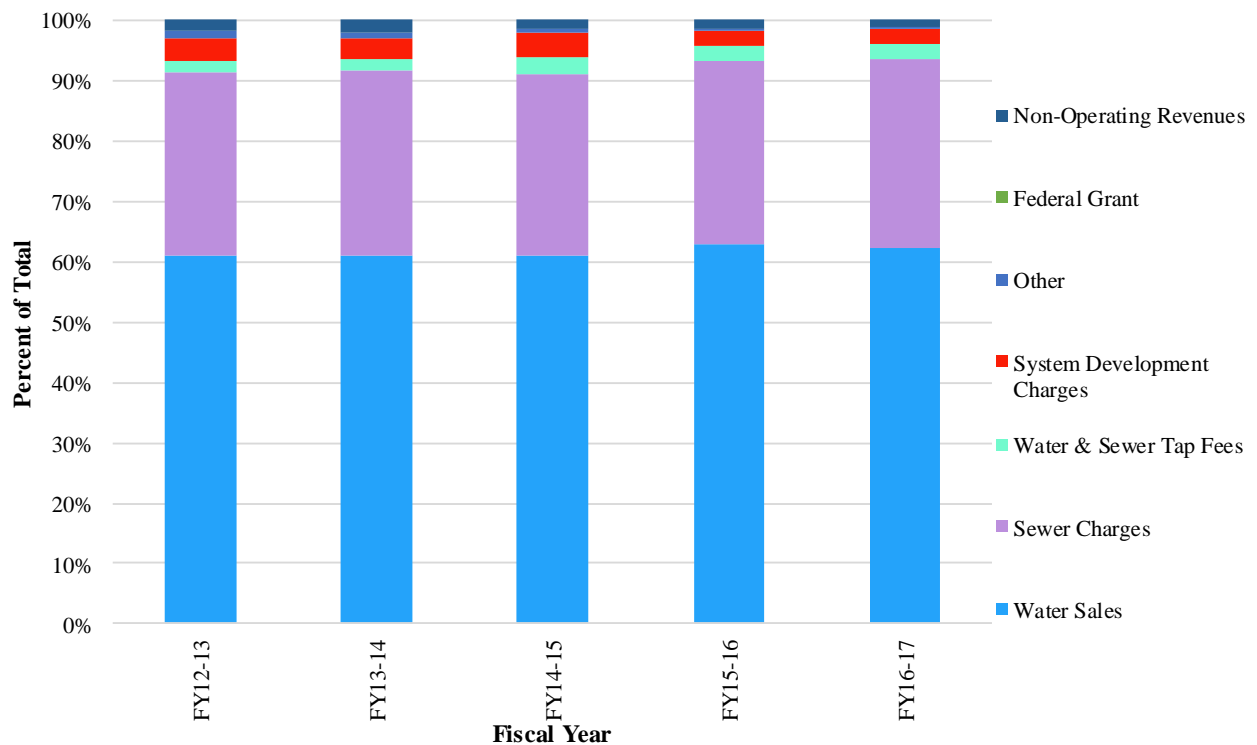


The following charts display revenue sources for the General Fund and Water and Sewer Fund:

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 56.7% of all General Fund revenues for FY17-18. Another main source of revenue for the General Fund is sales and use taxes, making up 22.98% of all General Fund revenues for FY17-18. Another trend to note, is the shrinking of the brown bar for “Other Taxes & Licenses” in FY15-16. This is the result of the removal of municipal authority to leverage a privilege license tax for doing business in the City. This revenue source provided close to \$400,000 in revenue a year. The FY15-16 budget speaks more in depth on this issue.

The Water and Sewer fund receives 59.97% of its revenues from water sales and 31.23% from sewer charges for FY17-18. This Fund is almost completely reliant on user charges to perform its operating functions. Reliance on these main sources has remained steady over the past five years.



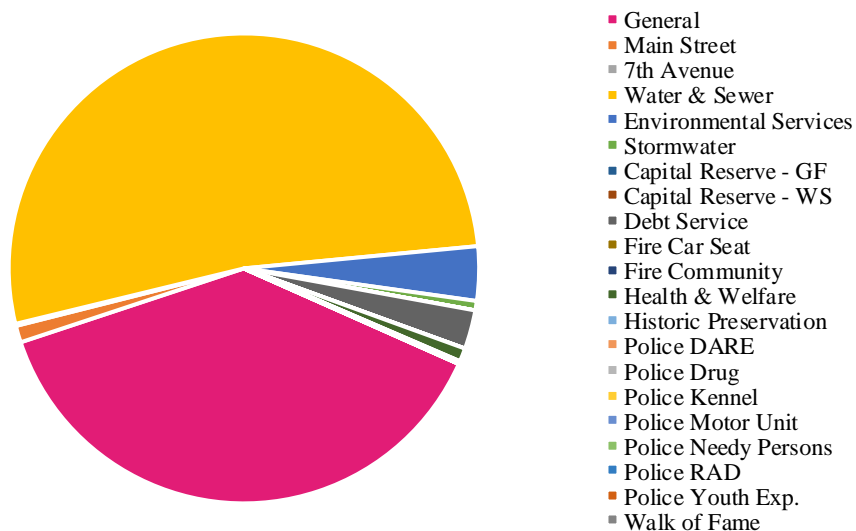
Expenditures

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

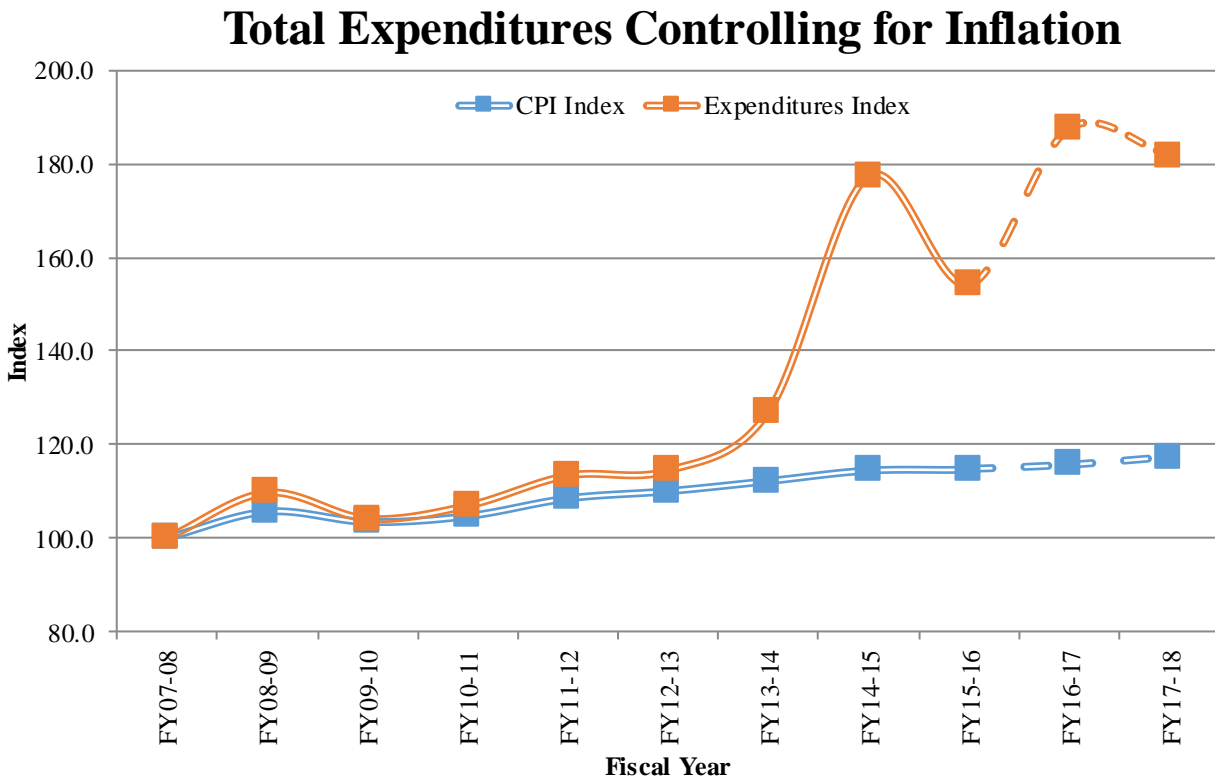
Fund	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE	PERCENT OF TOTAL
General	\$ 12,843,725	\$ 14,865,557	\$ 15,389,143	\$ 523,586	38.24%
Main Street	\$ 656,555	\$ 592,301	\$ 463,808	\$ (128,493)	1.15%
7th Avenue	\$ 15,260	\$ 65,553	\$ 57,827	\$ (7,726)	0.14%
Water & Sewer	\$ 19,465,284	\$ 20,773,787	\$ 21,040,194	\$ 266,407	52.28%
Environmental Services	\$ 1,455,735	\$ 1,486,293	\$ 1,502,464	\$ 16,171	3.73%
Stormwater	\$ -	\$ -	\$ 260,841	\$ 260,841	0.65%
Capital Reserve - GF	\$ (661,527)	\$ -	\$ -	\$ -	0.00%
Capital Reserve - WS	\$ -	\$ 2,263,753	\$ -	\$ (2,263,753)	0.00%
Debt Service	\$ -	\$ 1,086,718	\$ 1,077,726	\$ (8,992)	2.68%
Fire Car Seat	\$ -	\$ 2,250	\$ -	\$ (2,250)	0.00%
Fire Community	\$ -	\$ 200	\$ 250	\$ 50	0.00%
Health & Welfare	\$ 346,832	\$ 299,973	\$ 369,605	\$ 69,632	0.92%
Historic Preservation	\$ -	\$ 15,000	\$ 15,000	\$ -	0.04%
Police DARE	\$ 574	\$ 2,000	\$ -	\$ (2,000)	0.00%
Police Drug	\$ 3,663	\$ 80,000	\$ 50,000	\$ (30,000)	0.12%
Police Kennel	\$ 7,584	\$ 6,000	\$ 5,000	\$ (1,000)	0.01%
Police Motor Unit	\$ 15,710	\$ 800	\$ 500	\$ (300)	0.00%
Police Needy Persons	\$ 16,028	\$ 8,000	\$ 8,000	\$ -	0.02%
Police RAD	\$ 29	\$ 1,900	\$ 1,500	\$ (400)	0.00%
Police Youth Exp.	\$ 1,159	\$ 2,000	\$ -	\$ (2,000)	0.00%
Walk of Fame	\$ -	\$ -	\$ 1,000	\$ 1,000	0.00%
TOTAL	\$ 34,166,610	\$ 41,552,085	\$ 40,242,858	\$ (1,309,227)	100.00%

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City Expenditures by Fund FY16-17



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

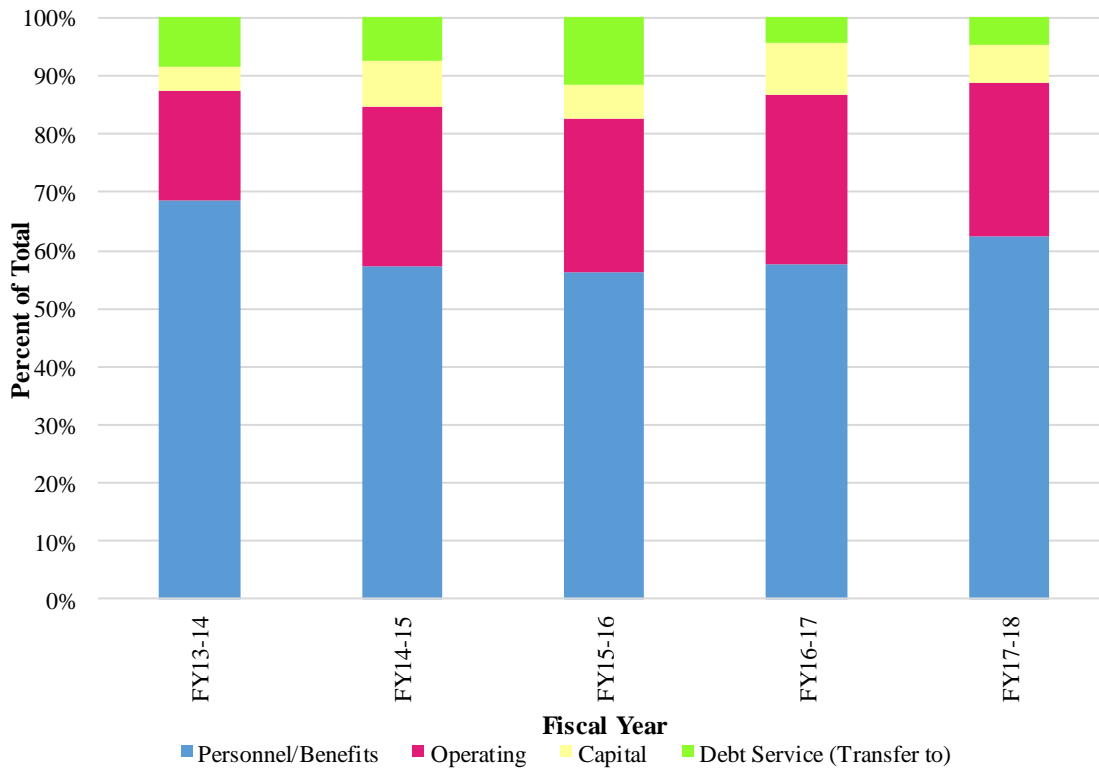


Similar to the “Revenues” section, the chart above displays the City’s total expenditures which include a calculation adjusting expenditures for inflation. Again, the Consumer Price Index (CPI) provides the effects inflation has on the market overtime. According to the data, the CPI details an 17.2% increase since FY07-08. One will notice a large spike in the “Expenditures Index” in FY 14-15. This depicts the near 80% increase in expenditures since FY07-08. In FY07-08 total expenditures were approximately \$22 million. Now, in FY17-18 total expenditures are estimated to be near \$40 million.



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

General Fund Expenditures by Type



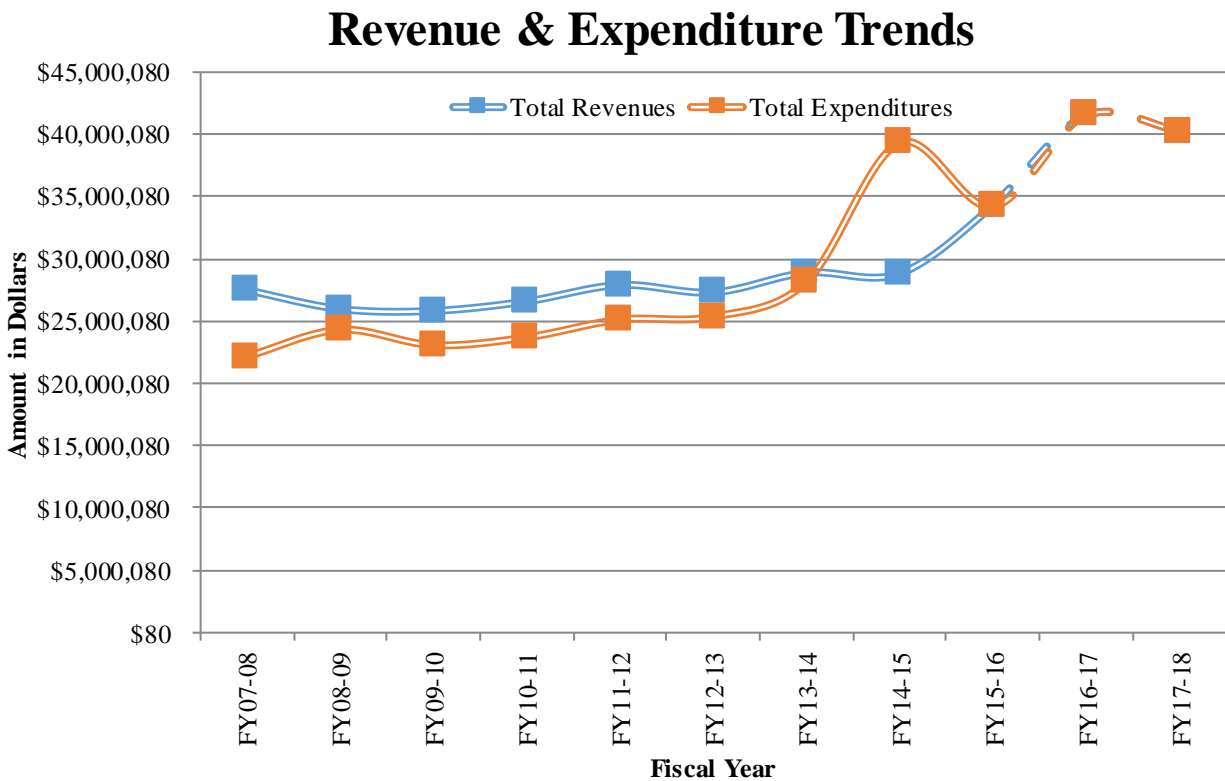
This chart highlights important functions of expenditures for the City of Hendersonville. Personnel/Benefits type expenditures have decreased since FY13-14 due to the change in reporting methodology used by the city for the reimbursement of indirect costs for enterprise funds. This methodology was originally discussed in the FY15-16 budget document. The result is an increase in the portion of costs allocated to operating expenditures.

Additionally, one will notice a substantial decrease in the portion of “Debt Service (Transfer to)” type expenditures. This is a result of the creation of a debt service fund and is discussed in detail in the *Budget Message* and *Short-term Factors* sections of this budget document.



Trends & Comparisons

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



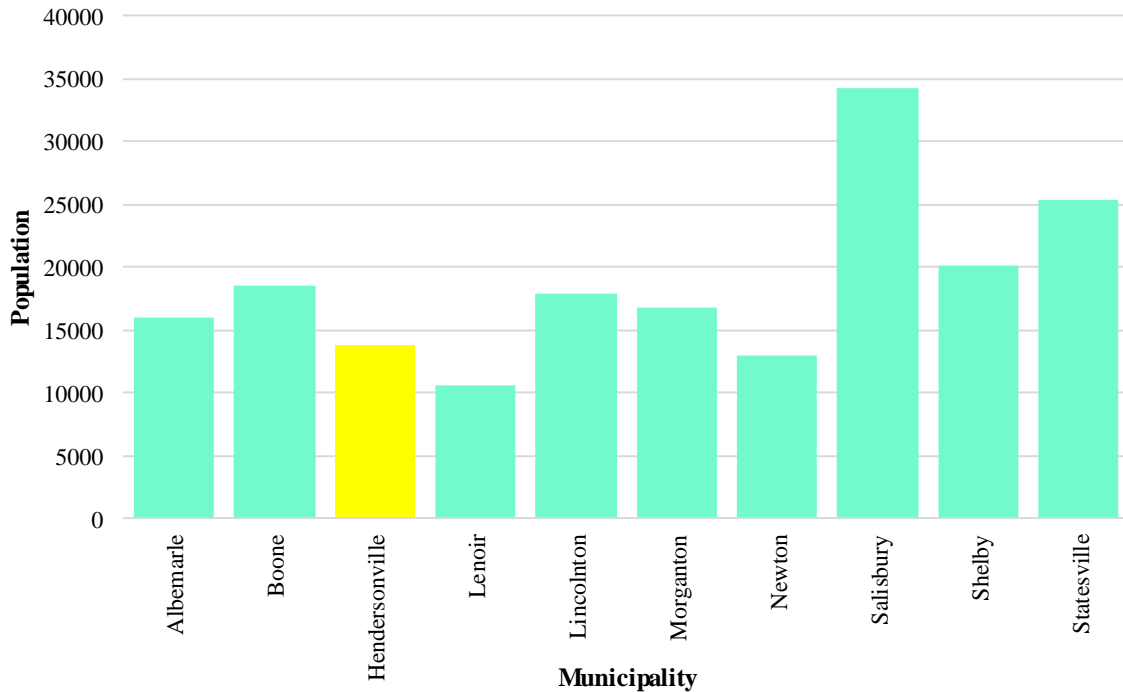
Ideally, the City’s revenue and expenditure actuals would equal one another, however this is very unlikely and it is preferable to have greater actual revenues than expenditures. Expenditures are expected to greatly increase, primarily due to the funding of multiple multi-year capital project ordinances with available fund balance. These expenditure trends are expected to maintain with few increases over the next five years.



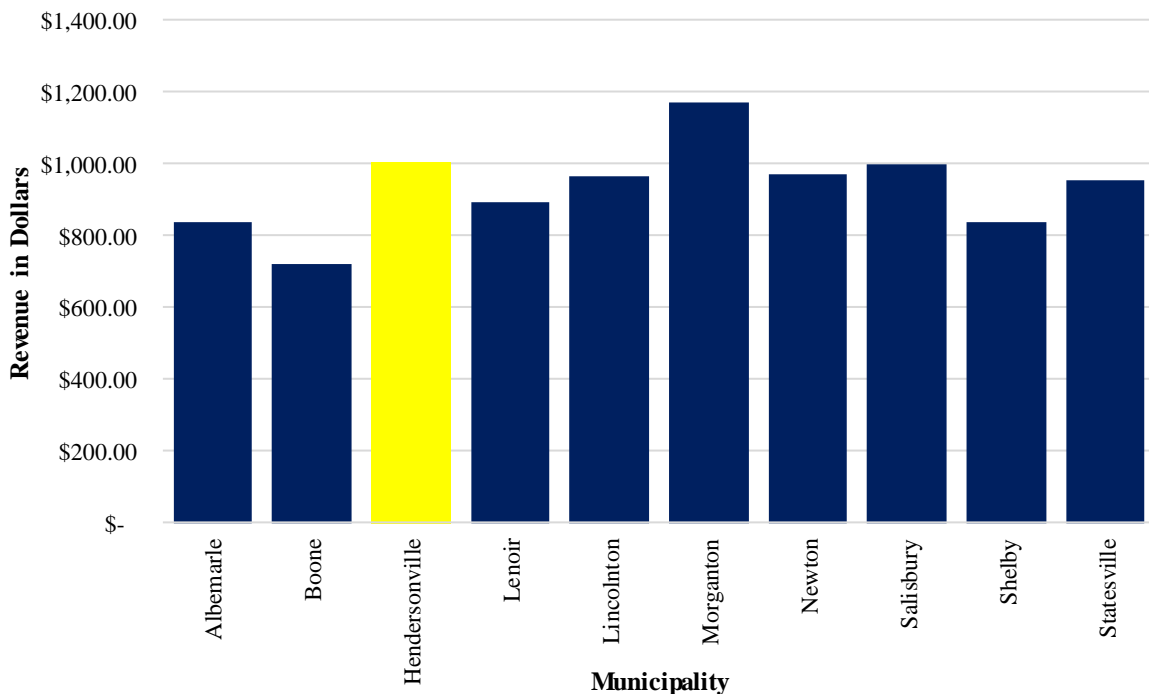
Municipal Comparisons:

The following charts provide financial information for different North Carolina municipalities from actual data for FY15-16:

Population Comparison



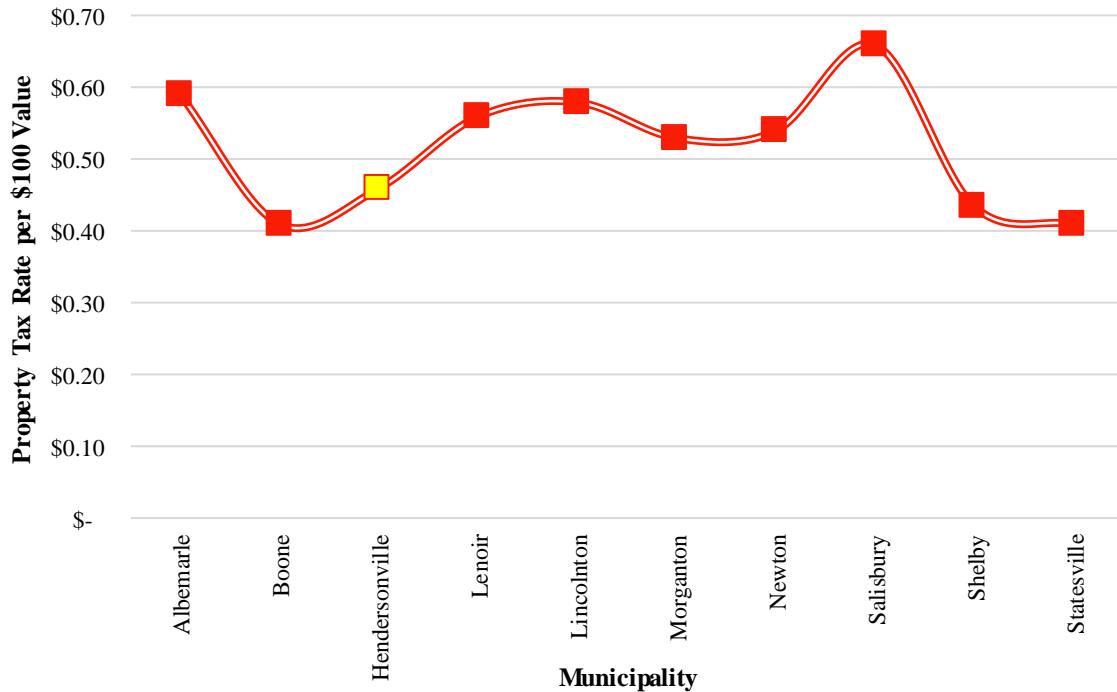
General Fund Revenues per Capita



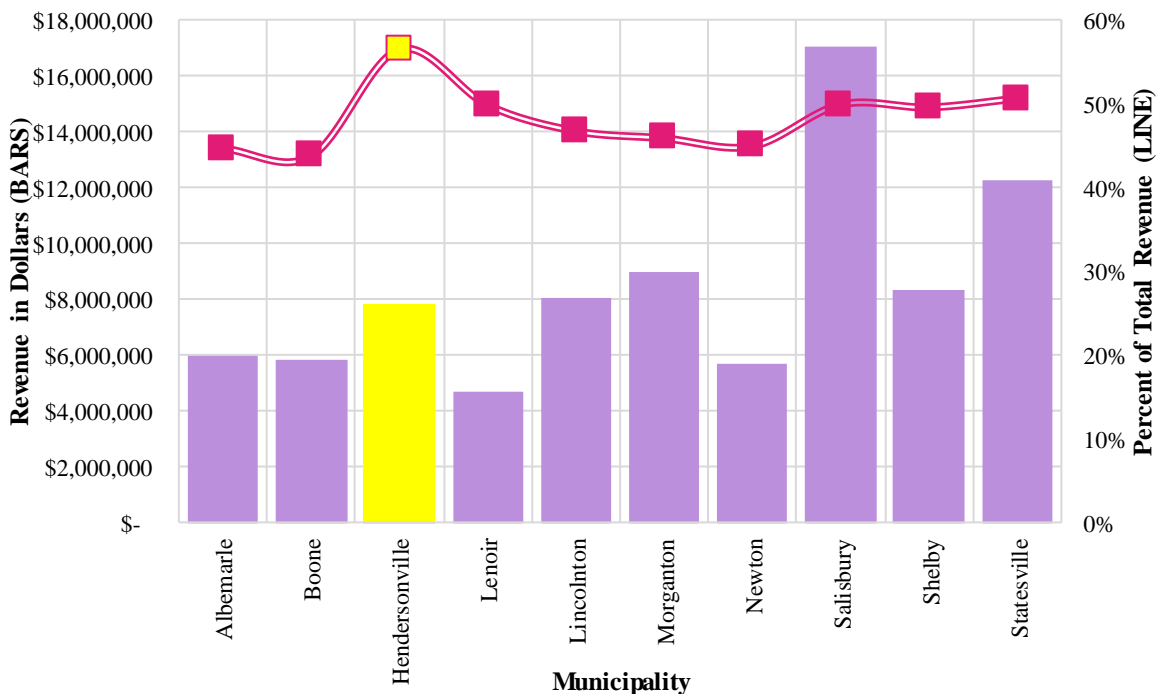
Municipal Comparisons:

The following charts provide financial information for different North Carolina municipalities from actual data for FY15-16:

Property Tax Rate Comparison



Prop. Tax Revenue as % of Total Revenue



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.

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 table summarizes the City of Hendersonville's City-Wide financial condition for FY17-18. Charts and graphs following the City-Wide financial condition analysis examine the City's General Fund separately. Some measures' calculation methodology differs from the financial condition analysis. The measures used in the General Fund analysis include:

- ✓ 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.



City of Hendersonville
 City-Wide Financial Condition Analysis FY17-18

				1	2	3	4
				0-25%	25-50%	50-75%	75-100%
Ratio				-1	0	+1	+2
Short-run Financial Position	Unreserved General Fund Balance	\$ 5,091,043	0.37	3	1	0.104	0.386
	General Fund Revenues	\$ 13,867,712				or less	or more
Liquidity	General Fund Cash and Investments	\$ 6,252,688	6.82	4	2	0.819	4.719
	GF Liabilities minus deferred (unearned) revenues	\$ 916,154				or less	or more
Financial Performance	Change in Governmental Activities net assets	\$ 1,685,888	0.06	1	-1	0.079	0.21
	Total Governmental Activities net assets	\$ 26,948,761				or less	or more
Solvency	Primary Government liabilities minus deferred (unearned) revenue	\$ 36,669,966	1.12	3	1	1.451	0.889
	Primary Government Revenues	\$ 32,877,313				or more	or less
Revenues (A)	Primary Government Operating grants and contributions + unrestricted aid	\$ 31,175,688	0.95	1	-1	0.11	0.045
	Primary Government Revenues	\$ 32,877,313				or more	or less
Revenues (B)	Net (expense) revenue for governmental activities	\$ (11,740,938)	0.82	3	1	1.22	0.645
	Total governmental activities expense	\$ 14,252,039				or more	or less
Debt Burden	Total outstanding debt for the primary government	\$ 31,840,081	\$ 2,303.25	1	-1	326	8
	population	\$ 13,824				or more	or less
Coverage (A)	Debt Service	\$ 1,132,211	0.08	3	1	0.11	0.053
	noncapital governmental funds expenditures	\$ 13,702,372				or more	or less
Coverage (B)	Enterprise funds operating revenue + interest expense	\$ 17,322,220	27.40	2	0	23.21	42.34
	interest expense	\$ 632,098				or less	or more
Capital Assets	Ending net value of primary government capital assets - beg. net value	\$ 3,879,798	0.04	2	0	0.029	0.11
	Beginning net value	\$ 105,170,425				or less	or more
Total Score				3			



Short-run Financial Position

Short-run Financial Position suggests the amount of reserve a local government has available for dealing with unexpected needs in near terms. The City of Hendersonville's Short-run financial position ratio of approximately 0.37 places it in the 3rd quartile among peers, earning points towards overall financial condition score. The 0.37, when multiplied by the days in a year (365) produces an estimate on how long the City can sustain itself using unassigned fund balance. For the City of Hendersonville, this amount of time is 135 days ($0.367 * 365 = 134$)

Liquidity

Liquidity measures capacity for paying off short-run obligations. The City of Hendersonville scores a 6.82 liquidity ratio, placing it in the 4th quartile among peers, earning two points towards overall financial condition score. 6.82 indicates that the City has 6.82 times more cash than General Fund obligations for next year.

Financial Performance

Financial Performance ratios suggest how annual costs are being financed and the state of financial position. For the City of Hendersonville, Financial Performance was a 0.06. Among peers, this places the City of Hendersonville in quartile 1 among peers, losing points towards overall financial condition score. The City's increase in net assets was equal to 6% of its total assets.

Solvency

Solvency suggests the degree to which outstanding obligations can be met with annual revenues. The City of Hendersonville scored relatively low among peer municipalities with a Solvency of 1.12. The City's Solvency score places it in the 3rd quartile, earning a point towards overall financial score. To pay off obligations would take 1.12 times annual revenues.

Revenues (A)

Revenues (A) shows the primary government operating grants and contributions plus unrestricted aid divided by primary government revenues. Revenues (A) depicts how reliant on intergovernmental revenue a municipality is. A low score suggests a government is not very reliant upon intergovernmental revenue. The City of Hendersonville receives 95% of its revenue from intergovernmental operating support. This ratio is relatively high, placing the City in the 1st quartile among peers, losing points towards overall financial condition score.

Revenues (B)

Revenues (B) is a measure of governmental service self-sufficiency. The City of Hendersonville scored a ratio of 0.82 in Revenues (B). This ratio is relatively low; 82% of the City's governmental activities were financed through taxes and other general revenue. This ratio places the City of Hendersonville in the 3rd quartile among peers, earning 1 point towards overall financial condition score.



Debt Burden

Debt burden is the total outstanding debt for the primary government per capita. The Debt Burden for the City of Hendersonville is currently \$2303.25 per person living within City limits. This debt burden amount suggests the City has a total outstanding debt of \$2303.25 per resident. This amount is relatively high among peer municipalities, placing the City of Hendersonville in the 1st quartile and losing a point towards overall financial condition.

Coverage (A)

Coverage (A) measures how easily long-term debt can be repaid when due. This ratio is calculated by dividing Debt Service by noncapital governmental fund expenditures. The City of Hendersonville's Coverage (A) ratio is 0.008 (8%). The 8% figure indicates General Government Debt Service consumes 8% of operating expenditures. This number places the City in the 3rd quartile among peer municipalities and adds a point to the City's overall financial condition score.

Coverage (B)

A higher Coverage (B) suggest greater resource availability for repaying the debts of enterprise activities when due. Coverage (B) is found by dividing enterprise fund operating revenue and interest expense by interest expense. This ratio for the City of Hendersonville is 27.40; which indicates the operating revenues for the City's business like activities are 27.4 times interest costs. This ratio places the City in the 2nd quartile among peer municipalities, leaving overall financial score unchanged.

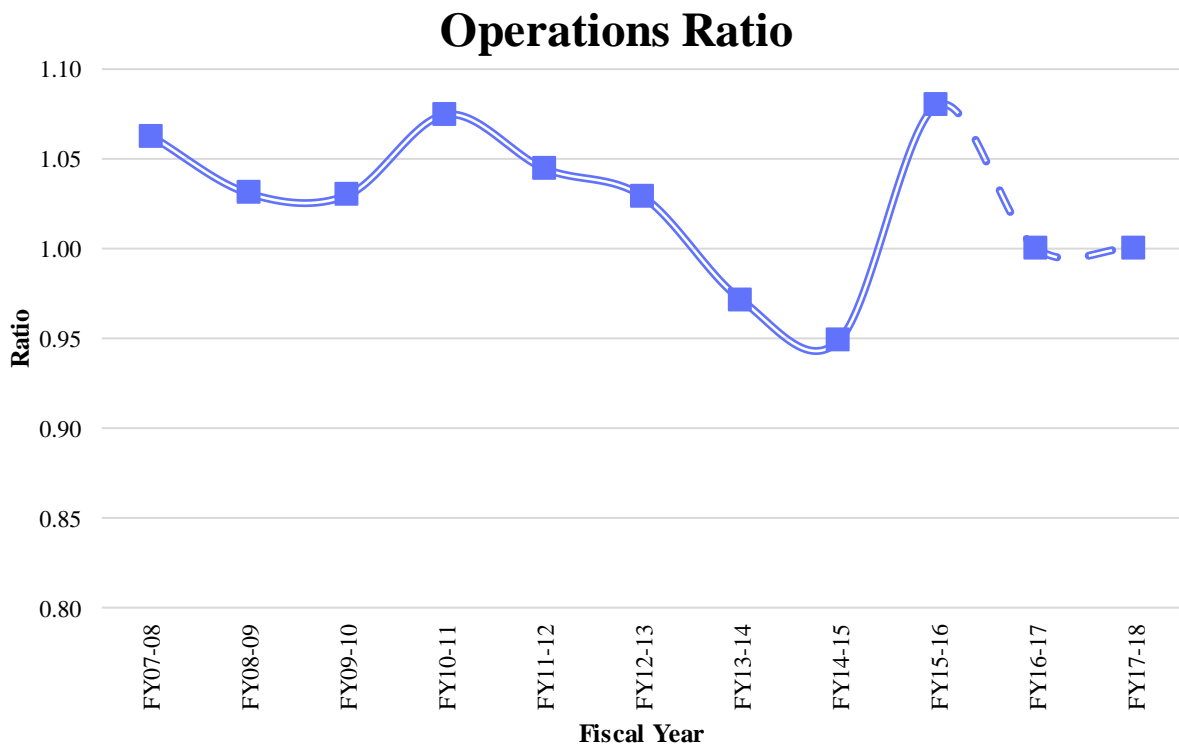
Capital Assets

The Capital Assets ratio suggests how well a government is keeping pace with the age of its capital assets. This ratio is calculated by dividing ending net value of primary government capital assets minus beginning net value, then dividing by beginning net value. They City's Capital Assets ratio is 0.04 (4%), suggesting the net value of capital assets increased 4% in the measured year. This places the City of Hendersonville in quartile 2 among peers, leaving overall financial condition score unchanged.

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:



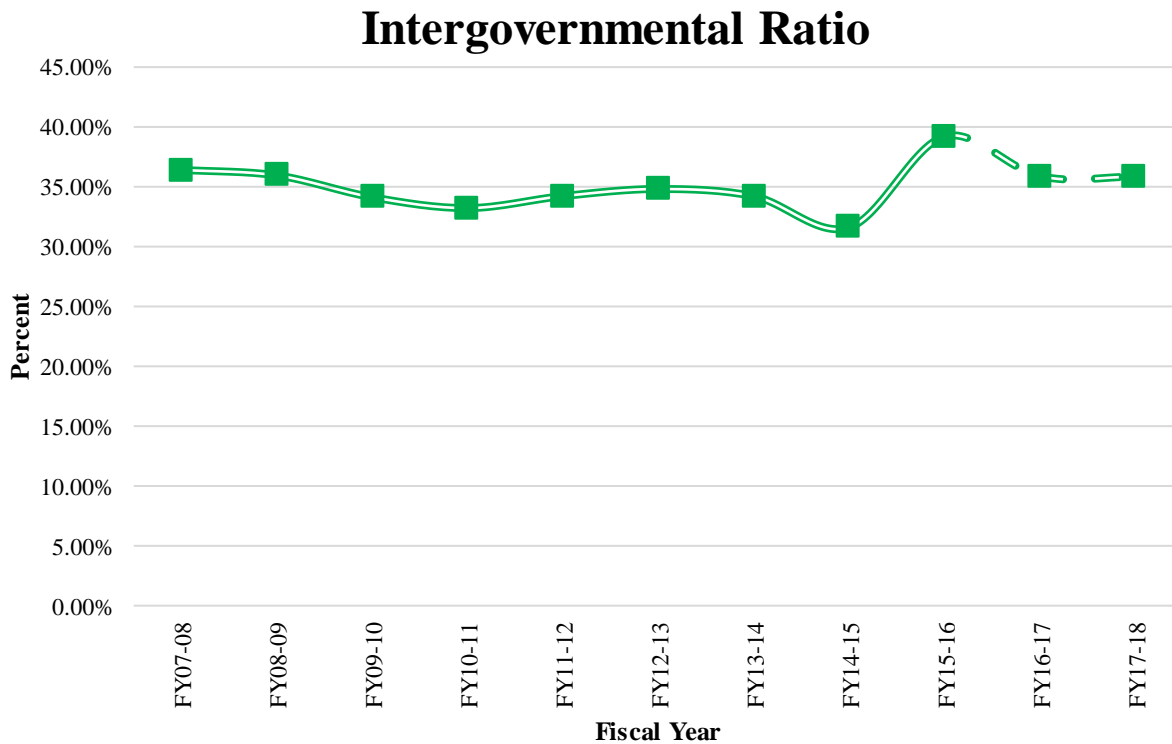
Over the past ten years the City of Hendersonville has utilized sound budget practices. A ratio of above 1.0 represents a surplus in actual revenues for the fiscal year. The City has maintained a ratio above 1.0 up until FY13-14 when expenditures began to exceed revenues. Operating revenues then rebounded back above operating expenditures in FY15-16. The property tax was raised in FY13-14 and FY14-15.



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:



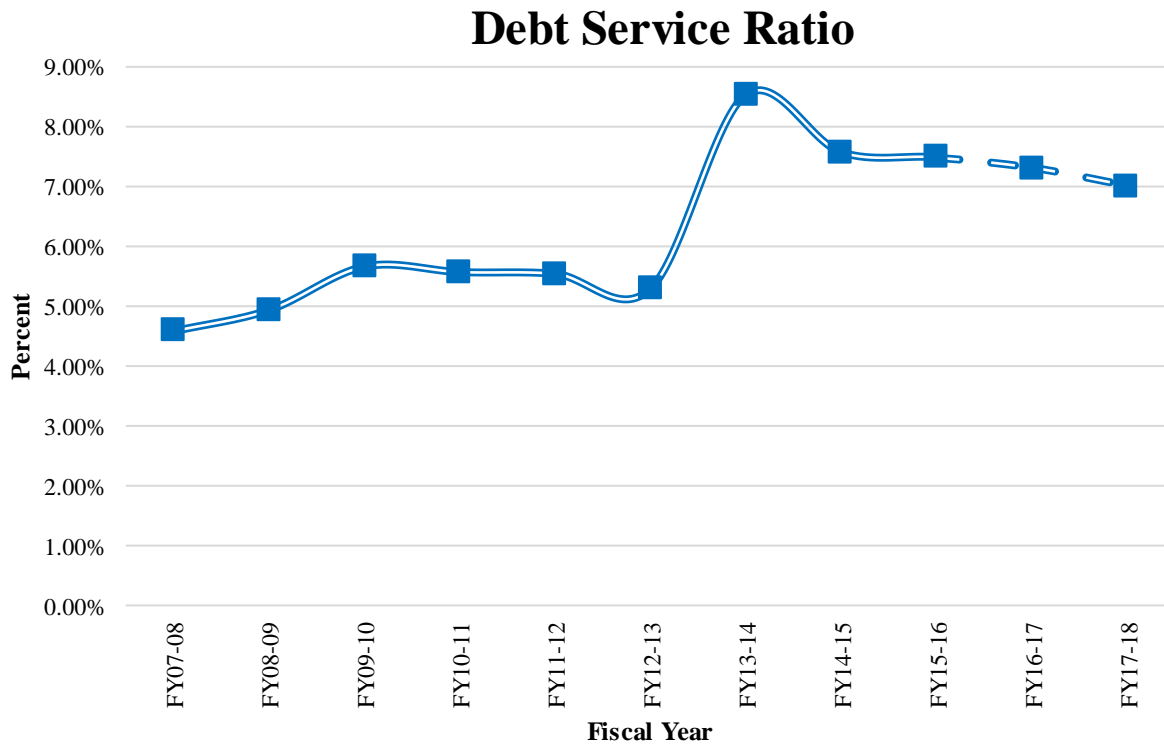
The City of Hendersonville’s intergovernmental ratio has been elastic in the past ten fiscal years, meaning that it has changed (increased and decreased) from year-to-year.. The dependency on intergovernmental revenue has recently spiked and reflects the strong sales and use tax growth that was discussed in the *Budget Message* and *Short-term Factors* sections. 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:



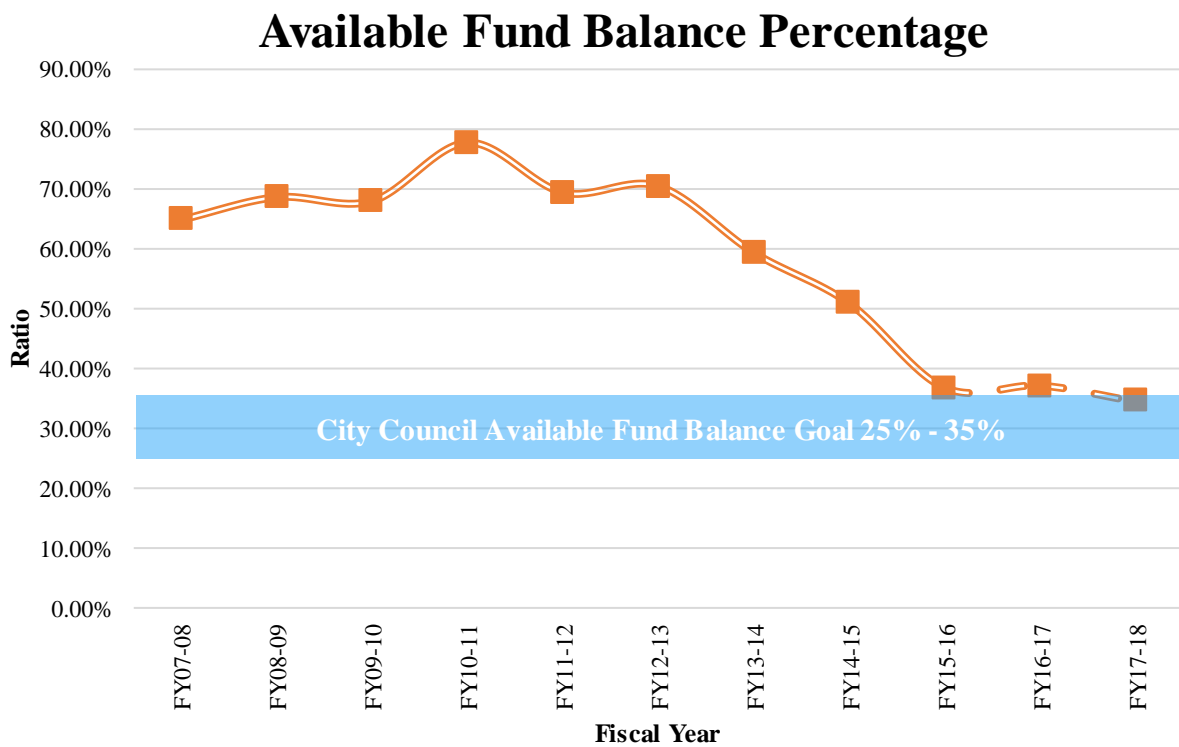
The City has maintained healthy debt service practices in the past ten fiscal years. The chart depicts the debt capacity dipping below the five percent (5%) mark in FY07-08 signifying the capacity for more debt financing. The following years experienced a conservative and manageable increase, close to 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. A loan for a new fire engine will effect this ratio in FY17-18.



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:



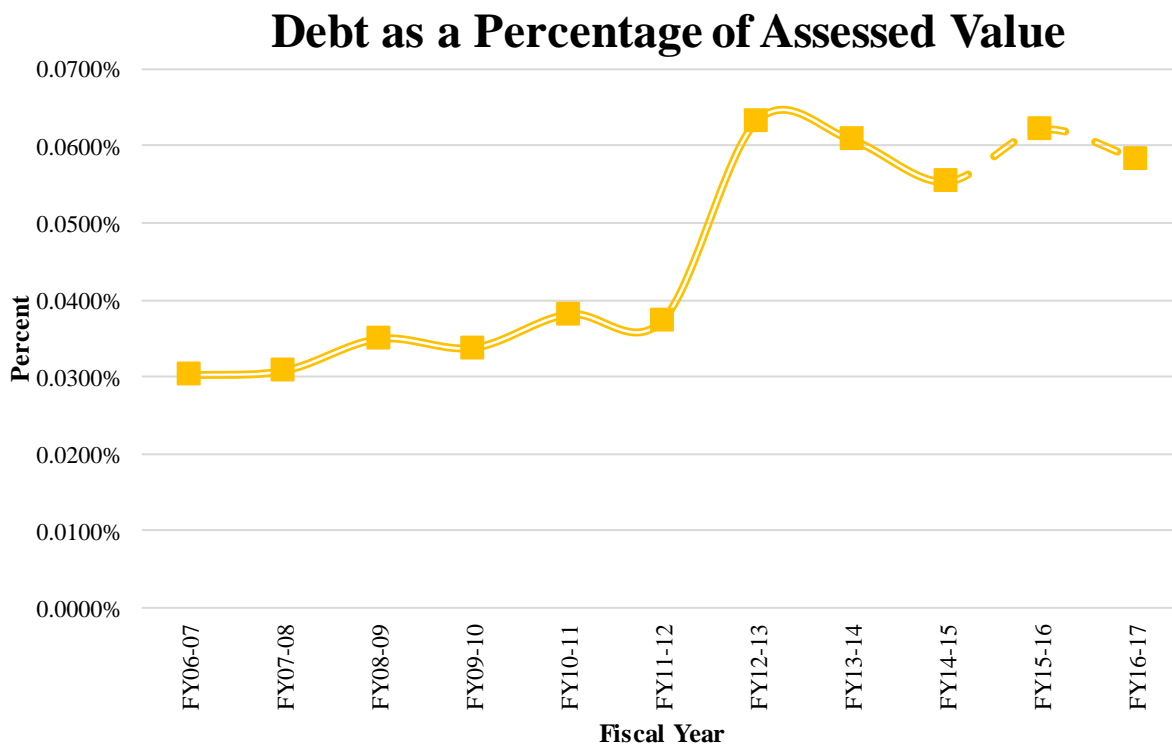
The City has maintained a steady stream of available fund balance (unassigned/unreserved). The estimated decline in available fund balance is due to a number of different factors. This shortfall was due to increasing debt service costs and needed capital improvements. Additionally, the City created a debt service fund, appropriating a large lump sum of available fund balance to the debt service fund to cover future debt service payments. As depicted, the City’s available fund balance is at the top of the City Council’s available fund balance goal and the City will work to maintain a fund balance within this range.



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 this ratio.



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

Financial Dimension	Actual FY13-14	Actual FY14-15	Actual FY15-16	Estimate FY16-17	Estimate FY17-18
Operations Ratio	0.97	0.95	1.08	1.00	1.00
Dependency	34.20%	31.58%	39.18%	35.87%	35.81%
Financing Obligation	8.53%	7.57%	7.49%	7.31%	7.00%
Solvency	59.30%	50.84%	43.04%	37.12%	34.57%
Leverage	0.0633%	0.0608%	0.0553%	0.0621%	0.0583%

The table below depicts the City of Hendersonville’s financial condition in comparison to municipal peers for FY15-16 actual reports:

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	1.08	39.18%	7.49%	43.04%	0.0553%
Peer 1	0.85	18.06%	3.60%	71.33%	0.0000%
Peer 2	1.04	21.09%	4.35%	31.41%	0.0194%
Peer 3	0.81	18.36%	4.78%	17.00%	0.0200%

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, 19.17%. Also, financing obligation remains greater than the municipal average of 4.24%. The City maintains a higher or equal reserve of available fund balance than its comparable municipalities. It also maintains a strong operations ratio.



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 of a shortage. 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. Additionally, the City Council has adopted an available fund balance policy goal of 25% - 35% for the General Fund and 50%-75% for the Water and Sewer Fund.



General Fund – Fund Balance Trends

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

	ACTUAL FY13-14	ACTUAL FY14-15	ACTUAL FY15-16	ESTIMATE FY16-17	ESTIMATE FY17-18
Unassigned Fund Balance	\$7,481,896	\$7,036,662	\$5,528,024	\$ 4,820,703	\$ 4,623,001
Percent Change	N/A	-5.95%	-21.44%	-12.80%	-4.10%
Percent Available	64.9%	55.8%	39.9%	32.2%	32.8%
Months Equivalent	7.8	6.7	4.8	3.9	3.9

Operating Expenses in Month Equivalents



	ACTUAL FY13-14	ACTUAL FY14-15	ACTUAL FY15-16	ESTIMATE FY16-17	ESTIMATE FY17-18
Beginning Fund Balance	\$8,921,295	\$8,395,233	\$8,103,727	\$ 7,381,399	\$ 7,348,399
Ending Fund Balance	\$8,395,233	\$8,103,727	\$7,381,399	\$ 7,348,399	\$ 7,150,697
Percent Change	-5.90%	-3.47%	-8.91%	-0.45%	-2.69%

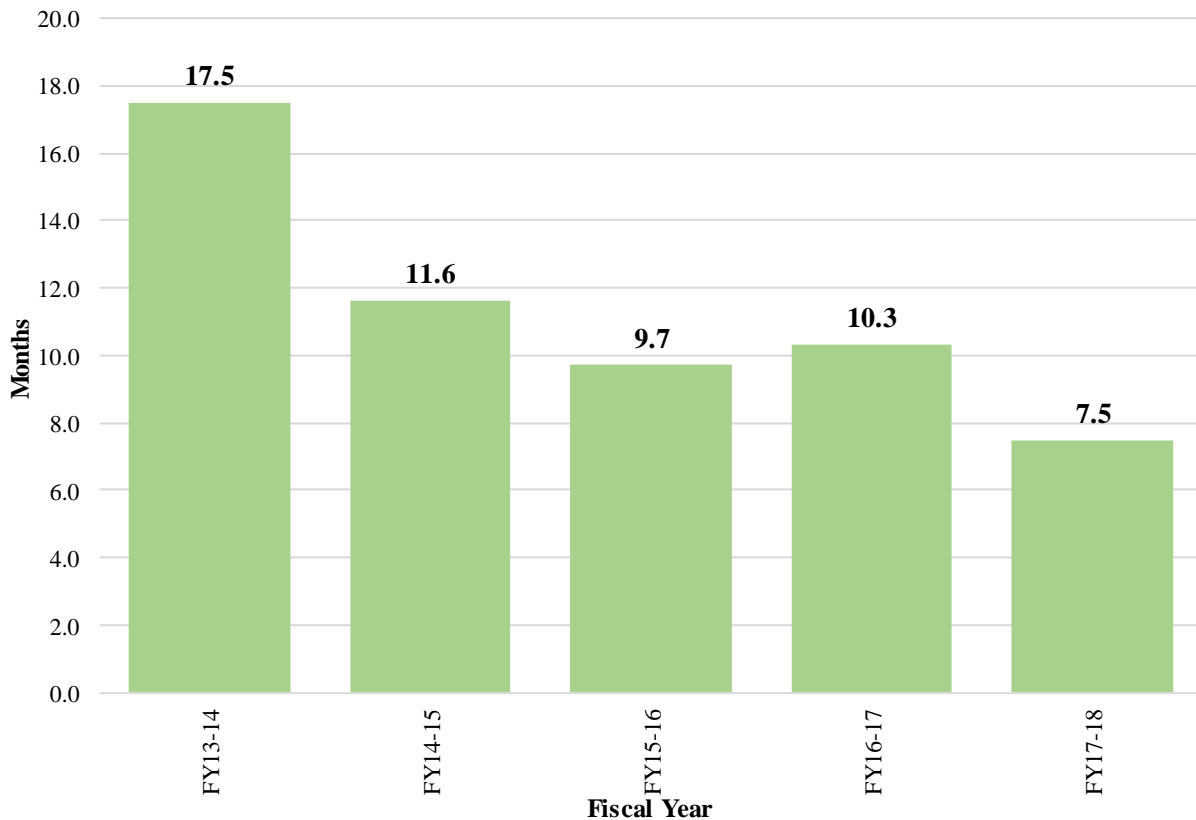


Water & Sewer Fund – Fund Balance Trends

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

	ACTUAL FY13-14	ACTUAL FY14-15	ACTUAL FY15-16	ESTIMATE FY16-17	ESTIMATE FY17-18
Unassigned Fund Balance	\$ 23,000,330	\$ 18,381,314	\$ 17,046,848	\$ 16,561,378	\$ 12,246,378
Percent Change	N/A	-20.08%	-7.26%	-2.85%	-26.05%
Percent Available	145.9%	96.9%	81.0%	86.1%	62.3%
Months Equivalent	17.5	11.6	9.7	10.3	7.5

Operating Expenses in Month Equivalents



	ACTUAL FY13-14	ACTUAL FY14-15	ACTUAL FY15-16	ESTIMATE FY16-17	ESTIMATE FY17-18
Beginning Fund Balance	\$ 23,750,689	\$ 24,203,158	\$ 25,531,004	\$ 25,246,428	\$ 24,996,428
Ending Fund Balance	\$ 24,203,158	\$ 25,531,004	\$ 25,246,428	\$ 24,996,428	\$ 24,896,428
Percent Change	1.91%	5.49%	-1.11%	-0.99%	-0.40%



Fund Balance Summary – All Funds

The following table displays budgeted fund balances for all appropriated funds with the estimated beginning values, increases and/or decreases for FY17-18, ending values, and percent change for each fund:

Fund	BEGINNING FUND BALANCE FY17-18	INCREASE (DECREASE)	ENDING FUND BALANCE FY17-18	PERCENT CHANGE
General	\$ 7,348,399	\$ (1,017,696)	\$ 6,330,703	-13.85%
Main Street	\$ 99,082	\$ -	\$ 99,082	0.00%
7th Avenue	\$ 49,696	\$ -	\$ 49,696	0.00%
Water & Sewer	\$ 24,996,428	\$ (5,760,421)	\$ 19,236,007	-23.04%
Environmental Services	\$ 524,622	\$ (54,264)	\$ 470,358	-10.34%
Stormwater	\$ 100,000	\$ (35,841)	\$ 64,159	
Capital Reserve - GF	\$ -	\$ -	\$ -	N/A
Capital Reserve - WS	\$ -	\$ -	\$ -	N/A
Debt Service	\$ 508,419	\$ (358,770)	\$ 149,649	-70.57%
Fire Car Seat	\$ -	\$ -	\$ -	N/A
Fire Community	\$ 550	\$ (250)	\$ 300	-45.45%
Health & Welfare	\$ 43,839	\$ (25,000)	\$ 18,839	-57.03%
Historic Preservation	\$ 16,522	\$ (15,000)	\$ 1,522	-90.79%
Police DARE	\$ -	\$ -	\$ -	N/A
Police Drug	\$ 122,669	\$ (50,000)	\$ 72,669	-40.76%
Police Kennel	\$ 7,888	\$ (5,000)	\$ 2,888	-63.39%
Police Motor Unit	\$ 821	\$ (500)	\$ 321	-60.92%
Police Needy Persons	\$ 11,232	\$ (8,000)	\$ 3,232	-71.23%
Police RAD	\$ 2,101	\$ (1,500)	\$ 601	-71.40%
Police Youth Exp.	\$ -	\$ -	\$ -	N/A
Walk of Fame	\$ 1,500	\$ (1,000)	\$ 500	
TOTAL	\$ 33,833,767	\$ (7,333,742)	\$ 26,500,025	-21.68%

Fund Balance Highlights

The City's various changes in fund balance will be highlighted in this section. In accordance with GFOA recommendations, any change in fund balance over 10% will be discussed (in order of appearance).

General Fund

The General Fund is budgeted to appropriate \$1,017,696 of its fund balance, a decrease of 13.85%. This appropriation is being used to balance the budget. Each year the General Fund budgets a large portion of fund balance but rarely uses it. This is due to expenditures coming in less than the budget and revenues coming in greater than the budget. Conservatively, staff estimates the General Fund will appropriate \$197,702 of fund balance at year end FY17-18.



Water & Sewer Fund

The Water and Sewer Fund is budgeted to appropriate \$5,760,421 of its fund balance, a decrease of 23.04%. This is a substantial decrease in fund balance and is proposed to be used for various capital project ordinances. These capital project ordinances total multiple millions of dollars and some are funded with loans and some with available enterprise fund cash and cash reserves. The City has developed a funding strategy with their financial advisors for these major projects. This fund balance appropriation is part of that plan. Additionally, the City Council has an available fund balance policy goal of 50%-75% for the Water and Sewer Fund. This appropriation does not jeopardize this goal. Also, these capital projects are one-time expenses and should not significantly endanger the future financial health of this Fund.

Debt Service Fund

The Debt Service Fund is budgeted to appropriate \$358,770 of its fund balance, a decrease of 70.57%. This Fund serves the purpose of paying debt service payments for the City. It pays these notes through transfers in from other funds and the use of its fund balance. The City plans to utilize its fund balance to pay for certain notes each year, as described in the *Budget Message* section of this document. There is no need to maintain a large fund balance in this Fund other than the payment of debt service notes. Thus, there is no concern regarding this use of available fund balance.

Health and Welfare Fund

The Health and Welfare Fund is budgeted to appropriate \$25,000 of its fund balance, a decrease of 57.03%. This Fund is an internal service fund and relies on funding from other funds to support its function. In future years other funds will need to contribute more additional funds to replenish this fund balance.

Other Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to be expended for specific purposes other than capital projects and debt service. The City budgets for a variety of small special revenue funds. These funds are intended to be used for specific purposes and it is not the intent of the City to build up large fund balances or reserves in these funds. In turn, the City will appropriate large portions of these fund balances each budget year. The following special revenue funds are utilizing large portions of their fund balances, greater than 10%:

- Fire Community Fund, Historic Preservation Fund, Police Drug Fund, Police Kennel Fund, Police Motor Unit Fund, Police Needy Persons Fund, Police RAD Fund, Police Youth Explorers Fund, and Walk of Fame Fund.

As mentioned above, there is no concern for the use of these fund balances as they are intended to be spent for specific purposes.

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 \$147,851,438 (1,848,142,976*0.08) for the City of Hendersonville. The City's current outstanding debt is \$31,840,081, or 1.72% of total assessed value.

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)

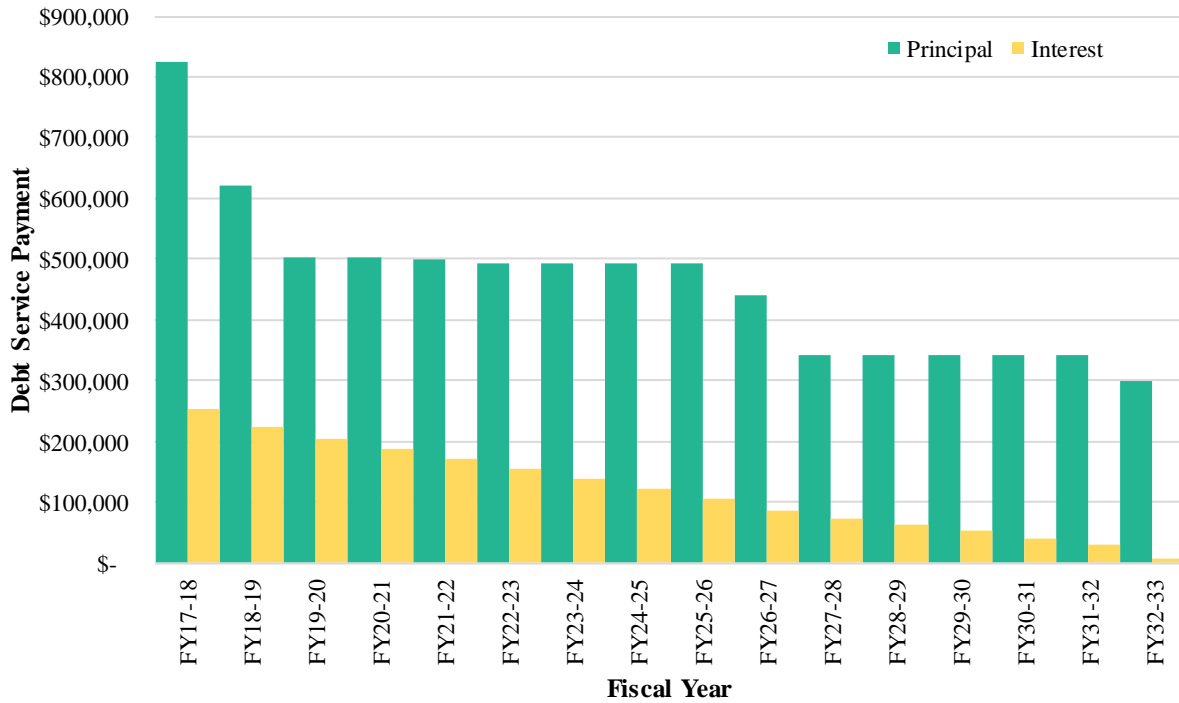
The 1987 amendments to the Federal Clean Water Act replaced the Construction Grants program with the Clean Water State Revolving Fund Program (CWSRF). Under the CWSRF, Congress provides the states with grant funds to establish revolving loan programs to assist in the funding of wastewater treatment facilities 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, 2017, the City of Hendersonville's total notes payable was \$31,840,081. Approximately \$8 million was in the General Fund and \$24 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. The following pages contain breakdowns of each funds debt obligation by principal and interest, a list of projects being funded, and brief descriptions of those projects.

General Fund

General Fund Debt Service



Project	Finance Type	Outstanding Principal	Interest	End Date	FY17-18 Payment
General Fund					
1998 G.O. Sidewalk Bond	General Obligation	\$ 180,000	5.00%	FY17-18	\$ 99,000
2008 G.O. Sidewalk Bond	General Obligation	\$ 1,500,000	4.30%	FY26-27	\$ 161,350
Capital Equipment Loan	Bank Loan	\$ 146,924	4.10%	FY17-18	\$ 99,137
City Hall Reno. Loan	Bank Loan	\$ 583,334	4.10%	FY18-19	\$ 255,164
Fire Engine #2 Replacement Loan	Bank Loan	\$ 664,621	2.49%	FY31-32	\$ 53,135
Main St., Fire Station/Engine Loan	Bank Loan	\$ 5,100,000	4.10%	FY32-33	\$ 475,373
Parking Kiosk Loan	Bank Loan	\$ 56,023	3.10%	FY21-22	\$ 12,438

1998 Sidewalk Bond: This is a general obligation bond project that funded the replacement and repair of sidewalks within the City of Hendersonville.

2008 Sidewalk Bond: This is a general obligation bond project that funded the replacement and repair of sidewalks within the City of Hendersonville. There are still some funds left, approximately \$900,000 that will be used towards the repair and replacement of N. Main St. sidewalks.

Capital Equipment: This is an installment financing agreement with BB&T for the acquisition, repair, and replacement of general government capital equipment. The majority of this loan funded new vehicles for the Police and Development Assistance departments.



City Hall Renovation: This is an installment financing agreement with Bank of America for the renovation and improvements associated with the City Hall municipal building in downtown Hendersonville. The renovation was completed in 2005.

Fire Engine #2 Replacement Loan: This is an installment financing agreement with Entegra Bank for the acquisition of a new fire engine apparatus. The engine is a pumper and will be stationed at the Fire Station #2 on Sugarloaf Road.

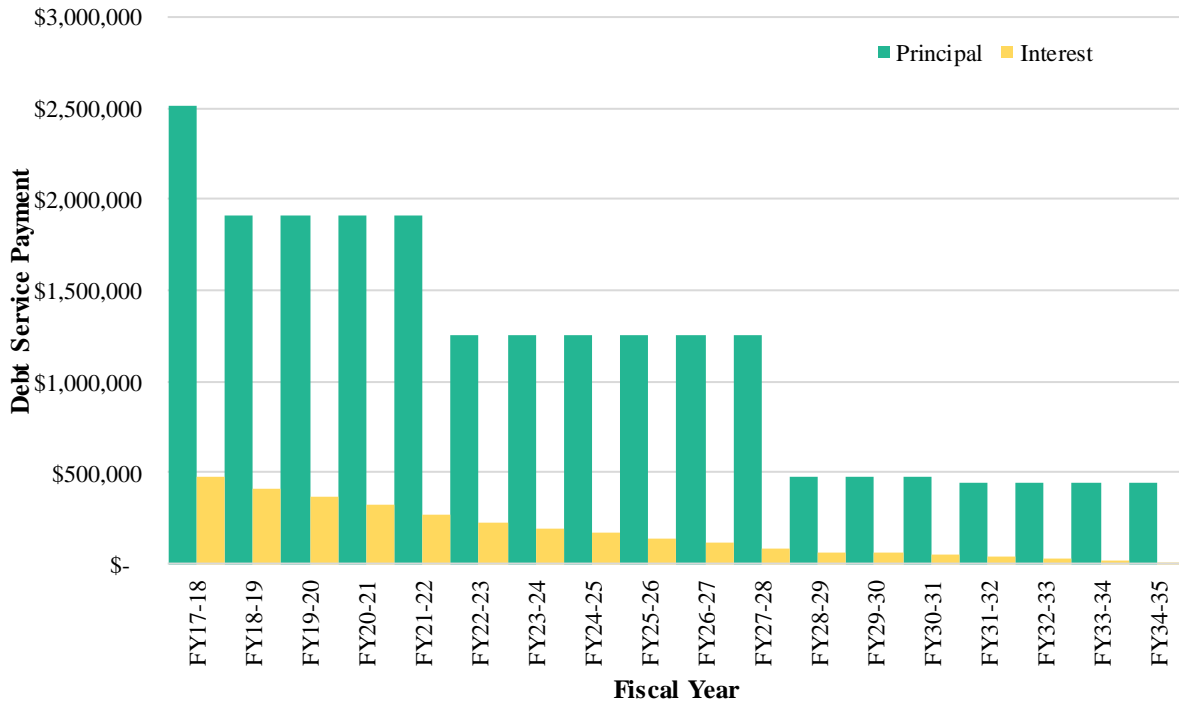
Main Street, Fire Station/Engine: This is an installment financing agreement with BB&T for the infrastructure improvements of Main Street, the construction of Fire Station #2, and the replacement of a fire engine.

Parking Kiosks: This is an installment financing agreement with Entegra Bank for the acquisition of six smart meter parking kiosks to be placed in different parking lots around the City.



Water & Sewer Fund

Water & Sewer Fund Debt Service



Project	Finance Type	Outstanding Principal	Interest	End Date	FY17-18 Payment
Water & Sewer Fund					
AMR Project	Bank Loan	\$ 8,538,531	2.36%	FY27-28	\$ 968,439
Brightwater Project	SRLF	\$ 400,247	2.48%	FY29-30	\$ 38,515
Jackson Park Sewer	SRLF	\$ 3,906,540	2.00%	FY34-35	\$ 295,161
Sewer Line Improvements	SRLF	\$ -	3.43%	FY16-17	\$ -
Shepherd/Atkinson Sewer	SRLF	\$ 1,633,500	2.00%	FY34-35	\$ 123,420
Wolfpen Sewer	SRLF	\$ 2,506,465	2.00%	FY34-35	\$ 189,377
WTP Renovation	Bank Loan	\$ 596,979	3.90%	FY17-18	\$ 608,620
WWTP Project	SRLF	\$ 3,312,500	2.91%	FY21-22	\$ 758,894

AMR Project: This is an installment financing agreement with JP Morgan for the installation and replacement of City water/sewer meters with smart meters. Additionally, the City installed fixed radio based towers to communicate with the smart meters.

Brightwater Project: This project was funded through state revolving loan funds and provided for the replacement of a well water system in the Brightwater subdivision with City water lines. The project was at the request of residents of the subdivision and they pay an additional fee to cover costs associated with the repayment of the loan.



Jackson Park Sewer: This project was funded through state revolving loan funds and provided for the replacement of pump stations and upgraded sewer lines to new gravity sewer lines.

Sewer Line Improvements: This project was funded with state revolving loan funds and provided for the installation of sewer lines to an area south of the City that was having public health issues due to failing septic systems.

Shepherd/Atkinson Sewer: This project was funded through state revolving loan funds and provided for the replacement of pump stations and upgraded sewer lines to new gravity sewer lines.

Wolfpen Sewer: This project was funded through state revolving loan funds and provided for the replacement of pump stations and upgraded sewer lines to new gravity sewer lines.

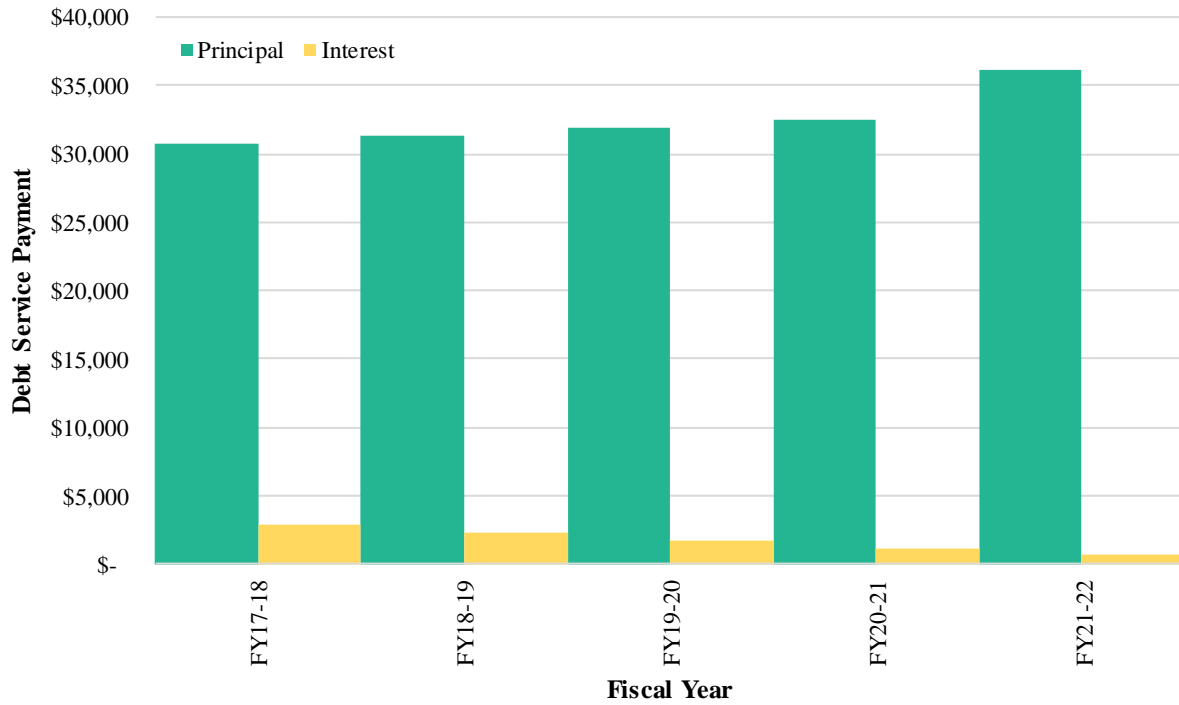
WTP Renovation: This is an installment financing agreement with BB&T for the renovation and repair of the City's water treatment plant facility, located on HWY 191.

WWTP Project: This project was funded with state revolving loan funds and provided for the construction of the City's wastewater treatment plant, located at 99 Balfour Rd. in Hendersonville.



Environmental Services Fund

Environmental Services Fund Debt Service



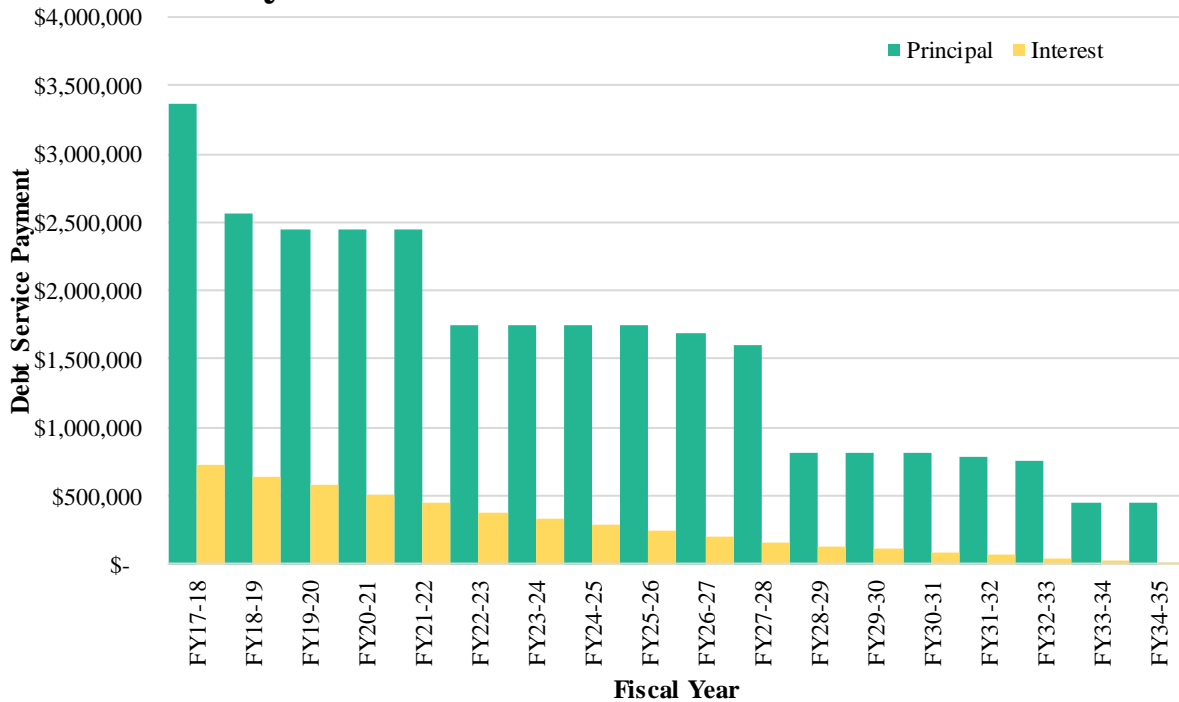
Project	Finance Type	Outstanding Principal	Interest	End Date	FY17-18 Payment
Environmental Services Fund					
Sanitation Truck Replacement	Bank Loan	\$ 162,608	1.89%	FY21-22	\$ 33,628

Sanitation Truck Replacement: This is an installment financing agreement with Entegra Bank for the replacement of one of the Environmental Services Department’s garbage trucks with an alternative fuel vehicle (compressed natural gas) truck.



Total Debt Service – Summary

City of Hendersonville Total Debt Service



Project	Finance Type	Outstanding Principal	Interest	End Date	FY17-18 Payment
General Fund					
1998 G.O. Sidewalk Bond	General Obligation	\$ 180,000	5.00%	FY17-18	\$ 99,000
2008 G.O. Sidewalk Bond	General Obligation	\$ 1,500,000	4.30%	FY26-27	\$ 161,350
Capital Equipment Loan	Bank Loan	\$ 146,924	4.10%	FY17-18	\$ 99,137
City Hall Reno. Loan	Bank Loan	\$ 583,334	4.10%	FY18-19	\$ 255,164
Fire Engine #2 Replacement Loan	Bank Loan	\$ 664,621	2.49%	FY31-32	\$ 53,135
Main St., Fire Station/Engine Loan	Bank Loan	\$ 5,100,000	4.10%	FY32-33	\$ 475,373
Parking Kiosk Loan	Bank Loan	\$ 56,023	3.10%	FY21-22	\$ 12,438
Water & Sewer Fund					
AMR Project	Bank Loan	\$ 8,538,531	2.36%	FY27-28	\$ 968,439
Brightwater Project	SRLF	\$ 400,247	2.48%	FY29-30	\$ 38,515
Jackson Park Sewer	SRLF	\$ 3,906,540	2.00%	FY34-35	\$ 295,161
Sewer Line Improvements	SRLF	\$ -	3.43%	FY16-17	\$ -
Shepherd/Atkinson Sewer	SRLF	\$ 1,633,500	2.00%	FY34-35	\$ 123,420
Wolfpen Sewer	SRLF	\$ 2,506,465	2.00%	FY34-35	\$ 189,377
WTP Renovation	Bank Loan	\$ 596,979	3.90%	FY17-18	\$ 608,620
WWTP Project	SRLF	\$ 3,312,500	2.91%	FY21-22	\$ 758,894
Environmental Services Fund					
Sanitation Truck Replacement	Bank Loan	\$ 162,608	1.89%	FY21-22	\$ 33,628



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.

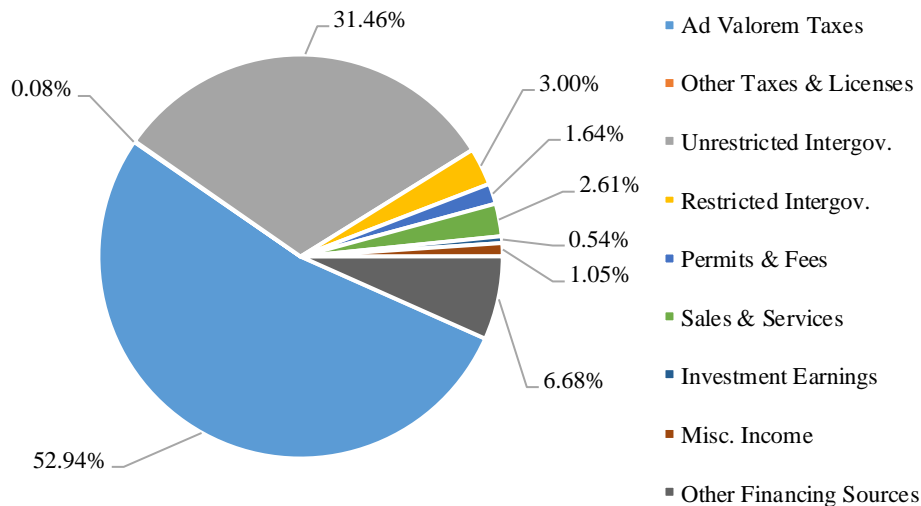
Revenues by Source

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

REVENUE SOURCE	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes	\$ (7,842,342)	\$ (7,826,595)	\$ (8,147,201)	\$ (320,606)
Other Taxes & Licenses	\$ (13,528)	\$ (14,600)	\$ (11,800)	\$ 2,800
Unrestricted Intergov.	\$ (4,668,476)	\$ (4,625,711)	\$ (4,841,925)	\$ (216,214)
Restricted Intergov.	\$ (515,206)	\$ (494,521)	\$ (461,521)	\$ 33,000
Permits & Fees	\$ (99,712)	\$ (158,575)	\$ (251,900)	\$ (93,325)
Sales & Services	\$ (415,011)	\$ (363,550)	\$ (401,300)	\$ (37,750)
Investment Earnings	\$ (115,277)	\$ (83,000)	\$ (83,600)	\$ (600)
Misc. Income	\$ (191,145)	\$ (166,830)	\$ (162,200)	\$ 4,630
Other Financing Sources	\$ (847,213)	\$ (1,132,175)	\$ (1,027,696)	\$ 104,479
Total	\$ (14,707,910)	\$ (14,865,557)	\$ (15,389,143)	\$ (523,586)

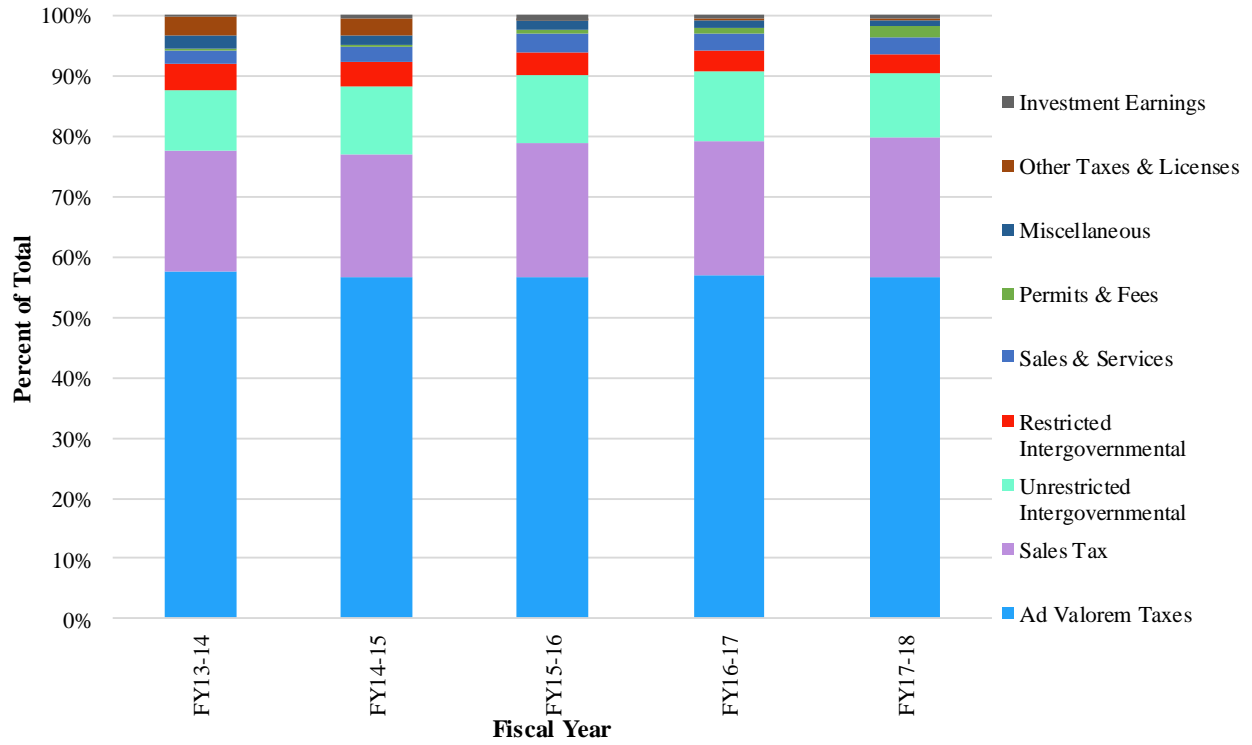
Ad valorem taxes are paid on real and personal property located within the Hendersonville city limits. Taxes for real and personal property are levied based upon the preceding January 1st valuations of the property and the tax rate established by the City Council. Ad valorem taxes typically comprise approximately one-half of all General Fund revenues with an estimated \$8,147,201 in FY17-18 at a tax rate of \$0.47 per \$100 valuation.

General Fund Revenues by Source FY17-18



The following charts detail General Fund revenues by source:

General Fund Revenues by Source



Revenues by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes						
100010	410000	TAX REFUNDS	\$ -	\$ -	\$ -	\$ -
100010	411300	TAX LATE LIST >10 YEARS OLD	\$ (546)	\$ (1,000)	\$ (500)	\$ 500.00
100010	411400	TAX - INTEREST	\$ (31,822)	\$ (27,000)	\$ (28,000)	\$ (1,000.00)
100010	420101	AD VAL TAX - MTR VEHS	\$ (588,179)	\$ (525,000)	\$ (600,000)	\$ (75,000.00)
100010	420500	2005 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
100010	420600	2006 AD VAL TAX - R/P	\$ (47)	\$ (50)	\$ (25)	\$ 25.00
100010	420700	2007 AD VAL TAX - R/P	\$ (49)	\$ (50)	\$ (50)	\$ -
100010	420800	2008 AD VAL TAX - R/P	\$ (246)	\$ (150)	\$ (50)	\$ 100.00
100010	420900	2009 AD VAL TAX - R/P	\$ (20)	\$ (500)	\$ (150)	\$ 350.00
100010	421000	2010 AD VAL TAX - R/P	\$ (31)	\$ (500)	\$ (500)	\$ -
100010	421100	2011 AD VAL TAX - R/P	\$ (566)	\$ (1,500)	\$ (500)	\$ 1,000.00
100010	421200	2012 AS VAL TAX - R/P	\$ (171)	\$ (2,500)	\$ (1,500)	\$ 1,000.00
100010	421300	2013 AD VAL TAX - R/P	\$ (7,489)	\$ (5,000)	\$ (2,500)	\$ 2,500.00
100010	421400	2014 AD VAL TAX R/P	\$ (81,345)	\$ (10,000)	\$ (5,000)	\$ 5,000.00
100010	421500	2015 AD VAL TAX R/P	\$ (7,131,830)	\$ (50,000)	\$ (10,000)	\$ 40,000.00
100010	421600	2016 AD VAL TAX R/P	\$ -	\$ (7,203,345)	\$ (50,000)	\$ 7,153,345.00
100010	421700	2017 AD VAL TAX R/P	\$ -	\$ -	\$ (7,448,426)	\$ (7,448,426.00)
		<i>Sub-Total</i>	\$ (7,842,342)	\$ (7,826,595)	\$ (8,147,201)	\$ (320,606.00)
Other Taxes & Licenses						
100020	422000	RENTAL VEHICLE TAX	\$ (11,358)	\$ (12,800)	\$ (10,000)	\$ (2,800.00)
100020	426100	BEER & WINE LICENSES	\$ (2,170)	\$ (1,800)	\$ (1,800)	\$ -
100020	426300	PRIV LICS - GROSS RECPTS	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (13,528)	\$ (14,600)	\$ (11,800)	\$ 2,800.00
Unrestricted Intergovernmental						
100030	423000	LOCAL SALES & USE TAX	\$ (3,099,237)	\$ (3,043,498)	\$ (3,300,000)	\$ 256,502.00
100030	425000	ABC REVENUES	\$ (97,500)	\$ (107,257)	\$ (107,000)	\$ (257.00)
100030	432500	COURT FEES - POLICE	\$ (5,737)	\$ (5,800)	\$ (5,000)	\$ (800.00)
100030	432600	POLICE 911 SECONDARY SHARE	\$ (10,571)	\$ -	\$ -	\$ -
100030	432700	HHA REIMBURSEMENT	\$ (86,250)	\$ (115,000)	\$ (125,000)	\$ 10,000.00
100030	433100	PAY IN LIEU OF TAX	\$ (14,276)	\$ (14,276)	\$ (14,925)	\$ 649.00
100030	433200	BEER & WINE EXCISE TX	\$ (60,103)	\$ (58,880)	\$ (60,000)	\$ 1,120.00
100030	433400	UTILITY SALES TAX	\$ (946,144)	\$ (900,000)	\$ (900,000)	\$ -
100030	433500	TELCOM SALES TAX	\$ (234,552)	\$ (265,000)	\$ (225,000)	\$ (40,000.00)
100030	433600	VIDEO PROGRAM FEES	\$ (114,105)	\$ (116,000)	\$ (105,000)	\$ (11,000.00)
		<i>Sub-Total</i>	\$ (4,668,476)	\$ (4,625,711)	\$ (4,841,925)	\$ (216,214.00)
Restricted Intergovernmental						
100040	425100	ABC LAW ENFORCEMENT	\$ (40,000)	\$ (40,000)	\$ (40,000)	\$ -
100040	431050	BULLET PROOF VEST REVENUE	\$ (2,448)	\$ -	\$ -	\$ -
100040	443500	SRO REIMBURSEMENT	\$ (37,838)	\$ (37,839)	\$ (37,839)	\$ -
100040	447000	POWELL BILL REV NCDOT	\$ (386,360)	\$ (383,682)	\$ (383,682)	\$ -
100040	447060	CONTRIBUTION FROM TDA	\$ -	\$ (33,000)	\$ -	\$ (33,000.00)
100040	447100	STATE REIMBURSEMENTS	\$ -	\$ -	\$ -	\$ -
100040	449200	FIREMEN'S RELIEF FUND	\$ (48,560)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (515,206)	\$ (494,521)	\$ (461,521)	\$ 33,000.00



Revenues by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Permits & Fees						
100050	426200	VENDOR PERMITS	\$ (12,630)	\$ (14,000)	\$ (14,000)	\$ -
100050	426400	BUSINESS REGISTRY	\$ (46,172)	\$ -	\$ -	\$ -
100050	434100	FIRE INSPECTION FEES	\$ -	\$ (113,375)	\$ (200,000)	\$ 86,625.00
100050	434200	FIRE PERMITS & FEES	\$ (2,050)	\$ (2,000)	\$ (8,000)	\$ 6,000.00
100050	434250	HAZARDOUS MATERIAL RESPONSE	\$ (1,800)	\$ -	\$ -	\$ -
100050	434300	ZONING PERMITS	\$ (13,830)	\$ (13,000)	\$ (13,500)	\$ 500.00
100050	434400	RESALE ITEMS	\$ (37)	\$ -	\$ (50)	\$ 50.00
100050	434500	ZONING CITATIONS	\$ -	\$ -	\$ -	\$ -
100050	434600	SPEC PROJ FEES - PLAN	\$ (17,088)	\$ (15,500)	\$ (15,000)	\$ (500.00)
100050	434650	DEMO FEES	\$ (4,060)	\$ -	\$ (100)	\$ 100.00
100050	434700	COND USE FEES - ZONE	\$ (1,545)	\$ (700)	\$ (1,000)	\$ 300.00
100050	434780	STREET SIDEWLK ENCROACHMENT	\$ (500)	\$ -	\$ (250)	\$ 250.00
<i>Sub-Total</i>			\$ (99,712)	\$ (158,575)	\$ (251,900)	\$ (93,325.00)
Sales & Services						
100060	443230	MISC ITEM SALES	\$ -	\$ (900)	\$ (900)	\$ -
100060	444400	RENTAL INCOME-NON TAXABLE	\$ (17,718)	\$ (21,000)	\$ (21,000)	\$ -
100060	461000	MONTHLY PKING REVENUE	\$ (48,976)	\$ (41,500)	\$ (50,000)	\$ 8,500.00
100060	461100	PARKING METER REVENUE	\$ (103,855)	\$ (114,100)	\$ (115,000)	\$ 900.00
100060	461200	BOYD PK GOLF REVENUE	\$ (21,862)	\$ (18,500)	\$ (20,000)	\$ 1,500.00
100060	461300	BOYD PK CONCESSIONS	\$ (1,426)	\$ (1,250)	\$ (1,500)	\$ 250.00
100060	461400	FACILITY RENT INCOME	\$ (37,610)	\$ (36,000)	\$ (38,000)	\$ 2,000.00
100060	461500	CEMETERY LOT REVENUE	\$ (17,879)	\$ (13,000)	\$ (13,000)	\$ -
100060	461600	ALARM FEES	\$ (2,700)	\$ (1,800)	\$ (1,900)	\$ 100.00
100060	461700	PATTON PARK POOL	\$ (115,478)	\$ (88,000)	\$ (100,000)	\$ 12,000.00
100060	461800	PAT POOL CONCESSIONS	\$ (47,507)	\$ (27,500)	\$ (40,000)	\$ 12,500.00
<i>Sub-Total</i>			\$ (415,011)	\$ (363,550)	\$ (401,300)	\$ (37,750.00)
Investment Earnings						
100070	483100	INTEREST INCOME	\$ (115,201)	\$ (83,000)	\$ (83,600)	\$ 600.00
100070	483111	INT INCOME-POWEL BILL	\$ (76)	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ (115,277)	\$ (83,000)	\$ (83,600)	\$ (600.00)
Miscellaneous Income						
100080	404310	MISC REVENUE - POLICE	\$ (1,608)	\$ (1,500)	\$ (1,500)	\$ -
100080	404500	MISC REVENUE- PUBLIC WORKS	\$ (9,147)	\$ (6,000)	\$ (7,500)	\$ 1,500.00
100080	434750	STREET PAVING CUT-CUSTOMER	\$ (49,052)	\$ (25,000)	\$ (20,000)	\$ (5,000.00)
100080	443000	STORMWATER PERMITS	\$ (4,000)	\$ -	\$ (1,200)	\$ 1,200.00
100080	443100	PARKING VIOLATIONS	\$ (87,597)	\$ (85,000)	\$ (95,000)	\$ 10,000.00
100080	443110	PKING VIOLATIONS-PEN	\$ (14,387)	\$ (14,000)	\$ (14,000)	\$ -
100080	443200	SPECIAL ACTIVITIES NONTAXABLE	\$ -	\$ (900)	\$ (500)	\$ (400.00)
100080	443300	SPECIAL PERMITS PRECIOUS METAL	\$ (1,098)	\$ (1,800)	\$ (1,000)	\$ (800.00)
100080	443400	SPECIAL PARKING PERMITS	\$ (1,295)	\$ (1,800)	\$ (1,500)	\$ (300.00)
100080	443410	DRUG FORFEITURES	\$ -	\$ -	\$ -	\$ -
100080	443700	RENTAL INCOME-TAXABLE	\$ -	\$ -	\$ -	\$ -
100080	443800	DISCOUNTS EARNED	\$ (17,530)	\$ (12,230)	\$ (15,000)	\$ 2,770.00
100080	443900	MISCELLANEOUS INCOME	\$ (1,397)	\$ (10,000)	\$ (5,000)	\$ (5,000.00)
100080	447200	PAY IN LIEU OF-S/WLKS	\$ -	\$ -	\$ -	\$ -
100080	498207	DONATIONS/CONTRIBUTIONS	\$ (4,036)	\$ (8,600)	\$ -	\$ (8,600.00)
<i>Sub-Total</i>			\$ (191,145)	\$ (166,830)	\$ (162,200)	\$ 4,630.00



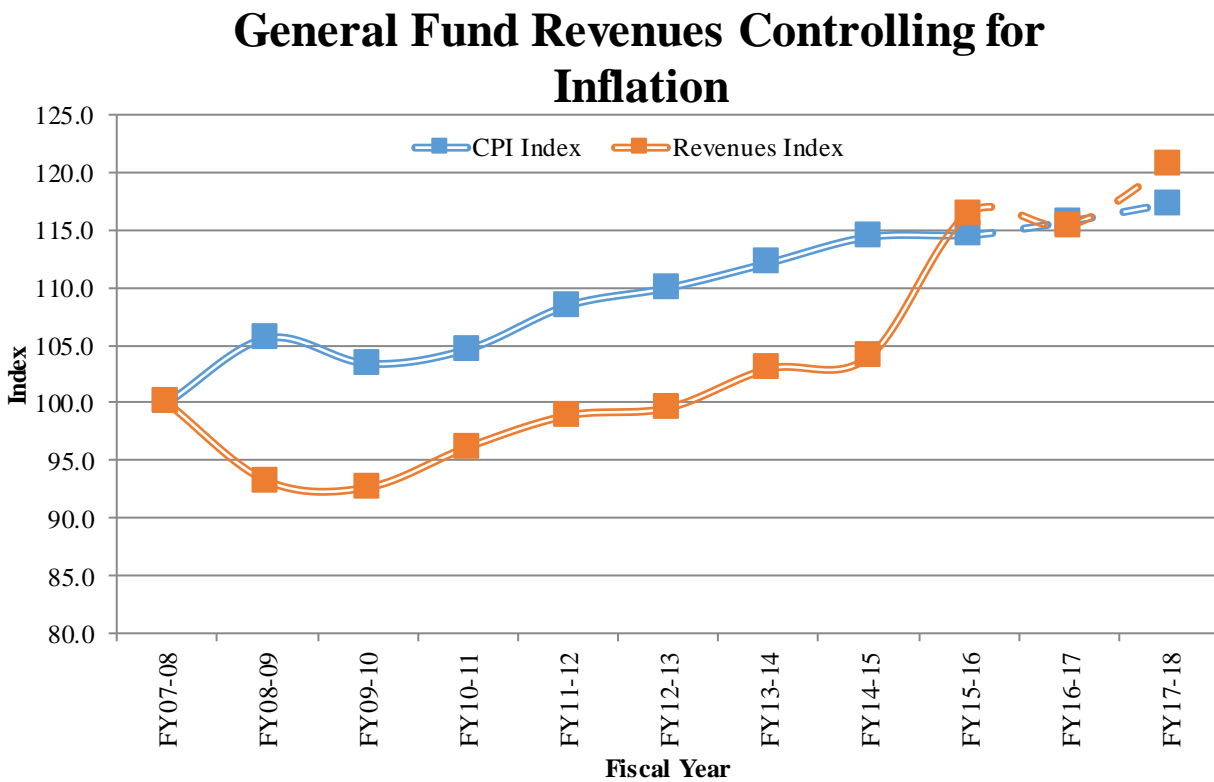
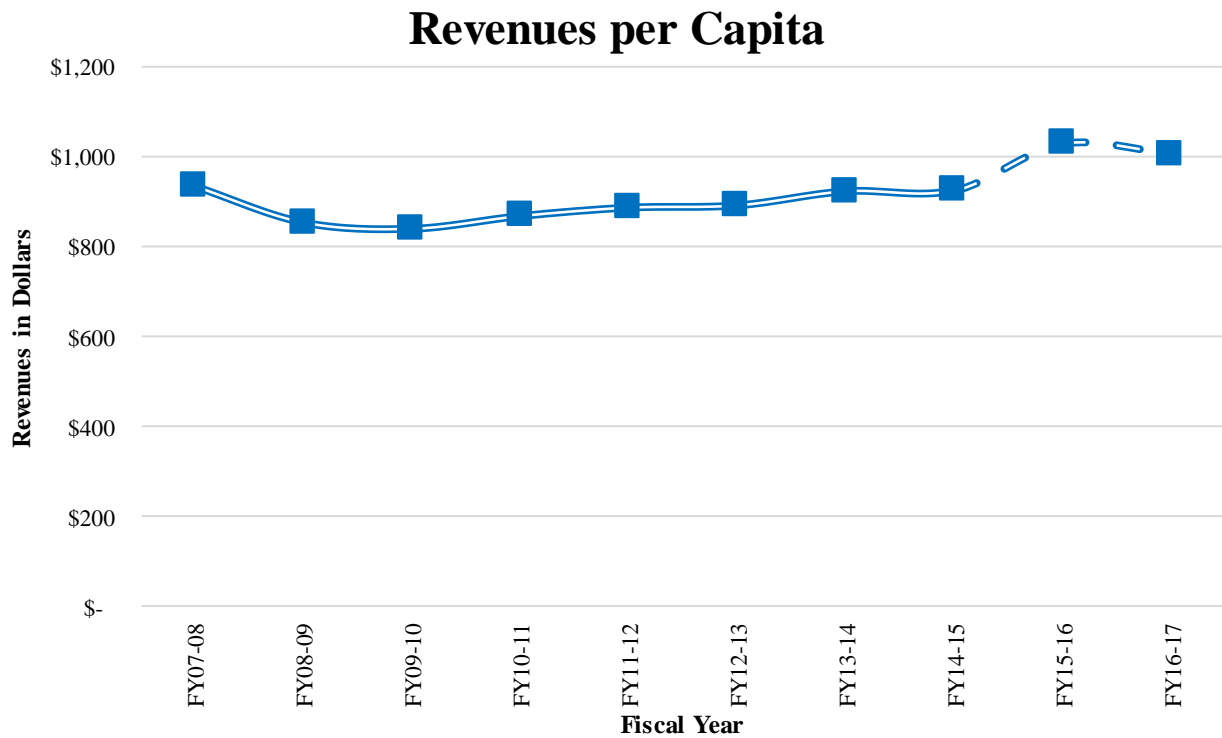
Revenues by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Other Financing Sources						
100090	434990	GRANT REVENUE	\$ -	\$ -	\$ -	\$ -
100090	443610	SALE OF FIXED ASSETS	\$ (2,125)	\$ -	\$ (10,000)	\$ 10,000.00
100090	444000	INSURANCE SETTLEMENTS	\$ (96,383)	\$ (29,702)	\$ -	\$ (29,702.00)
100090	498220	OPER TRAN FR D/T FUND	\$ -	\$ -	\$ -	\$ -
100090	499100	PROCEEDS OF DEBT	\$ -	\$ -	\$ -	\$ -
100090	499200	FUND BALANCE APPROP	\$ (204,867)	\$ (1,102,473)	\$ (1,017,696)	\$ (84,777.00)
100090	499800	OPER TRAN FR C/R FUND	\$ (264,960)	\$ -	\$ -	\$ -
100090	499999	PRIOR PERIOD ADJUSTMENT	\$ (278,878)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (847,213)	\$ (1,132,175)	\$ (1,027,696)	\$ 104,479.00
GRAND TOTAL			\$ (14,707,910)	\$ (14,865,557)	\$ (15,389,143)	\$ (523,586.00)



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.

Expenditures by Function

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

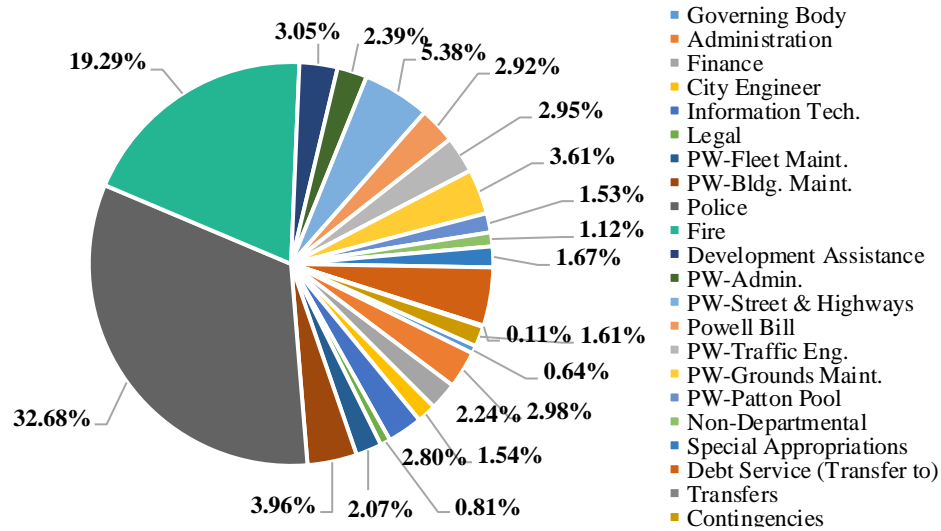
EXPENDITURE FUNCTION	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Governing Body	\$ 82,857	\$ 83,388	\$ 97,903	\$ 14,515
Administration	\$ 550,692	\$ 949,232	\$ 458,273	\$ (490,959)
Finance	\$ 425,242	\$ 419,395	\$ 345,294	\$ (74,101)
City Engineer	\$ 191,665	\$ 221,240	\$ 236,946	\$ 15,706
Information Tech.	\$ 348,521	\$ 380,639	\$ 430,986	\$ 50,347
Legal	\$ 109,650	\$ 121,752	\$ 124,827	\$ 3,075
PW-Fleet Maint.	\$ 298,249	\$ 348,755	\$ 318,257	\$ (30,498)
PW-Bldg. Maint.	\$ 453,641	\$ 746,327	\$ 608,674	\$ (137,653)
Police	\$ 4,289,445	\$ 4,677,920	\$ 5,028,414	\$ 350,494
Fire	\$ 2,107,927	\$ 2,419,937	\$ 2,967,937	\$ 548,000
Development Assistance	\$ 468,952	\$ 468,097	\$ 468,867	\$ 770
PW-Admin.	\$ 327,996	\$ 364,230	\$ 367,646	\$ 3,416
PW-Street & Highways	\$ 805,606	\$ 818,518	\$ 828,689	\$ 10,171
Powell Bill	\$ 475,874	\$ 476,280	\$ 448,682	\$ (27,598)
PW-Traffic Eng.	\$ 455,754	\$ 423,484	\$ 453,740	\$ 30,256
PW-Grounds Maint.	\$ 534,970	\$ 534,252	\$ 555,135	\$ 20,883
PW-Patton Pool	\$ 273,833	\$ 262,933	\$ 236,154	\$ (26,779)
Non-Departmental	\$ 11,891	\$ 185,874	\$ 172,110	\$ (13,764)
Special Appropriations	\$ 119,380	\$ 255,191	\$ 256,968	\$ 1,777
Debt Service (Transfer to)	\$ 1,118,773	\$ 633,723	\$ 718,956	\$ 85,233
Transfers	\$ 978,121	\$ 58,228	\$ 16,611	\$ (41,617)
Contingencies	\$ -	\$ 7,141	\$ 248,074	\$ 240,933
Total	\$ 14,429,040	\$ 14,856,536	\$ 15,389,143	\$ 532,607

The City spends the majority of funding on public safety functions. This includes police, fire, and development assistance services. There are various increases and decreases in many of the departments. Most of the larger changes are due to capital outlay and is explained in more detail later in this document. Special appropriations depict large growth, however this is due to the improper coding of a special appropriation in the past. It is a large appropriation to Henderson County for transportation related services and is now coded in the correct department. The other miscellaneous functions include things like transfers, contingencies, and non-departmental expenditures.

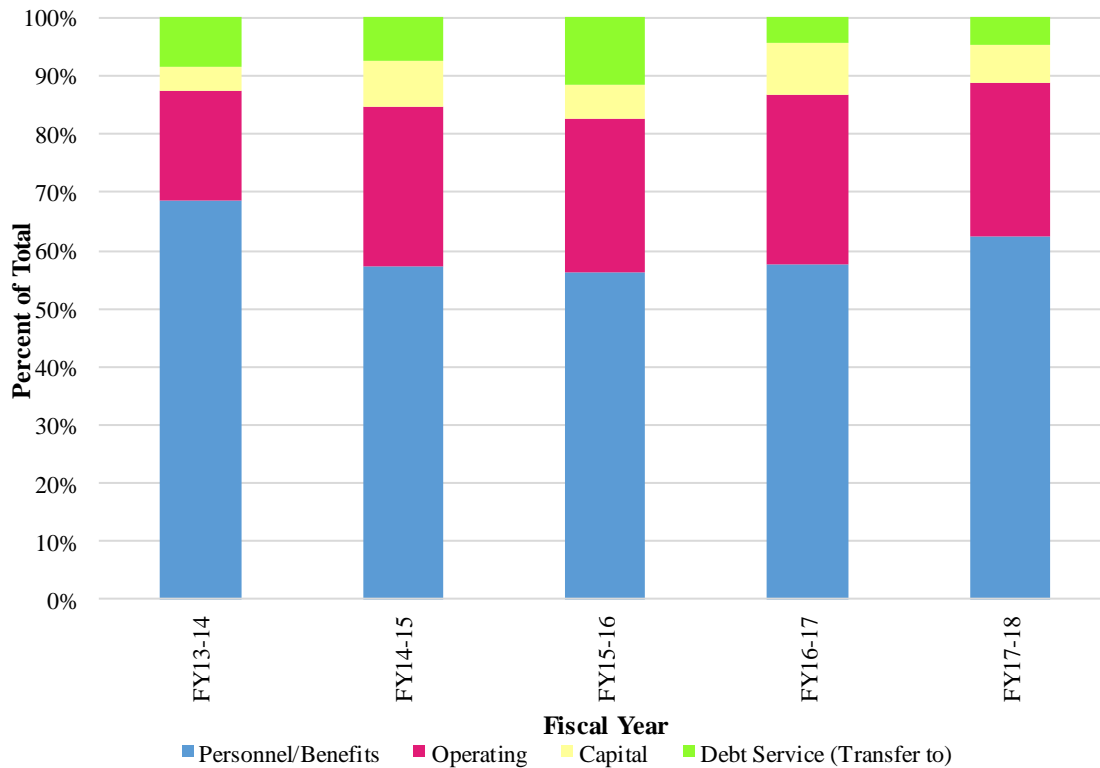


The following charts detail General Fund expenditures by function and type:

General Fund Expenditures by Function FY17-18



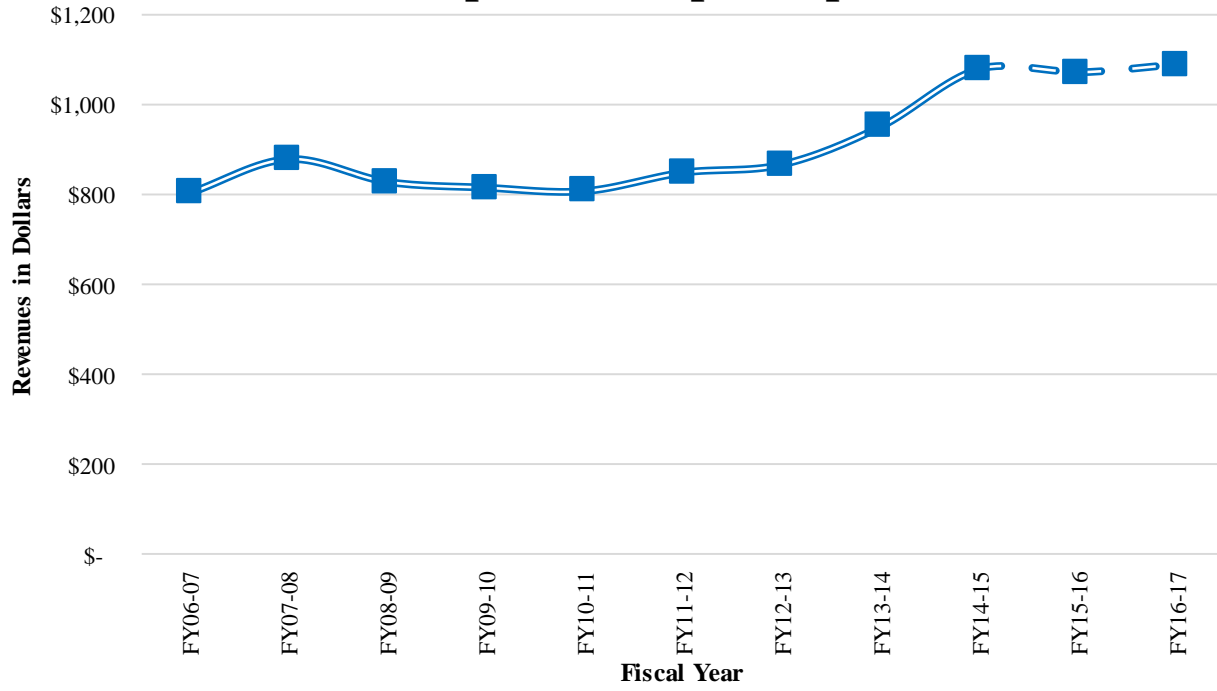
General Fund Expenditures by Type



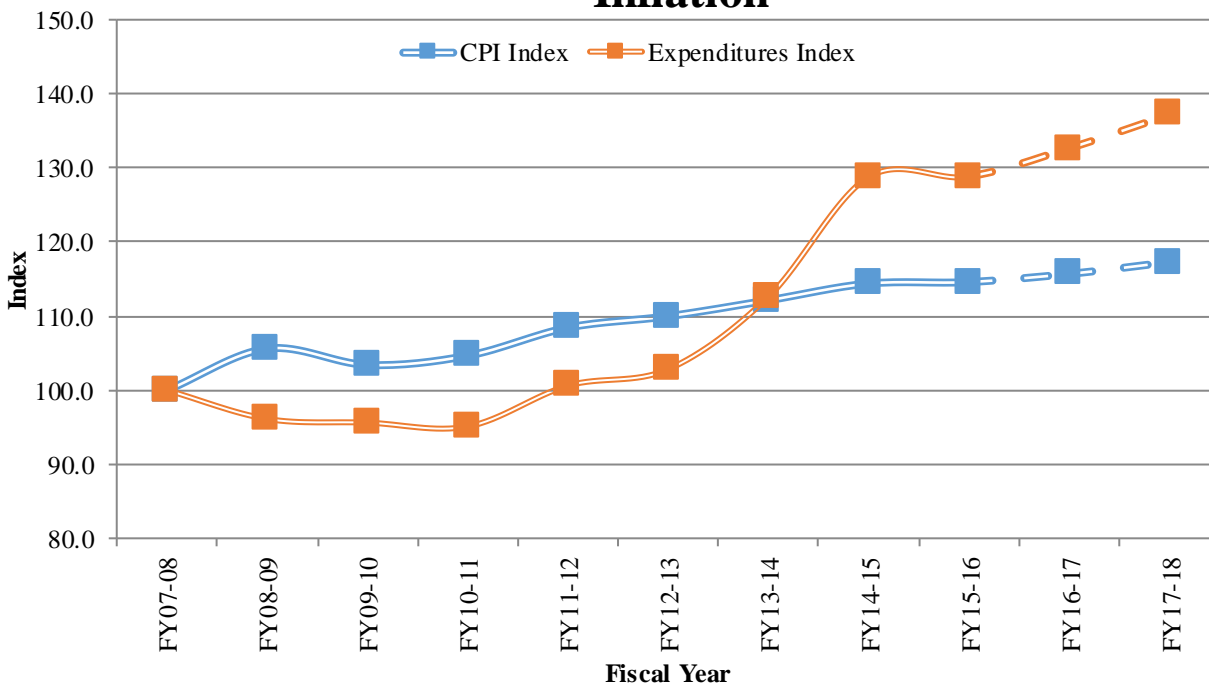
Expenditure Trends

The following charts detail General Fund expenditure trends:

Expenditures per Capita



General Fund Expenditures 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 Steve Caraker. He was selected by the City Council at their December 2015 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 Jeff Miller, Council Member Jerry Smith, Mayor Pro Tem Steve Caraker, Mayor Barbara G. Volk, and Council Member 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 Steve Caraker	(828)-696-3615	scaraker@hvlnc.gov
Council Member Ron Stephens	(828)-697-1146	rstephens@hvlnc.gov
Council Member Jerry Smith	(828)-243-9123	jerrysmith@hvlnc.gov
Council Member Jeff Miller	(828)-693-7426	jmiller@hvlnc.gov



FY16-17 Accomplishments

- ✓ Completed construction of phase III of the Oklawaha Greenway project.
- ✓ Continued work with the UNC School of Government's Development Finance Initiative (DFI) to pursue a developer for the Grey Hoisery Mill historic site. A developer was selected in April of 2017.
- ✓ Approved numerous residential and commercial developments in the City.
- ✓ Promoted the resurfacing of over two and a half miles of city streets
- ✓ Approved the acquisition of the Etowah Sewer System.
- ✓ Revised strategic priorities and action items for the next five years.
- ✓ Maintained the appropriation of 1 penny on the tax rate to street improvements.

FY17-18 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	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Governing Body						
104110	517100	BOARD MEMBER WAGES	\$ 18,000	\$ 18,000	\$ 18,000	\$ -
104110	517200	CELLPHONE STIPEND	\$ 1,800	\$ 1,800	\$ 1,800	\$ -
104110	518100	FICA TAX EXPENSE	\$ 1,264	\$ 1,515	\$ 1,515	\$ -
104110	518300	GROUP MED & LIFE INS	\$ 7,594	\$ 6,117	\$ 7,515	\$ 1,398.00
104110	518600	WORKER'S COMP INS	\$ 32	\$ 26	\$ 34	\$ 8.00
104110	526000	OFFICE SUPPLIES	\$ 434	\$ 1,900	\$ 1,000	\$ (900.00)
104110	532100	TELEPHONE	\$ -	\$ -	\$ -	\$ -
104110	539400	TRAVEL	\$ 1,255	\$ 3,500	\$ 3,500	\$ -
104110	539500	TRAINING	\$ 202	\$ 2,000	\$ 2,900	\$ 900.00
104110	545600	LIAB & PROP INS & BONDS	\$ 13,466	\$ 12,261	\$ 10,846	\$ (1,415.00)
104110	549100	DUES & SUBSCRIPTIONS	\$ 23,315	\$ 24,712	\$ 26,893	\$ 2,181.00
104110	549600	MAYOR'S DISCRET'NARY ACCT	\$ 250	\$ 400	\$ 400	\$ -
104110	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ -	\$ -
104110	549900	MISC BD EXPENSE	\$ 1,306	\$ 2,000	\$ 2,000	\$ -
104110	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104110	552000	CAPITAL OUTLAY-EQUIPMENT	\$ -	\$ -	\$ -	\$ -
104110	553000	NON-CAPITAL EQUIPMENT	\$ 1,493	\$ 7,157	\$ 7,500	\$ 343.00
104110	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104110	569000	CONTRACTED SERVICES	\$ 12,445	\$ 2,000	\$ 14,000	\$ 12,000.00
104110	598060	DEPARTMENTAL CHGS-W/S	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 82,857	\$ 83,388	\$ 97,903	\$ 14,515.00

FY17-18 Budget Highlights

The “Contracted Services” account includes enough budget for an election in FY17-18. There was no election in FY16-17 and that is why there is an increase in this line. There are no other major changes.

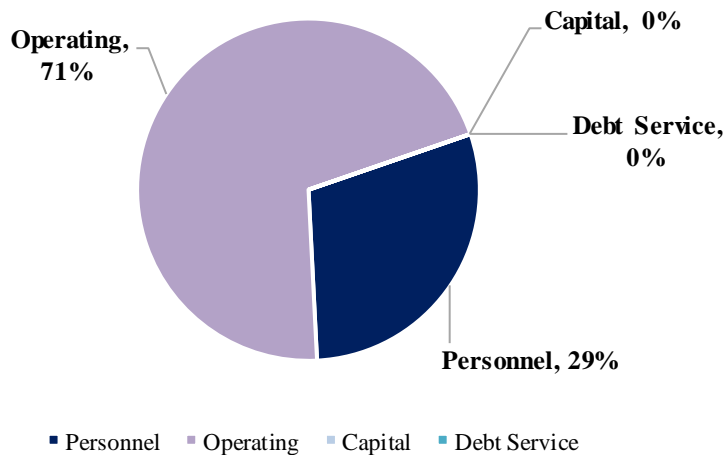


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Governing Body				
Personnel	\$ 28,689	\$ 27,458	\$ 28,864	\$ 1,406
Operating	\$ 54,168	\$ 55,930	\$ 69,039	\$ 13,109
Capital	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 82,857	\$ 83,388	\$ 97,903	\$ 14,515

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 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, Assistant City Manager, Human Resources Director, Human Resources Coordinator, Public Information Officer, 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 second 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.

FY16-17 Accomplishments

- ✓ Continued improvement of the Wellness, Safety, and Service Excellence programs.
- ✓ Completed a pay and classification study.
- ✓ Facilitated the 7th Avenue Advisory Committee revising their organizational a meeting structure.
- ✓ Completed and submitted Affordable Care Act (ACA) reporting requirements without penalty for a second consecutive year.
- ✓ Facilitated the revitalization of Boyd Park.
- ✓ Contracted with a new mass communication service provider.
- ✓ Continued Summer Internship Program.
- ✓ Worked with DFI to select a hotel developer for the Grey Hosiery Mill historic site and negotiated a memorandum of understanding with the selected developer.
- ✓ Established a variety of organizational structure changes and job description revisions.
- ✓ Supported over 10 City events.
- ✓ Received GFOA's Distinguished Budget Presentation Award for the FY16-17 Budget.

FY17-18 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
- ✓ Continue implementing safety recommendations.
- ✓ Implement pay and classification study.
- ✓ Focus on Main Street and 7th Avenue infrastructure improvements.
- ✓ Break ground on new downtown hotel on the Grey Hosiery Mill historic site.
- ✓ Continue to enhance relationship with HCPED.
- ✓ Work regionally to attract high speed internet provider to the area.



Administration Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Administration						
104120	500024	DRUG TESTING	\$ -	\$ -	\$ 2,000	\$ 2,000.00
104120	500028	EMPLOYEE ASSISTANCE PROGRAM	\$ -	\$ -	\$ 3,000	\$ 3,000.00
104120	500030	TUITION REIMBURSEMENT PROGRAM	\$ -	\$ -	\$ 3,000	\$ 3,000.00
104120	512100	SALARIES & WAGES-REG	\$ 173,413	\$ 189,333	\$ 212,704	\$ 23,371.00
104120	512900	SALARIES & WAGES-P/T	\$ 19,205	\$ 23,454	\$ 17,933	\$ (5,521.00)
104120	513100	SALARIES & WAGES- CM INS PREM	\$ 3,980	\$ 3,981	\$ 3,981	\$ -
104120	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ -	\$ -	\$ -
104120	517200	CELLPHONE STIPEND	\$ 250	\$ 300	\$ 300	\$ -
104120	518100	FICA TAX EXPENSE	\$ 14,993	\$ 16,279	\$ 17,644	\$ 1,365.00
104120	518200	RETIREMENT EXPENSE	\$ 12,310	\$ 14,903	\$ 17,187	\$ 2,284.00
104120	518300	GROUP MED & LIFE INS	\$ 16,626	\$ 18,349	\$ 22,545	\$ 4,196.00
104120	518500	STATE UNEMPLOYMENT INSURANCE	\$ -	\$ -	\$ 11,000	\$ 11,000.00
104120	518600	WORKER'S COMP INS	\$ 436	\$ 449	\$ 623	\$ 174.00
104120	518800	EMPLOYEE DEATH BENEFIT	\$ -	\$ -	\$ 5,000	\$ 5,000.00
104120	519000	PROF SERVICES	\$ 138,694	\$ 89,370	\$ 72,770	\$ (16,600.00)
104120	525100	GASOLINE & DIESEL	\$ -	\$ -	\$ 1,000	\$ 1,000.00
104120	526000	OFFICE SUPPLIES	\$ 5,885	\$ 4,225	\$ 5,000	\$ 775.00
104120	527000	PURCH FOR RESALE	\$ -	\$ 900	\$ 900	\$ -
104120	529900	SUPPLIES & MATERIALS	\$ 863	\$ 1,545	\$ 1,500	\$ (45.00)
104120	532100	TELEPHONE	\$ 3,360	\$ 3,500	\$ 3,000	\$ (500.00)
104120	532500	POSTAGE	\$ 477	\$ 535	\$ 600	\$ 65.00
104120	535100	R & M - BULIDINGS	\$ 10,683	\$ 1,000	\$ 750	\$ (250.00)
104120	535200	R & M - EQUIPMENT	\$ 780	\$ 1,365	\$ 3,365	\$ 2,000.00
104120	535300	R & M - AUTO/TRUCKS	\$ -	\$ -	\$ 500	\$ 500.00
104120	537000	ADVERTISING	\$ 798	\$ 1,030	\$ 400	\$ (630.00)
104120	539400	TRAVEL	\$ 11,927	\$ 9,800	\$ 11,474	\$ 1,674.00
104120	539500	TRAINING	\$ 6,821	\$ 7,569	\$ 10,014	\$ 2,445.00
104120	539700	LIAISON EXPENSE	\$ 282	\$ 300	\$ 300	\$ -
104120	545600	LIAB/PROP INS & BONDS	\$ 1,300	\$ 1,602	\$ 1,888	\$ 286.00
104120	549100	DUES & SUBSCRIPTIONS	\$ 4,021	\$ 5,305	\$ 3,720	\$ (1,585.00)
104120	549750	PERMITS, LICENSE AND FEES	\$ 459	\$ 6,626	\$ 700	\$ (5,926.00)
104120	549800	FLOWERS/MEMORIALS	\$ 304	\$ 900	\$ 900	\$ -
104120	549890	MISC EVENT EXPENSES	\$ 5,975	\$ 4,800	\$ 3,600	\$ (1,200.00)
104120	549900	MISCELLANEOUS	\$ 18,984	\$ -	\$ 425	\$ 425.00
104120	549910	SAFETY PROGRAM	\$ 929	\$ 3,650	\$ 3,650	\$ -
104120	549920	EMPLOYEE EVENTS	\$ 13,330	\$ 6,750	\$ 7,400	\$ 650.00
104120	549930	SERVICE EXCELLENCE	\$ -	\$ 3,500	\$ 6,000	\$ 2,500.00
104120	549999	MISCELANEOUS EXPENSE	\$ -	\$ 500	\$ -	\$ (500.00)
104120	552000	CAPITAL OUTLAY-EQUIPMENT	\$ -	\$ -	\$ -	\$ -
104120	553000	NON-CAPITAL EQUIPMENT	\$ 2,204	\$ 37,993	\$ 1,500	\$ (36,493.00)
104120	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ 81,400	\$ 489,119	\$ -	\$ (489,119.00)
104120	558000	CAP OUTLAY-BUILDINGS	\$ -	\$ -	\$ -	\$ -
104120	569000	CONTRACTED SERVICES	\$ -	\$ 300	\$ -	\$ (300.00)
104120	598060	DEPARTMENTAL CHGS-W/S	\$ -	\$ -	\$ -	\$ -
104120	598700	REIMBURSE PLAN DEPT	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 550,692	\$ 949,232	\$ 458,273	\$ (490,959.00)



FY17-18 Budget Highlights

All personnel costs have increased due to the implementation of the pay and classification plan, a 25% health insurance increase, in addition to, natural growth. Certain accounts including “Employee Assistance Program”, “Drug Testing”, and “Tuition Reimbursement Program” have been moved into the Administration Department because before they were in Non-Departmental and would have to be moved later in the year, per the annual audit. There were multiple land purchases in the FY16-17 budget. There are no planned land purchases in FY17-18 and the “Land, ROW, and Land Improvement” account decreased this year.

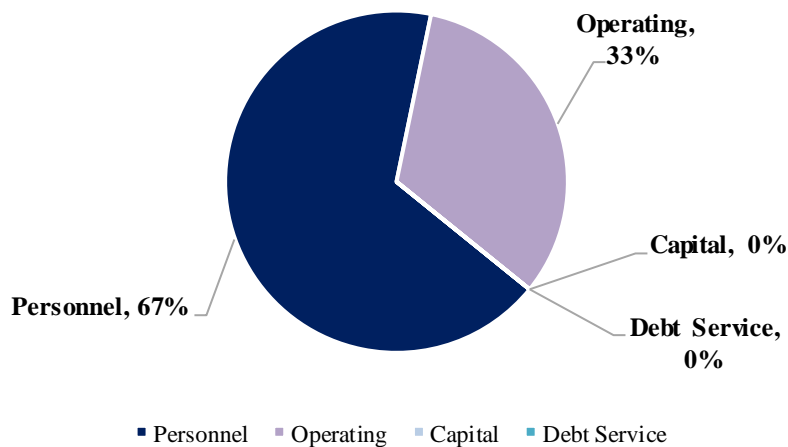


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Administration				
Personnel	\$ 241,215	\$ 267,048	\$ 308,917	\$ 41,869
Operating	\$ 228,078	\$ 193,065	\$ 149,356	\$ (43,709)
Capital	\$ 81,400	\$ 489,119	\$ -	\$ (489,119)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 550,692	\$ 949,232	\$ 458,273	\$ (490,959)

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	COUNT CHANGE
Administration				
Full-Time	5.00	5.00	5.00	0.00
Part-Time	2.00	3.00	2.00	-1.00
<i>Sub-Total</i>	7.00	8.00	7.00	-1.00

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. As financial stewards of the City, the Finance Department is dedicated to managing the City's resources in a fiscally conservative manner while maintaining an exemplary level of customer service.

FY16-17 Accomplishments

- ✓ Continued changes in staffing, organization, and ongoing training of existing and new employees.
- ✓ RFP -New Auditor - additional work needed /Major overhaul of Fixed Asset data base
- ✓ Improved payroll processes/accounting - now balance liability accounts monthly
- ✓ Met prior year goal for Annual Fixed Asset Schedules, Debt Schedules compensated absences reporting were all completed by July.
- ✓ Mailed out tax bills in August (earliest ever mail out date) - with no issues
- ✓ Created monthly checklist for each finance employee to ensure completeness of all tasks and let employees know what is expected of them.
- ✓ Improved customer service call statistics, number of messages left on voice mail improved from 45% to 33%.
- ✓ Implemented automated AP invoice workflow utilizing Laserfiche, to increase the timeliness of our payments to vendors, document approvals and reduce the number of lost invoices.
- ✓ Continued increase in investment earnings.

FY17-18 Goals & Initiatives

- ✓ Begin rotating annual physical counts of assets
- ✓ Improve Audit schedule, Report to State by October 31, have audit presented to Council at November meeting.
- ✓ Update Travel Policy/Whistle Blower Policy/Fraud Policy
- ✓ Install/ train staff on new payroll timekeeping module
- ✓ Install/train customer service staff on UBCIS
- ✓ Improve Grant accounting



- ✓ Resolve and reduce audit findings
- ✓ Enhance knowledge of Tax laws, foreclosure processes, coordinate annual process with legal department, county
- ✓ Improve annual tax reporting/ County information/TR-2
- ✓ Improve revenue accounting, accuracy
- ✓ Improve review of expense ledger/corrections

Long Term Goals and Objectives

- ✓ Take on additional portions of CAFR/Notes



Finance Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Finance						
104130	512100	SALARIES & WAGES-REG	\$ 199,316	\$ 238,139	\$ 162,074	\$ (76,065.00)
104130	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ -	\$ -	\$ -
104130	512900	SALARIES & WAGES-P/T	\$ -	\$ -	\$ -	\$ -
104130	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ -	\$ -	\$ -
104130	517200	CELLPHONE STIPEND	\$ -	\$ -	\$ -	\$ -
104130	518100	FICA TAX EXPENSE	\$ 15,569	\$ 18,218	\$ 12,399	\$ (5,819.00)
104130	518200	RETIREMENT EXPENSE	\$ 13,532	\$ 17,266	\$ 12,156	\$ (5,110.00)
104130	518300	GROUP MED & LIFE INS	\$ 25,335	\$ 27,218	\$ 20,667	\$ (6,551.00)
104130	518600	WORKER'S COMP INS	\$ 570	\$ 493	\$ 430	\$ (63.00)
104130	519000	PROF SERVICES	\$ -	\$ 2,820	\$ 4,000	\$ 1,180.00
104130	519100	PROF SERVICES - AUDIT	\$ 25,625	\$ 21,000	\$ 25,000	\$ 4,000.00
104130	526000	OFFICE SUPPLIES	\$ 7,284	\$ 8,255	\$ 8,300	\$ 45.00
104130	532100	TELEPHONE	\$ 883	\$ 720	\$ 720	\$ -
104130	532500	POSTAGE	\$ 6,573	\$ 5,600	\$ 6,800	\$ 1,200.00
104130	535200	R & M - EQUIPMENT	\$ 214	\$ 200	\$ 200	\$ -
104130	537000	ADVERTISING	\$ 581	\$ 900	\$ 900	\$ -
104130	538200	TAX SCROLL & BILLING	\$ 33,822	\$ 25,040	\$ 30,575	\$ 5,535.00
104130	539400	TRAVEL	\$ 4,167	\$ 8,300	\$ 8,180	\$ (120.00)
104130	539500	TRAINING	\$ 4,711	\$ 8,285	\$ 10,905	\$ 2,620.00
104130	545600	LIAB/PROP INS & BONDS	\$ 2,998	\$ 3,846	\$ 1,248	\$ (2,598.00)
104130	549100	DUES & SUBSCRIPTIONS	\$ 1,059	\$ 1,665	\$ 1,665	\$ -
104130	549200	UNCOLLECTIBLE ACCOUNTS MISC	\$ 3,340	\$ 250	\$ 250	\$ -
104130	549300	TAX SHORT/OVER	\$ 4	\$ 100	\$ 100	\$ -
104130	549750	PERMITS, LICENSE AND FEES	\$ 8,471	\$ 210	\$ 130	\$ (80.00)
104130	549900	MISCELLANEOUS	\$ 166	\$ 1,000	\$ 1,000	\$ -
104130	549920	EMPLOYEE EVENTS	\$ -	\$ 100	\$ 120	\$ 20.00
104130	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104130	552500	CAP OUT - SOFTWARE/INTANGIBLE	\$ -	\$ -	\$ -	\$ -
104130	553000	NON-CAPITAL EQUIPMENT	\$ 14,221	\$ 1,500	\$ 100	\$ (1,400.00)
104130	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104130	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ 28,644	\$ -	\$ 7,000	\$ 7,000.00
104130	569000	CONTRACTED SERVICES	\$ 10,741	\$ 3,535	\$ 3,535	\$ -
104130	575200	BANK SERVICE CHARGES	\$ 13,344	\$ 14,670	\$ 14,400	\$ (270.00)
104130	575210	CREDIT CARD PROCESSING FEES	\$ 4,073	\$ 10,065	\$ 12,440	\$ 2,375.00
104130	598060	DEPARTMENTAL CHGS-W/S	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 425,242	\$ 419,395	\$ 345,294	\$ (74,101.00)

FY17-18 Budget Highlights

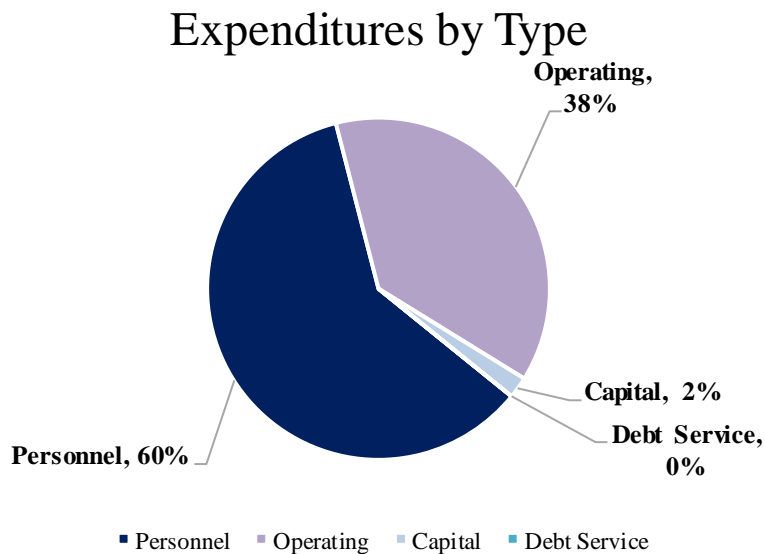
Personnel and benefits lines have increased due to the implementation of the pay and classification plan, a 25% health insurance increase, in addition to, natural growth. Additionally, a payroll time keeping software system is being installed in FY17-18.



Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Finance				
Personnel	\$ 254,322	\$ 301,334	\$ 207,726	\$ (93,608)
Operating	\$ 142,276	\$ 118,061	\$ 130,568	\$ 12,507
Capital	\$ 28,644	\$ -	\$ 7,000	\$ 7,000
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 425,242	\$ 419,395	\$ 345,294	\$ (74,101)

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	COUNT CHANGE
Finance				
Full-Time	12.00	14.00	16.00	2.00
Part-Time	1.00	1.00	1.00	0.00
<i>Sub-Total</i>	13.00	15.00	17.00	2.00



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 as well as meeting the five other minimum measures of the Permit. The department includes the City Engineer, Civil Engineer, GIS Administrator, two Construction Inspectors, a Senior Engineering Technician and a Stormwater Quality Specialist. 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.

FY16-17 Accomplishments

- ✓ Completed design and construction of the Oklawaha Greenway Phase 3 project.
- ✓ Completed design and construction of the Fourth Avenue Stormwater Improvements.
- ✓ Managed design and construction of the N Oak Street Widening project.
- ✓ Managing design and permitting of the N Main Street Sidewalk project.
- ✓ Managing construction of the US64 Infill Sidewalk project.
- ✓ Managing design and coordinating construction of the Blythe Street Sidewalk project.
- ✓ Managing re-design and permitting of the Etowah Area Water Improvements project.
- ✓ Completed the initial phase of a Southside Stormwater Modeling and Master Plan project.
- ✓ Managing Mud Creek Dump Investigation.
- ✓ Managing design and permitting of Multi-Area Streambank Restoration project.
- ✓ Managing Water System Master Plan.
- ✓ Managing Wastewater Asset Inventory and Assessment project.
- ✓ Designing the Eastside Phase 2 Water project.
- ✓ Managing the Water Treatment Plant High Service Pump Station project.
- ✓ Working with developer engineers and NCDOT staff and engineers to help manage utility extension projects.
- ✓ Began a Development and Design Manual to include checklists, flowcharts, details and specifications.



- ✓ Enhanced the City's NPDES stormwater program so that we are meeting all of our mapping and education/outreach requirements established in our permit.
- ✓ Continued to maintain the Enterprise ArcGIS and Cityworks Servers.

FY17-18 Goals & Initiatives

- ✓ Complete construction of the N Main Street Sidewalk project.
- ✓ Complete construction of the US64 Infill and Blythe Street Sidewalk project
- ✓ Construction of the Etowah Area Water Improvements project.
- ✓ Complete subsequent phases of a Southside Stormwater Modeling and Master Plan project.
- ✓ Complete the Mud Creek Dump Investigation.
- ✓ Complete design and begin construction of the Multi-Area Streambank Restoration project.
- ✓ Implement the completed Water System Master Plan.
- ✓ Complete the Wastewater Asset Inventory and Assessment project.
- ✓ Complete design, bidding and initiate construction of the Eastside Phase 2 Water project.
- ✓ Complete design, bidding and initiate construction of the Water Treatment Plant High Service Pump Station project.
- ✓ Complete and implement a Development and Design Manual to include checklists, flowcharts, details and specifications
- ✓ Qualify and contract with engineers, surveyors and others as part of several general service agreements
- ✓ Develop a City-standard construction contract
- ✓ Design, bid and manage construction of future City water, sewer, stormwater, greenway and sidewalk projects
- ✓ Further enhance the City's NPDES stormwater program so that we are meeting all of our mapping and education/outreach requirements established in our permit
- ✓ Continue to use advancements in technology to efficient design and administer infrastructure projects

Long Term Goals and Objectives

- ✓ Develop additional tools to enhance the customer service aspect of design and project management and to become even more efficient and cost effective.
- ✓ Develop long-term solutions to prioritizing and funding stormwater improvements.



City Engineer Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
City Engineer						
104131	512100	SALARIES & WAGES-REG	\$ 122,675	\$ 137,516	\$ 153,561	\$ 16,045.00
104131	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ -	\$ -	\$ -
104131	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ -	\$ -	\$ -
104131	513600	SALARIES & WAGES-AUTO/TAXABLE	\$ -	\$ -	\$ -	\$ -
104131	518100	FICA TAX EXPENSE	\$ 9,533	\$ 10,306	\$ 11,748	\$ 1,442.00
104131	518200	RETIREMENT EXPENSE	\$ 8,212	\$ 10,080	\$ 11,518	\$ 1,438.00
104131	518300	GROUP MED & LIFE INS	\$ 12,247	\$ 12,453	\$ 15,782	\$ 3,329.00
104131	518600	WORKER'S COMP INS	\$ 1,412	\$ 1,105	\$ 1,478	\$ 373.00
104131	519000	PROFESSIONAL SERVICES	\$ 312	\$ 500	\$ -	\$ (500.00)
104131	525100	GASOLINE & DIESEL	\$ 869	\$ 1,200	\$ 1,200	\$ -
104131	525200	TIRES	\$ 414	\$ 500	\$ -	\$ (500.00)
104131	525300	VEHICLE PARTS	\$ 256	\$ 250	\$ 250	\$ -
104131	525400	OIL, LUBRICATION, ETC	\$ 26	\$ 100	\$ 100	\$ -
104131	526000	OFFICE SUPPLIES	\$ 2,495	\$ 3,500	\$ 4,200	\$ 700.00
104131	529900	SUPPLIES & MATERIALS	\$ 323	\$ 500	\$ 700	\$ 200.00
104131	532100	TELEPHONE	\$ 6,145	\$ 6,000	\$ 4,500	\$ (1,500.00)
104131	532500	POSTAGE	\$ 57	\$ 500	\$ 200	\$ (300.00)
104131	535200	R & M - EQUIPMENT	\$ 14,931	\$ 1,100	\$ 1,100	\$ -
104131	535300	R & M - AUTO/TRUCKS	\$ -	\$ 150	\$ 150	\$ -
104131	537000	ADVERTISING	\$ 41	\$ 190	\$ 200	\$ 10.00
104131	539400	TRAVEL	\$ 785	\$ 3,000	\$ 3,000	\$ -
104131	539500	TRAINING	\$ 2,145	\$ 4,500	\$ 5,000	\$ 500.00
104131	545600	LIAB/PROP INS & BONDS	\$ 1,958	\$ 2,390	\$ 1,239	\$ (1,151.00)
104131	549100	DUES & SUBSCRIPTIONS	\$ 588	\$ 1,250	\$ 1,700	\$ 450.00
104131	549750	PERMITS, LICENSE AND FEES	\$ 3,707	\$ 17,200	\$ 16,670	\$ (530.00)
104131	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104131	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ -	\$ -	\$ -
104131	552500	CAP OUT - SOFTWARE/INTANGIBLE	\$ -	\$ -	\$ -	\$ -
104131	553000	NON-CAPITAL EQUIPMENT	\$ 2,533	\$ 6,950	\$ 2,650	\$ (4,300.00)
104131	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104131	598060	DEPARTMENTAL CHGS-W/S	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 191,665	\$ 221,240	\$ 236,946	\$ 15,706.00

FY17-18 Budget Highlights

Personnel and benefits lines have increased due to the implementation of the pay and classification plan, a 25% health insurance increase, in addition to, natural growth. There are no other significant changes in this budget.

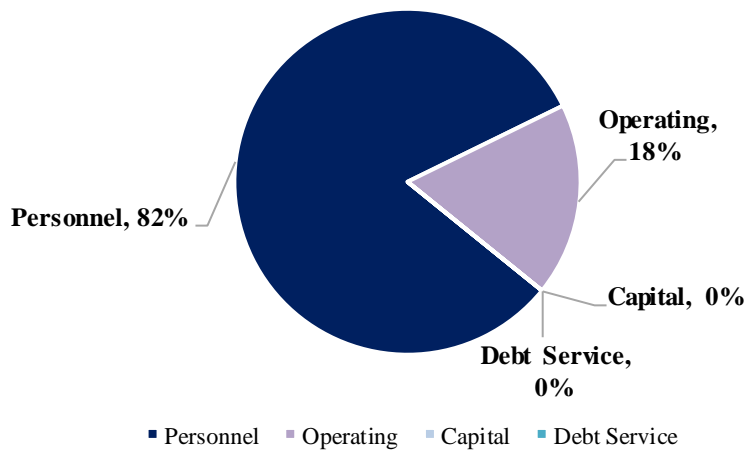


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
City Engineer				
Personnel	\$ 154,079	\$ 171,460	\$ 194,087	\$ 22,627
Operating	\$ 37,586	\$ 49,780	\$ 42,859	\$ (6,921)
Capital	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 191,665	\$ 221,240	\$ 236,946	\$ 15,706

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	COUNT CHANGE
City Engineer				
Full-Time	6.00	7.00	8.00	1.00
Part-Time	1.00	0.00	0.00	0.00
<i>Sub-Total</i>	7.00	7.00	8.00	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 is managed by the City Manager, Assistant to City Manager, and IT Committee. The Department contracts with VC3 to provide IT infrastructure and support services.

Information Technology Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Information Technology						
104140	512100	SALARIES & WAGES-REG	\$ -	\$ -	\$ -	\$ -
104140	518100	FICA TAX EXPENSE	\$ -	\$ -	\$ -	\$ -
104140	518200	RETIREMENT EXPENSE	\$ -	\$ -	\$ -	\$ -
104140	518300	GROUP MED & LIFE INS	\$ -	\$ -	\$ -	\$ -
104140	518600	WORKER'S COMP INS	\$ -	\$ -	\$ -	\$ -
104140	519000	PROFESSIONAL SERVICES	\$ 20,216	\$ 7,500	\$ 5,000	\$ (2,500.00)
104140	526000	OFFICE SUPPLIES	\$ -	\$ -	\$ -	\$ -
104140	529900	SUPPLIES & MATERIALS	\$ 468	\$ 2,970	\$ 2,500	\$ (470.00)
104140	532100	TELEPHONE	\$ 53,990	\$ 67,724	\$ 70,214	\$ 2,490.00
104140	532500	POSTAGE	\$ -	\$ -	\$ -	\$ -
104140	535200	R & M - EQUIPMENT	\$ 6,058	\$ 2,500	\$ 5,000	\$ 2,500.00
104140	539400	TRAVEL	\$ -	\$ -	\$ -	\$ -
104140	539500	TRAINING	\$ -	\$ -	\$ -	\$ -
104140	545600	LIAB/PROP INS & BONDS	\$ 117	\$ 116	\$ 122	\$ 6.00
104140	549100	DUES & SUBSCRIPTIONS	\$ -	\$ -	\$ -	\$ -
104140	549750	PERMITS, LICENSE AND FEES	\$ 52,220	\$ 88,227	\$ 128,220	\$ 39,993.00
104140	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104140	552000	CAP OUTLAY-EQUIPMENT	\$ -	\$ 5,000	\$ -	\$ (5,000.00)
104140	552500	CAP OUT - SOFTWARE/INTANGIBLE	\$ -	\$ -	\$ 37,025	\$ 37,025.00
104140	553000	NON-CAPITAL EQUIPMENT	\$ 22,966	\$ 5,530	\$ 4,500	\$ (1,030.00)
104140	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104140	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ 22,980	\$ 22,000	\$ -	\$ (22,000.00)
104140	569000	CONTRACTED SERVICES	\$ 169,507	\$ 179,072	\$ 178,405	\$ (667.00)
104140	598060	DEPARTMENTAL CHGS-W/S	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 348,521	\$ 380,639	\$ 430,986	\$ 50,347.00

FY17-18 Budget Highlights

The capital outlay for this account is for key scan technology upgrades for the City Operations Center. Additionally, the increase in “Permits, License, and Fees” is for a timekeeping software module, social media archiving, and an increase in our data management software annual fee.

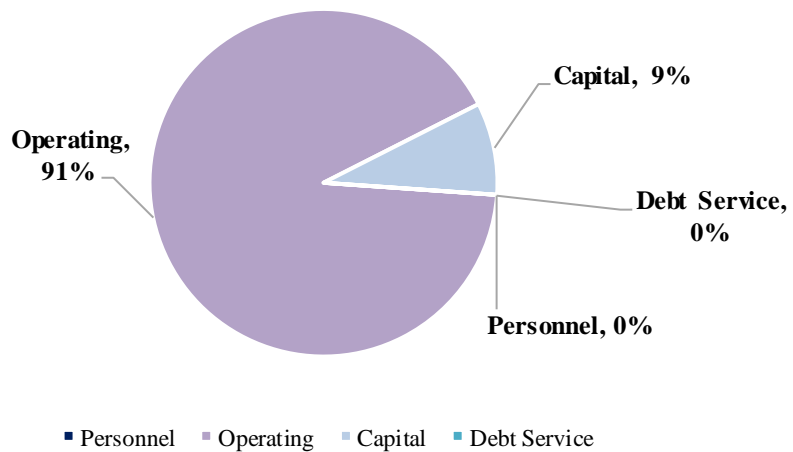


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Information Technology				
Personnel	\$ -	\$ -	\$ -	\$ -
Operating	\$ 325,541	\$ 353,639	\$ 393,961	\$ 40,322
Capital	\$ 22,980	\$ 27,000	\$ 37,025	\$ 10,025
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 348,521	\$ 380,639	\$ 430,986	\$ 50,347

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	COUNT CHANGE
Information Technology				
Full-Time	0.00	0.00	0.00	0.00
Part-Time	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	0.00	0.00	0.00	0.00

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.

FY16-17 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.
- ✓ Continuous review and management of contracts and lawsuits.



Legal Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Legal						
104150	512100	SALARIES & WAGES-REG	\$ 60,254	\$ 62,723	\$ 63,978	\$ 1,255.00
104150	512900	SALARIES & WAGES-P/T	\$ 19,763	\$ 21,313	\$ 22,502	\$ 1,189.00
104150	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ -	\$ -	\$ -
104150	518100	FICA TAX EXPENSE	\$ 6,096	\$ 6,429	\$ 6,616	\$ 187.00
104150	518200	RETIREMENT EXPENSE	\$ 5,369	\$ 6,093	\$ 6,486	\$ 393.00
104150	518300	GROUP MED & LIFE INS	\$ 3,456	\$ 6,117	\$ 7,515	\$ 1,398.00
104150	518600	WORKER'S COMP INS	\$ 111	\$ 82	\$ 83	\$ 1.00
104150	519000	PROFESSIONAL SERVICES	\$ -	\$ -	\$ -	\$ -
104150	519200	LITIGATION EXPENSE	\$ -	\$ 250	\$ -	\$ (250.00)
104150	526000	OFFICE SUPPLIES	\$ 341	\$ 600	\$ 600	\$ -
104150	529900	SUPPLIES & MATERIALS	\$ 21	\$ 250	\$ 250	\$ -
104150	532100	TELEPHONE	\$ (17)	\$ -	\$ -	\$ -
104150	532500	POSTAGE	\$ 43	\$ 250	\$ 250	\$ -
104150	535200	R & M - EQUIPMENT	\$ -	\$ 100	\$ 250	\$ 150.00
104150	539400	TRAVEL	\$ 3,957	\$ 5,250	\$ 5,250	\$ -
104150	539500	TRAINING	\$ 803	\$ 2,610	\$ 3,110	\$ 500.00
104150	545600	LIAB/PROP INS & BONDS	\$ 191	\$ 262	\$ 157	\$ (105.00)
104150	549100	DUES & SUBSCRIPTIONS	\$ 6,586	\$ 7,240	\$ 7,480	\$ 240.00
104150	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 100	\$ 250	\$ 150.00
104150	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ 50	\$ 50.00
104150	553000	NON-CAPITAL EQUIPMENT	\$ 595	\$ -	\$ -	\$ -
104150	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104150	569000	CONTRACTED SERVICES	\$ 2,083	\$ 2,083	\$ -	\$ (2,083.00)
104150	598060	DEPARTMENTAL CHGS-W/S	\$ -	\$ -	\$ -	\$ -
104150	598700	REIMBURSE PLAN DEPT	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 109,650	\$ 121,752	\$ 124,827	\$ 3,075.00

FY17-18 Budget Highlights

The Legal Department has not experienced many changes besides normal personnel growth.

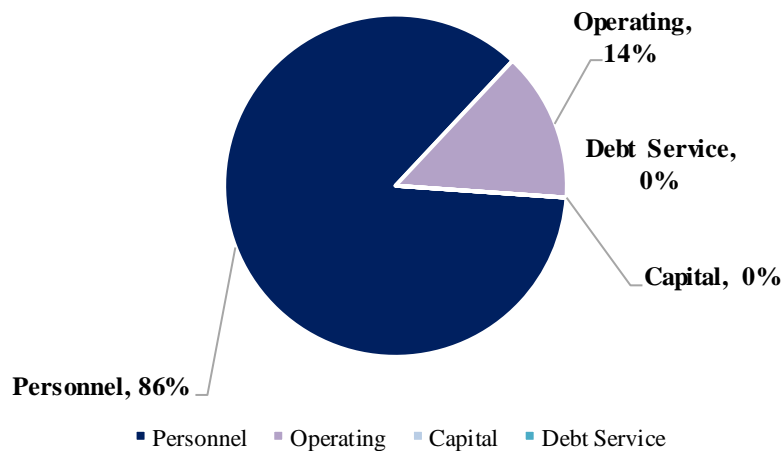


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Legal				
Personnel	\$ 95,049	\$ 102,757	\$ 107,180	\$ 4,423
Operating	\$ 14,601	\$ 18,995	\$ 17,647	\$ (1,348)
Capital	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 109,650	\$ 121,752	\$ 124,827	\$ 3,075

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 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 190 vehicles and 331 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.

FY16-17 Accomplishments

- ✓ A new backup generator and switch panel has been installed.
- ✓ Helped install garage doors to the wash bay to help prevent freezing on our plumbing system.
- ✓ Renovated offices and meeting spaces that have been in place since the 1960's.
- ✓ Purchased new furniture for the offices and meeting space/conference rooms.

FY17-18 Goals & Initiatives

- ✓ Provide updated vehicle rating schedules for management review and implementation.



Public Works-Fleet Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
PW-Fleet Maintenance						
104250	512100	SALARIES & WAGES-REG	\$ 165,044	\$ 171,474	\$ 163,702	\$ (7,772.00)
104250	512200	SALARIES & WAGES-O/T	\$ -	\$ 1,920	\$ 5,000	\$ 3,080.00
104250	512250	HOLIDAY PAY	\$ -	\$ 1,235	\$ 1,260	\$ 25.00
104250	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ 1,116	\$ -	\$ (1,116.00)
104250	518100	FICA TAX EXPENSE	\$ 13,108	\$ 13,397	\$ 12,767	\$ (630.00)
104250	518200	RETIREMENT EXPENSE	\$ 11,143	\$ 12,674	\$ 12,517	\$ (157.00)
104250	518300	GROUP MED & LIFE INS	\$ 26,365	\$ 23,487	\$ 28,858	\$ 5,371.00
104250	518600	WORKER'S COMP INS	\$ 4,928	\$ 3,808	\$ 4,977	\$ 1,169.00
104250	518900	RETIREE INSURANCE	\$ -	\$ -	\$ -	\$ -
104250	519000	PROFESSIONAL SERVICES	\$ -	\$ 300	\$ 400	\$ 100.00
104250	521200	UNIFORMS	\$ 3,851	\$ 884	\$ 4,500	\$ 3,616.00
104250	523000	MEDICAL SUPPLIES	\$ -	\$ 400	\$ 400	\$ -
104250	525100	GASOLINE & DIESEL	\$ 1,940	\$ 3,600	\$ 3,600	\$ -
104250	525200	TIRES	\$ 18,870	\$ -	\$ -	\$ -
104250	525300	VEHICLE PARTS	\$ 37,300	\$ -	\$ -	\$ -
104250	525400	OIL, LUBRICATION, ETC	\$ 8,186	\$ -	\$ -	\$ -
104250	526000	OFFICE SUPPLIES	\$ 1,135	\$ 2,750	\$ 1,000	\$ (1,750.00)
104250	529900	SUPPLIES & MATERIALS	\$ 8,832	\$ 9,600	\$ 12,600	\$ 3,000.00
104250	532100	TELEPHONE	\$ 790	\$ 1,350	\$ 1,350	\$ -
104250	533000	UTILITIES	\$ 19,430	\$ 20,900	\$ 20,900	\$ -
104250	535100	R & M - BUILDINGS	\$ 1,408	\$ 21,500	\$ 3,000	\$ (18,500.00)
104250	535200	R & M - EQUIPMENT	\$ 5,753	\$ 6,455	\$ 4,800	\$ (1,655.00)
104250	535300	R & M - AUTO/TRUCKS	\$ 2,951	\$ 86,400	\$ 90,600	\$ 4,200.00
104250	539400	TRAVEL	\$ -	\$ 500	\$ 500	\$ -
104250	539500	TRAINING	\$ -	\$ 1,200	\$ 2,000	\$ 800.00
104250	545600	LIAB/PROP INS & BONDS	\$ 2,568	\$ 2,999	\$ 2,186	\$ (813.00)
104250	549100	DUES & SUBSCRIPTIONS	\$ -	\$ 250	\$ 240	\$ (10.00)
104250	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 100	\$ 100	\$ -
104250	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104250	552000	CAPITAL OUTLAY-EQUIPMENT	\$ 16,800	\$ -	\$ -	\$ -
104250	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 10,111	\$ -	\$ (10,111.00)
104250	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104250	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ 9,345	\$ -	\$ (9,345.00)
104250	569000	CONTRACTED SERVICES	\$ -	\$ 1,000	\$ 1,000	\$ -
104250	598060	DEPT CHGS-FLT MAINT WRK ORDERS	\$ -	\$ -	\$ -	\$ -
104250	598068	DEPT CHGS-FLT MAINT WRK ORDERS	\$ -	\$ -	\$ -	\$ -
104250	598301	DEPT CHGS-OPERATING	\$ (52,155)	\$ (60,000)	\$ (60,000)	\$ -
<i>Sub-Total</i>			\$ 298,249	\$ 348,755	\$ 318,257	\$ (30,498.00)

FY17-18 Budget Highlights

The regular salaries and wages line item is decreasing because of an error in the current budget year. The budget is well above the needed salary amount. There are other decreases as a result of the completion of two capital and repair projects, including the new garage doors at the wash bay and the fleet office renovation and upgrade.

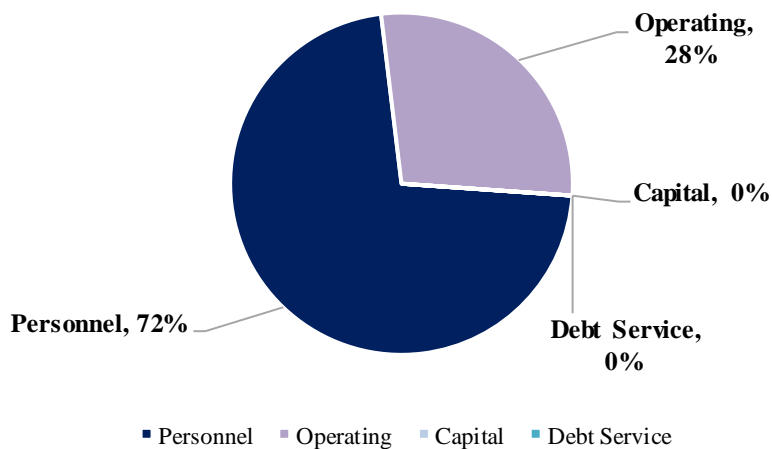


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
PW-Fleet Maintenance				
Personnel	\$ 220,589	\$ 229,111	\$ 229,081	\$ (30)
Operating	\$ 60,860	\$ 110,299	\$ 89,176	\$ (21,123)
Capital	\$ 16,800	\$ 9,345	\$ -	\$ (9,345)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 298,249	\$ 348,755	\$ 318,257	\$ (30,498)

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 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 Buildings Maintenance Division is dedicated to serving the citizens of Hendersonville through proper maintenance and repair of city facilities, playgrounds, parks and downtown area. The Division includes a Supervisor and two Technicians. The 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.

FY16-17 Accomplishments

- ✓ One additional staff member has improved the ability of Building Maintenance to respond to work orders. They have taken on new tasks this year such as replacing the lights in the Operation Center, Fire Station #1, and Fleet Maintenance with new LED lights.
- ✓ Assisted with renovating Boyd Park.
- ✓ Completed several HVAC repairs and replacements at City Hall and the Operation Center.
- ✓ Currently assisting with the renovation of the Fleet Maintenance office.
- ✓ Currently working on a temporary roof at the Old Mill Building to preserve a portion of the building.
- ✓ Replaced two electric panels in the MSD.
- ✓ Assisted with the move at City Hall.
- ✓ Added garage doors to the wash bay.

FY17-18 Goals & Initiatives

- ✓ Replace two additional electric panels in the Downtown Festival area.
- ✓ Replace the main air handler unit on top of City Hall.
- ✓ Purchase soft serve ice cream machine for mini golf.
- ✓ Repair floors at Operation Center.
- ✓ Begin contract painting of entire floors within the city buildings (one floor per year).
- ✓ Replace the water fall feature at mini golf.
- ✓ Replace the metal roof on the sheds behind Sugar Loaf Storage Building.
- ✓ Add roof area over Fire Station #1 patio.



Public Works-Building Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
PW-Building Maintenance						
104270	512100	SALARIES & WAGES-REG	\$ 129,668	\$ 148,059	\$ 154,892	\$ 6,833.00
104270	512200	SALARIES & WAGES-O/T	\$ 9,140	\$ 8,000	\$ 12,000	\$ 4,000.00
104270	512250	HOLIDAY PAY	\$ -	\$ 1,139	\$ 1,192	\$ 53.00
104270	512600	SALARIES & WAGES-TEMP	\$ 10,814	\$ 16,200	\$ 16,200	\$ -
104270	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ 872	\$ -	\$ (872.00)
104270	518100	FICA TAX EXPENSE	\$ 11,797	\$ 13,265	\$ 13,792	\$ 527.00
104270	518200	RETIREMENT EXPENSE	\$ 9,364	\$ 11,397	\$ 12,307	\$ 910.00
104270	518300	GROUP MED & LIFE INS	\$ 18,698	\$ 24,466	\$ 30,060	\$ 5,594.00
104270	518600	WORKER'S COMP INS	\$ 4,436	\$ 4,202	\$ 5,536	\$ 1,334.00
104270	519000	PROFESSIONAL SERVICES	\$ -	\$ 200	\$ 200	\$ -
104270	521100	JANITORIAL SUPPLIES	\$ 7,536	\$ 13,000	\$ 11,000	\$ (2,000.00)
104270	521200	UNIFORMS	\$ 3,752	\$ 2,830	\$ 3,000	\$ 170.00
104270	525100	GASOLINE & DIESEL	\$ 2,684	\$ 4,500	\$ 4,500	\$ -
104270	525200	TIRES	\$ 578	\$ -	\$ -	\$ -
104270	525300	VEHICLE PARTS	\$ 357	\$ -	\$ -	\$ -
104270	525400	OIL, LUBRICATION, ETC	\$ 99	\$ -	\$ -	\$ -
104270	527000	RESALE ITEMS-BOYD PK	\$ 1,071	\$ 1,200	\$ 1,200	\$ -
104270	529900	SUPPLIES & MATERIALS	\$ 19,052	\$ 22,610	\$ 22,000	\$ (610.00)
104270	532100	TELEPHONE	\$ 1,889	\$ 5,375	\$ 3,488	\$ (1,887.00)
104270	533000	UTILITIES	\$ 80,633	\$ 79,000	\$ 82,000	\$ 3,000.00
104270	535100	R & M - BUILDINGS	\$ 34,409	\$ 32,200	\$ 36,500	\$ 4,300.00
104270	535200	R & M - EQUIPMENT	\$ 6,241	\$ 10,000	\$ 8,200	\$ (1,800.00)
104270	535300	R & M - AUTO/TRUCKS	\$ 1,544	\$ 4,589	\$ 6,000	\$ 1,411.00
104270	539400	TRAVEL	\$ -	\$ 500	\$ 500	\$ -
104270	539500	TRAINING	\$ 1,210	\$ 1,560	\$ 400	\$ (1,160.00)
104270	544010	LEASE- BUILDING	\$ 11,150	\$ 11,150	\$ 11,200	\$ 50.00
104270	545600	LIAB/PROP INS & BONDS	\$ 2,278	\$ 2,629	\$ 2,707	\$ 78.00
104270	549100	DUES & SUBSCRIPTIONS	\$ -	\$ -	\$ -	\$ -
104270	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 651	\$ 1,700	\$ 1,049.00
104270	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104270	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ 30,000	\$ -	\$ (30,000.00)
104270	553000	NON-CAPITAL EQUIPMENT	\$ 2,008	\$ 54,133	\$ 9,500	\$ (44,633.00)
104270	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104270	558000	CAPITAL OUTLAY - BUILDINGS	\$ -	\$ -	\$ 5,000	\$ 5,000.00
104270	559500	CAP OUTLAY-STREETS/BRIDGES	\$ -	\$ -	\$ 50,000	\$ 50,000.00
104270	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ 95,500	\$ -	\$ (95,500.00)
104270	569000	CONTRACTED SERVICES	\$ 83,235	\$ 147,100	\$ 103,600	\$ (43,500.00)
104270	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 453,641	\$ 746,327	\$ 608,674	\$ (137,653.00)

FY17-18 Budget Highlights

Personnel and benefits lines have increased due to the implementation of the pay and classification plan, a 25% health insurance increase, in addition to, natural growth. Additionally, various capital outlay projects were approved.

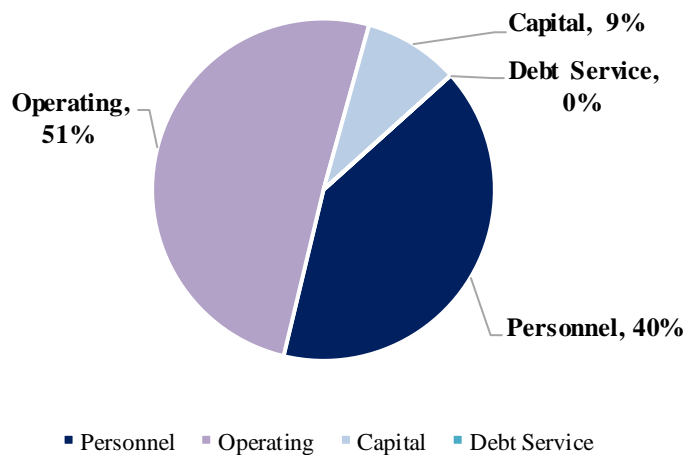


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
PW-Building Maintenance				
Personnel	\$ 193,916	\$ 227,600	\$ 245,979	\$ 18,379
Operating	\$ 259,724	\$ 393,227	\$ 307,695	\$ (85,532)
Capital	\$ -	\$ 125,500	\$ 55,000	\$ (70,500)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 453,641	\$ 746,327	\$ 608,674	\$ (137,653)

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	COUNT CHANGE
PW-Building Maintenance				
Full-Time	3.00	4.00	4.00	0.00
Part-Time	2.00	2.00	2.00	0.00
<i>Sub-Total</i>	5.00	6.00	6.00	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 43 full time sworn police officers, 12 civilian support staff, and approximately 12 part-time officers, support staff, and volunteers. We provide law enforcement services by contract to the Hendersonville Housing Authority.

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.

FY16-17 Accomplishments

- ✓ Our clearance rate continues to meet and or exceed the national average.
- ✓ Maintained nearly zero vacancy rate in regards to officer and employee turnover.
- ✓ ACE Team was successful in assigned areas identified for higher occurrences of crimes this past summer.
- ✓ Shop with a Hero was a major public relations success again with an increase in kids helped.
- ✓ 29 percent of staff is now certified as instructors at some level; for example DARE, basic state instructors, motorbike instructors; radar/LIDAR instructors, etc.
- ✓ Increased amount the amount of officers with advanced and intermediate certifications.
- ✓ This year we replaced our records and dispatch software with the latest available and affordable technology. We also added the mobile software which allows the officers and dispatch to communicate and work together more effectively.
- ✓ Directed the police department staff to conduct a threat assessment and provide emergency response and active shooter response training to all city employees at all facilities.
- ✓ Provided firearms safety training for selected city staff that may be allowed to carry concealed.

FY17-18 Goals & Initiatives

- ✓ Maintain efforts to reduce larcenies, especially vehicle larcenies and vehicle breaking and entering.
- ✓ Reboot the ACE team this spring to deal with high crime areas and illegal drugs.
- ✓ Continue specialized training for officers, detectives, and dispatchers.



- ✓ We would like to hire and properly train two police officers that can perform animal control functions for the in addition to ancillary patrol functions as needed after July 1, 2017.
- ✓ Apply new ordinances and laws to animal abuse situations.
- ✓ Conduct ongoing evaluations of department employees and resources.

Long Term Goals and Objectives

- ✓ Our long term goals are to decrease the amount of crime, increase the amount of community participation and education for crime prevention, and obtain equipment to better handle and process evidence to enhance our abilities to solve crimes.
- ✓ Long term the police department would like to add two school resource officers to the department to coincide with the new high school being built in the city limits. We would like to staff an officer in every school in the city limits.
- ✓ We would like to add a professional standards/training officer/special projects officer at the contributing/lieutenant level as well.
- ✓ We see the documented need for a specialized traffic enforcement unit. The City ranks extremely high in the state for wrecks per capita. We have not been able to address this problem by having patrol officers enforce traffic laws. Their primary functions are responding to calls for service and crime prevention. A three member traffic team specifically for traffic enforcement, traffic education, and working accidents would serve our community well.



Police Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Police						
104310	512100	SALARIES & WAGES-REG	\$ 2,379,044	\$ 2,426,938	\$ 2,602,179	\$ 175,241.00
104310	512200	SALARIES & WAGES-O/T	\$ 57,485	\$ 63,530	\$ 63,530	\$ -
104310	512250	HOLIDAY PAY	\$ 63,340	\$ 82,553	\$ 96,328	\$ 13,775.00
104310	512300	SAL & WAGES-STANDBY	\$ 14,697	\$ 14,560	\$ 14,560	\$ -
104310	512400	SAL & WAGES-COURT PAY	\$ 2,492	\$ 4,300	\$ 4,300	\$ -
104310	512500	SAL & WAGES-CROSS GDS	\$ 24,331	\$ 32,015	\$ 32,015	\$ -
104310	512700	SAL & WAGES-SEP ALLOW	\$ 54,532	\$ 68,892	\$ 45,110	\$ (23,782.00)
104310	512800	SAL & WAGES-DRUG ENFR	\$ 6,000	\$ 10,500	\$ 10,500	\$ -
104310	512900	SAL & WAGES-SRO GRANT	\$ -	\$ -	\$ -	\$ -
104310	513000	SAL & WAGES-AUX OFFS	\$ 58,185	\$ 77,000	\$ 77,000	\$ -
104310	513200	SAL & WAGES-SRO CITY	\$ -	\$ -	\$ -	\$ -
104310	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ 11,250	\$ 10,500	\$ (750.00)
104310	513600	SALARIES & WAGES-AUTO/TAXABLE	\$ -	\$ -	\$ -	\$ -
104310	518100	FICA TAX EXPENSE	\$ 205,665	\$ 212,692	\$ 225,332	\$ 12,640.00
104310	518200	RETIREMENT EXPENSE	\$ 278,757	\$ 338,310	\$ 369,860	\$ 31,550.00
104310	518300	GROUP MED & LIFE INS	\$ 358,488	\$ 324,163	\$ 420,840	\$ 96,677.00
104310	518600	WORKER'S COMP INS	\$ 57,903	\$ 59,910	\$ 64,581	\$ 4,671.00
104310	518900	RETIREE INSURANCE	\$ 34,790	\$ 37,152	\$ 61,578	\$ 24,426.00
104310	519000	PROFESSIONAL SERVICES	\$ 9,166	\$ 6,000	\$ 6,000	\$ -
104310	519300	PROF SERVICES-MEDICAL	\$ 3,204	\$ 3,000	\$ 3,000	\$ -
104310	521200	UNIFORMS	\$ 44,860	\$ 32,928	\$ 38,493	\$ 5,565.00
104310	525100	GASOLINE & DIESEL	\$ 82,289	\$ 120,000	\$ 110,000	\$ (10,000.00)
104310	525200	TIRES	\$ 12,192	\$ -	\$ -	\$ -
104310	525300	VEHICLE PARTS	\$ 33,045	\$ -	\$ -	\$ -
104310	525400	OIL, LUBRICATION, ETC	\$ 4,565	\$ -	\$ -	\$ -
104310	526000	OFFICE SUPPLIES	\$ 12,952	\$ 15,000	\$ 15,000	\$ -
104310	529900	SUPPLIES & MATERIALS	\$ 79,995	\$ 51,005	\$ 62,243	\$ 11,238.00
104310	532100	TELEPHONE	\$ 20,033	\$ 24,000	\$ 25,000	\$ 1,000.00
104310	532500	POSTAGE	\$ 1,432	\$ 1,600	\$ 1,600	\$ -
104310	535200	R & M - EQUIPMENT	\$ 77,310	\$ 17,180	\$ 18,200	\$ 1,020.00
104310	535300	R & M - AUTO/TRUCKS	\$ 42,077	\$ 80,700	\$ 82,000	\$ 1,300.00
104310	537000	ADVERTISING	\$ 812	\$ 1,500	\$ 1,500	\$ -
104310	539400	TRAVEL	\$ 21,930	\$ 29,623	\$ 35,713	\$ 6,090.00
104310	539500	TRAINING	\$ 16,009	\$ 19,685	\$ 16,695	\$ (2,990.00)
104310	539600	SPEC DRUG ENFORCEMENT	\$ -	\$ -	\$ -	\$ -
104310	545600	LIAB/PROP INS & BONDS	\$ 55,909	\$ 66,586	\$ 60,900	\$ (5,686.00)
104310	548400	D A R E PROGRAM	\$ 4,419	\$ 4,500	\$ 4,500	\$ -
104310	548700	OUTREACH PROGRAM	\$ 2,986	\$ 2,800	\$ 5,300	\$ 2,500.00
104310	549100	DUES & SUBSCRIPTIONS	\$ 11,248	\$ 15,744	\$ 14,829	\$ (915.00)
104310	549200	UNCOLLECTIBLE ACCOUNTS	\$ -	\$ -	\$ -	\$ -
104310	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 63,770	\$ 60,928	\$ (2,842.00)
104310	549920	EMPLOYEE EVENTS	\$ -	\$ -	\$ 2,300	\$ 2,300.00
104310	549999	MISCELANEOUS EXPENSE	\$ -	\$ 901	\$ -	\$ (901.00)
104310	552000	CAPITAL OUTLAY-OTHER EQUIPMENT	\$ -	\$ 60,868	\$ -	\$ (60,868.00)
104310	552500	CAP OUT - SOFTWARE/INTANGIBLE	\$ -	\$ 74,500	\$ -	\$ (74,500.00)
104310	553000	NON-CAPITAL EQUIPMENT	\$ 34,536	\$ 6,515	\$ 57,400	\$ 50,885.00
104310	554000	CAP OUTLAY-MOTOR VEHS	\$ 122,768	\$ 215,150	\$ 308,000	\$ 92,850.00
104310	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104310	569000	CONTRACTED SERVICES	\$ -	\$ 600	\$ 600	\$ -
<i>Sub-Total</i>			\$ 4,289,445	\$ 4,677,920	\$ 5,028,414	\$ 350,494.00



FY17-18 Budget Highlights

Personnel and benefits lines have increased due to the implementation of the pay and classification plan, a 25% health insurance increase, in addition to, natural growth. Additionally, the regular salaries account includes two new sworn animal control officers and a telecommunicator, three new positions in total. There was a decrease in separation allowance pay, due to retirees surpassing the age for which they receive the allowance. The “Non-Capital Equipment” account includes computer and mobile computer replacements in FY17-18. Also, there are increases in supplies and motor vehicle expenditures due to the hiring of two animal control officers.

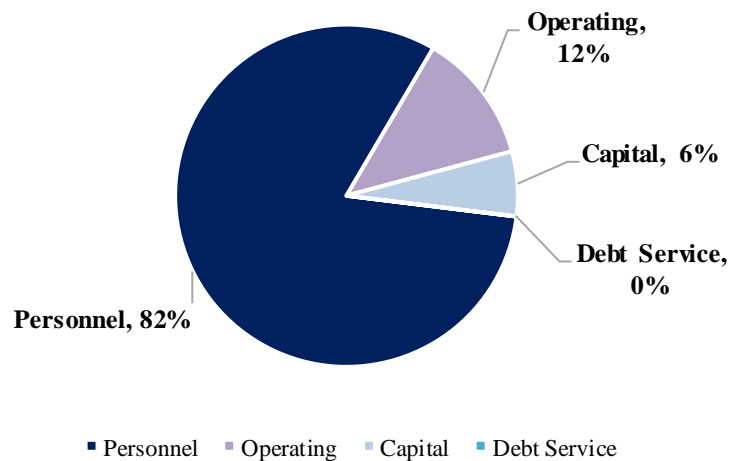


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Police				
Personnel	\$ 3,595,709	\$ 3,763,765	\$ 4,098,213	\$ 334,448
Operating	\$ 570,968	\$ 563,637	\$ 622,201	\$ 58,564
Capital	\$ 122,768	\$ 350,518	\$ 308,000	\$ (42,518)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 4,289,445	\$ 4,677,920	\$ 5,028,414	\$ 350,494

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	COUNT CHANGE
Police				
Full-Time	53.00	53.00	56.00	3.00
Part-Time	16.00	16.00	16.00	0.00
<i>Sub-Total</i>	69.00	69.00	72.00	3.00

Expenditures by Type



Fire

The Hendersonville Fire Department (HFD) responded to 4,679 calls for service in 2016, performed over 739 business inspections and updated contact information for over 2,000 business owners. They also conducted over 10,000 hours of training and participated in 100 public education and prevention activities. The Department is made up of three divisions: Administration, Operations, and Life Safety. The Operations division has 24 full-time personnel that operate on a modified L.A. schedule and performs various functions including fire mitigation, emergency medical services, hazardous material operations, and specialized rescue. The Life Safety division is made up of a Fire Marshal, Deputy Fire Marshal and two part-time Fire Inspectors that perform roles in education, enforcement, inspections, and fire investigations. The administrative division is made up of the Fire Chief, Deputy Fire Chief and an Administrative Aid that performs roles in budget, strategic planning, training, and the overall direction of the organization. The HFD also utilizes 16 part-time personnel to fill vacancies and limit the amount of overtime funds being used. The department has two fire stations and a North Carolina Response Rating Class 4 for its public protection classification.

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.

FY16-17 Accomplishments

- ✓ The Hendersonville Fire Department (HFD) responded to 4,679 calls for service in 2016, performed over 739 business inspections and updated contact information for over 2,000 business owners. They also conducted approximately 10,000 hours of training and participated in 100 public education and prevention activities.
- ✓ Performed routine staff meetings with our personnel to improve internal communication and ensure we are addressing safety concerns.
- ✓ Conducted an extensive process for the Deputy Fire Chief, Fire Marshal, Deputy Fire Marshal and Administrative Aide positions within the fire department.
- ✓ Updated, revised, and created multiple standard operating guidelines and policies to aid in the overall safety and success of the fire department.
- ✓ Created an internal safety committee, standard operating guideline review committee, and an apparatus committee to assist with the operations of the fire department
- ✓ Conducted a Firefighter/EMT process to fill vacancies within the organization
- ✓ Participated in monthly training related to service excellence to ensure we are providing efficient and effective customer service to both internal and external customers.
- ✓ Continued to improve 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.
- ✓ Renovated fire station 2 to include an area for the departments' Life Safety Division. The Life Safety division is made up of a Fire Marshal, Deputy Fire Marshal and two part-time Fire Inspectors that perform roles in education, prevention, enforcement, inspections, and fire investigations.
- ✓ Installed Hydrant reflectors on all hydrants within the city to increase visibility and meet the NFPA standard for flow testing
- ✓ Worked with Facets Consulting and the North Carolina Department of Insurance – Office of State Fire Marshal to start the process of a strategic plan for the Hendersonville Fire Department. This encompassed business and community leadership sessions, a Firefighter SWOT analysis, an on-site peer review session made up of fire service leaders



throughout North Carolina, and a final report that was delivered to City Council on February 9, 2017.

- ✓ Awarded a grant through the North Carolina Department of Insurance – Office of State Fire Marshal for 200 smoke alarms. Canvased properties and installed over 100 smoke alarms within the City of Hendersonville.
- ✓ Installed storz adapters to over 200 fire hydrants within the city which will allow for quicker connections during emergency incidents.
- ✓ The entire Hendersonville Fire Department attended a 24 hour crisis intervention team training course through Vaya Health to learn practical skills to help interact effectively with persons with mental health, substance use, or intellectual and developmental disability needs to maintain safety and improve outcomes.
- ✓ Assisted with operations and management of the Party Rock Fire in Lake Lure, NC, which was the largest fire in North Carolina history.
- ✓ Ordered a new fire engine for fire station 2 after researching various different types of apparatus makes and models.

FY17-18 Goals & Initiatives

- ✓ Continue to evolve as an organization to continually meet the needs and demands of our community, citizens and visitors.
- ✓ Replace Fire Engine 4 (24 years old) with a custom fire apparatus that meets the needs of our community.
- ✓ 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.
- ✓ Hire a Fire Marshal to oversee the fire and life safety division, assist with the current workload, and manage the proposed fee schedule. The revenue from the implementation of a fee schedule will help offset the cost for this position.
- ✓ Continue with development and implement a Citizens Fire Academy in FY 2016-2017
- ✓ Continue to work on a Community-Driven Strategic Plan.
- ✓ Implement a fire inspection fee schedule.
- ✓ Continue to improve the fire department's data entry procedures to ensure accurate data.
- ✓ Continue to develop, revise and implement new Standard Operating Guidelines.
- ✓ Hire additional personnel to ensure we are meeting OSHA standards while operating on the fire ground.

Long Term Goals and Objectives

- ✓ Purchase land on the South side of the City for a future Fire Station to ensure we are providing adequate service delivery to all areas of the city.
- ✓ Continue to evaluate and perform recommendations from the City of Hendersonville Fire Department strategic plan peer review report that was developed by Facets Consulting and the North Carolina Department of Insurance – Office of State Fire Marshal.



- ✓ Consider adding an additional apparatus (Rescue Company) to increase the availability of resources throughout the City. This apparatus would be housed at Fire Station 1 due to the high risk and vulnerability of that part of the City.
- ✓ Conduct a Citywide Hazard Analysis and establish critical task analysis for both emergency and non-emergency calls.
- ✓ 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.
- ✓ Begin the Accreditation Process through the Center for public safety excellence.
- ✓ Perform a cost analysis for a City owned fire training facility.
- ✓ Continually evaluate ways to keep fire department personnel safe.



Fire Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Fire						
104340	512100	SALARIES & WAGES-REG	\$ 1,019,172	\$ 1,225,128	\$ 1,522,298	\$ 297,170.00
104340	512200	SALARIES & WAGES-O/T	\$ 60,517	\$ 52,000	\$ 70,000	\$ 18,000.00
104340	512250	HOLIDAY PAY	\$ 36,789	\$ 42,494	\$ 55,955	\$ 13,461.00
104340	512600	SALARIES & WAGES-TEMP	\$ 69,964	\$ -	\$ -	\$ -
104340	512900	SALARIES & WAGES-P/T	\$ -	\$ 65,600	\$ 80,288	\$ 14,688.00
104340	518100	FICA TAX EXPENSE	\$ 91,055	\$ 105,970	\$ 132,233	\$ 26,263.00
104340	518200	RETIREMENT EXPENSE	\$ 74,378	\$ 95,673	\$ 123,618	\$ 27,945.00
104340	518300	GROUP MED & LIFE INS	\$ 169,972	\$ 174,314	\$ 259,268	\$ 84,954.00
104340	518600	WORKER'S COMP INS	\$ 35,339	\$ 29,744	\$ 46,309	\$ 16,565.00
104340	518900	RETIREE INSURANCE	\$ 55,078	\$ 65,016	\$ 57,660	\$ (7,356.00)
104340	519000	PROFESSIONAL SERVICES	\$ 26,984	\$ 24,880	\$ 18,600	\$ (6,280.00)
104340	519600	FIREMEN'S RELIEF FUND PAYMENTS	\$ 48,560	\$ -	\$ -	\$ -
104340	521200	UNIFORMS	\$ 21,072	\$ 26,150	\$ 31,625	\$ 5,475.00
104340	521300	PROTECTIVE CLOTHING	\$ 36,055	\$ 38,375	\$ 56,450	\$ 18,075.00
104340	525100	GASOLINE & DIESEL	\$ 21,988	\$ 33,990	\$ 27,000	\$ (6,990.00)
104340	525200	TIRES	\$ 9,855	\$ -	\$ -	\$ -
104340	525300	VEHICLE PARTS	\$ 10,714	\$ -	\$ -	\$ -
104340	525400	OIL, LUBRICATION, ETC	\$ 1,632	\$ -	\$ -	\$ -
104340	526000	OFFICE SUPPLIES	\$ 5,784	\$ 9,500	\$ 15,000	\$ 5,500.00
104340	528000	EDUCATIONAL SUPPLIES	\$ 13,568	\$ 18,500	\$ 15,500	\$ (3,000.00)
104340	529900	SUPPLIES & MATERIALS	\$ 12,570	\$ 26,000	\$ 27,500	\$ 1,500.00
104340	532100	TELEPHONE	\$ 4,622	\$ 7,000	\$ 7,000	\$ -
104340	532500	POSTAGE	\$ 167	\$ 500	\$ 1,721	\$ 1,221.00
104340	533000	UTILITIES	\$ 23,363	\$ 24,000	\$ 24,000	\$ -
104340	535100	R & M - BUILDINGS	\$ 16,647	\$ 26,430	\$ 26,930	\$ 500.00
104340	535200	R & M - EQUIPMENT	\$ 20,242	\$ 25,763	\$ 27,025	\$ 1,262.00
104340	535300	R & M - AUTO/TRUCKS	\$ 135,626	\$ 66,226	\$ 63,250	\$ (2,976.00)
104340	537000	ADVERTISING	\$ 3,803	\$ 2,500	\$ 5,500	\$ 3,000.00
104340	539200	LAUNDRY	\$ 705	\$ -	\$ -	\$ -
104340	539400	TRAVEL	\$ 7,098	\$ 18,200	\$ 18,900	\$ 700.00
104340	539500	TRAINING	\$ 11,147	\$ 20,380	\$ 22,085	\$ 1,705.00
104340	545600	LIAB/PROP INS & BONDS	\$ 14,231	\$ 15,116	\$ 14,137	\$ (979.00)
104340	549020	REIMBURSABLE FEMA EXPENDITURES	\$ -	\$ -	\$ -	\$ -
104340	549100	DUES & SUBSCRIPTIONS	\$ 22,453	\$ 28,443	\$ 29,185	\$ 742.00
104340	549200	UNCOLLECTIBLE ACCOUNTS	\$ -	\$ -	\$ -	\$ -
104340	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 5,000	\$ 6,000	\$ 1,000.00
104340	549900	DONATION EXPENDITURE	\$ 1,321	\$ -	\$ -	\$ -
104340	549999	MISCELANEOUS EXPENSE	\$ -	\$ 14,187	\$ 3,900	\$ (10,287.00)
104340	552000	CAPITAL OUTLAY EQUIPMENT	\$ -	\$ 65,071	\$ 10,000	\$ (55,071.00)
104340	553000	NON-CAPITAL EQUIPMENT	\$ 25,457	\$ 30,500	\$ 110,000	\$ 79,500.00
104340	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ 28,401	\$ 39,000	\$ 10,599.00
104340	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104340	558000	CAP OUTLAY-BUILDINGS	\$ -	\$ -	\$ 20,000	\$ 20,000.00
104340	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ 8,886	\$ -	\$ (8,886.00)
104340	598043	DEPT CHGS- FIRE GRANT	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 2,107,927	\$ 2,419,937	\$ 2,967,937	\$ 548,000.00



FY17-18 Budget Highlights

Personnel and benefits lines have increased due to the implementation of the pay and classification plan, a 25% health insurance increase, in addition to, natural growth. Additionally, the FY17-18 budget includes three new fire/EMT positions. These positions will provide a third member staffing the Ladder truck for each shift. The “Non-Capital Equipment” account includes the replacement of AEDs, multi-gas monitors, thermal imaging cameras, and the purchase of a paratech stabilization kit. Additional capital outlay includes a renovation for the Life Safety Division offices, portable nozzles, and a fire inspector vehicle.

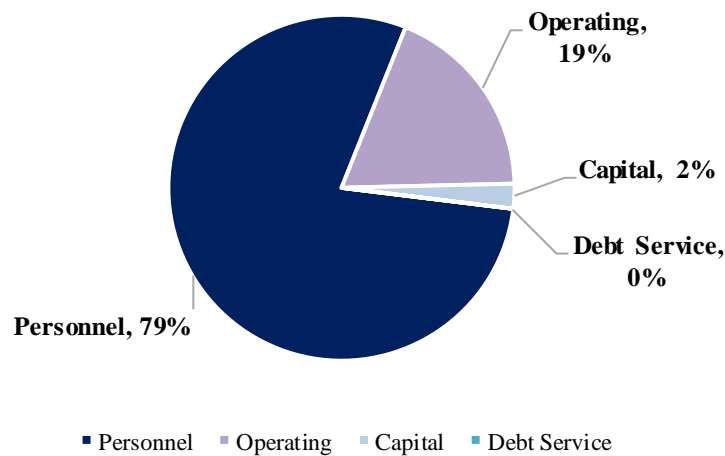


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Fire				
Personnel	\$ 1,612,264	\$ 1,855,939	\$ 2,347,629	\$ 491,690
Operating	\$ 495,663	\$ 461,640	\$ 551,308	\$ 89,668
Capital	\$ -	\$ 102,358	\$ 69,000	\$ (33,358)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 2,107,927	\$ 2,419,937	\$ 2,967,937	\$ 548,000

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	COUNT CHANGE
Fire				
Full-Time	29.00	31.00	35.00	4.00
Part-Time	15.00	17.00	17.00	0.00
<i>Sub-Total</i>	44.00	48.00	52.00	4.00

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 (extraterritorial 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, Special Events Committee, 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, Senior Planner, Planner, Code Enforcement Officer and Administrative Aide. The Development Assistance Department is located at 100 N. King Street. For more information about this Department please contact (828) 697-3010.

FY16-17 Accomplishments

- ✓ Obtained National Register Designation for Berkeley Mills Park.
- ✓ Developed RFP for the Zoning and Subdivision Ordinance update.
- ✓ Held Tax Credit Workshop for Historic Property Owners on Main Street.
- ✓ Held steering and community meetings in order to develop a draft Bike Plan for the City of Hendersonville.
- ✓ Reviewed site plans and issued special use permits for 198 new multi-family residential units and 48,169 sq. ft. of retail space within the City.
- ✓ Continued work with the new owner and Henderson County to improve living conditions at Alpine Woods.
- ✓ Reviewed development plans and issued four development permits for projects within the special flood hazard area to minimize public and private 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.

FY17-18 Goals & Initiatives

- ✓ Continue to improve customer service.
- ✓ Continue to work toward voluntary compliance with codes and ordinances.
- ✓ Work with consult to begin update of the zoning and subdivision ordinances.
- ✓ Update guidelines for the Historic Preservation Committee.



Development Assistance Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Development Assistance						
104370	512100	SALARIES & WAGES-REG	\$ 292,157	\$ 273,552	\$ 271,248	\$ (2,304.00)
104370	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ -	\$ -	\$ -
104370	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ -	\$ -	\$ -
104370	513600	SALARIES & WAGES-AUTO/TAXABLE	\$ -	\$ -	\$ -	\$ -
104370	518100	FICA TAX EXPENSE	\$ 22,579	\$ 20,927	\$ 20,751	\$ (176.00)
104370	518200	RETIREMENT EXPENSE	\$ 19,619	\$ 19,833	\$ 20,344	\$ 511.00
104370	518300	GROUP MED & LIFE INS	\$ 32,130	\$ 30,582	\$ 37,575	\$ 6,993.00
104370	518600	WORKER'S COMP INS	\$ 3,033	\$ 2,436	\$ 3,096	\$ 660.00
104370	519000	PROFESSIONAL SERVICES	\$ 6,602	\$ 20,000	\$ 20,000	\$ -
104370	519200	PROF SERVICES-LEGAL	\$ 1,200	\$ 4,000	\$ 4,000	\$ -
104370	521200	UNIFORMS	\$ 212	\$ 700	\$ 700	\$ -
104370	525100	GASOLINE & DIESEL	\$ 1,540	\$ 3,500	\$ 4,000	\$ 500.00
104370	525200	TIRES	\$ -	\$ 500	\$ 500	\$ -
104370	525300	VEHICLE PARTS	\$ 52	\$ 1,500	\$ 1,000	\$ (500.00)
104370	525400	OIL, LUBRICATION, ETC	\$ 66	\$ 500	\$ 500	\$ -
104370	526000	OFFICE SUPPLIES	\$ 27,465	\$ 11,000	\$ 11,000	\$ -
104370	532100	TELEPHONE	\$ 1,687	\$ 2,400	\$ 2,400	\$ -
104370	532500	POSTAGE	\$ 3,185	\$ 8,000	\$ 8,000	\$ -
104370	535200	R & M - EQUIPMENT	\$ -	\$ 100	\$ 100	\$ -
104370	535300	R & M - AUTO/TRUCKS	\$ 1,314	\$ 700	\$ 700	\$ -
104370	537000	ADVERTISING	\$ 2,069	\$ 4,500	\$ 4,500	\$ -
104370	539400	TRAVEL	\$ 3,821	\$ 9,000	\$ 4,000	\$ (5,000.00)
104370	539500	TRAINING	\$ 1,801	\$ 6,500	\$ 4,000	\$ (2,500.00)
104370	544000	LEASE - EQUIPMENT	\$ -	\$ 4,000	\$ 2,000	\$ (2,000.00)
104370	544010	LEASE- BUILDING	\$ 10,000	\$ 12,000	\$ 10,000	\$ (2,000.00)
104370	545600	LIAB/PROP INS & BONDS	\$ 1,760	\$ 2,286	\$ 1,853	\$ (433.00)
104370	549100	DUES & SUBSCRIPTIONS	\$ 427	\$ 2,000	\$ 1,500	\$ (500.00)
104370	549500	HISTORIC PRESERVATION COMM	\$ 5,248	\$ 10,000	\$ 10,000	\$ -
104370	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 100	\$ 100	\$ -
104370	549920	EMPLOYEE EVENTS	\$ -	\$ 80	\$ -	\$ (80.00)
104370	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104370	553000	NON-CAPITAL EQUIPMENT	\$ 2,608	\$ -	\$ -	\$ -
104370	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ -	\$ -	\$ -
104370	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104370	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ 28,377	\$ -	\$ -	\$ -
104370	569400	CONT SERV-CONDM BLDGS	\$ -	\$ 17,401	\$ 25,000	\$ 7,599.00
<i>Sub-Total</i>			\$ 468,952	\$ 468,097	\$ 468,867	\$ 770.00

FY17-18 Budget Highlights

The regular salaries account line has decreased as a result of various planner position turnover in the Department. There are no other significant changes to report.

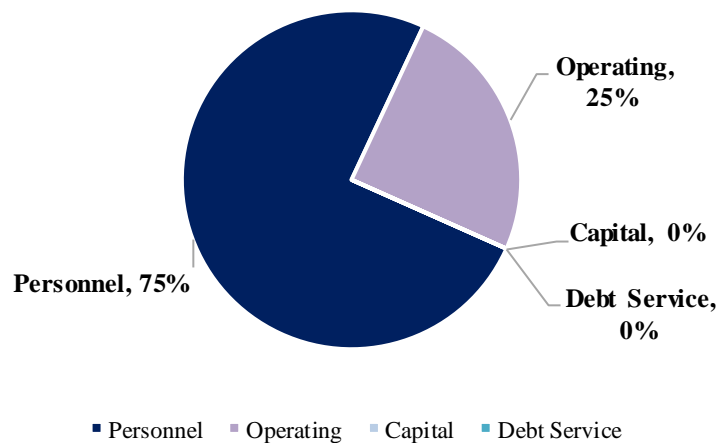


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Development Assistance				
Personnel	\$ 369,518	\$ 347,330	\$ 353,014	\$ 5,684
Operating	\$ 71,057	\$ 120,767	\$ 115,853	\$ (4,914)
Capital	\$ 28,377	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 468,952	\$ 468,097	\$ 468,867	\$ 770

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	COUNT CHANGE
Development Assistance				
Full-Time	5.00	5.00	5.00	0.00
Part-Time	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	5.00	5.00	5.00	0.00

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, our annual resurfacing program, our bridge inspections program and bridge replacement 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 an Administrative Assistant. The Administration Division is located in the City Operation Center at 305 Williams Street. For additional information, please contact Tom Wooten at 697- 3084.

FY16-17 Accomplishments

- ✓ Worked with the Walk of Fame Committee to start a new program.
- ✓ Worked with the Engineering Department to create a new stormwater system partnership with residents.
- ✓ Assisted with the new bicycle plan.
- ✓ Working with Vaughn and Melton and NCDOT to design a replacement bridge for Old Tracey Grove Road.
- ✓ Worked with the Tree Board on several tree planting projects and pollinator planting projects. Also, helped replace the Heritage Tree signs and added signs along the Bearcat Loop Tree Project.
- ✓ Working with arborists on the Main Street Trees and MLK Blvd Trees.
- ✓ Selected contractor to remove several hazardous or dangerous trees along the Oklawaha Greenway Trail.
- ✓ Selected contractor to install split rail fence along South Grove Street property.
- ✓ Managed property and liability insurance claims for the city.
- ✓ Completed the mezzanine expansion project at the Operation Center.
- ✓ Selected contractor to repaint structures and figurines at Boyd Park Mini Golf.
- ✓ Assisted in redesigning the brochures and printing of brochures for the Oklawaha Greenway Trail, park brochure, and Adopt-a-Park brochure.
- ✓ Worked with Hendersonville High School student to develop and implement an adopt-a-park/street/trail program.
- ✓ Worked with Duke Energy to upgrade street lights in the MSD to LED for improved safety of visitors and helped reduce graffiti.
- ✓ Purchased water barriers to increase safety at special events.



FY17-18 Goals & Initiatives

- ✓ Continue with Old Tracey Grove Road Bridge replacement project.
- ✓ Resurface the Sullivan Park Basketball Courts with a new surface and install additional wood mulch.
- ✓ Install new bridge at Tom's Park.
- ✓ Purchase additional water barriers for special events.



Public Works-Administration Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
PW-Administration						
104500	512100	SALARIES & WAGES-REG	\$ 204,193	\$ 203,256	\$ 211,641	\$ 8,385.00
104500	512200	SALARIES & WAGES - OVERTIME	\$ 392	\$ -	\$ -	\$ -
104500	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ 872	\$ -	\$ (872.00)
104500	513600	SALARIES & WAGES-AUTO/TAXABLE	\$ -	\$ -	\$ -	\$ -
104500	518100	FICA TAX EXPENSE	\$ 15,359	\$ 15,550	\$ 16,191	\$ 641.00
104500	518200	RETIREMENT EXPENSE	\$ 13,747	\$ 14,737	\$ 15,874	\$ 1,137.00
104500	518300	GROUP MED & LIFE INS	\$ 20,138	\$ 18,349	\$ 22,545	\$ 4,196.00
104500	518600	WORKER'S COMP INS	\$ 1,916	\$ 1,485	\$ 1,972	\$ 487.00
104500	518900	RETIREE INSURANCE	\$ 4,260	\$ 9,288	\$ 11,196	\$ 1,908.00
104500	519000	PROFESSIONAL SERVICES	\$ -	\$ 900	\$ 800	\$ (100.00)
104500	521200	UNIFORMS	\$ 487	\$ 826	\$ 1,500	\$ 674.00
104500	523000	MEDICAL SUPPLIES	\$ 196	\$ 1,300	\$ 1,300	\$ -
104500	525100	GASOLINE & DIESEL	\$ 1,228	\$ 2,000	\$ 2,400	\$ 400.00
104500	525200	TIRES	\$ -	\$ -	\$ -	\$ -
104500	525300	VEHICLE PARTS	\$ 1,152	\$ -	\$ -	\$ -
104500	525400	OIL, LUBRICATION, ETC	\$ 17	\$ -	\$ -	\$ -
104500	526000	OFFICE SUPPLIES	\$ 4,694	\$ 4,150	\$ 2,950	\$ (1,200.00)
104500	529900	SUPPLIES & MATERIALS	\$ 1,479	\$ 2,102	\$ 2,200	\$ 98.00
104500	532100	TELEPHONE	\$ 2,029	\$ 3,632	\$ 1,940	\$ (1,692.00)
104500	532500	POSTAGE	\$ 171	\$ 200	\$ 200	\$ -
104500	535200	R & M - EQUIPMENT	\$ 13,675	\$ -	\$ -	\$ -
104500	535300	R & M - AUTO/TRUCKS	\$ 831	\$ 2,100	\$ 1,900	\$ (200.00)
104500	537000	ADVERTISING	\$ -	\$ 1,000	\$ 1,000	\$ -
104500	539400	TRAVEL	\$ 328	\$ 2,000	\$ 2,000	\$ -
104500	539500	TRAINING	\$ 1,019	\$ 2,000	\$ 2,000	\$ -
104500	545600	LIAB/PROP INS & BONDS	\$ 2,108	\$ 2,520	\$ 2,137	\$ (383.00)
104500	549100	DUES & SUBSCRIPTIONS	\$ 587	\$ 870	\$ 550	\$ (320.00)
104500	549200	UNCOLLECTIBLE ACCOUNTS	\$ -	\$ -	\$ -	\$ -
104500	549400	H'VILLE TREE BOARD	\$ 10,895	\$ 13,415	\$ 10,450	\$ (2,965.00)
104500	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 12,980	\$ 100	\$ (12,880.00)
104500	549999	MISCELANEOUS EXPENSE	\$ -	\$ 98	\$ 1,200	\$ 1,102.00
104500	552000	CAP OUTLAY-DP EQUIP	\$ -	\$ -	\$ -	\$ -
104500	554000	CAPT OUTLAY-MOTOR VEHICLES	\$ 23,947	\$ 27,500	\$ 27,500	\$ -
104500	569000	CONTRACTED SERVICES	\$ 3,149	\$ 21,100	\$ 26,100	\$ 5,000.00
104500	598800	INTERCOMPANY DEPT CHARGES	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 327,996	\$ 364,230	\$ 367,646	\$ 3,416.00

FY17-18 Budget Highlights

Personnel and benefits lines have increased due to the implementation of the pay and classification plan, a 25% health insurance increase, in addition to, natural growth. Additionally, the “Permits, License, and Fees” account decreased due to a fee associated with a software module being moved to the IT Department.

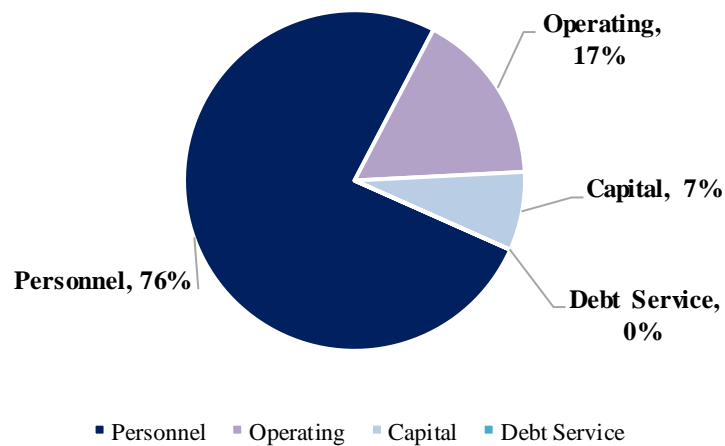


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
PW-Administration				
Personnel	\$ 260,005	\$ 263,537	\$ 279,419	\$ 15,882
Operating	\$ 44,044	\$ 73,193	\$ 60,727	\$ (12,466)
Capital	\$ 23,947	\$ 27,500	\$ 27,500	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 327,996	\$ 364,230	\$ 367,646	\$ 3,416

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 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 69 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.

FY16-17 Accomplishments

- ✓ Purchased one new snow plow blade.
- ✓ Purchased one new salt/sand spreader.
- ✓ Purchased one used side arm mower and tractor.
- ✓ Installed storm water system on Maple Street.
- ✓ Installed sidewalk along Blythe Street between 3rd avenue and 4th Avenue.

FY17-18 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.
- ✓ Renovate Maple Street after the storm water improvements.
- ✓ Obtain new pavement condition study and include sidewalk study.
- ✓ Purchase a new skid steer machine.



Public Works-Streets & Highways Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
PW-Streets & Highways						
104510	512100	SALARIES & WAGES-REG	\$ 251,426	\$ 238,742	\$ 265,132	\$ 26,390.00
104510	512200	SALARIES & WAGES-O/T	\$ 11,603	\$ 6,125	\$ 10,000	\$ 3,875.00
104510	512250	HOLIDAY PAY	\$ -	\$ 1,837	\$ 2,040	\$ 203.00
104510	512900	SALARIES & WAGES-P/T	\$ 17,870	\$ 11,630	\$ -	\$ (11,630.00)
104510	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ 2,325	\$ -	\$ (2,325.00)
104510	518100	FICA TAX EXPENSE	\$ 21,532	\$ 18,873	\$ 20,975	\$ 2,102.00
104510	518200	RETIREMENT EXPENSE	\$ 17,284	\$ 17,886	\$ 20,563	\$ 2,677.00
104510	518300	GROUP MED & LIFE INS	\$ 45,411	\$ 42,814	\$ 60,120	\$ 17,306.00
104510	518600	WORKER'S COMP INS	\$ 20,036	\$ 14,254	\$ 11,809	\$ (2,445.00)
104510	519000	PROFESSIONAL SERVICES	\$ 85	\$ 900	\$ 25,900	\$ 25,000.00
104510	521200	UNIFORMS	\$ 3,401	\$ 3,675	\$ 6,000	\$ 2,325.00
104510	524000	CONST & REPAIR SUPP	\$ 124,094	\$ 136,115	\$ 145,000	\$ 8,885.00
104510	525100	GASOLINE & DIESEL	\$ 18,109	\$ 25,600	\$ 25,000	\$ (600.00)
104510	525200	TIRES	\$ 5,548	\$ -	\$ -	\$ -
104510	525300	VEHICLE PARTS	\$ 37,200	\$ -	\$ -	\$ -
104510	525400	OIL, LUBRICATION, ETC	\$ 1,745	\$ -	\$ -	\$ -
104510	529900	SUPPLIES & MATERIALS	\$ 30,997	\$ 41,080	\$ 25,000	\$ (16,080.00)
104510	532100	TELEPHONE	\$ 939	\$ 900	\$ 900	\$ -
104510	535200	R & M - EQUIPMENT	\$ 9,058	\$ 10,000	\$ 8,000	\$ (2,000.00)
104510	535300	R & M - AUTO/TRUCKS	\$ 6,389	\$ 47,000	\$ 57,000	\$ 10,000.00
104510	539400	TRAVEL	\$ -	\$ 400	\$ 400	\$ -
104510	539500	TRAINING	\$ 120	\$ 900	\$ 900	\$ -
104510	545600	LIAB/PROP INS & BONDS	\$ 18,956	\$ 21,342	\$ 14,780	\$ (6,562.00)
104510	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ 100	\$ 100.00
104510	549999	MISCELANEOUS EXPENSE	\$ -	\$ 234	\$ -	\$ (234.00)
104510	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ 135,885	\$ 85,000	\$ (50,885.00)
104510	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 2,786	\$ -	\$ (2,786.00)
104510	555000	CAP OUTLAY-OTR EQUIP	\$ 21,023	\$ -	\$ -	\$ -
104510	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104510	557500	CAPITAL OUTLAY - SIDEWALKS	\$ -	\$ -	\$ -	\$ -
104510	559500	CAP OUTLAY-STREETS/BRIDGES	\$ -	\$ -	\$ -	\$ -
104510	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ -	\$ -	\$ -
104510	569000	CONTRACTED SERVICES	\$ 25,911	\$ 37,215	\$ 44,070	\$ 6,855.00
104510	569500	CONTRACT - PUB TRANS	\$ 116,866	\$ -	\$ -	\$ -
104510	598060	DEPARTMENTAL CHGS-W/S	\$ -	\$ -	\$ -	\$ -
104510	598068	DEPARTMENTAL CHGS-SOLID WASTE	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 805,606	\$ 818,518	\$ 828,689	\$ 10,171.00

FY17-18 Budget Highlights

Personnel and benefits lines have increased due to the implementation of the pay and classification plan, a 25% health insurance increase, in addition to, natural growth. Additionally, funding for a new full-time streets worker position was approved in this budget. Capital outlay includes a skid steer replacement. replacement.

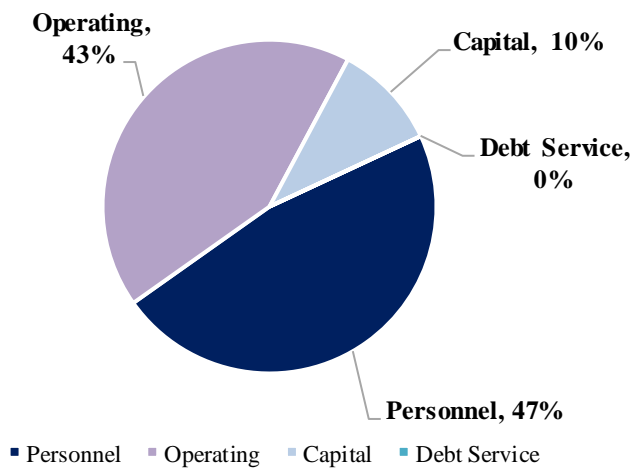


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
PW-Streets & Highways				
Personnel	\$ 385,162	\$ 354,486	\$ 390,639	\$ 36,153
Operating	\$ 399,421	\$ 328,147	\$ 353,050	\$ 24,903
Capital	\$ 21,023	\$ 135,885	\$ 85,000	\$ (50,885)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 805,606	\$ 818,518	\$ 828,689	\$ 10,171

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	COUNT CHANGE
PW-Streets & Highways				
Full-Time	8.00	8.00	9.00	1.00
Part-Time	2.00	0.00	0.00	0.00
<i>Sub-Total</i>	10.00	8.00	9.00	1.00

Expenditures by Type



Powell Bill

Powell Bill allocations are made to incorporated municipalities which establish their eligibility and qualify per North Carolina General Statute 136-41.1 through 136-41.4. 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 through 136-41.4. The new general statutes per HB 97 v9 of Session 2015 require that a sum of \$147,500,000 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, thereby allowing sufficient time after the end of the fiscal year for verification of information and to determine the proper allocations and preparation of disbursements. Powell Bill funds shall be expended primarily for the purposes of resurfacing streets within the corporate limits of the municipality but may also used for maintaining, repairing, constructing, reconstructing or widening of any street or public thoroughfare within the municipal limits or for planning, construction, and maintenance of bikeways, greenways or sidewalks..

Powell Bill Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
PW-Powell Bill						
104511	535400	R & M - STREET MAINT	\$ 475,874	\$ 476,280	\$ 448,682	\$ (27,598.00)
104511	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ -	\$ -
104511	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104511	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ 475,874	\$ 476,280	\$ 448,682	\$ (27,598.00)

FY17-18 Budget Highlights

A portion of the revenues going towards the Powell Bill budget for FY17-18 have been used for a pavement condition rating study, budgeted in the Streets Division.



Public Works-Traffic Engineering

The Traffic Division is dedicated to serving the citizens of Hendersonville through operation and maintenance of our over 43 traffic signals, 6,153 signs (including street name signs, regulatory signs, and parking lot signs), traffic markings, parking kiosk maintenance and repair, 5 emergency phone stations, graffiti removal, traffic data collection, 1,937 decorative light poles, and 175 overhead banners. The Traffic Division also offers support for downtown events. The division includes a Traffic Supervisor and a Traffic Technician. 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.

FY16-17 Accomplishments

- ✓ Assisted with the Boyd Park Renovation Project.
- ✓ Installed loops at intersections on 5th Avenue and Washington Street (Pedestrian Signals at two of the intersections).
- ✓ Assist with banners on 7th Avenue and Main Street.
- ✓ Purchased and installed new pallet racking shelves at the Operation Center.
- ✓ Plan to change 15 minute express parking spaces to 30 minute parking spaces.
- ✓ Updated two intersections with new traffic controllers.
- ✓ Installed painted bulb outs on 7th Avenue.
- ✓ Upgraded Dogwood Parking Lot with new stop blocks and parking signs.
- ✓ Upgraded 5th Avenue & Blythe Street with a new flasher cabinet and new signal pole.
- ✓ Upgraded 5th Avenue & Buncombe Street signal heads from incandescent bulbs to LED.
- ✓ Completed 2017 signal preventive maintenance tasks.
- ✓ Completed 2017 sign retroreflectivity inspections as required by the Federal Government.
- ✓ Installed adopt a trail, adopt a park, trail signs and other signs as needed.
- ✓ Plan to assist with Patton Pool light and pole replacement around the pool deck.
- ✓ Completed traffic counts on all roads in Zones 5, 6, 7, & 8.

FY17-18 Goals & Initiatives

- ✓ Upgrade signal cabinet at Main Street & Caswell Street from EPAC to 2070.
- ✓ Install signal cabinet at Main Street & Barnwell Street, disconnect from Main and Caswell.
- ✓ Add two staff people to help complete the tasks of this department.
- ✓ Continue to perform yearly preventive maintenance on all city signal system.
- ✓ Complete signal preventative maintenance tasks.
- ✓ Complete traffic counts on all roads in Zones 1, 2, 3, & 4.
- ✓ Restripe all the parking lots, as needed.



Public Works-Traffic Engineering Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
PW-Traffic Engineering						
104520	512100	SALARIES & WAGES-REG	\$ 80,017	\$ 75,867	\$ 79,024	\$ 3,157.00
104520	512200	SALARIES & WAGES-O/T	\$ 113	\$ 500	\$ 5,000	\$ 4,500.00
104520	512250	HOLIDAY PAY	\$ 37	\$ 584	\$ 608	\$ 24.00
104520	512300	SAL & WAGES-STANDBY	\$ 13,364	\$ 13,000	\$ 13,000	\$ -
104520	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ 581	\$ -	\$ (581.00)
104520	518100	FICA TAX EXPENSE	\$ 7,273	\$ 6,882	\$ 7,125	\$ 243.00
104520	518200	RETIREMENT EXPENSE	\$ 6,200	\$ 6,522	\$ 6,985	\$ 463.00
104520	518300	GROUP MED & LIFE INS	\$ 13,898	\$ 12,233	\$ 15,030	\$ 2,797.00
104520	518600	WORKER'S COMP INS	\$ 12,042	\$ 9,174	\$ 9,004	\$ (170.00)
104520	518900	RETIREE INSURANCE	\$ 7,810	\$ 9,288	\$ 11,196	\$ 1,908.00
104520	519000	PROFESSIONAL SERVICES	\$ 35,294	\$ -	\$ -	\$ -
104520	521200	UNIFORMS	\$ 2,606	\$ 1,819	\$ 1,500	\$ (319.00)
104520	525100	GASOLINE & DIESEL	\$ 1,852	\$ 2,600	\$ 2,600	\$ -
104520	525200	TIRES	\$ -	\$ -	\$ -	\$ -
104520	525300	VEHICLE PARTS	\$ 1,052	\$ -	\$ -	\$ -
104520	525400	OIL, LUBRICATION, ETC	\$ 9	\$ -	\$ -	\$ -
104520	529900	SUPPLIES & MATERIALS	\$ 41,227	\$ 57,920	\$ 55,000	\$ (2,920.00)
104520	532100	TELEPHONE	\$ 2,024	\$ 2,400	\$ 2,250	\$ (150.00)
104520	533900	STREET & TRAFFIC LTS	\$ 198,442	\$ 200,480	\$ 215,480	\$ 15,000.00
104520	535200	R & M - EQUIPMENT	\$ 23	\$ 1,854	\$ 3,000	\$ 1,146.00
104520	535300	R & M - AUTO/TRUCKS	\$ 400	\$ 3,600	\$ 3,600	\$ -
104520	539400	TRAVEL	\$ 764	\$ 700	\$ 1,200	\$ 500.00
104520	539500	TRAINING	\$ 2,208	\$ 2,800	\$ 2,800	\$ -
104520	545600	LIAB/PROP INS & BONDS	\$ 1,210	\$ 1,554	\$ 1,238	\$ (316.00)
104520	549750	PERMITS, LICENSE AND FEES	\$ 65	\$ 546	\$ 100	\$ (446.00)
104520	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104520	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ -	\$ 17,000	\$ 17,000.00
104520	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 12,447	\$ -	\$ (12,447.00)
104520	554000	CAPT OUTLAY-MOTOR VEHICLES	\$ 17,995	\$ -	\$ -	\$ -
104520	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104520	559900	CAP OUTLAY-OTR IMPMTS	\$ 9,190	\$ 133	\$ -	\$ (133.00)
104520	569000	CONTRACTED SERVICES	\$ 638	\$ -	\$ 1,000	\$ 1,000.00
<i>Sub-Total</i>			\$ 455,754	\$ 423,484	\$ 453,740	\$ 30,256.00

FY17-18 Budget Highlights

Personnel and benefits lines have increased due to the implementation of the pay and classification plan, a 25% health insurance increase, in addition to, natural growth. Capital outlay includes traffic signal light cabinet replacements.

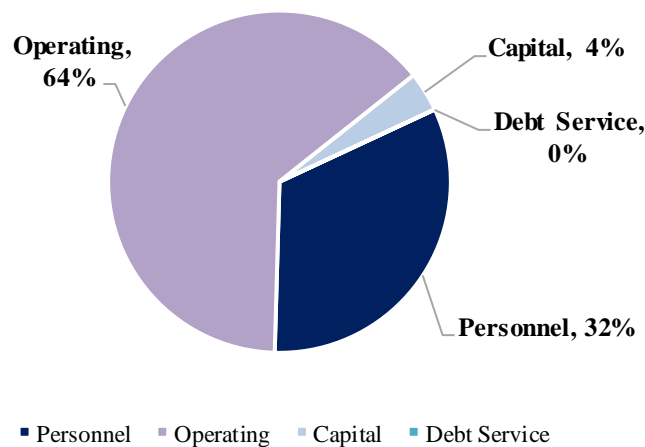


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
PW-Traffic Engineering				
Personnel	\$ 140,755	\$ 134,631	\$ 146,972	\$ 12,341
Operating	\$ 287,814	\$ 288,720	\$ 289,768	\$ 1,048
Capital	\$ 27,185	\$ 133	\$ 17,000	\$ 16,867
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 455,754	\$ 423,484	\$ 453,740	\$ 30,256

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 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 (including 85 acres of grass), some traffic islands, side-arm mowing for 69 miles of roads, collection of fall bulk leaves, snow removal in the City 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 Development Assistance 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.

FY16-17 Accomplishments

- ✓ Successfully completed additional maintenance responsibilities along the last phase of the Oklawaha Greenway Trail.
- ✓ Improved landscape beds around the Operation Center and Fleet Maintenance entrance.
- ✓ Installed landscape around Boyd Park Renovation Project.
- ✓ Purchased a new zero turn mower.
- ✓ Working on design for new building with Building Maintenance.
- ✓ Served 4,472 adults and 3,444 kids at Mini Golf.

FY17-18 Goals & Initiatives

- ✓ Will need additional staff to help with hanging basket watering if we add baskets on King Street.
- ✓ Continue to work toward building a new building with Building Maintenance.
- ✓ Expand the irrigation at Berkeley Mills Park Baseball Field.
- ✓ Replace the landscaping at City Hall.
- ✓ Install a disk golf course at Berkeley Mills Park.
- ✓ Purchase one additional zero turn mower.



Public Works-Grounds Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
PW-Grounds Maintenance						
104760	512100	SALARIES & WAGES-REG	\$ 267,211	\$ 264,937	\$ 277,146	\$ 12,209.00
104760	512200	SALARIES & WAGES-O/T	\$ 11,954	\$ 7,000	\$ 10,000	\$ 3,000.00
104760	512250	HOLIDAY PAY	\$ 325	\$ 2,038	\$ 2,132	\$ 94.00
104760	512900	SALARIES & WAGES-P/T	\$ 20,646	\$ 23,630	\$ -	\$ (23,630.00)
104760	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ 2,325	\$ -	\$ (2,325.00)
104760	518100	FICA TAX EXPENSE	\$ 23,685	\$ 20,960	\$ 21,901	\$ 941.00
104760	518200	RETIREMENT EXPENSE	\$ 18,741	\$ 19,864	\$ 21,471	\$ 1,607.00
104760	518300	GROUP MED & LIFE INS	\$ 54,413	\$ 48,931	\$ 60,120	\$ 11,189.00
104760	518600	WORKER'S COMP INS	\$ 6,547	\$ 4,013	\$ 5,375	\$ 1,362.00
104760	518900	RETIREE INSURANCE	\$ -	\$ -	\$ -	\$ -
104760	519000	PROFESSIONAL SERVICES	\$ -	\$ -	\$ 400	\$ 400.00
104760	521200	UNIFORMS	\$ 2,689	\$ 1,625	\$ 6,750	\$ 5,125.00
104760	525100	GASOLINE & DIESEL	\$ 12,108	\$ 13,250	\$ 16,000	\$ 2,750.00
104760	525200	TIRES	\$ 624	\$ -	\$ -	\$ -
104760	525300	VEHICLE PARTS	\$ 14,400	\$ -	\$ -	\$ -
104760	525400	OIL, LUBRICATION, ETC	\$ 415	\$ -	\$ -	\$ -
104760	529900	SUPPLIES & MATERIALS	\$ 17,413	\$ 32,834	\$ 20,550	\$ (12,284.00)
104760	532100	TELEPHONE	\$ 822	\$ 900	\$ 900	\$ -
104760	535200	R & M - EQUIPMENT	\$ 3,496	\$ 7,500	\$ 8,000	\$ 500.00
104760	535300	R & M - AUTO/TRUCKS	\$ 3,060	\$ 9,830	\$ 15,000	\$ 5,170.00
104760	539400	TRAVEL	\$ -	\$ 18	\$ 500	\$ 482.00
104760	539500	TRAINING	\$ 120	\$ 377	\$ 900	\$ 523.00
104760	545600	LIAB/PROP INS & BONDS	\$ 6,896	\$ 13,079	\$ 7,090	\$ (5,989.00)
104760	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ 100	\$ 100.00
104760	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104760	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ -	\$ -	\$ -
104760	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ -	\$ 20,000	\$ 20,000.00
104760	555000	CAP OUTLAY-OTR EQUIP	\$ 20,578	\$ 8,802	\$ -	\$ (8,802.00)
104760	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ -	\$ 31,000	\$ 31,000.00
104760	569000	CONTRACTED SERVICES	\$ 48,837	\$ 52,339	\$ 29,800	\$ (22,539.00)
104760	598400	REIMB PUB WORKS DEPT	\$ (10)	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 534,970	\$ 534,252	\$ 555,135	\$ 20,883.00

FY17-18 Budget Highlights

Personnel and benefits lines have increased due to the implementation of the pay and classification plan, a 25% health insurance increase, in addition to, natural growth. “Non-Capital Equipment” includes gateway signage upgrades and the resurfacing of a basketball court at Sullivan Park. The “Capital Outlay-Otr Impmts” account includes park upgrades at Patton Park and playground upgrades at Sullivan Park.

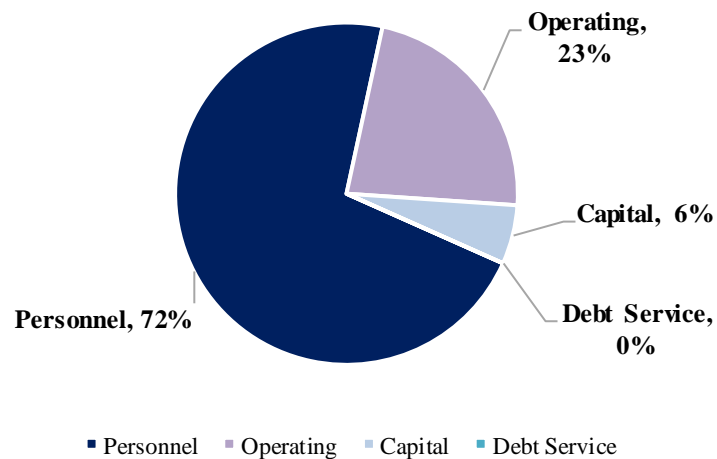


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
PW-Grounds Maintenance				
Personnel	\$ 403,522	\$ 393,698	\$ 398,145	\$ 4,447
Operating	\$ 110,870	\$ 131,752	\$ 125,990	\$ (5,762)
Capital	\$ 20,578	\$ 8,802	\$ 31,000	\$ 22,198
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 534,970	\$ 534,252	\$ 555,135	\$ 20,883

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	COUNT CHANGE
PW-Grounds Maintenance				
Full-Time	8.00	8.00	8.00	0.00
Part-Time	2.00	0.00	0.00	0.00
<i>Sub-Total</i>	10.00	8.00	8.00	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, open swim time, a kiddy pool, picks up trash in the park, and helps clean the public restrooms. 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. We plan to utilize a new point of sale system to help with membership sales, lesson registration, concessions inventory, pool admittance audits, and general sales to the public. Budget management for Patton Pool is completed by the Public Works Administrative Staff. Patton Pool is located 114 E. Clairmont Drive. For additional information, please contact Tom Wooten at 697-3084.

FY16-17 Accomplishments

- ✓ Continue to work on our point of sale system to better control inventory and accuracy of our deposits.
- ✓ We continue to look for ways to improve revenue.
- ✓ Added air conditioning to some of the office space.
- ✓ Worked with the Child Nutrition Supervisor at Henderson County Public Schools to serve 2,808 meals at Patton Pool to local school kids.
- ✓ Repaired leak in the kiddy pool.
- ✓ Relocated one lifeguard stand to improve safety at the pool.
- ✓ Painted a new mural on the pool sign.
- ✓ Plan to drain the pool and repair an underwater light and repair some cracks.
- ✓ Served the following customers:
 - Adult Admissions - 6,281
 - Adult Admissions (non swimmer) - 1,117
 - Aerobics Class - 323
 - Family Fun Night (adult) - 210
 - Family Fun Night (youth) - 262
 - Lap Swim - 1016
 - Senior Admission - 1009
 - Youth Admission - 9659
 - Toddler Entry - 484

FY17-18 Goals & Initiatives

- ✓ Install large pool umbrellas.
- ✓ Install grates over pool gutters for safety.
- ✓ Replace lounge chairs as needed.
- ✓ Consider additional operating hours in the fall (provided we can find staff).



Public Works-Patton Pool Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
PW-Patton Pool						
106170	512100	SALARIES & WAGES-REG	\$ -	\$ -	\$ -	\$ -
106170	512900	SALARIES & WAGES-P/T	\$ 128,844	\$ 123,752	\$ 123,752	\$ -
106170	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ -	\$ -	\$ -
106170	518100	FICA TAX EXPENSE	\$ 10,784	\$ 9,468	\$ 9,468	\$ -
106170	518600	WORKER'S COMP INS	\$ 6,404	\$ 1,813	\$ 2,324	\$ 511.00
106170	519000	PROFESSIONAL SERVICES	\$ 463	\$ 1,000	\$ 1,400	\$ 400.00
106170	521200	UNIFORMS	\$ 2,359	\$ 2,400	\$ 2,400	\$ -
106170	527000	PURCH FOR RESALE-POOL	\$ 22,796	\$ 20,000	\$ 16,000	\$ (4,000.00)
106170	529900	SUPPLIES & MATERIALS	\$ 37,941	\$ 27,200	\$ 26,400	\$ (800.00)
106170	532100	TELEPHONE	\$ (17)	\$ 1,100	\$ -	\$ (1,100.00)
106170	533000	UTILITIES	\$ 18,497	\$ 24,600	\$ 26,600	\$ 2,000.00
106170	535100	R & M - BUILDINGS	\$ 8,596	\$ 10,000	\$ 8,000	\$ (2,000.00)
106170	535200	R & M - EQUIPMENT	\$ 1,661	\$ 5,500	\$ 8,000	\$ 2,500.00
106170	545600	LIAB/PROP INS & BONDS	\$ -	\$ -	\$ 10	\$ 10.00
106170	549300	POOL/ MINI GOLF SHORT/OVER	\$ 7,591	\$ -	\$ -	\$ -
106170	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 1,700	\$ 2,100	\$ 400.00
106170	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
106170	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ -	\$ -	\$ -
106170	555000	CAP OUTLAY-OTR EQUIP	\$ 20,392	\$ 17,000	\$ -	\$ (17,000.00)
106170	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
106170	569000	CONTRACTED SERVICES	\$ 7,522	\$ 17,400	\$ 9,700	\$ (7,700.00)
<i>Sub-Total</i>			\$ 273,833	\$ 262,933	\$ 236,154	\$ (26,779.00)

FY17-18 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...). There is no capital outlay budgeted for the pool in FY17-18.

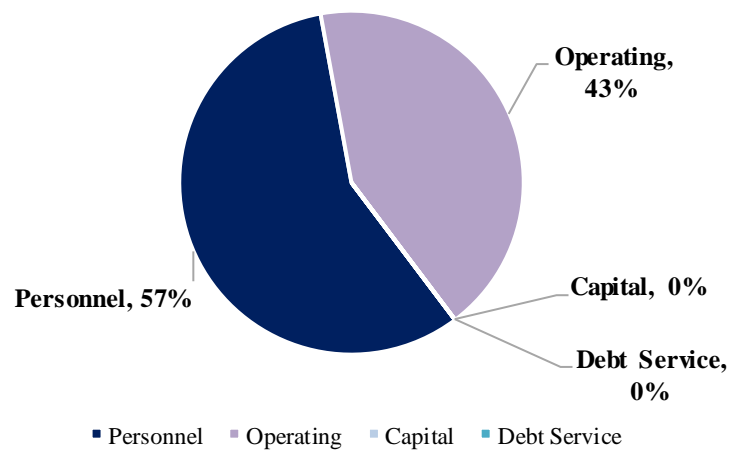


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
PW-Patton Pool				
Personnel	\$ 146,032	\$ 135,033	\$ 135,544	\$ 511
Operating	\$ 107,409	\$ 110,900	\$ 100,610	\$ (10,290)
Capital	\$ 20,392	\$ 17,000	\$ -	\$ (17,000)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 273,833	\$ 262,933	\$ 236,154	\$ (26,779)

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 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. Actual data does not show in this Department because the audit reallocates the expenditures to other specific departments.

Non-Departmental Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Non-Departmental						
109619	500024	DRUG TESTING	\$ 1,544	\$ 2,000	\$ -	\$ (2,000.00)
109619	500028	EMPLOYEE ASSIST PROG	\$ -	\$ 2,000	\$ -	\$ (2,000.00)
109619	500029	WELLNESS COMMITTEE	\$ -	\$ -	\$ -	\$ -
109619	500030	TUITION REIMBURSEMENT PROGRAM	\$ 3,981	\$ 3,000	\$ -	\$ (3,000.00)
109619	518500	STATE UNEMPLOYMNT INS	\$ 1,501	\$ 11,000	\$ -	\$ (11,000.00)
109619	518800	EMPLOYEE DEATH BENEFIT	\$ 5,000	\$ 5,000	\$ -	\$ (5,000.00)
109619	519000	PROFESSIONAL SERVICES	\$ (135)	\$ -	\$ -	\$ -
109619	539700	LIAISON/PUBLIC RELATIONS	\$ -	\$ -	\$ -	\$ -
109619	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
109619	561100	CONTRIBUTION TO ESF	\$ -	\$ -	\$ -	\$ -
109619	561200	CONTRIBUTION TO WSF	\$ -	\$ -	\$ -	\$ -
109619	561400	CONTRIBUTION TO 7TH	\$ -	\$ -	\$ -	\$ -
109619	598880	CONTR TO H&W FUND	\$ -	\$ 162,874	\$ 172,110	\$ 9,236.00
<i>Sub-Total</i>			\$ 11,891	\$ 185,874	\$ 172,110	\$ (13,764.00)

FY17-18 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. The “Contr to H&W Fund” account accounts for health insurance claims that are managed through the City’s Health and Welfare Fund, which is an internal service fund. Claims have been increasing and the General Fund needs to contribute more to the Health and Welfare Fund in FY17-18.



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 Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Special Appropriations						
109620	500010	LEGAL SVC-DOMESTIC VIOLENCE	\$ 1,500	\$ 4,000	\$ 6,500	\$ 2,500.00
109620	500011	CHILDREN & FAMILY RESOURCE CNT	\$ 3,700	\$ 5,000	\$ 5,200	\$ 200.00
109620	500012	MOUNTAIN COMMUNITY SCHOOL	\$ -	\$ -	\$ -	\$ -
109620	500013	CHAMBER OF COMMERCE	\$ 10,000	\$ -	\$ -	\$ -
109620	500014	FLAT ROCK PLAYHOUSE	\$ 11,800	\$ 16,000	\$ 12,200	\$ (3,800.00)
109620	500015	MAYORS ADV COUNCIL	\$ 500	\$ 500	\$ 500	\$ -
109620	500016	HANDS ON GALLERY	\$ 600	\$ 2,000	\$ 2,000	\$ -
109620	500017	HEND CO RESCUE SQUAD	\$ -	\$ -	\$ -	\$ -
109620	500018	HERITAGE MUSEUM	\$ -	\$ 3,800	\$ 3,060	\$ (740.00)
109620	500019	HEND CO DISPUTE CENTR	\$ 500	\$ 1,000	\$ 1,300	\$ 300.00
109620	500020	CONTR TO PUBLIC TRANSIT	\$ -	\$ 126,691	\$ 136,868	\$ 10,177.00
109620	500021	BLUE RIDGE LITERACY COUNCIL	\$ 1,500	\$ -	\$ 1,400	\$ 1,400.00
109620	500022	SISTER CITIES PROGRAM	\$ 900	\$ 1,500	\$ 1,100	\$ (400.00)
109620	500023	MEDICAL LOAN CLOSET	\$ 1,200	\$ 3,000	\$ 4,300	\$ 1,300.00
109620	500026	TEAM ECCO	\$ 23,600	\$ -	\$ 1,700	\$ 1,700.00
109620	500027	BOYS & GIRLS CLUB	\$ 15,000	\$ 20,000	\$ 15,000	\$ (5,000.00)
109620	500032	HENDERSONVILLE SYMPHONY	\$ 2,000	\$ 3,000	\$ 3,400	\$ 400.00
109620	500033	BLUE RIDGE COMM COLLEGE ED	\$ 400	\$ 1,200	\$ 1,240	\$ 40.00
109620	500034	HENDERSONVILLE LITTLE THEATER	\$ 800	\$ 3,000	\$ 2,400	\$ (600.00)
109620	500035	INTERFAITH ASSISTANCE MINISTRY	\$ 3,000	\$ 4,000	\$ 3,800	\$ (200.00)
109620	500036	AMERICA IN BLOOM	\$ 500	\$ 700	\$ -	\$ (700.00)
109620	500037	CAMPLIFY	\$ -	\$ 1,000	\$ 1,600	\$ 600.00
109620	500038	BLUE RIDGE COMM HEALTH SERVICE	\$ -	\$ 6,000	\$ 3,600	\$ (2,400.00)
109620	500039	ST GERARD HOUSE	\$ -	\$ 2,400	\$ 3,700	\$ 1,300.00
109620	500040	HENDERSON COUNTY NAACP	\$ -	\$ 1,500	\$ 500	\$ (1,000.00)
109620	500048	ARTS COUNCIL	\$ 1,400	\$ 1,600	\$ 1,700	\$ 100.00
109620	523200	SAFELIGHT, INC.	\$ 6,000	\$ 10,000	\$ 9,000	\$ (1,000.00)
109620	541800	SHUFFLEBOARD CLUB	\$ 880	\$ 1,200	\$ 1,200	\$ -
109620	561300	MINERAL & LAP MUSEUM	\$ 2,600	\$ 2,200	\$ 2,100	\$ (100.00)
109620	561600	P'SHIP ECON DEVELOPMT	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
109620	561700	HENDERSON CO. AGRI-BUS	\$ 5,000	\$ 5,000	\$ 4,600	\$ (400.00)
109620	569200	BLUE RIDGE HUMANE SOCIETY	\$ 9,000	\$ 11,900	\$ 10,000	\$ (1,900.00)
109620	569700	MERCHANTS & BUSINESS ASSOC	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
<i>Sub-Total</i>			\$ 119,380	\$ 255,191	\$ 256,968	\$ 1,777.00

FY17-18 Budget Highlights

There are no major changes to highlight.



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	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Debt Service						
109621	573008	PRIN- 2008 S/WALK BDS	\$ 100,000	\$ -	\$ -	\$ -
109621	573098	PRIN- 1998 S/WALK BDS	\$ 90,000	\$ -	\$ -	\$ -
109621	573303	PRIN- CITY HALL RENOVATE	\$ 233,333	\$ -	\$ -	\$ -
109621	573413	PRIN - FIRE & MAIN ST	\$ 300,000	\$ -	\$ -	\$ -
109621	573414	PRIN-BB&T CAPITAL EQUIP LOAN	\$ 95,576	\$ -	\$ -	\$ -
109621	574008	INT - 2008 S/WALK BDS	\$ 65,350	\$ -	\$ -	\$ -
109621	574098	INT - 1998 S/WALK BDS	\$ 13,500	\$ -	\$ -	\$ -
109621	574303	INT - CITY HALL RENOVATE	\$ 31,610	\$ -	\$ -	\$ -
109621	574413	INT - FIRE & MAIN ST	\$ 185,842	\$ -	\$ -	\$ -
109621	574414	INT - BB&T CAPITAL EQUIP LOAN	\$ 3,562	\$ -	\$ -	\$ -
109621	575200	BANK SERVICE CHARGES	\$ -	\$ -	\$ -	\$ -
Sub-Total			\$ 1,118,773	\$ -	\$ -	\$ -

FY17-18 Budget Highlights

As discussed in various other sections of this document, the City has created a Debt Service Fund to manage its debt service notes for the General Fund.



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	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Transfers						
109900	999015	TRANSFER TO DEBT SERVICE FUND	\$ 564,847	\$ 633,723	\$ 718,956	\$ 85,233.00
109900	999021	TRANSFER OUT TO 7TH	\$ 5,000	\$ -	\$ -	\$ -
109900	999110	TRANSFER TO MOTOR UNIT	\$ -	\$ -	\$ -	\$ -
109900	999115	TRANSFER OUT TO HPC FUND	\$ -	\$ -	\$ -	\$ -
109900	999120	TRANSFER OUT TO RAD FUND	\$ -	\$ -	\$ -	\$ -
109900	999130	TRANSFER TO NEEDY PERSONS	\$ -	\$ -	\$ -	\$ -
109900	999140	TRANSFER TO DARE FUND 140	\$ -	\$ -	\$ -	\$ -
109900	999150	TRANSFER TO YOUTH EXPLORERS	\$ -	\$ -	\$ -	\$ -
109900	999160	TRANSFER TO KENNEL FUND	\$ -	\$ -	\$ -	\$ -
109900	999170	TRANSFER TO FIRE COMMUNITY	\$ -	\$ 2,714	\$ -	\$ (2,714.00)
109900	999190	TRANSFER TO DRUG FORFEITURE	\$ -	\$ -	\$ -	\$ -
109900	999330	TRANSFER TO BIKEPED GRANT	\$ 5,000	\$ -	\$ -	\$ -
109900	999355	TRANS TO BERKELEY MILLS BALLPA	\$ 4,000	\$ -	\$ -	\$ -
109900	999404	TRANSFER TO TRACEY GROVE	\$ 150,000	\$ 41,389	\$ 16,611	\$ (24,778.00)
109900	999405	TRANSFER TO BERKELEY	\$ -	\$ -	\$ -	\$ -
109900	999435	TRANSFER TO N. OAK ST.	\$ 249,274	\$ 14,125	\$ -	\$ (14,125.00)
<i>Sub-Total</i>			\$ 978,121	\$ 691,951	\$ 735,567	\$ 43,616.00

FY17-18 Budget Highlights

Take notice of the transfer to the City’s Debt Service Fund, totaling \$718,956. This should be considered the General Fund’s debt service payment for FY17-18. Additionally, there is a final transfer to the Tracey Grove Bridge Project Fund in the amount of \$16,611.



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. In North Carolina any fund’s contingency appropriation may not exceed 5% of the total fund’s budget.

Contingencies Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Contingencies						
109910	599100	CONTINGENCIES	\$ -	\$ 7,141	\$ 248,074	\$ 240,933.00
		<i>Sub-Total</i>	\$ -	\$ 7,141	\$ 248,074	\$ 240,933.00

FY17-18 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, FY16-17, the City budgeted \$100,000 in contingencies. This year the adopted budget totals \$248,074. This includes \$151,074 for estimated salary increases due to the pay and classification plan implementation.



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

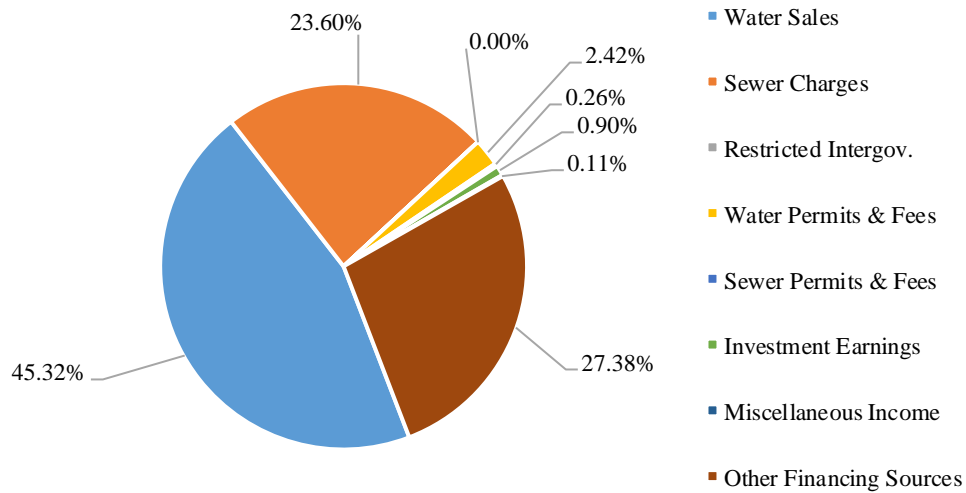
The following tables and charts detail the City's Water and Sewer Fund revenues by source:

REVENUE SOURCE	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Water Sales	\$ (9,596,596)	\$ (9,213,997)	\$ (9,536,461)	\$ (322,464)
Sewer Charges	\$ (4,806,033)	\$ (4,657,362)	\$ (4,966,412)	\$ (309,050)
Restricted Intergov.	\$ -	\$ -	\$ -	\$ -
Water Permits & Fees	\$ (916,053)	\$ (600,880)	\$ (509,500)	\$ 91,380
Sewer Permits & Fees	\$ (166,745)	\$ (71,870)	\$ (55,000)	\$ 16,870
Investment Earnings	\$ (269,097)	\$ (190,000)	\$ (190,000)	\$ -
Miscellaneous Income	\$ (47,514)	\$ (47,506)	\$ (22,400)	\$ 25,106
Other Financing Sources	\$ (396,890)	\$ (5,992,172)	\$ (5,760,421)	\$ 231,751
Total	\$ (16,198,928)	\$ (20,773,787)	\$ (21,040,194)	\$ (266,407)

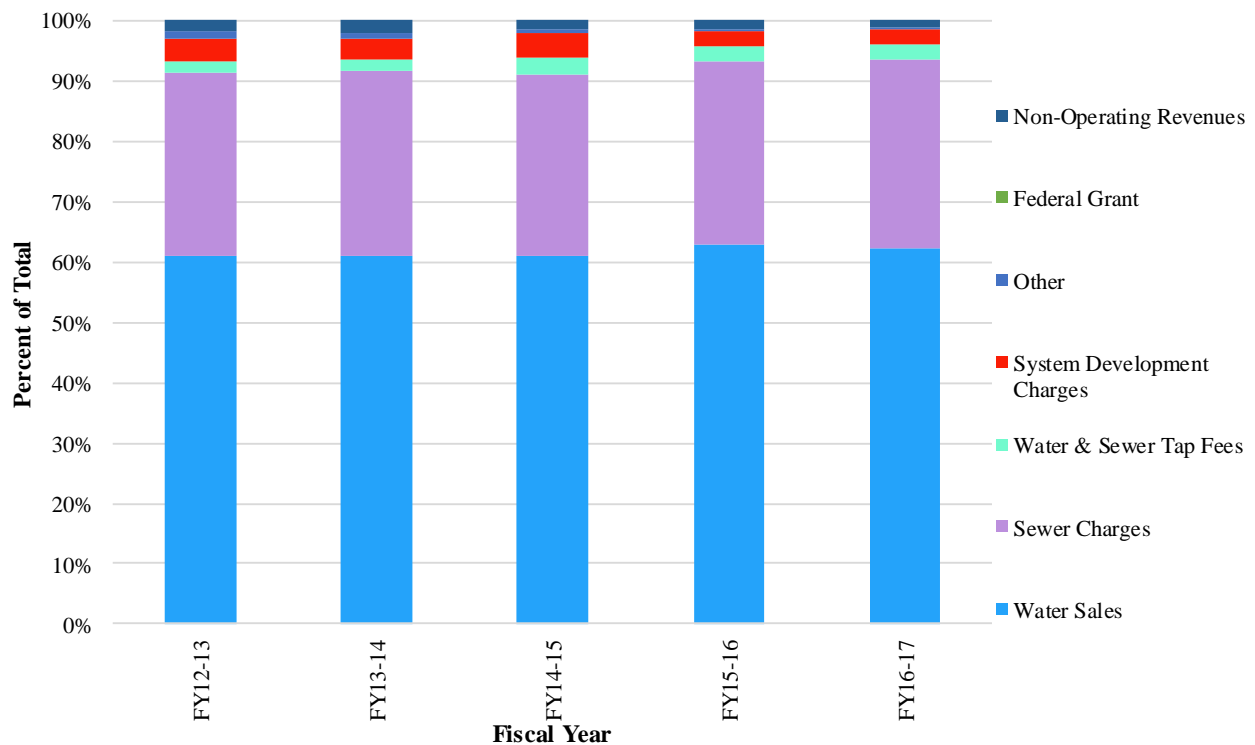


The following charts detail Water and Sewer Fund revenues by source:

Water & Sewer Fund Revenues by Source FY17-18



Water & Sewer Revenues by Source



The Fund’s reliance on user fees and charges is readily apparent, as they encompass close to 95% of the Fund’s recurring operating revenues.



Revenues by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Water Sales						
600012	451100	WATER SALES - GENERAL	\$ (9,590,981)	\$ (9,211,997)	\$ (9,534,461)	\$ (322,464.00)
600012	451200	WATER SALES - MISCELLANEOUS	\$ (5,615)	\$ (2,000)	\$ (2,000)	\$ -
<i>Sub-Total</i>			\$ (9,596,596)	\$ (9,213,997)	\$ (9,536,461)	\$ (322,464.00)
Sewer Charges						
600013	451300	SEWER CHARGES	\$ (4,666,362)	\$ (4,502,362)	\$ (4,656,412)	\$ (154,050.00)
600013	451350	ETOWAH SEWER CHARGES	\$ (966)	\$ (35,000)	\$ (190,000)	\$ (155,000.00)
600013	451400	SEPTIC TANK DISPOSAL	\$ (138,705)	\$ (120,000)	\$ (120,000)	\$ -
<i>Sub-Total</i>			\$ (4,806,033)	\$ (4,657,362)	\$ (4,966,412)	\$ (309,050.00)
Restricted Intergovernmental						
600040	447060	HEN CO FIRE DEPT CONTRIBUTION	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ -	\$ -	\$ -	\$ -
Water Permits & Fees						
600050	445200	WATER PERMITS & FEES	\$ (4,339)	\$ (2,000)	\$ (2,500)	\$ (500.00)
600050	451150	WATER SEWER LATE FEES	\$ (154,317)	\$ (200,000)	\$ (200,000)	\$ -
600050	452100	WATER TAP FEES	\$ (261,015)	\$ (225,000)	\$ (225,000)	\$ -
600050	452200	WATER CUSTOMER PART	\$ (1,860)	\$ (2,000)	\$ (2,000)	\$ -
600050	452300	DISCONNECT/RECONNECT ADMIN FEE	\$ (42,941)	\$ (70,000)	\$ (50,000)	\$ 20,000.00
600050	452400	TURN ON SERVICE CHG	\$ (23,695)	\$ -	\$ -	\$ -
600050	452500	WATER SYS DEV CHARGES	\$ (402,395)	\$ (66,880)	\$ -	\$ 66,880.00
600050	452510	REFUNDS	\$ -	\$ -	\$ -	\$ -
600050	452600	BRIGHTWATER FEES	\$ (25,492)	\$ (35,000)	\$ (30,000)	\$ 5,000.00
<i>Sub-Total</i>			\$ (916,053)	\$ (600,880)	\$ (509,500)	\$ 91,380.00
Sewer Permits & Fees						
600055	453000	SEWER PERMITS & FEES	\$ (4,970)	\$ (2,000)	\$ (2,000)	\$ -
600055	453100	SEWER TAP FEES	\$ (57,715)	\$ (25,000)	\$ (35,000)	\$ (10,000.00)
600055	453200	SEWER CUSTOMER PART	\$ -	\$ (4,000)	\$ (2,000)	\$ 2,000.00
600055	453300	SEWER BILLING SERVICE CHARGES	\$ (10,745)	\$ (10,500)	\$ (10,500)	\$ -
600055	453400	SEWER SURCHARGES	\$ (3,575)	\$ (5,000)	\$ (5,000)	\$ -
600055	453500	SEWER SYS DEV CHARGES	\$ (89,740)	\$ (23,620)	\$ -	\$ 23,620.00
600055	453510	REFUND SEWER SYS DEV	\$ -	\$ -	\$ -	\$ -
600055	453600	SWR PRETREAT COST REC	\$ -	\$ (1,750)	\$ (500)	\$ 1,250.00
<i>Sub-Total</i>			\$ (166,745)	\$ (71,870)	\$ (55,000)	\$ 16,870.00
Investment Earnings						
600070	483100	INTEREST INCOME	\$ (269,097)	\$ (190,000)	\$ (190,000)	\$ -
<i>Sub-Total</i>			\$ (269,097)	\$ (190,000)	\$ (190,000)	\$ -
Miscellaneous Income						
600080	434750	CUSTOMER PARTICIPATION	\$ (3,800)	\$ (6,614)	\$ -	\$ 6,614.00
600080	443660	SALE OF F/ASSETS-W/S	\$ (4,344)	\$ (16,456)	\$ -	\$ 16,456.00
600080	443661	WARRANTY FEES UTIL SRVC PTRNS	\$ (11,851)	\$ (11,200)	\$ (11,200)	\$ -
600080	443800	DISCOUNTS EARNED	\$ (17,530)	\$ (7,036)	\$ (5,000)	\$ 2,036.00
600080	443900	MISCELLANEOUS INCOME	\$ (7,227)	\$ (5,000)	\$ (5,000)	\$ -
600080	444160	EPA GRANTS	\$ -	\$ -	\$ -	\$ -
600080	444200	CNG REIMBURSEMENT	\$ -	\$ -	\$ -	\$ -
600080	444400	RENTAL INCOME-NONTAXABLE	\$ (2,761)	\$ (1,200)	\$ (1,200)	\$ -
<i>Sub-Total</i>			\$ (47,514)	\$ (47,506)	\$ (22,400)	\$ 25,106.00
Other Financing Sources						
600090	444000	INSURANCE SETTLEMENTS	\$ (111)	\$ (15,321)	\$ -	\$ 15,321.00
600090	498210	OPER TRANS FR GEN FD	\$ -	\$ -	\$ -	\$ -
600090	499100	PROCEEDS OF DEBT	\$ -	\$ -	\$ -	\$ -
600090	499200	FUND BALANCE APPROP	\$ (396,779)	\$ (3,713,098)	\$ (5,760,421)	\$ (2,047,323.00)
600090	499800	OPER TRANS FR CR FUND	\$ -	\$ (2,263,753)	\$ -	\$ 2,263,753.00
600090	499999	PRIOR PERIOD ADJUSTMENT	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ (396,890)	\$ (5,992,172)	\$ (5,760,421)	\$ 231,751.00
GRAND TOTAL			\$ (16,198,927)	\$ (20,773,787)	\$ (21,040,194)	\$ (266,407.00)



Expenditures

The Hendersonville Water and Sewer Department provides water services to more than 65,000 residents and businesses in Henderson County and sewer services to more than 21,000 residents and businesses. The Department is also responsible for the operation and maintenance of over 653 miles of water mains (ranging in size from 2-inches to 24-inches), 55 water pumping stations, 24 water storage tanks (ranging in size from 80,000-gallons to 5,000,000-gallons), over 177 miles of sewer mains (ranging in size from 3-inches to 42-inches) and 31 sewer pumping stations. The Department has a staff of 73 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 Administration division is responsible for the overall management of the Department, recommending policy to City Council, overseeing projects, capital improvements planning, grant writing, upkeep and maintenance of departmental GIS data, and budgeting and purchasing oversight. This division consists of four employees including the Utilities Director, Utilities Engineer, Administrative Aide and Administrative Assistant.

The Facilities Maintenance division is responsible for maintaining all City-owned and operated water and sewer pump stations (55 and 31, respectively) and water storage tanks (24) including maintenance and repair of equipment, buildings and grounds associated with each facility. This division is also responsible for maintaining the system that monitors all of these facilities, referred to as the SCADA (supervisory control and data acquisition) system. This system allows the departmental staff to monitor many of these remote facilities from our water treatment plant or from the internet through a secured network.

Originally constructed in 1963, the City's water treatment plant, located in the Town of Mills River takes raw water from three sources, two of which are located in the Pisgah National Forest and the main source is located on the Mills River. This water undergoes conventional treatment using various chemical and mechanical processes and is then pumped into the City's distribution system from a pump station located at the WTP. The average daily production for 2016 has been 7.4-MGD (7,400,000-gallons per day) or approximately 61% of our treatment capacity. The City is required to analyze water provided to consumers for a wide range of potential contaminants and water quality parameters. Frequencies for these analyses range from hourly to daily to annually to once every four years depending on the potential contaminant. The most recent water treatment plant renovation was in 2010.

The Meter Services division is responsible for reading over 29,000 meters located across the City's water system from Hendersonville to Etowah to Edneyville to Saluda to Fletcher. All of these meters are read from 13-towers located throughout the City's distribution system. The information received from this AMI/AMR (advanced metering infrastructure/automated meter reading) system is uploaded on to an off-site server from which information is accessed for preparing bills for our customers. The Meter Services division is also responsible for maintaining all water meters, the reading equipment associated with this system and addressing customer concerns regarding billing and other related issues. The meters that the City maintains in the water system range in size from 3/4" x 5/8" up to 6". The larger meters are manually tested on a regular basis by a certified contractor to ensure accuracy, both for the customer and for the City.



The Utilities support division receives all requests for maintenance and repair of the water distribution and sanitary sewer collection system and forwards these request to the appropriate division for response. The Utilities support division maintains accurate records of all work performed and the cost involved from materials, equipment, and labor. This division also maintains a warehouse of materials used in the everyday operation of the systems along with an adequate supply of repair materials to handle any emergency repair needed to the system.

The construction and maintenance divisions are broken into two sections, Water Distribution System Maintenance and Sewer Collection System Maintenance. The purpose of these divisions is to install and maintain a system to deliver safe drinking water to the customer's tap that meets or exceeds all state and federal safe drinking water regulations. The Water Distribution System Maintenance is responsible for installing and maintaining over 630-miles of water mains within the City distribution system. The Water Distribution System Maintenance team operates a program of line replacements, leak repairs and system maintenance to ensure the quality of water delivered. They also maintain the fire protection system through regular testing and repair of the fire hydrants and water valves throughout the system. The Sewer Collection System Maintenance is responsible for installing and maintaining over 180-miles of sanitary sewer lines necessary to transport sewer from the customer lines to the treatment plant. They clean and inspect the lines as necessary to prevent blockages and to eliminate inflow and infiltration.

The City's current Wastewater Treatment Plant was constructed in 2002, replacing the original plant constructed in the 1960s. The plant utilizes an activated sludge process to achieve an outstanding level of treatment. There are two aeration basins, each holding 2,400,000 gallons of wastewater, where the primary treatment occurs; the mixing of the wastewater and return activated sludge (RAS) with oxygen helps to support the biological treatment process. Sedimentation and flotation occurs in two 90-ft. diameter clarifiers. Effluent sand filters reduce the amount of solids in the treated wastewater (effluent); while disinfection is achieved by the use of ultraviolet (UV) light. All effluent from the plant flows through the disinfection channel before being discharged to Mud Creek. Sludge removed from the bottoms of the two 90-ft. diameter clarifiers is either recycled to the aeration basins or is removed (waste activated sludge – WAS) from the treatment process and is pumped into two thickeners where the wasted sludge is allowed to settle (dewatered). Once the sludge has settled in the thickeners, it is processed through one of two automated belt presses where the material is further dewatered to approximately 18% solids (82% water) and is stored for transporting and disposal off site. The City's current sewer service area includes the City of Hendersonville, portions of Laurel Park, the Village of Flat Rock and a portion of the central region (urban services area) of Henderson County. The total population served in the existing service area is approximately 21,000 with nearly 13,500 being residents of the City, through a total of approximately 9,500 sewer connections. Residents not connected to the City's sewer system are located in the unsewered areas outside the City or have chosen to maintain their own private systems.



FY16-17 Accomplishments

- ✓ Completed three major gravity sewer projects.
- ✓ Continued implementation of an AMR (Automated Meter Reading) system.
- ✓ Responded to increased leak detection capabilities with the AMR system in conjunction with AquaHawk Alerting
- ✓ Glenbrook sewer - an "inside" City community maintaining their own sewer pump station - City to provide gravity sewer.
- ✓ Began a water system master plan.
- ✓ 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 line maintenance repair crew to follow the leak detection crew and fix leaks as they are identified.
- ✓ Automatic Bank Draft - Greatly increased number of customers signed up for Automatic Bank Draft by having a promotional credit, waiver of deposit requirements. This reduces lockbox costs and staff time to process payments manually.
- ✓ Implemented General Billing module, took over collections of Parking Ticket receipts,
- ✓ New Phone system allows customer service calls to be tracked, Customer Service dept. used this information to determine peak call times and to staff phones accordingly and better tweak the call routing to insure that customer calls were routed more efficiently with reduced hold times.
- ✓ Implemented Cityworks/Munis import capabilities. Work orders will now import automatically into Cityworks from Munis every 5 minutes. This greatly decreases the amount of time employees were previously using to manually type orders into both systems.
- ✓ Set up submission of delinquent utility customer balances to Debt Set off program. Utility bills had never been sent before (tax had previously been done). In addition, established file download and upload capability to automate filing and payment update processes. This will save time and allow the City to recoup revenues that previously would have been lost or cost a % to the outside debt collection agency.
- ✓ Improved processing of Brightwater special assessments so that balances could easily be tracked inside the system.
- ✓ Modified and automated customer cut-off processes, worked with operations department to improve processes between departments.
- ✓ Changed collection agency to improve collection rates, this also makes sure that we comply with Red-Flag rules.
- ✓ Created new customer service application which now have SS#, signature and other information that allows for better collection of accounts.



- ✓ Implemented new automated procedure to process delinquent account write offs. (Manual process was very time consuming and not accurate).
- ✓ Automated the transfer of old balances to the customer's new account (when customer moves to new house). This reduces the number of unnecessary customer refunds with monies from old accounts being automatically applied to new account balance.

FY17-18 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.
- ✓ Top priority is to be able to answer more phone calls to improve Customer Service response time, reduce the number of customers who must leave a voice mail
- ✓ Continue to Research better method or location for customer service windows/better customer access.
- ✓ Implement new payment plan module which will make a more consistent method of administration of payment plans.

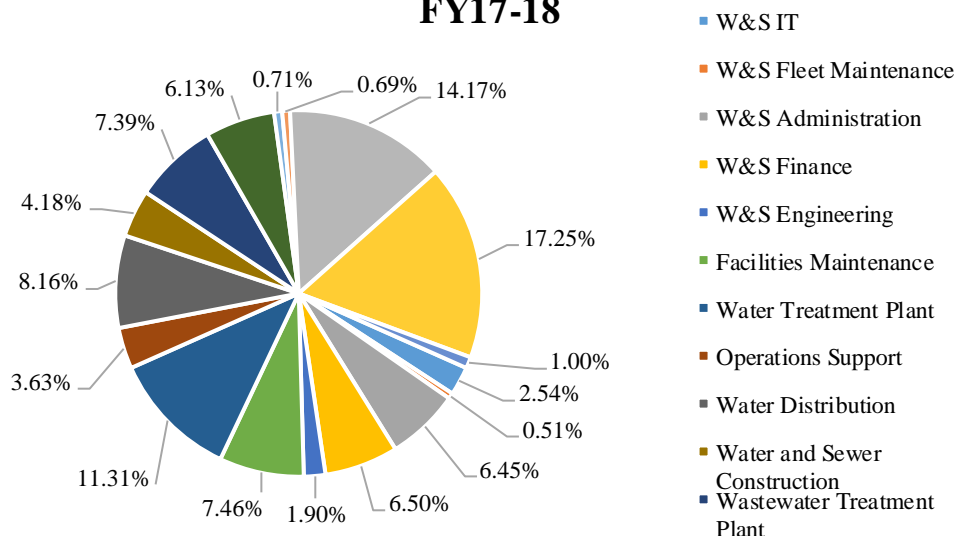
- ✓ Streamlining Customer Self-Service module, working with Payments (vendor) to make it easier for customers to pay-on line. Current set up causes a lot of customer confusion and frustration.
- ✓ Working on creating additional past-due letters.
- ✓ Create on-line fillable customer service forms on the new City Website.
- ✓ Continue to work on procedure manuals (pending update to UBCIS).
- ✓ Update leak adjustment policy, work with WS Administration & Operations departments.
- ✓ Continue to update customer addresses using Muni-code, USPS reporting, Accurint to reduce the amount of returned mail and improve the accuracy of the Munis database.



Expenditures by Function

EXPENDITURE FUNCTION	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
W&S IT	\$ 330,895	\$ 486,900	\$ 534,006	\$ 47,106
W&S Fleet Maintenance	\$ 100,966	\$ 107,020	\$ 106,313	\$ (707)
W&S Administration	\$ 984,969	\$ 1,244,362	\$ 1,356,896	\$ 112,534
W&S Finance	\$ 919,259	\$ 1,081,670	\$ 1,368,268	\$ 286,598
W&S Engineering	\$ 350,310	\$ 372,987	\$ 399,737	\$ 26,750
Facilities Maintenance	\$ 1,065,548	\$ 1,798,824	\$ 1,570,494	\$ (228,330)
Water Treatment Plant	\$ 1,741,800	\$ 2,001,911	\$ 2,380,084	\$ 378,173
Operations Support	\$ 874,536	\$ 730,532	\$ 764,736	\$ 34,204
Water Distribution	\$ 2,314,048	\$ 2,513,657	\$ 1,716,944	\$ (796,713)
Water and Sewer Construction	\$ -	\$ 778,511	\$ 879,809	\$ 101,298
Wastewater Treatment Plant	\$ 1,424,054	\$ 1,438,120	\$ 1,555,078	\$ 116,958
Sewer Collection	\$ 955,057	\$ 2,273,950	\$ 1,290,629	\$ (983,321)
Non-Departmental	\$ 2,977	\$ 150,874	\$ 149,950	\$ (924)
Special Appropriations	\$ 126,130	\$ 126,000	\$ 145,000	\$ 19,000
Debt Service (Transfer to)	\$ 3,755,409	\$ 3,742,622	\$ 2,982,434	\$ (760,188)
Transfers	\$ 4,519,327	\$ 1,896,006	\$ 3,630,133	\$ 1,734,127
Contingencies	\$ -	\$ 29,841	\$ 209,683	\$ 179,842
Total	\$ 19,465,285	\$ 20,773,787	\$ 21,040,194	\$ 266,407

Water & Sewer Fund Expenditures by Function
FY17-18



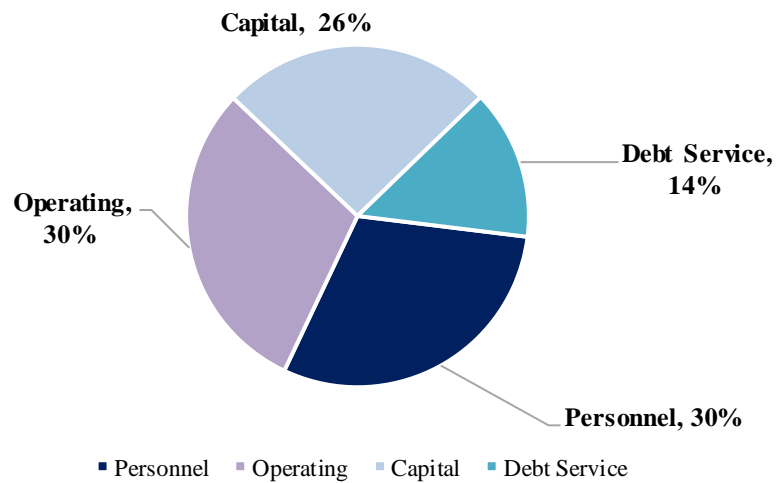
Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Water & Sewer Fund				
Personnel	\$ 5,307,226	\$ 5,617,434	\$ 6,330,222	\$ 712,788
Operating	\$ 5,245,650	\$ 6,180,984	\$ 6,326,880	\$ 145,896
Capital	\$ 5,157,000	\$ 5,232,747	\$ 5,400,658	\$ 167,911
Debt Service	\$ 3,755,409	\$ 3,742,622	\$ 2,982,434	\$ (760,188)
<i>Sub-Total</i>	\$ 19,465,285	\$ 20,773,787	\$ 21,040,194	\$ 266,407

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	COUNT CHANGE
Water & Sewer Fund				
Full-Time	68.00	72.00	74.00	2.00
Part-Time	1.00	1.00	1.00	0.00
<i>Sub-Total</i>	69.00	73.00	75.00	2.00

Some FTEs that support the Water and Sewer Fund are listed in General Fund Departments

Expenditures by Type



Water & Sewer IT Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 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	\$ 6,793	\$ 2,000	\$ 5,000	\$ 3,000
604140	526000	OFFICE SUPPLIES	\$ -	\$ -	\$ -	\$ -
604140	529900	SUPPLIES & MATERIALS	\$ 239	\$ 4,000	\$ 2,500	\$ (1,500)
604140	532100	TELEPHONE	\$ 53,058	\$ 56,116	\$ 62,266	\$ 6,150
604140	532500	POSTAGE	\$ -	\$ -	\$ -	\$ -
604140	535200	R & M - EQUIPMENT	\$ 4,395	\$ 2,000	\$ 5,000	\$ 3,000
604140	539400	TRAVEL	\$ -	\$ -	\$ -	\$ -
604140	539500	TRAINING	\$ -	\$ -	\$ -	\$ -
604140	545600	LIAB/PROP INS & BONDS	\$ -	\$ -	\$ -	\$ -
604140	549100	DUES & SUBSCRIPTIONS	\$ -	\$ -	\$ -	\$ -
604140	549750	PERMITS, LICENSE AND FEES	\$ 50,887	\$ 181,641	\$ 239,310	\$ 57,669
604140	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
604140	552000	CAP OUTLAY-EQUIPMENT	\$ -	\$ 5,000	\$ -	\$ (5,000)
604140	552500	CAP OUT - SOFTWARE/INTANGIBLE	\$ -	\$ -	\$ 37,025	\$ 37,025
604140	553000	NON-CAPITAL EQUIPMENT	\$ 12,528	\$ 15,500	\$ 4,500	\$ (11,000)
604140	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
604140	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ 35,054	\$ 25,000	\$ -	\$ (25,000)
604140	569000	CONTRACTED SERVICES	\$ 167,942	\$ 195,643	\$ 178,405	\$ (17,238)
604140	598060	DEPARTMENTAL CHGS-W/S	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ 330,895	\$ 486,900	\$ 534,006	\$ 47,106

FY17-18 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. The “Permits, License and Fees” account is budgeting for all IT related licenses and fees, where in prior years, these were budgeted in individual divisions.



Water & Sewer Fleet Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
W/S-Fleet Maintenance						
604250	512100	SALARIES & WAGES - REGULAR	\$ 75,518	\$ 80,215	\$ 76,735	\$ (3,480)
604250	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ 900	\$ 900	\$ -
604250	512250	HOLIDAY PAY	\$ -	\$ 579	\$ 591	\$ 12
604250	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ 523	\$ -	\$ (523)
604250	518100	FICA TAX EXPENSE	\$ 5,914	\$ 6,128	\$ 5,985	\$ (143)
604250	518200	RETIREMENT EXPENSE	\$ 5,057	\$ 5,880	\$ 5,867	\$ (13)
604250	518300	GROUP MED & LIFE INS	\$ 12,367	\$ 11,010	\$ 13,527	\$ 2,517
604250	518600	WORKER'S COMP INS	\$ 2,109	\$ 1,785	\$ 2,333	\$ 548
604250	521200	UNIFORMS	\$ -	\$ -	\$ -	\$ -
604250	545600	LIAB & PROP INS & BONDS	\$ -	\$ -	\$ 375	\$ 375
604250	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 100,966	\$ 107,020	\$ 106,313	\$ (707)

FY17-18 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	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
W/S-Administration						
607110	500024	DRUG TESTING	\$ -	\$ -	\$ 2,000	\$ 2,000
607110	500028	EMPLOYEE ASSISTANCE PROGRAM	\$ -	\$ -	\$ 3,000	\$ 3,000
607110	500030	TUITION REIMBURSEMENT PROGRAM	\$ -	\$ -	\$ 2,000	\$ 2,000
607110	512100	SALARIES & WAGES-REG	\$ 486,675	\$ 512,054	\$ 643,926	\$ 131,872
607110	512200	SALARIES & WAGES-O/T	\$ -	\$ -	\$ 2,000	\$ 2,000
607110	512600	SALARIES & WAGES-TEMP	\$ -	\$ -	\$ -	\$ -
607110	512900	SALARIES & WAGES - P/T	\$ 31,134	\$ 35,743	\$ 34,675	\$ (1,068)
607110	513100	SALARIES & WAGES - CM INS PREM	\$ 3,980	\$ 3,981	\$ 3,981	\$ -
607110	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ -	\$ -	\$ -
607110	513600	SALARIES & WAGES-AUTO/TAXABLE	\$ -	\$ -	\$ -	\$ -
607110	517100	BOARD MEMBER WAGES	\$ -	\$ 18,000	\$ 18,000	\$ -
607110	517200	CELLPHONE STIPEND	\$ 2,050	\$ 2,100	\$ 2,100	\$ -
607110	518100	FICA TAX EXPENSE	\$ 39,418	\$ 43,424	\$ 53,428	\$ 10,004
607110	518200	RETIREMENT EXPENSE	\$ 33,240	\$ 39,845	\$ 51,217	\$ 11,372
607110	518300	GROUP MED & LIFE INS	\$ 52,879	\$ 55,047	\$ 75,150	\$ 20,103
607110	518500	STATE UNEMPLOYMENT INSURANCE	\$ -	\$ -	\$ 11,000	\$ 11,000
607110	518600	WORKER'S COMP INS	\$ 2,050	\$ 2,260	\$ 3,826	\$ 1,566
607110	518800	EMPLOYEE DEATH BENEFIT	\$ -	\$ -	\$ 5,000	\$ 5,000
607110	519000	PROF SERVICES	\$ 46,583	\$ 74,650	\$ 81,100	\$ 6,450
607110	519200	PROF SERVICES - LEGAL	\$ -	\$ 5,000	\$ 1,000	\$ (4,000)
607110	519400	PROF SERVICES-ENGRING	\$ 36,873	\$ 112,500	\$ 50,000	\$ (62,500)
607110	521100	JANITORIAL SUPPLIES	\$ 7,085	\$ 8,000	\$ 10,000	\$ 2,000
607110	521200	UNIFORMS	\$ 17	\$ 200	\$ 200	\$ -
607110	525100	GASOLINE & DIESEL	\$ 420	\$ 1,000	\$ 1,000	\$ -
607110	526000	OFFICE SUPPLIES	\$ 2,152	\$ 3,100	\$ 3,100	\$ -
607110	529900	SUPPLIES & MATERIALS	\$ 636	\$ 1,000	\$ 1,000	\$ -
607110	532100	TELEPHONE	\$ 825	\$ 1,500	\$ 1,500	\$ -
607110	532500	POSTAGE	\$ 229	\$ 300	\$ 300	\$ -
607110	533000	UTILITIES	\$ 191,581	\$ 113,300	\$ 62,400	\$ (50,900)
607110	535100	R & M - BUILDINGS	\$ -	\$ 2,000	\$ 2,000	\$ -
607110	535200	R & M - EQUIPMENT	\$ 91	\$ 1,000	\$ 1,000	\$ -
607110	535300	R & M -AUTO/TRUCKS	\$ 64	\$ 1,500	\$ 1,500	\$ -
607110	537000	ADVERTISING	\$ -	\$ 1,000	\$ 1,000	\$ -
607110	539400	TRAVEL	\$ 1,179	\$ 3,100	\$ 3,100	\$ -
607110	539500	TRAINING	\$ 989	\$ 2,000	\$ 2,500	\$ 500
607110	545600	LIAB/PROP INS & BONDS	\$ 1,766	\$ 2,433	\$ 3,633	\$ 1,200
607110	549100	DUES & SUBSCRIPTIONS	\$ 176	\$ 80	\$ 60	\$ (20)
607110	549750	PERMITS, LICENSE AND FEES	\$ 513	\$ 6,840	\$ 5,250	\$ (1,590)
607110	549910	SAFETY PROGRAM	\$ -	\$ 3,650	\$ 3,650	\$ -
607110	549920	EMPLOYEE EVENTS	\$ -	\$ 6,750	\$ 6,500	\$ (250)
607110	549930	SERVICE EXCELLENCE	\$ -	\$ 3,500	\$ 6,000	\$ 2,500
607110	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
607110	553000	NON-CAPITAL EQUIPMENT	\$ 2,230	\$ -	\$ -	\$ -
607110	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ 56,687	\$ 160,000	\$ 103,313
607110	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ 61,018	\$ -	\$ (61,018)
607110	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ 22,000	\$ -	\$ (22,000)
607110	569000	CONTRACTED SERVICES	\$ 40,133	\$ 37,800	\$ 37,800	\$ -
607110	598010	DEPARTMENTAL CHGS-G/F	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 984,969	\$ 1,244,362	\$ 1,356,896	\$ 112,534



FY17-18 Budget Highlights

The largest changes in the Administration Division are in capital outlay lines “Cap Outlay-Motor Vehs”. \$160,000 will be used in FY17-18 for the purchase of motor vehicles. Additionally, engineering costs, utilities, and land improvements will cost notably less in FY17-18 compared to FY16-17, while regular salaries and wages will increase by approximately 26%.



Water & Sewer Finance Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
W/S-Finance						
607113	512100	SALARIES & WAGES - REGULAR	\$ 361,552	\$ 409,995	\$ 639,635	\$ 229,640
607113	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ -	\$ -	\$ -
607113	512900	SALARIES & WAGES - P/T	\$ 35,928	\$ 23,135	\$ 24,441	\$ 1,306
607113	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ -	\$ -	\$ -
607113	518100	FICA TAX EXPENSE	\$ 30,761	\$ 33,032	\$ 50,802	\$ 17,770
607113	518200	RETIREMENT EXPENSE	\$ 25,350	\$ 31,817	\$ 49,806	\$ 17,989
607113	518300	GROUP MED & LIFE INS	\$ 51,093	\$ 54,305	\$ 107,089	\$ 52,784
607113	518600	WORKER'S COMP INS	\$ 815	\$ 786	\$ 1,761	\$ 975
607113	519000	PROFESSIONAL SERVICES	\$ 3,258	\$ 5,120	\$ 3,808	\$ (1,312)
607113	519100	PROF SERVICES - AUDIT	\$ 25,625	\$ 25,000	\$ 25,000	\$ -
607113	526000	OFFICE SUPPLIES	\$ 17,011	\$ 15,200	\$ 17,000	\$ 1,800
607113	532100	TELEPHONE	\$ (17)	\$ -	\$ -	\$ -
607113	532500	POSTAGE	\$ 113,570	\$ 129,675	\$ 129,000	\$ (675)
607113	535200	R & M - EQUIPMENT	\$ 996	\$ 1,000	\$ 1,000	\$ -
607113	537000	ADVERTISING	\$ 1,863	\$ 1,200	\$ 1,200	\$ -
607113	539400	TRAVEL	\$ 2,593	\$ 4,250	\$ 2,525	\$ (1,725)
607113	539500	TRAINING	\$ 9,163	\$ 8,766	\$ 9,320	\$ 554
607113	545600	LIAB/PROP INS & BONDS	\$ -	\$ -	\$ 2,655	\$ 2,655
607113	549100	DUES & SUBSCRIPTIONS	\$ 700	\$ 900	\$ 900	\$ -
607113	549200	UNCOLLECTIBLE ACCOUNTS	\$ 23,914	\$ 35,000	\$ 30,000	\$ (5,000)
607113	549300	CASH SHORT/OVER	\$ 1,420	\$ 550	\$ 500	\$ (50)
607113	549350	WRITE OFF	\$ 2	\$ -	\$ -	\$ -
607113	549750	PERMITS, LICENSE AND FEES	\$ 9,028	\$ 437	\$ 500	\$ 63
607113	549920	EMPLOYEE EVENTS	\$ -	\$ 170	\$ 190	\$ 20
607113	549999	MISCELANEOUS EXPENSE	\$ 1,270	\$ 1,125	\$ 1,200	\$ 75
607113	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ -	\$ -	\$ -
607113	552500	CAP OUT - SOFTWARE/INTANGIBLE	\$ -	\$ 56,707	\$ 49,000	\$ (7,707)
607113	553000	NON-CAPITAL EQUIPMENT	\$ 26,602	\$ 21,100	\$ 4,300	\$ (16,800)
607113	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
607113	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -
607113	569000	CONTRACTED SERVICES	\$ 97,773	\$ 122,400	\$ 117,036	\$ (5,364)
607113	575200	BANK SERVICE CHARGES	\$ 78,991	\$ 100,000	\$ 99,600	\$ (400)
607113	595760	DRAFT INCENTIVE	\$ -	\$ -	\$ -	\$ -
607113	598800	INTERCOMPANY DEPT CHARGES	\$ -	\$ -	\$ -	\$ -
607113	598801	DEPT CHARGES-OPERATING	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 919,259	\$ 1,081,670	\$ 1,368,268	\$ 286,598

FY17-18 Budget Highlights

The largest change in this department is the addition of new personnel. “Salaries & Wages-Regular” will increase from \$409,995 in FY16-17 to \$639,635 in FY17-18; this is an increase of \$229,640. In addition, “FICA Tax Expense”, “Retirement Expense”, and “Group Med & Life Ins” will increase for FY17-18 due new personnel additions. New positions within Finance include a Budget & Management and a Utility Finance Manager among other additions.



Water & Sewer City Engineer Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
W/S-City Engineer						
607114	512100	SALARIES & WAGES-REG	\$ 257,792	\$ 274,445	\$ 288,652	\$ 14,207
607114	512900	SALARIES & WAGES - P/T	\$ 4,298	\$ 280	\$ -	\$ (280)
607114	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ -	\$ -	\$ -
607114	518100	FICA TAX EXPENSE	\$ 20,355	\$ 20,545	\$ 22,082	\$ 1,537
607114	518200	RETIREMENT EXPENSE	\$ 17,255	\$ 20,117	\$ 21,649	\$ 1,532
607114	518300	GROUP MED & LIFE INS	\$ 29,164	\$ 25,689	\$ 34,194	\$ 8,505
607114	518600	WORKER'S COMP INS	\$ 3,027	\$ 2,361	\$ 3,712	\$ 1,351
607114	519000	PROFESSIONAL SERVICES	\$ -	\$ 500	\$ -	\$ (500)
607114	535200	R & M - EQUIPMENT	\$ 14,481	\$ 1,100	\$ 1,100	\$ -
607114	545600	LIAB/PROP INS & BONDS	\$ -	\$ -	\$ 948	\$ 948
607114	549750	PERMITS, LICENSE AND FEES	\$ 1,405	\$ 25,300	\$ 24,750	\$ (550)
607114	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
607114	552500	CAP OUT - SOFTWARE/INTANGIBLE	\$ -	\$ -	\$ -	\$ -
607114	553000	NON-CAPITAL EQUIPMENT	\$ 2,533	\$ 2,650	\$ 2,650	\$ -
607114	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
607114	598800	INTERCOMPANY DEPT CHARGES	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 350,310	\$ 372,987	\$ 399,737	\$ 26,750

FY17-18 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. Department specific permits and licenses are budgeted in the “Permits, License and Fees” account for FY17-18.



Facilities Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
W/S-Facilities Maintenance						
607123	512100	SALARIES & WAGES-REG	\$ 294,934	\$ 312,952	\$ 323,455	\$ 10,503
607123	512200	SALARIES & WAGES-O/T	\$ 13,246	\$ 8,500	\$ 12,000	\$ 3,500
607123	512250	HOLIDAY PAY	\$ 553	\$ 2,408	\$ 2,489	\$ 81
607123	512300	SALARIES & WAGES - STANDBY PAY	\$ -	\$ 15,434	\$ 15,434	\$ -
607123	512600	SALARIES & WAGES-TEMP	\$ 11,200	\$ 20,000	\$ -	\$ (20,000)
607123	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ 1,069	\$ -	\$ (1,069)
607123	518100	FICA TAX EXPENSE	\$ 24,556	\$ 25,956	\$ 26,766	\$ 810
607123	518200	RETIREMENT EXPENSE	\$ 20,615	\$ 24,599	\$ 26,241	\$ 1,642
607123	518300	GROUP MED & LIFE INS	\$ 41,681	\$ 42,814	\$ 52,605	\$ 9,791
607123	518600	WORKER'S COMP INS	\$ 15,402	\$ 7,767	\$ 9,223	\$ 1,456
607123	518900	RETIREE INSURANCE	\$ 7,810	\$ 9,288	\$ 11,196	\$ 1,908
607123	519000	PROFESSIONAL SERVICES	\$ -	\$ 500	\$ 8,500	\$ 8,000
607123	521200	UNIFORMS	\$ 3,197	\$ 2,831	\$ 4,440	\$ 1,609
607123	525100	GASOLINE & DIESEL	\$ 9,747	\$ 26,000	\$ 24,000	\$ (2,000)
607123	529900	SUPPLIES & MATERIALS	\$ 34,931	\$ 39,900	\$ 60,000	\$ 20,100
607123	532100	TELEPHONE	\$ 10,016	\$ 16,500	\$ 11,000	\$ (5,500)
607123	533000	UTILITIES	\$ 229,837	\$ 234,900	\$ 256,200	\$ 21,300
607123	535100	R & M - BUILDINGS	\$ 9,427	\$ 25,000	\$ 25,000	\$ -
607123	535200	R & M - EQUIPMENT	\$ 36,701	\$ 80,000	\$ 100,000	\$ 20,000
607123	535300	R & M - AUTO/TRUCKS	\$ 5,936	\$ 15,000	\$ 8,000	\$ (7,000)
607123	539400	TRAVEL	\$ 921	\$ 1,000	\$ 1,000	\$ -
607123	539500	TRAINING	\$ 2,835	\$ 2,000	\$ 2,000	\$ -
607123	543900	RENT - EQUIPMENT	\$ 60	\$ 3,000	\$ 3,000	\$ -
607123	545600	LIAB/PROP INS & BONDS	\$ 7,081	\$ 7,271	\$ 6,845	\$ (426)
607123	549100	DUES & SUBSCRIPTIONS	\$ 110	\$ -	\$ -	\$ -
607123	549750	PERMITS, LICENSE AND FEES	\$ 660	\$ 535	\$ 800	\$ 265
607123	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
607123	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ 215,000	\$ 356,000	\$ 141,000
607123	553000	NON-CAPITAL EQUIPMENT	\$ 1,290	\$ 4,500	\$ 2,500	\$ (2,000)
607123	554000	CAP OUTLAY-MTR VEHS	\$ -	\$ 140,000	\$ -	\$ (140,000)
607123	555000	CAP OUTLAY-OTR EQUIP	\$ 135,239	\$ 150,000	\$ -	\$ (150,000)
607123	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
607123	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ 155,000	\$ -	\$ (155,000)
607123	569000	CONTRACTED SERVICES	\$ 87,924	\$ 109,100	\$ 130,800	\$ 21,700
607123	595600	ISSUES FROM INVENTORY	\$ 59,641	\$ 100,000	\$ 91,000	\$ (9,000)
607123	595800	CUSTOMER PARTICIPATE	\$ -	\$ -	\$ -	\$ -
607123	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 1,065,548	\$ 1,798,824	\$ 1,570,494	\$ (228,330)

FY17-18 Budget Highlights

The Facilities Maintenance Department will decrease personnel costs from FY16-17 going into FY17-18. The department will not be purchasing capital in FY17-18, eliminating motor vehicle, other equipment, and other improvements expenses compared to FY16-17.



Water Treatment Plant Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
W/S-Water Treatment Plant						
607124	512100	SALARIES & WAGES-REG	\$ 477,836	\$ 467,652	\$ 480,897	\$ 13,245
607124	512200	SALARIES & WAGES-O/T	\$ 9,896	\$ 25,000	\$ 10,000	\$ (15,000)
607124	512250	HOLIDAY PAY	\$ 4,674	\$ 16,626	\$ 19,903	\$ 3,277
607124	512600	SALARIES & WAGES - TEMPORARY	\$ -	\$ -	\$ -	\$ -
607124	512900	SALARIES & WAGES - P/T	\$ -	\$ 14,985	\$ 14,895	\$ (90)
607124	513400	SALARIES & WAGES - SHIFT DIFF	\$ 5,953	\$ 7,800	\$ 7,800	\$ -
607124	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ 5,110	\$ -	\$ (5,110)
607124	518100	FICA TAX EXPENSE	\$ 38,638	\$ 38,882	\$ 40,759	\$ 1,877
607124	518200	RETIREMENT EXPENSE	\$ 33,122	\$ 37,877	\$ 38,843	\$ 966
607124	518300	GROUP MED & LIFE INS	\$ 74,090	\$ 67,279	\$ 82,665	\$ 15,386
607124	518600	WORKER'S COMP INS	\$ 18,681	\$ 11,848	\$ 13,838	\$ 1,990
607124	519000	PROFESSIONAL SERVICES	\$ -	\$ 700	\$ 500	\$ (200)
607124	519400	PROF SERVICES-ENGRING	\$ 1,600	\$ 23,500	\$ 1,500	\$ (22,000)
607124	521100	JANITORIAL SUPPLIES	\$ 326	\$ 3,000	\$ 1,500	\$ (1,500)
607124	521200	UNIFORMS	\$ 5,957	\$ 2,738	\$ 7,000	\$ 4,262
607124	523000	MEDICAL SUPPLIES	\$ 271	\$ 200	\$ 200	\$ -
607124	525100	GASOLINE & DIESEL	\$ 6,660	\$ 15,000	\$ 10,000	\$ (5,000)
607124	526000	OFFICE SUPPLIES	\$ 1,944	\$ 2,000	\$ 4,000	\$ 2,000
607124	526100	LABORATORY SUPPLIES	\$ 34,913	\$ 30,000	\$ 30,000	\$ -
607124	529000	CHEMICALS	\$ 436,733	\$ 408,000	\$ 465,000	\$ 57,000
607124	529900	SUPPLIES & MATERIALS	\$ 14,492	\$ 99,000	\$ 19,000	\$ (80,000)
607124	532100	TELEPHONE	\$ 3,284	\$ 4,200	\$ 3,200	\$ (1,000)
607124	532500	POSTAGE	\$ 95	\$ 300	\$ 400	\$ 100
607124	533000	UTILITIES	\$ 351,324	\$ 313,000	\$ 361,100	\$ 48,100
607124	535100	R & M - BUILDINGS	\$ 27,963	\$ 21,000	\$ 24,000	\$ 3,000
607124	535200	R & M - EQUIPMENT	\$ 55,137	\$ 57,480	\$ 40,000	\$ (17,480)
607124	535300	R & M - AUTO/TRUCKS	\$ 4,712	\$ 15,500	\$ 3,000	\$ (12,500)
607124	539400	TRAVEL	\$ 2,027	\$ 4,500	\$ 4,000	\$ (500)
607124	539500	TRAINING	\$ 3,786	\$ 4,000	\$ 4,000	\$ -
607124	543900	RENT - EQUIPMENT	\$ -	\$ 33,020	\$ 10,000	\$ (23,020)
607124	545600	LIAB/PROP INS & BONDS	\$ 17,649	\$ 18,354	\$ 15,319	\$ (3,035)
607124	549100	DUES & SUBSCRIPTIONS	\$ (201)	\$ -	\$ -	\$ -
607124	549750	PERMITS, LICENSE AND FEES	\$ 10,121	\$ 10,260	\$ 10,565	\$ 305
607124	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
607124	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ 15,000	\$ 410,000	\$ 395,000
607124	553000	NON-CAPITAL EQUIPMENT	\$ 1,277	\$ 9,100	\$ 2,400	\$ (6,700)
607124	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ -	\$ -	\$ -
607124	555000	CAP OUTLAY-OTR EQUIP	\$ -	\$ -	\$ -	\$ -
607124	557000	LAND,ROW.AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
607124	559900	CAP OUTLAY-OTR IMPMTS	\$ 7,960	\$ 51,000	\$ 70,000	\$ 19,000
607124	569000	CONTRACTED SERVICES	\$ 37,436	\$ 51,000	\$ 61,800	\$ 10,800
607124	569100	SLUDGE MANAGEMENT	\$ 53,443	\$ 117,000	\$ 112,000	\$ (5,000)
<i>Sub-Total</i>			\$ 1,741,800	\$ 2,001,911	\$ 2,380,084	\$ 378,173



FY17-18 Budget Highlights

The largest highlight is the increase in the “Cap Outlay- Equipment” account by \$395,000. These funds will be used to purchase a chlorine scrubber to reduce chlorine gas emissions from the City’s water treatment plant. The addition of the chlorine scrubber assists with the City’s objective to provide sound infrastructure. The scrubber will also increase sustainability and air quality in communities surrounding the water treatment plant.



Shop Operations Center Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
W/S-Operations Support						
607125	512100	SALARIES & WAGES-REG	\$ 457,840	\$ 461,195	\$ 477,178	\$ 15,983
607125	512200	SALARIES & WAGES-O/T	\$ 3,406	\$ 3,000	\$ 5,000	\$ 2,000
607125	512250	HOLIDAY PAY	\$ 72	\$ -	\$ -	\$ -
607125	512900	SALARIES & WAGES - P/T	\$ 2,389	\$ -	\$ 2,880	\$ 2,880
607125	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ 1,054	\$ -	\$ (1,054)
607125	518100	FICA TAX EXPENSE	\$ 35,318	\$ 35,511	\$ 36,954	\$ 1,443
607125	518200	RETIREMENT EXPENSE	\$ 30,681	\$ 33,655	\$ 36,014	\$ 2,359
607125	518300	GROUP MED & LIFE INS	\$ 77,499	\$ 67,279	\$ 82,665	\$ 15,386
607125	518600	WORKER'S COMP INS	\$ 10,935	\$ 8,165	\$ 10,912	\$ 2,747
607125	518900	RETIREE INSURANCE	\$ 7,810	\$ 9,288	\$ 11,196	\$ 1,908
607125	519000	PROFESSIONAL SERVICES	\$ -	\$ 700	\$ 500	\$ (200)
607125	521200	UNIFORMS	\$ 2,237	\$ 1,898	\$ 3,760	\$ 1,862
607125	523000	MEDICAL SUPPLIES	\$ 121	\$ 200	\$ -	\$ (200)
607125	525100	GASOLINE & DIESEL	\$ 16,754	\$ 22,000	\$ 20,000	\$ (2,000)
607125	525200	TIRES	\$ -	\$ 1,000	\$ 500	\$ (500)
607125	526000	OFFICE SUPPLIES	\$ 4,640	\$ 6,000	\$ 4,000	\$ (2,000)
607125	529900	SUPPLIES & MATERIALS	\$ 17,696	\$ 21,500	\$ 22,000	\$ 500
607125	532100	TELEPHONE	\$ 18,207	\$ 11,000	\$ 11,000	\$ -
607125	533000	UTILITIES	\$ 788	\$ -	\$ -	\$ -
607125	535100	R & M - BUILDINGS	\$ -	\$ 500	\$ 500	\$ -
607125	535200	R & M - EQUIPMENT	\$ 933	\$ 11,500	\$ 4,500	\$ (7,000)
607125	535300	R & M - AUTO/TRUCKS	\$ 6,937	\$ 8,000	\$ 6,500	\$ (1,500)
607125	539400	TRAVEL	\$ 2,168	\$ 4,600	\$ 4,500	\$ (100)
607125	539500	TRAINING	\$ 3,144	\$ 1,900	\$ 3,700	\$ 1,800
607125	545600	LIAB/PROP INS & BONDS	\$ 8,425	\$ 8,667	\$ 7,057	\$ (1,610)
607125	549100	DUES & SUBSCRIPTIONS	\$ 2,070	\$ 1,250	\$ 1,250	\$ -
607125	549750	PERMITS, LICENSE AND FEES	\$ 10,447	\$ 10,670	\$ 12,170	\$ 1,500
607125	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
607125	553000	NON-CAPITAL EQUIPMENT	\$ 10,333	\$ -	\$ -	\$ -
607125	554000	CAP OUTLAY-MTR VEHS	\$ 25,790	\$ -	\$ -	\$ -
607125	555000	CAP OUTLAY-OTR EQUIP	\$ -	\$ -	\$ -	\$ -
607125	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
607125	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -
607125	569000	CONTRACTED SERVICES	\$ 117,894	\$ -	\$ -	\$ -
607125	598010	DEPARTMENTAL CHGS-G/F	\$ -	\$ -	\$ -	\$ -
607125	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 874,536	\$ 730,532	\$ 764,736	\$ 34,204

FY17-18 Budget Highlights

The most notable change for Operations Center in FY17-18 will be personnel changes. This is noted in lines including: “Salaries & Wages- Reg”, “Salaries & Wages-P/T”, “Group Med & Life Ins”, etc.



Water Distribution Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
W/S-Water Distribution						
607126	512100	SALARIES & WAGES-REG	\$ 533,852	\$ 482,678	\$ 480,739	\$ (1,939)
607126	512200	SALARIES & WAGES-O/T	\$ 50,850	\$ 27,223	\$ 35,000	\$ 7,777
607126	512250	HOLIDAY PAY	\$ 517	\$ 3,713	\$ 3,698	\$ (15)
607126	512300	SALARIES & WAGES - STANDBY PAY	\$ -	\$ 6,646	\$ 6,646	\$ -
607126	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ 4,129	\$ -	\$ (4,129)
607126	517200	CELLPHONE STIPEND	\$ -	\$ 1,500	\$ 1,500	\$ -
607126	518100	FICA TAX EXPENSE	\$ 44,495	\$ 39,915	\$ 39,766	\$ (149)
607126	518200	RETIREMENT EXPENSE	\$ 39,050	\$ 37,828	\$ 38,986	\$ 1,158
607126	518300	GROUP MED & LIFE INS	\$ 97,471	\$ 85,628	\$ 105,210	\$ 19,582
607126	518600	WORKER'S COMP INS	\$ 19,330	\$ 13,116	\$ 13,960	\$ 844
607126	519000	PROFESSIONAL SERVICES	\$ 4,220	\$ 82,500	\$ 2,500	\$ (80,000)
607126	519400	PROF SERVICES-ENGRING	\$ 70,061	\$ 2,500	\$ 1,500	\$ (1,000)
607126	521200	UNIFORMS	\$ 9,264	\$ 4,671	\$ 8,720	\$ 4,049
607126	525100	GASOLINE & DIESEL	\$ 26,990	\$ 35,000	\$ 35,000	\$ -
607126	529900	SUPPLIES & MATERIALS	\$ 60,509	\$ 96,907	\$ 119,913	\$ 23,006
607126	532100	TELEPHONE	\$ 4,701	\$ 6,000	\$ 6,700	\$ 700
607126	535200	R & M - EQUIPMENT	\$ 12,895	\$ 25,000	\$ 20,000	\$ (5,000)
607126	535250	R&M-LINES	\$ 530,786	\$ -	\$ -	\$ -
607126	535300	R & M - AUTO/TRUCKS	\$ 36,043	\$ 34,800	\$ 25,000	\$ (9,800)
607126	539400	TRAVEL	\$ -	\$ 1,000	\$ 1,000	\$ -
607126	539500	TRAINING	\$ 960	\$ 4,000	\$ 4,000	\$ -
607126	545600	LIAB/PROP INS & BONDS	\$ 29,703	\$ 32,371	\$ 27,049	\$ (5,322)
607126	549100	DUES & SUBSCRIPTIONS	\$ 5,481	\$ 5,742	\$ 5,887	\$ 145
607126	549750	PERMITS, LICENSE AND FEES	\$ 785	\$ 4,010	\$ 270	\$ (3,740)
607126	549950	DAMAGES TO OTHER UTILITIES	\$ 2,500	\$ 10,000	\$ 10,000	\$ -
607126	549999	MISCELANEOUS EXPENSE	\$ -	\$ 251	\$ -	\$ (251)
607126	552000	CAPITAL OUTLAY - EQUIPMENT	\$ 26,350	\$ 152,000	\$ 200,000	\$ 48,000
607126	553000	NON-CAPITAL EQUIPMENT	\$ 100,800	\$ 2,500	\$ 8,900	\$ 6,400
607126	554000	CAP OUTLAY-MTR VEHS	\$ 29,597	\$ 64,000	\$ 90,000	\$ 26,000
607126	555000	CAP OUTLAY-OTR EQUIP	\$ 10,000	\$ -	\$ -	\$ -
607126	556000	CAP OUTLAY-MTRZED EQ	\$ 59,077	\$ -	\$ -	\$ -
607126	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
607126	559600	CAP OUTLAY-LINE UPGRD	\$ 262,395	\$ 28,000	\$ 50,000	\$ 22,000
607126	559700	CAP OUTLAY-WATER LINES	\$ -	\$ 840,529	\$ -	\$ (840,529)
607126	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ -	\$ -	\$ -
607126	569000	CONTRACTED SERVICES	\$ 15,624	\$ 29,000	\$ 25,000	\$ (4,000)
607126	595600	ISSUES FROM INVENTORY	\$ 197,287	\$ 270,500	\$ 280,000	\$ 9,500
607126	595800	CUSTOMER PORTION	\$ -	\$ -	\$ -	\$ -
607126	598500	PAVING CUT REPAIRS	\$ 32,454	\$ 80,000	\$ 70,000	\$ (10,000)
607126	598600	REIMBURSE WATER DEPT	\$ -	\$ -	\$ -	\$ -
607126	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 2,314,048	\$ 2,513,657	\$ 1,716,944	\$ (796,713)



FY17-18 Budget Highlights

Water Distribution expenditures generally decrease from FY16-17 to FY17-18. The majority of the decrease in this department is due to the elimination of “CAP Outlay-Water Lines” expenses (\$840,529), which was used for a NCDOT reimbursement in FY16-17.



Water/Sewer Maintenance & Construction Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
W/S-Maintenance & Construction						
607127	512100	SALARIES & WAGES-REG	\$ -	\$ 143,419	\$ 141,966	\$ (1,453)
607127	512200	SALARIES & WAGES-O/T	\$ -	\$ 17,334	\$ 15,000	\$ (2,334)
607127	512250	HOLIDAY PAY	\$ -	\$ 1,104	\$ 1,093	\$ (11)
607127	512300	SALARIES & WAGES - STANDBY PAY	\$ -	\$ 6,646	\$ 6,646	\$ -
607127	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ 1,461	\$ -	\$ (1,461)
607127	517200	CELLPHONE STIPEND	\$ -	\$ 300	\$ 300	\$ -
607127	518100	FICA TAX EXPENSE	\$ -	\$ 12,183	\$ 12,071	\$ (112)
607127	518200	RETIREMENT EXPENSE	\$ -	\$ 11,545	\$ 11,834	\$ 289
607127	518300	GROUP MED & LIFE INS	\$ -	\$ 24,466	\$ 30,060	\$ 5,594
607127	518600	WORKER'S COMP INS	\$ -	\$ 6,047	\$ 3,901	\$ (2,146)
607127	519000	PROFESSIONAL SERVICES	\$ -	\$ 2,000	\$ 1,600	\$ (400)
607127	519400	PROF SERVICES-ENGRING	\$ -	\$ 30,000	\$ 30,000	\$ -
607127	521200	UNIFORMS	\$ -	\$ 939	\$ 2,480	\$ 1,541
607127	525100	GASOLINE & DIESEL	\$ -	\$ 15,000	\$ 12,000	\$ (3,000)
607127	529900	SUPPLIES & MATERIALS	\$ -	\$ 91,500	\$ 40,000	\$ (51,500)
607127	532100	TELEPHONE	\$ -	\$ 816	\$ 850	\$ 34
607127	535200	R & M - EQUIPMENT	\$ -	\$ 10,000	\$ 10,000	\$ -
607127	535250	R&M-LINES	\$ -	\$ 319,780	\$ 480,000	\$ 160,220
607127	535300	R & M - AUTO/TRUCKS	\$ -	\$ 8,000	\$ 8,000	\$ -
607127	539400	TRAVEL	\$ -	\$ 350	\$ 500	\$ 150
607127	539500	TRAINING	\$ -	\$ 1,500	\$ 1,500	\$ -
607127	543900	RENT - EQUIPMENT	\$ -	\$ 8,500	\$ -	\$ (8,500)
607127	545600	LIAB/PROP INS & BONDS	\$ -	\$ 391	\$ 898	\$ 507
607127	549100	DUES & SUBSCRIPTIONS	\$ -	\$ -	\$ -	\$ -
607127	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 230	\$ 110	\$ (120)
607127	549950	DAMAGES TO OTHER UTILITIES	\$ -	\$ 5,000	\$ 5,000	\$ -
607127	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
607127	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ -	\$ 4,000	\$ 4,000
607127	554000	CAP OUTLAY-MTR VEHS	\$ -	\$ -	\$ -	\$ -
607127	555000	CAP OUTLAY-OTR EQUIP	\$ -	\$ -	\$ -	\$ -
607127	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
607127	559600	CAP OUTLAY-LINE UPGRD	\$ -	\$ -	\$ -	\$ -
607127	559700	CAP OUTLAY-LINES	\$ -	\$ -	\$ -	\$ -
607127	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ -	\$ -	\$ -
607127	569000	CONTRACTED SERVICES	\$ -	\$ -	\$ -	\$ -
607127	595600	ISSUES FROM INVENTORY	\$ -	\$ -	\$ -	\$ -
607127	595800	CUSTOMER PORTION	\$ -	\$ -	\$ -	\$ -
607127	598500	PAVING CUT REPAIRS	\$ -	\$ 60,000	\$ 60,000	\$ -
607127	598600	REIMBURSE WATER DEPT	\$ -	\$ -	\$ -	\$ -
607127	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ -	\$ 778,511	\$ 879,809	\$ 101,298



FY17-18 Budget Highlights

This Division was created to account for the maintenance and construction costs as it pertains to the entire system (water and sewer). The two divisions, Water Distribution and Sewer Collections, appropriated funding to this division to cover the costs. These are existing costs and are simply being accounted/budgeted for in a different manner.



Wastewater Treatment Plant Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
W/S-Wastewater Treatment Plant						
607134	512100	SALARIES & WAGES-REG	\$ 485,196	\$ 435,873	\$ 437,438	\$ 1,565
607134	512200	SALARIES & WAGES-O/T	\$ 353	\$ 1,500	\$ 1,500	\$ -
607134	512250	HOLIDAY PAY	\$ 1,484	\$ 3,258	\$ 3,118	\$ (140)
607134	513400	SALARIES & WAGES - SHIFT DIFF	\$ 1,982	\$ 3,120	\$ 3,120	\$ -
607134	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ 3,479	\$ -	\$ (3,479)
607134	518100	FICA TAX EXPENSE	\$ 37,601	\$ 33,947	\$ 34,056	\$ 109
607134	518200	RETIREMENT EXPENSE	\$ 32,459	\$ 32,172	\$ 33,389	\$ 1,217
607134	518300	GROUP MED & LIFE INS	\$ 69,971	\$ 61,163	\$ 75,150	\$ 13,987
607134	518600	WORKER'S COMP INS	\$ 12,703	\$ 14,978	\$ 11,652	\$ (3,326)
607134	518900	RETIREE INSURANCE	\$ 4,260	\$ 9,288	\$ 11,196	\$ 1,908
607134	519000	PROFESSIONAL SERVICES	\$ 330	\$ 2,500	\$ 2,500	\$ -
607134	521100	JANITORIAL SUPPLIES	\$ 257	\$ 3,000	\$ 3,000	\$ -
607134	521200	UNIFORMS	\$ 5,846	\$ 4,523	\$ 5,940	\$ 1,417
607134	523000	MEDICAL SUPPLIES	\$ 10	\$ 300	\$ 300	\$ -
607134	525100	GASOLINE & DIESEL	\$ 3,291	\$ 6,500	\$ 6,000	\$ (500)
607134	526000	OFFICE SUPPLIES	\$ 1,983	\$ 2,500	\$ 2,500	\$ -
607134	526100	LABORATORY SUPPLIES	\$ 16,301	\$ 21,000	\$ 20,000	\$ (1,000)
607134	529000	CHEMICALS	\$ 30,360	\$ 22,000	\$ 26,000	\$ 4,000
607134	529900	SUPPLIES & MATERIALS	\$ 2,631	\$ 9,500	\$ 9,500	\$ -
607134	532100	TELEPHONE	\$ (68)	\$ 5,400	\$ 2,600	\$ (2,800)
607134	532500	POSTAGE	\$ 1,285	\$ 1,500	\$ 1,500	\$ -
607134	533000	UTILITIES	\$ 282,513	\$ 318,000	\$ 336,000	\$ 18,000
607134	535100	R & M - BUILDINGS	\$ 4,640	\$ 10,000	\$ 15,000	\$ 5,000
607134	535200	R & M - EQUIPMENT	\$ 110,811	\$ 154,600	\$ 136,000	\$ (18,600)
607134	535300	R & M - AUTO/TRUCKS	\$ 1,958	\$ 3,500	\$ 3,500	\$ -
607134	537000	ADVERTISING	\$ 310	\$ 500	\$ -	\$ (500)
607134	539400	TRAVEL	\$ 679	\$ 1,200	\$ 2,500	\$ 1,300
607134	539500	TRAINING	\$ 1,058	\$ 3,000	\$ 3,000	\$ -
607134	545600	LIAB/PROP INS & BONDS	\$ 13,312	\$ 13,919	\$ 12,964	\$ (955)
607134	549100	DUES & SUBSCRIPTIONS	\$ 315	\$ 1,600	\$ -	\$ (1,600)
607134	549700	PRETREATMENT PROGRAM	\$ 380	\$ 1,100	\$ 7,000	\$ 5,900
607134	549750	PERMITS, LICENSE AND FEES	\$ 6,280	\$ 8,200	\$ 7,155	\$ (1,045)
607134	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
607134	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ -	\$ 61,000	\$ 61,000
607134	554000	CAP OUTLAY-MTR VEHS	\$ -	\$ -	\$ -	\$ -
607134	555000	CAP OUTLAY-OTR EQUIP	\$ -	\$ -	\$ -	\$ -
607134	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
607134	569000	CONTRACTED SERVICES	\$ 15,860	\$ 23,000	\$ 33,500	\$ 10,500
607134	569100	SLUDGE MANAGEMENT	\$ 277,704	\$ 222,000	\$ 247,000	\$ 25,000
<i>Sub-Total</i>			\$ 1,424,054	\$ 1,438,120	\$ 1,555,078	\$ 116,958

FY17-18 Budget Highlights

Changes in “Sludge Management” will create extra costs for this department in FY17-18. “Capital Outlay-Equipment” costs will also increase in FY17-18,



Sewer Collection Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
W/S-Sewer Collection						
607136	512100	SALARIES & WAGES-REG	\$ 394,406	\$ 398,229	\$ 370,976	\$ (27,253)
607136	512200	SALARIES & WAGES-O/T	\$ 26,291	\$ 20,000	\$ 20,000	\$ -
607136	512250	HOLIDAY PAY	\$ 588	\$ 3,064	\$ 2,854	\$ (210)
607136	512300	SALARIES & WAGES - STANDBY PAY	\$ -	\$ 6,552	\$ 6,552	\$ -
607136	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ 2,227	\$ -	\$ (2,227)
607136	517200	CELLPHONE STIPEND	\$ -	\$ 1,200	\$ 1,200	\$ -
607136	518100	FICA TAX EXPENSE	\$ 32,279	\$ 32,822	\$ 30,721	\$ (2,101)
607136	518200	RETIREMENT EXPENSE	\$ 27,915	\$ 31,106	\$ 30,119	\$ (987)
607136	518300	GROUP MED & LIFE INS	\$ 73,885	\$ 67,279	\$ 82,665	\$ 15,386
607136	518600	WORKER'S COMP INS	\$ 10,168	\$ 9,322	\$ 10,585	\$ 1,263
607136	519000	PROFESSIONAL SERVICES	\$ 21,552	\$ 42,500	\$ 2,500	\$ (40,000)
607136	519400	PROF SERVICES-ENGRING	\$ 12,828	\$ 27,500	\$ 2,500	\$ (25,000)
607136	521200	UNIFORMS	\$ 4,762	\$ 4,071	\$ 6,760	\$ 2,689
607136	525100	GASOLINE & DIESEL	\$ 20,886	\$ 32,000	\$ 24,000	\$ (8,000)
607136	529900	SUPPLIES & MATERIALS	\$ 64,359	\$ 79,200	\$ 90,000	\$ 10,800
607136	532100	TELEPHONE	\$ 5,209	\$ 5,200	\$ 5,200	\$ -
607136	535200	R & M - EQUIPMENT	\$ 28,401	\$ 35,000	\$ 37,700	\$ 2,700
607136	535250	R&M-LINES	\$ 56,038	\$ -	\$ 100,000	\$ 100,000
607136	535300	R & M - AUTO/TRUCKS	\$ 14,435	\$ 30,000	\$ 30,000	\$ -
607136	539400	TRAVEL	\$ 48	\$ 990	\$ 1,000	\$ 10
607136	539500	TRAINING	\$ 1,032	\$ 4,500	\$ 4,500	\$ -
607136	543900	RENT - EQUIPMENT	\$ -	\$ 1,000	\$ 1,000	\$ -
607136	545600	LIAB/PROP INS & BONDS	\$ 14,065	\$ 19,588	\$ 18,907	\$ (681)
607136	549100	DUES & SUBSCRIPTIONS	\$ 60	\$ 1,300	\$ 1,300	\$ -
607136	549750	PERMITS, LICENSE AND FEES	\$ 1,950	\$ 2,400	\$ 1,890	\$ (510)
607136	549950	DAMAGES TO OTHER UTILITIES	\$ -	\$ 10,000	\$ 10,000	\$ -
607136	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
607136	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ -	\$ 107,500	\$ 107,500
607136	553000	NON-CAPITAL EQUIPMENT	\$ 21,361	\$ 36,600	\$ 15,200	\$ (21,400)
607136	554000	CAP OUTLAY-MOTOR VEHS	\$ 46,211	\$ 43,800	\$ 130,000	\$ 86,200
607136	555000	CAP OUTLAY-OTR EQUIP	\$ -	\$ -	\$ -	\$ -
607136	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ 1,030,000	\$ -	\$ (1,030,000)
607136	559600	CAP OUTLAY-I/I UPGRD	\$ -	\$ -	\$ -	\$ -
607136	559700	CAP OUTLAY-LINE UPGRD	\$ -	\$ -	\$ 50,000	\$ 50,000
607136	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ 182,000	\$ -	\$ (182,000)
607136	569000	CONTRACTED SERVICES	\$ 29,246	\$ 30,000	\$ 30,000	\$ -
607136	595600	ISSUES FROM INVENTORY	\$ 16,316	\$ 30,000	\$ 30,000	\$ -
607136	598500	PAVING CUT REPAIRS	\$ 30,769	\$ 54,500	\$ 35,000	\$ (19,500)
607136	598600	REIMBURSE SEWER DEPT	\$ -	\$ -	\$ -	\$ -
607136	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 955,057	\$ 2,273,950	\$ 1,290,629	\$ (983,321)

FY17-18 Budget Highlights

Generally, there will be a decrease in spending for this department for FY17-18; however, expenses including “CAP Outlay-Equipment”, “R&M-Lines”, and “CAP Outlay- Motor Vehicles” will increase by \$107,500, \$100,000, and \$86,200, respectively.



Non-Departmental Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
W/S-Non-Departmental						
609619	500024	DRUG TESTING	\$ 761	\$ 1,200	\$ -	\$ (1,200)
609619	500028	EMPLOYEE ASSISTANCE PROGRAM	\$ -	\$ 3,000	\$ -	\$ (3,000)
609619	500030	TUITION REIMBURSEMENT PROGRAM	\$ 715	\$ 2,000	\$ -	\$ (2,000)
609619	518500	STATE UNEMPLOYMNT INS	\$ 1,501	\$ 11,000	\$ -	\$ (11,000)
609619	518800	EMPLOYEE DEATH BENEFIT	\$ -	\$ 10,000	\$ -	\$ (10,000)
609619	518900	RETIREE INSURANCE	\$ -	\$ -	\$ -	\$ -
609619	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
609619	560200	OPER TRANS TO CR FUND	\$ -	\$ -	\$ -	\$ -
609619	598030	GOVERNING BODY	\$ -	\$ -	\$ -	\$ -
609619	598031	ADMIN - CITY HALL	\$ -	\$ -	\$ -	\$ -
609619	598032	CITY ENGINEER	\$ -	\$ -	\$ -	\$ -
609619	598033	IT DEPARTMENT	\$ -	\$ -	\$ -	\$ -
609619	598034	LEGAL DEPARTMENT	\$ -	\$ -	\$ -	\$ -
609619	598880	CONTR TO H&W FUND	\$ -	\$ 123,674	\$ 149,950	\$ 26,276
<i>Sub-Total</i>			\$ 2,977	\$ 150,874	\$ 149,950	\$ (924)

FY17-18 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	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
W/S-Special Appropriations						
609620	500035	IAM-LEAK REPAIR ASSISTANCE	\$ -	\$ 2,500	\$ 15,000	\$ 12,500
609620	560200	OTHER AGENCIES	\$ 76,130	\$ 73,500	\$ 80,000	\$ 6,500
609620	561600	P'ship for Econ. Development	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
<i>Sub-Total</i>			\$ 126,130	\$ 126,000	\$ 145,000	\$ 19,000

FY17-18 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, Henderson County Rescue Squad, and the Henderson County Economic Investment Fund.



Debt Service Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
W/S-Debt Service						
609621	571100	PRIN - SRLF SWR LINES	\$ 100,880	\$ 100,880	\$ -	\$ (100,880)
609621	571200	PRIN - SRLF WWTP PROJ	\$ 662,500	\$ 662,500	\$ 662,500	\$ -
609621	571300	PRIN - BRIGHTWTR PROJ	\$ 28,589	\$ 28,589	\$ 28,590	\$ 1
609621	571400	PRIN - JP MORGAN AMR SYSTEM	\$ 776,230	\$ 776,230	\$ 776,231	\$ 1
609621	571500	PRIN - BB&T WTP UPGRADE	\$ 1,115,974	\$ 1,159,921	\$ 596,980	\$ (562,941)
609621	571600	PRIN - SRLF JACKSON PARK	\$ 217,030	\$ 217,030	\$ 217,030	\$ -
609621	571700	PRIN - SRLF WOLFPEN SEWER	\$ 139,248	\$ 139,249	\$ 139,249	\$ -
609621	571800	PRIN - SRLF SHEPHERD CREEK	\$ 90,750	\$ 90,750	\$ 90,750	\$ -
609621	572100	INT - SRLF SWR LINES	\$ 6,920	\$ 3,460	\$ -	\$ (3,460)
609621	572200	INT - SRLF WWTP PROJ	\$ 134,951	\$ 115,673	\$ 96,394	\$ (19,279)
609621	572300	INT - SRLF BRIGHTWTR PROJ	\$ 11,344	\$ 10,635	\$ 9,927	\$ (708)
609621	572400	INT- JPMORGAN AMR SYSTEM	\$ 228,823	\$ 210,515	\$ 192,210	\$ (18,305)
609621	572500	INT-BB&T WTP UPGRADE	\$ 101,266	\$ 57,319	\$ 11,642	\$ (45,677)
609621	572600	INT-SRLF JACKSON PARK	\$ 66,833	\$ 82,471	\$ 78,131	\$ (4,340)
609621	572700	INT-SRLF WOLFPEN SEWER	\$ 42,576	\$ 52,915	\$ 50,130	\$ (2,785)
609621	572800	INT-SRLF SHEPHERD CREEK	\$ 31,725	\$ 34,485	\$ 32,670	\$ (1,815)
609621	575200	BANK SERVICE CHARGES	\$ (231)	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 3,755,409	\$ 3,742,622	\$ 2,982,434	\$ (760,188)

FY17-18 Budget Highlights

The “Bank Service Charges” account was moved to the W/S Finance Department in FY16-17. Debt Service fund expenses will be lower in general for FY17-18. Many projects were completed in FY16-17 through debt financing to create sounder infrastructure for the City.



Transfers Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
W/S-Transfers						
609900	999066	TRANSFER OUT TO W&S CIP	\$ -	\$ -	\$ -	\$ -
609900	999080	TRANSFER OUT TO H&W FUND	\$ -	\$ -	\$ -	\$ -
609900	999378	TRANSFER TO ACADEMY RD	\$ -	\$ -	\$ -	\$ -
609900	999401	TRANSFER TO FLETCHER	\$ 468,180	\$ -	\$ -	\$ -
609900	999402	TRANSFER TO EASTSIDE	\$ 400,000	\$ -	\$ -	\$ -
609900	999403	TRANSFER TO HIGH SERVICE	\$ 2,164,000	\$ -	\$ -	\$ -
609900	999410	TRANSFER TO SCADA	\$ 793,000	\$ 793,000	\$ -	\$ (793,000)
609900	999415	TRANSFER TO RUGBY RD.	\$ -	\$ -	\$ -	\$ -
609900	999420	TRANSFER TO RUTLEDGE	\$ 30,200	\$ 445,800	\$ -	\$ (445,800)
609900	999425	TRANSFER TO GRAVITY FILTER	\$ 125,000	\$ -	\$ 2,065,000	\$ 2,065,000
609900	999426	TRANSFER TO FRENCH BROAD	\$ -	\$ 184,867	\$ -	\$ (184,867)
609900	999430	TRANSFER TO ETOWAH	\$ -	\$ -	\$ -	\$ -
609900	999435	TRANSFER TO N. OAK ST.	\$ 138,947	\$ 7,875	\$ -	\$ (7,875)
609900	999440	TRANSFER TO GLENBROOK SEWER	\$ 400,000	\$ 199,614	\$ -	\$ (199,614)
609900	999445	TRANSFER TO WWTP GENERATOR/ATS	\$ -	\$ 100,000	\$ 1,565,133	\$ 1,465,133
609900	999460	TRANSFER TO WWIA	\$ -	\$ 164,850	\$ -	\$ (164,850)
<i>Sub-Total</i>			\$ 4,519,327	\$ 1,896,006	\$ 3,630,133	\$ 1,734,127

FY17-18 Budget Highlights

The Transfers budget details the total cost of all the transfers to capital project ordinances for FY17-18. The two most notable transfers in FY17-18 will be for a gravity filter and generators.



Contingencies Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
W/S-Contingencies						
609910	599100	CONTINGENCIES	\$ -	\$ 26,441	\$ 209,683	\$ 183,242
		<i>Sub-Total</i>	\$ -	\$ 26,441	\$ 209,683	\$ 183,242

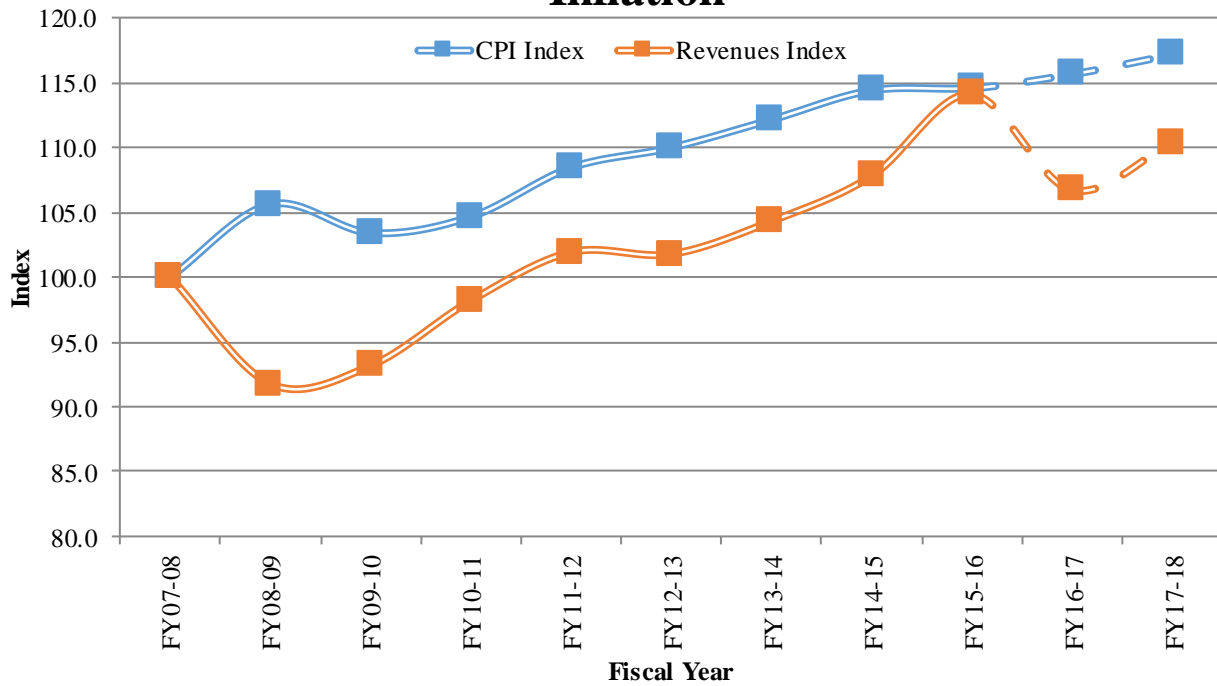
FY17-18 Budget Highlights

Contingencies for the Water and Sewer Fund total \$209,683 in FY17-18. A portion of this contingency is for pay and classification implementation increases.

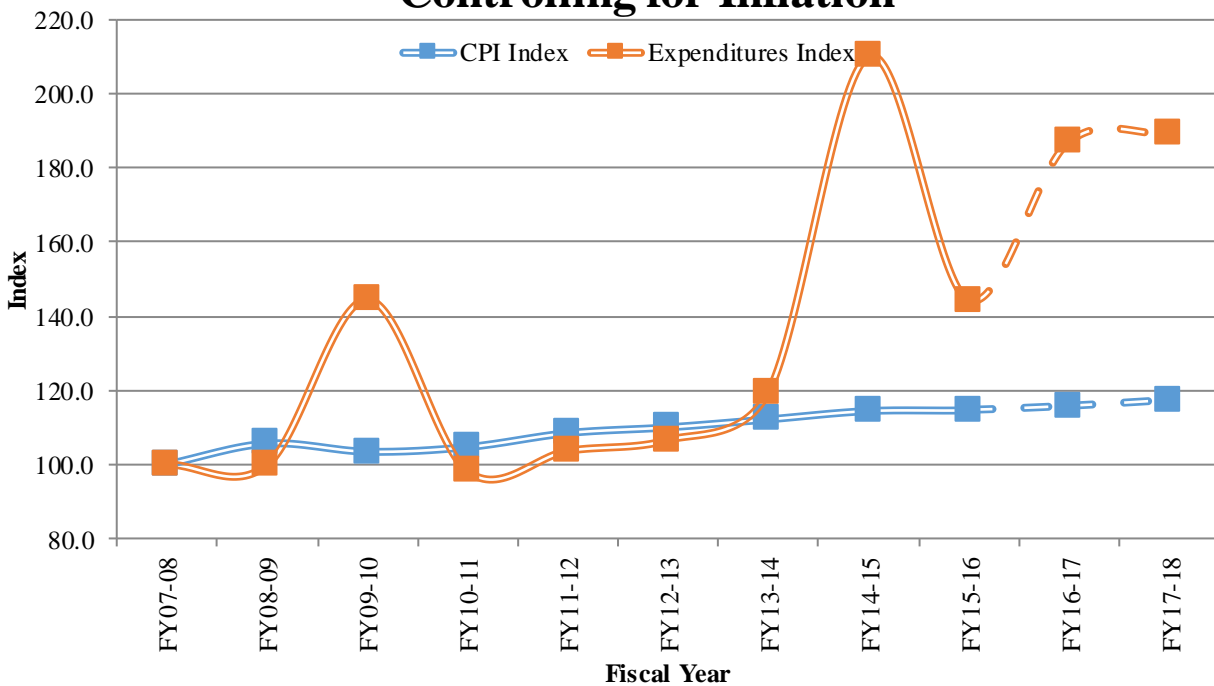


Revenue and Expenditure Trends

Water & Sewer Fund Revenues Controlling for Inflation



Water & Sewer Fund Expenditures Controlling for Inflation



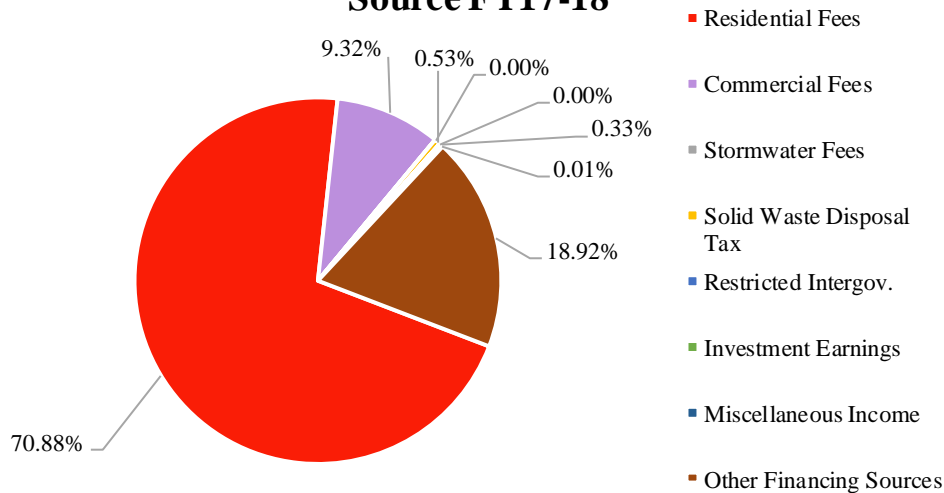
Revenues

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, residential and commercial recycling collection, and storm water fees.

Revenues by Source

REVENUE SOURCE	FY15-16 ACTUAL	FY1617 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Residential Fees	\$ (923,072)	\$ (1,047,003)	\$ (1,065,000)	\$ (17,997)
Commercial Fees	\$ (123,648)	\$ (126,766)	\$ (140,000)	\$ (13,234)
Stormwater Fees	\$ (157,974)	\$ (200,000)	\$ -	\$ 200,000
Solid Waste Disposal Tax	\$ (8,856)	\$ (8,000)	\$ (8,000)	\$ -
Restricted Intergov.	\$ (8,000)	\$ -	\$ -	\$ -
Investment Earnings	\$ (8,076)	\$ (5,000)	\$ (5,000)	\$ -
Miscellaneous Income	\$ (5,393)	\$ (17,724)	\$ (200)	\$ 17,524
Other Financing Sources	\$ (223,467)	\$ -	\$ (284,264)	\$ (284,264)
Total	\$ (1,458,486)	\$ (1,404,493)	\$ (1,502,464)	\$ (97,971)

Environmental Services Fund Revenues by Source FY17-18



Revenues by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
ESF Fees						
680014	451500	WASTE DISPSL FEES-RESIDENTAL	\$ (923,072)	\$ (1,047,003)	\$ (1,065,000)	\$ (17,997)
680014	451600	WASTE DISPSL FEES-COMMERCIAL	\$ (123,648)	\$ (126,766)	\$ (140,000)	\$ (13,234)
680014	451700	SOLID WASTE DISPOSAL TAX -DOR	\$ (8,856)	\$ (8,000)	\$ (8,000)	\$ -
680014	451800	STORMWATER FEE	\$ (157,974)	\$ (200,000)	\$ -	\$ 200,000
		<i>Sub-Total</i>	\$ (1,213,549)	\$ (1,381,769)	\$ (1,213,000)	\$ 168,769
Restricted Intergovernmental						
680040	434990	GRANT REV - DENR	\$ (8,000)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (8,000)	\$ -	\$ -	\$ -
Investment Earnings						
680070	483100	INTEREST INCOME	\$ (8,076)	\$ (5,000)	\$ (5,000)	\$ -
		<i>Sub-Total</i>	\$ (8,076)	\$ (5,000)	\$ (5,000)	\$ -
Miscellaneous Income						
680080	443668	SALE OF FIXED ASSETS - SW FUND	\$ -	\$ -	\$ -	\$ -
680080	443800	DISCOUNTS EARNED	\$ (714)	\$ (280)	\$ (200)	\$ 80
680080	443900	MISCELLANEOUS INCOME	\$ (4,679)	\$ (5,000)	\$ -	\$ 5,000
680080	498207	DONATIONS/CONTRIBUTIONS	\$ -	\$ (12,444)	\$ -	\$ 12,444
		<i>Sub-Total</i>	\$ (5,393)	\$ (17,724)	\$ (200)	\$ 17,524
Other Financing Sources						
680090	444000	INSURANCE SETTLEMENTS	\$ -	\$ -	\$ -	\$ -
680090	498210	OPER TRANS FR GEN FD	\$ -	\$ -	\$ -	\$ -
680090	499100	PROCEEDS OF DEBT	\$ (223,467)	\$ -	\$ (230,000)	\$ (230,000)
680090	499200	FUND BALANCE APPROP	\$ -	\$ -	\$ (54,264)	\$ (54,264)
		<i>Sub-Total</i>	\$ (223,467)	\$ -	\$ (284,264)	\$ (284,264)
GRAND TOTAL			\$ (1,458,485)	\$ (1,404,493)	\$ (1,502,464)	\$ (97,971)



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, a Crew Leader, five Equipment Operators, and six 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.

FY16-17 Accomplishments

- ✓ Assisted with community shredding events for the public at Patton Park.
- ✓ Continue to focus on customer service and improve on customer service in every way possible.
- ✓ Offered additional carts sized to businesses in town.
- ✓ Created and mailed out new Environmental Services Brochure to all of our customers.
- ✓ Planning to fill the crew leader position soon.

FY17-18 Goals & Initiatives

- ✓ Continue to improve our tablet utilization software (Freeance AVL).
- ✓ Continue to promote our recycling program.
- ✓ Amended our ordinance to require customers to bag all of their trash.
- ✓ Continue to assist with the community shredding events.
- ✓ Continue to focus on employee safety and injury prevention.
- ✓ Complete a route study to assure we are using the most efficient routes and to help create a blackboard call system to our customers.

Long Term Goals and Objectives

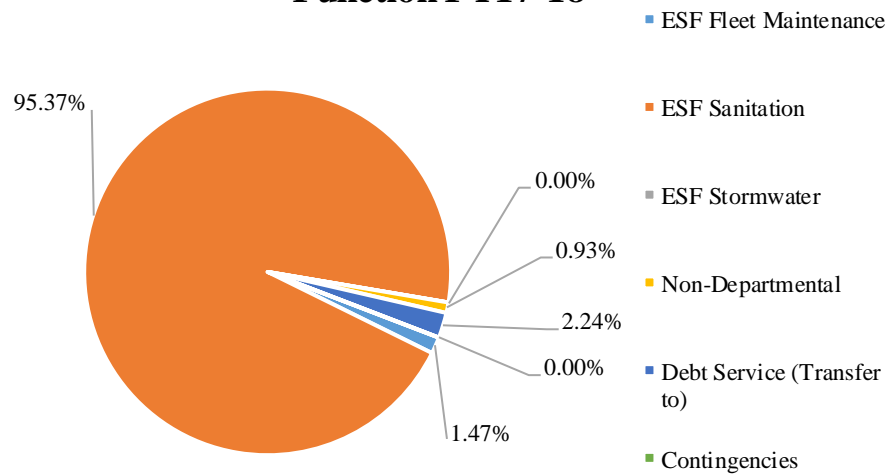
- ✓ Continue to improve our efficiency for all routes (garbage, recycling, brush, and special collections).
- ✓ Continue to search for revenue generating opportunities with recyclables (mulch, leaves, and scrap metals).
- ✓ Continue to replace equipment on a regular schedule.



Expenditures by Function

EXPENDITURE FUNCTION	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
ESF Fleet Maintenance	\$ 19,837	\$ 21,405	\$ 22,085	\$ 680
ESF Sanitation	\$ 1,344,786	\$ 1,131,405	\$ 1,432,825	\$ 301,420
ESF Stormwater	\$ 55,544	\$ 198,520	\$ -	\$ (198,520)
Non-Departmental	\$ 1,941	\$ 12,695	\$ 13,925	\$ 1,230
Debt Service (Transfer to)	\$ 33,628	\$ 33,628	\$ 33,629	\$ 1
Contingencies	\$ -	\$ 7,340	\$ -	\$ (7,340)
Total	\$ 1,455,736	\$ 1,404,993	\$ 1,502,464	\$ 97,471

Environmental Services Fund Expenditures by Function FY17-18

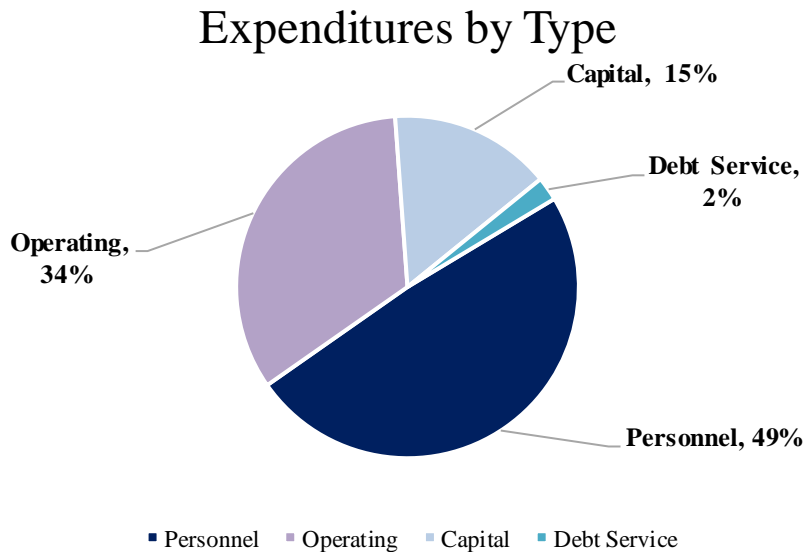


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Environmental Services Fund				
Personnel	\$ 711,230	\$ 817,170	\$ 734,528	\$ (82,642)
Operating	\$ 434,857	\$ 496,613	\$ 504,307	\$ 7,694
Capital	\$ 276,021	\$ 57,582	\$ 230,000	\$ 172,418
Debt Service	\$ 33,628	\$ 33,628	\$ 33,629	\$ 1
<i>Sub-Total</i>	\$ 1,455,736	\$ 1,404,993	\$ 1,502,464	\$ 97,471

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 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

One FTE is listed in General Fund City Engineer and one FTE is in General Fund PW-Streets & Highways



Environmental Services Fleet Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
ESF-Fleet Maintenance						
684250	512100	SALARIES & WAGES - REGULAR	\$ 15,104	\$ 16,043	\$ 15,347	\$ (696)
684250	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ 180	\$ 1,000	\$ 820
684250	512250	HOLIDAY PAY	\$ -	\$ 116	\$ 119	\$ 3
684250	513500	SALARIES & WAGES-UNIFORM/TAXA	\$ -	\$ 105	\$ -	\$ (105)
684250	518100	FICA TAX EXPENSE	\$ 1,183	\$ 1,226	\$ 1,197	\$ (29)
684250	518200	RETIREMENT EXPENSE	\$ 1,012	\$ 1,176	\$ 1,174	\$ (2)
684250	518300	GROUP MED & LIFE INS	\$ 2,117	\$ 2,202	\$ 2,706	\$ 504
684250	518600	WORKER'S COMP INS	\$ 422	\$ 357	\$ 467	\$ 110
684250	521200	UNIFORMS	\$ -	\$ -	\$ -	\$ -
684250	545600	LIAB & PROP INS & BONDS	\$ -	\$ -	\$ 75	\$ 75
684250	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 19,837	\$ 21,405	\$ 22,085	\$ 680

FY17-18 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	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
ESF-Sanitation						
684710	500024	DRUG TESTING	\$ -	\$ -	\$ -	\$ -
684710	500028	EMPLOYEE ASSISTANCE PROGRAM	\$ -	\$ -	\$ -	\$ -
684710	500030	TUITION REIMBURSEMENT PROGRAM	\$ -	\$ -	\$ -	\$ -
684710	512100	SALARIES & WAGES-REG	\$ 433,342	\$ 452,494	\$ 457,533	\$ 5,039
684710	512200	SALARIES & WAGES-O/T	\$ 10,305	\$ 12,000	\$ 15,000	\$ 3,000
684710	512250	HOLIDAY PAY	\$ 2,108	\$ 17,404	\$ 19,358	\$ 1,954
684710	512900	SALARIES & WAGES-P/T	\$ 5,258	\$ 280	\$ -	\$ (280)
684710	513500	SALARIES & WAGES-UNIFORM/TAXAE	\$ -	\$ 5,428	\$ -	\$ (5,428)
684710	518100	FICA TAX EXPENSE	\$ 35,391	\$ 36,866	\$ 37,401	\$ 535
684710	518200	RETIREMENT EXPENSE	\$ 29,865	\$ 34,938	\$ 36,667	\$ 1,729
684710	518300	GROUP MED & LIFE INS	\$ 80,043	\$ 85,628	\$ 105,210	\$ 19,582
684710	518400	OPEB EXPENSE	\$ -	\$ -	\$ -	\$ -
684710	518500	STATE UNEMPLOYMENT INSURANCE	\$ -	\$ -	\$ 2,500	\$ 2,500
684710	518600	WORKER'S COMP INS	\$ 22,417	\$ 15,199	\$ 19,815	\$ 4,616
684710	518800	EMPLOYEE DEATH BENEFIT	\$ -	\$ -	\$ -	\$ -
684710	518900	RETIREE INSURANCE	\$ 15,620	\$ 18,576	\$ 19,034	\$ 458
684710	519000	PROFESSIONAL SERVICES	\$ 225	\$ 1,000	\$ 1,000	\$ -
684710	519100	AUDIT FEES	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
684710	521200	UNIFORMS	\$ 6,566	\$ 4,972	\$ 9,750	\$ 4,778
684710	525100	GASOLINE & DIESEL	\$ 43,520	\$ 42,000	\$ 54,000	\$ 12,000
684710	525200	TIRES	\$ 9,191	\$ -	\$ -	\$ -
684710	525300	VEHICLE PARTS	\$ 42,229	\$ -	\$ -	\$ -
684710	525400	OIL, LUBRICATION, ETC	\$ 3,686	\$ -	\$ -	\$ -
684710	526000	OFFICE SUPPLIES	\$ 538	\$ 1,000	\$ 1,000	\$ -
684710	529900	SUPPLIES & MATERIALS	\$ 29,978	\$ 20,000	\$ 34,000	\$ 14,000
684710	532100	TELEPHONE	\$ 5,573	\$ 6,450	\$ 4,050	\$ (2,400)
684710	532500	POSTAGE	\$ -	\$ 200	\$ 200	\$ -
684710	535200	R & M - EQUIPMENT	\$ 1,775	\$ 3,000	\$ 4,000	\$ 1,000
684710	535300	R & M - AUTO/TRUCKS	\$ 5,560	\$ 59,500	\$ 60,000	\$ 500
684710	539400	TRAVEL	\$ 580	\$ 1,200	\$ 1,200	\$ -
684710	539500	TRAINING	\$ 150	\$ 900	\$ 900	\$ -
684710	545600	LIAB/PROP INS & BONDS	\$ 6,891	\$ 7,620	\$ 7,607	\$ (13)
684710	549020	GRANT EXP DENR RECYCLE	\$ 11,039	\$ -	\$ -	\$ -
684710	549200	UNCOLLECTIBLE ACCOUNTS	\$ 2,391	\$ 2,000	\$ -	\$ (2,000)
684710	549400	ENVIRON SUSTAIN BOARD	\$ -	\$ 500	\$ 2,000	\$ 1,500
684710	549750	PERMITS, LICENSE AND FEES	\$ 234	\$ 250	\$ 100	\$ (150)
684710	549999	MISCELANEOUS EXPENSE	\$ -	\$ 416	\$ -	\$ (416)
684710	552000	CAPITAL OUTLAY - EQUIPMENT	\$ 54,025	\$ -	\$ -	\$ -
684710	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ -	\$ -	\$ -
684710	554000	CAP OUTLAY-MOTOR VEHS	\$ 221,996	\$ -	\$ 230,000	\$ 230,000
684710	555000	CAP OUTLAY-OTHER	\$ -	\$ -	\$ -	\$ -
684710	557000	LAND,ROW,AND LAND IMPROVEMEN	\$ -	\$ -	\$ -	\$ -
684710	569000	CONTRACTED SERVICES	\$ 58,258	\$ 99,584	\$ 98,500	\$ (1,084)
684710	569300	TIPPING FEES	\$ 204,253	\$ 200,000	\$ 211,000	\$ 11,000
684710	575200	BANK SERVICE CHARGES	\$ 777	\$ 1,000	\$ -	\$ (1,000)
684710	598300	REIMB G/F FLEET MAINT	\$ -	\$ -	\$ -	\$ -
684710	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 1,344,786	\$ 1,131,405	\$ 1,432,825	\$ 301,420



FY17-18 Budget Highlights

In FY17-18 there will be changes to certain personnel policies and procedures which increase personnel costs for this department. The largest expense outside personnel for Sanitation Administration in FY17-18 is \$230,000 for the purchase of a new sanitation truck.



Stormwater Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
ESF-Stormwater						
684720	512100	SALARIES & WAGES - REGULAR	\$ 41,710	\$ 86,019	\$ -	\$ (86,019)
684720	512200	SALARIES & WAGES - OVERTIME	\$ 58	\$ 875	\$ -	\$ (875)
684720	512250	HOLIDAY PAY	\$ -	\$ 333	\$ -	\$ (333)
684720	513500	SALARIES & WAGES-UNIFORM/TAXAE	\$ -	\$ -	\$ -	\$ -
684720	518100	FICA TAX EXPENSE	\$ 3,248	\$ 6,673	\$ -	\$ (6,673)
684720	518200	RETIREMENT EXPENSE	\$ 2,796	\$ 6,324	\$ -	\$ (6,324)
684720	518300	GROUP MED & LIFE INS	\$ 5,944	\$ 12,233	\$ -	\$ (12,233)
684720	518600	WORKER'S COMP INS	\$ 1,787	\$ 1,495	\$ -	\$ (1,495)
684720	529900	SUPPLIES & MATERIALS	\$ -	\$ 14,476	\$ -	\$ (14,476)
684720	535100	R & M - BULIDINGS	\$ -	\$ 12,510	\$ -	\$ (12,510)
684720	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ -	\$ -
684720	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
684720	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ -	\$ -	\$ -
684720	557000	LAND,ROW,AND LAND IMPROVEMEN	\$ -	\$ 3,729	\$ -	\$ (3,729)
684720	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ 53,853	\$ -	\$ (53,853)
684720	598035	DEPT CHGS-STRMWTR-G/F	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 55,544	\$ 198,520	\$ -	\$ (198,520)

FY17-18 Budget Highlights

The Stormwater department will be moved out of the Environmental Services Fund to a separate individual fund. This is reflected in the table above, where Stormwater has no costs in the Environmental Services Fund for FY17-18.



Non-Departmental Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
ESF-Non-Departmental						
689619	500024	DRUG TESTING	\$ 440	\$ 1,000	\$ -	\$ (1,000)
689619	500030	TUITION REIMBURSEMENT PROGRAM	\$ -	\$ 1,150	\$ -	\$ (1,150)
689619	518500	STATE UNEMPLOYMNT INS	\$ 1,501	\$ 3,000	\$ -	\$ (3,000)
689619	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
689619	598880	CONTR TO H&W FUND	\$ -	\$ 7,545	\$ 13,925	\$ 6,380
<i>Sub-Total</i>			\$ 1,941	\$ 12,695	\$ 13,925	\$ 1,230

FY17-18 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	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
ESF-Debt Service						
689621	571000	PRIN -GARBAGE TRUCK LOAN	\$ 30,724	\$ 30,135	\$ 30,716	\$ 581
689621	572000	INT -GARBAGE TRUCK LOAN	\$ 2,903	\$ 3,493	\$ 2,913	\$ (580)
689621	575200	BANK SERVICE CHARGES	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 33,628	\$ 33,628	\$ 33,629	\$ 1

FY17-18 Budget Highlights

The City will finance the purchase of vehicle replacements for the Environmental Services Fund from FY16-17 and forward. This debt service note is for the purchase of one garbage truck.



Contingencies Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
ESF-Contingencies						
689910	599100	CONTINGENCIES	\$ -	\$ 8,340	\$ -	\$ (8,340)
		<i>Sub-Total</i>	\$ -	\$ 8,340	\$ -	\$ (8,340)

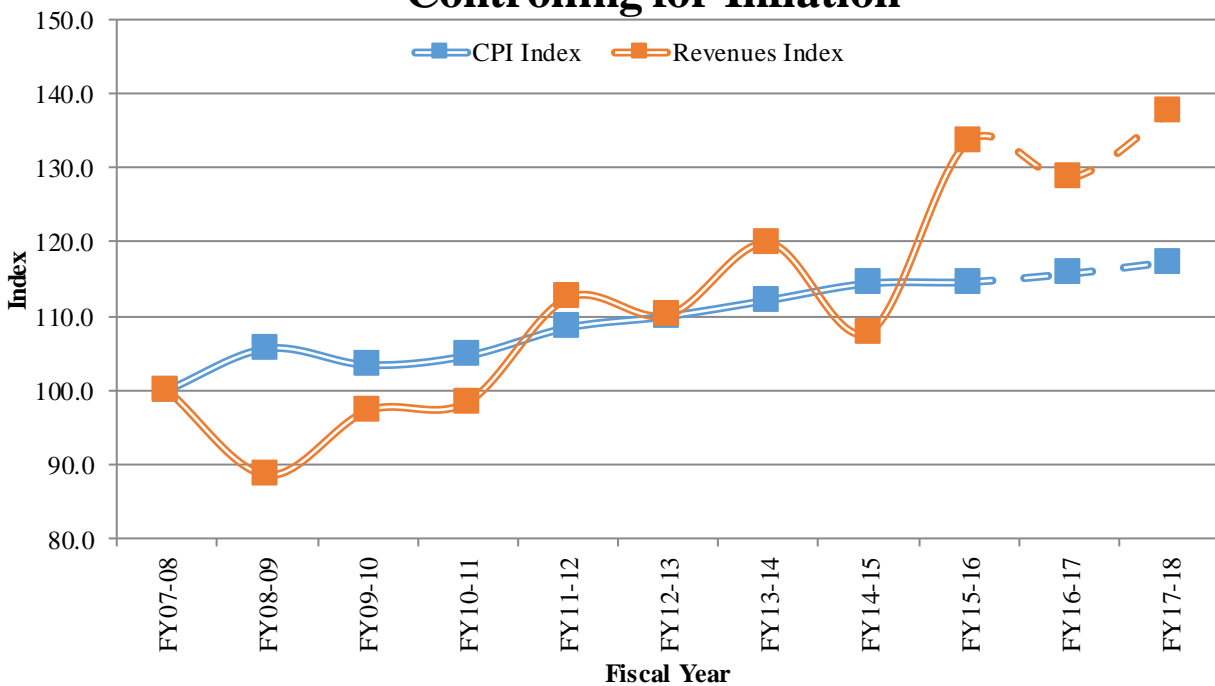
FY17-18 Budget Highlights

There are no contingencies in the Environmental Services Fund for FY17-18.

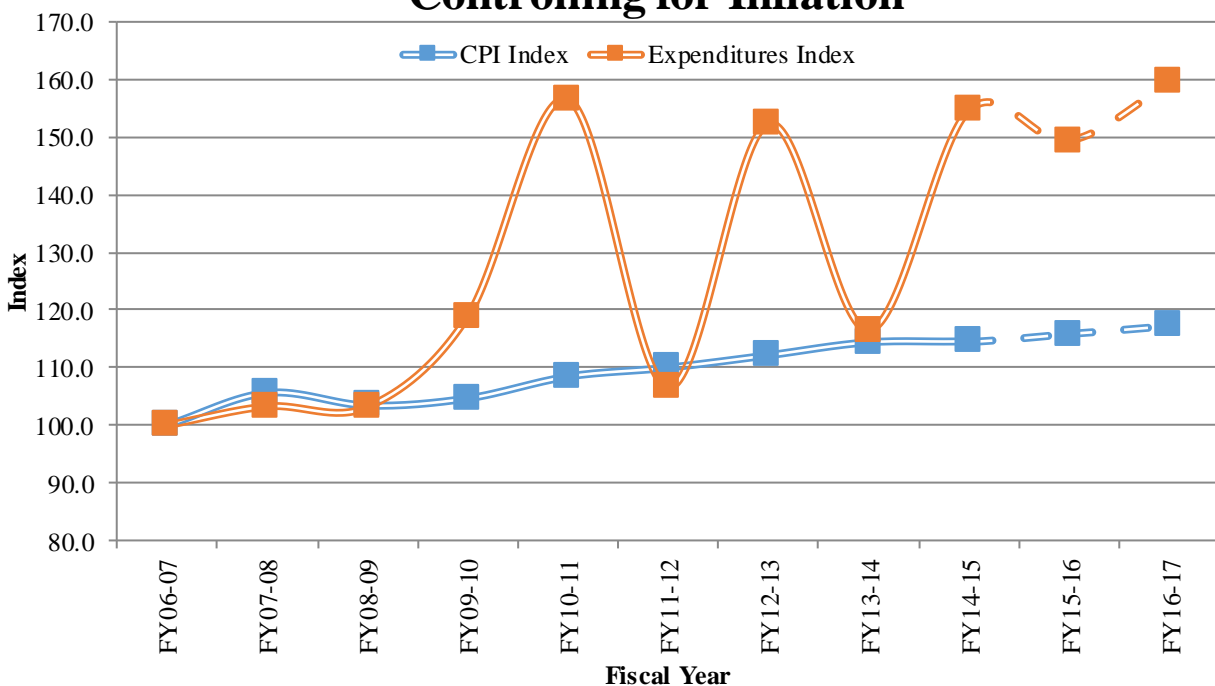


Revenue and Expenditure Trends

**Environmental Services Fund Revenues
Controlling for Inflation**



**Environmental Services Fund Expenditures
Controlling for Inflation**



Revenues

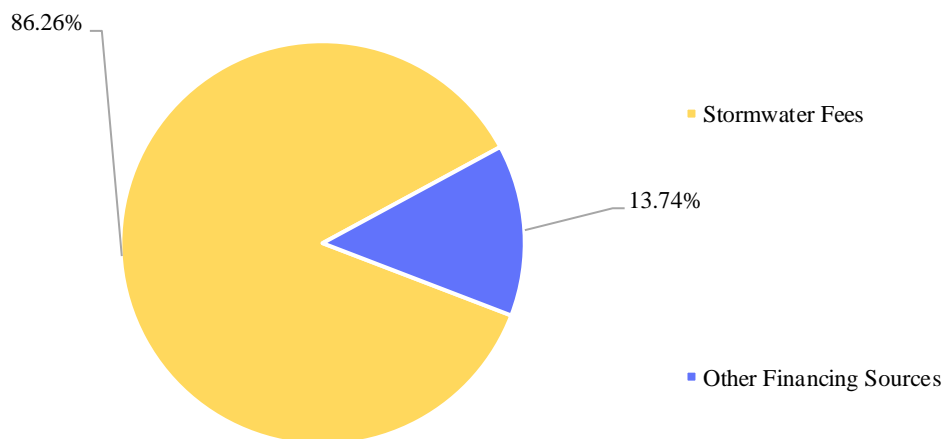
The Stormwater Management Fund operates as an enterprise fund. The fund is much like a private sector service however, unlike the private sector the government rarely sells its service in a competitive market. The government will often assume the production of this service because the opportunity for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

The Stormwater Management Fund receives revenue from 2 sources: stormwater fees and fund balance appropriation. In FY17-18, 86% of revenue (\$225,000) will come from stormwater fees, the remaining 14% (\$35,841) will be from fund balance appropriation. Revenue sources are further displayed in the following table.

Revenues by Source

REVENUE SOURCE	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Stormwater Fees	\$ -	\$ -	\$ 225,000	\$ 225,000
Other Financing Sources	\$ -	\$ -	\$ 35,841	\$ 35,841
Total	\$ -	\$ -	\$ 260,841	\$ 260,841

Stormwater Fund Revenues by Source FY17-18



Revenues by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
ESF Fees						
670014	451800	STORMWATER FEE	\$ -	\$ -	\$ (225,000)	\$ (225,000)
		<i>Sub-Total</i>	\$ -	\$ -	\$ (225,000)	\$ (225,000)
Other Financing Sources						
670090	499200	FUND BALANCE APPROPRIATED	\$ -	\$ -	\$ (35,841)	\$ (35,841)
		<i>Sub-Total</i>	\$ -	\$ -	\$ (35,841)	\$ (35,841)
GRAND TOTAL			\$ -	\$ -	\$ (260,841)	\$ (260,841)



Expenditures

The City of Hendersonville's Stormwater Management Program works to preserve, protect, and restore the quality of water in the streams, rivers, and lakes within the City of Hendersonville. The City's Stormwater Management program was developed in compliance with the Federal Clean Water act and the North Carolina Department of Environmental Quality to ensure that stormwater is effectively controlled in order to reduce pollution generated from stormwater runoff. The Department was formerly included as part of the Environmental Services Fund; FY17-18 is the first year the Department will be funded as a stand-alone division. The Stormwater Management Department is located at the City Operation Center at 305 Williams Street. For further information about the Stormwater Management Department, please contact Mike Huffman at (828)-697-3013 or email mhuffman@hvlnc.gov.

FY16-17 Accomplishments

- ✓ Developed Comprehensive Stormwater Map for City of Hendersonville (COH).
- ✓ Inspected/Documented/Mapped ~85% of stormwater outfall within City Limits.
- ✓ Walked 20+ Miles of Streams in City limits to identify erosion issues, illegal dumping, and illicit discharges.
- ✓ Inspected/Mapped ~70% of the City's stormwater infrastructure (catch basins, pipe network, SW manholes, drainage network).
- ✓ Inspected 50+ Stormwater control measures (BMP's, SCM's) for both private and public entities.
- ✓ Hosted SW education tent at Farm City Day, Cider-Fest, Garden Jubilee.
- ✓ Renewed COH NPDES Phase II Permit with NCDEQ.
- ✓ Completed Annual Stormwater Program Assessment for 2017.
- ✓ Contributed to Environmental Report for COH Multi-Area Stream Bank Restoration Project with Water/Sewer.
- ✓ Compiled data on all SCM's within the City limits and created a GIS layer w/ hyperlinks to design drawings, inspection reports, O&M agreement.
- ✓ Conducted stormwater PP/GH training for public works staff.
- ✓ Developed comprehensive COH Stormwater Management Plan.
- ✓ Worked with property owners to fix deficient SCM's (4 cases come to mind immediately).
- ✓ Obtained BMP inspection and maintenance certification, residential rain garden design/install certification, Residential streambank repair workshop, completed Mountain True Stream Monitoring Information Exchange training (SMIE).
- ✓ Completed National Stormwater Center Certified Stormwater Inspector Training.
- ✓ Participated in 2 "Kids in The Creek" Events with HC Soil and Water and Mountain True educating >600 Middle Schoolers on water quality issues, stormwater runoff, and resource management.
- ✓ Developed a Rain Barrel Program for COH: distributed 300 rain barrels to residents.



- ✓ Pursued/developed partnership with NC-State and NC Co-Op Extension leading to design/install of 3 innovative stormwater practices in Hendersonville using 319 Grant money (Rain Garden, Level Spreader, 5000 gal. rainwater harvesting system) and booked future stormwater education events in Hendersonville.
- ✓ Attended 2017 Erosion Control and Stormwater Conference in ATL.
- ✓ Organized and participated in multiple stream clean-ups and water quality monitoring events.
- ✓ Developed ArcGIS online tools (Collector/Survey 123) to be used for stormwater inspections, data tracking, and data collection.
- ✓ Working with HC School system to install rain gardens at local school to be installed during 2017 “Day of Action”.
- ✓ Presented to multiple community groups and City Boards regarding stormwater management in COH.
- ✓ Partnered with AVL GreenWorks to install North Carolina’s 1st in-stream trash collection device “Trash Trout” (See AVL GreenWorks website).
- ✓ Conducted equivalent residential unit (ERU) analysis using impervious surface image classification for COH using ArcGIS to be used in future stormwater fee development.
- ✓ Addressed multiple citizen request regarding stormwater drainage concerns and issues.

FY17-18 Goals and Initiatives

- ✓ Complete 2018 Annual SW Assessment.
- ✓ Restructure the stormwater fee based on impervious surface and ERU analysis.
- ✓ Host “Kids in The Creek” with Hendersonville Middle and continue to participate in other KIC events.
- ✓ Develop a water quality monitoring program for SW outfalls in COH.
- ✓ Increase number of stream clean ups.
- ✓ Roll out Stormwater Service Request App.
- ✓ Initiate Adopt-A-Catch Basin program.
- ✓ Conduct a Drain Stenciling Event.
- ✓ Conduct another Rain Barrel Event.
- ✓ Continue to pursue projects like the “Trash Trout”.
- ✓ Conduct more public outreach and education.
- ✓ Incentivize Green Infrastructure at new developments/ redevelopments.
- ✓ Revise ordinances to encourage/require green infrastructure for SW management.
- ✓ Continue SCM Inspection and Maintenance.
- ✓ Host educational SW workshops with NC-State and Extension office for homeowners, developers, business owners etc.
- ✓ Conduct residential stream bank repairs.
- ✓ Develop a live stake nursery for stream bank stabilization projects.
- ✓ Develop partnerships with more community groups to participate in SW projects (Boys and Girls Club, Local Schools, Churches, Boy Scouts).



- ✓ Apply for grants to fund installation of green SW practices on City owned property
- ✓ Conduct more staff training (IDDE, PP/GH).
- ✓ Develop community education events to coincide with multi-area stream bank repair project.
- ✓ Continue to improve SW infrastructure and address citizen concerns/issues.

Long Term Goals and Objectives

- ✓ Develop a specific SW fund to address aging infrastructure on private property in a more proactive manner.
- ✓ Develop a SW Master Plan that outlines areas that need improvement/upgrades and then develop a schedule for making those improvements.
- ✓ Develop a regular maintenance schedule for catch basin maintenance.
- ✓ Design/Install a SW park on COH property.
- ✓ Conduct more streambank restorations throughout the City.
- ✓ Improve water quality in COH: Get Mud Creek, Bat Fork, Devils Fork off 303(d) list
- ✓ Develop TMDL's for COH waters.
- ✓ Include green infrastructure in new city projects (Sidewalks, streets, redevelopment, new buildings).
- ✓ Install several "Complete Streets" in COH.



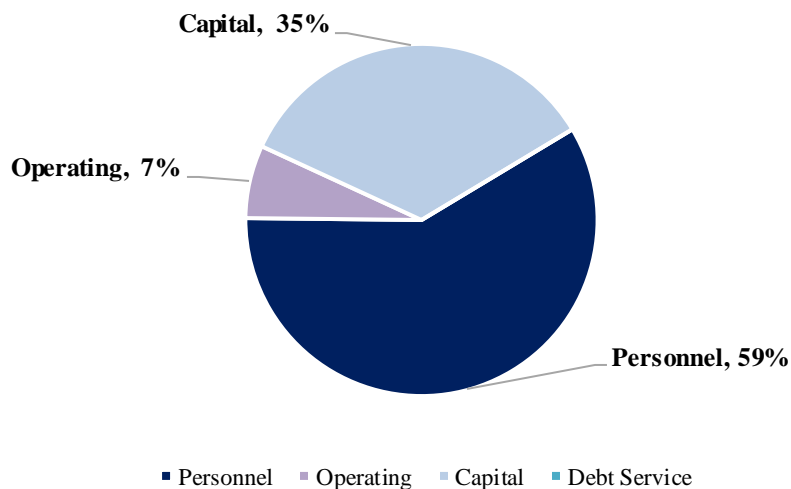
Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Stormwater Fund				
Personnel	\$ -	\$ -	\$ 153,351	\$ 153,351
Operating	\$ -	\$ -	\$ 17,490	\$ 17,490
Capital	\$ -	\$ -	\$ 90,000	\$ 90,000
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ -	\$ -	\$ 260,841	\$ 260,841

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	COUNT CHANGE
Stormwater Fund				
Full-Time	0.00	1.00	1.00	0.00
Part-Time	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	0.00	1.00	1.00	0.00

**Note: There is 1 Full-Time Equivalent (FTE) employee in the Stormwater Fund; however, a portion of wages for other City employees is accounted for via the Stormwater Fund.*

Expenditures by Type



Stormwater Administration Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Stormwater-Administration						
674720	500024	DRUG TESTING	\$ -	\$ -	\$ 500	\$ 500
674720	500030	TUITION REIMBURSEMENT PROGRAM	\$ -	\$ -	\$ 500	\$ 500
674720	512100	SALARIES & WAGES - REGULAR	\$ -	\$ -	\$ 114,485	\$ 114,485
674720	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ -	\$ 875	\$ 875
674720	512250	HOLIDAY PAY	\$ -	\$ -	\$ 340	\$ 340
674720	518100	FICA TAX EXPENSE	\$ -	\$ -	\$ 8,852	\$ 8,852
674720	518200	RETIREMENT EXPENSE	\$ -	\$ -	\$ 8,678	\$ 8,678
674720	518300	GROUP MED & LIFE INS	\$ -	\$ -	\$ 17,661	\$ 17,661
674720	518600	WORKER'S COMP INS	\$ -	\$ -	\$ 2,460	\$ 2,460
674720	521200	UNIFORMS	\$ -	\$ -	\$ 1,000	\$ 1,000
674720	525100	GASOLINE & DIESEL	\$ -	\$ -	\$ -	\$ -
674720	529900	SUPPLIES & MATERIALS	\$ -	\$ -	\$ 15,000	\$ 15,000
674720	535200	R & M - EQUIPMENT	\$ -	\$ -	\$ -	\$ -
674720	535300	R & M - TRUCKS	\$ -	\$ -	\$ -	\$ -
674720	545600	LIAB & PROP INS & BONDS	\$ -	\$ -	\$ 490	\$ 490
674720	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ -	\$ -
674720	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
674720	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ -	\$ -	\$ -
674720	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ -	\$ -	\$ -
674720	557000	LAND,ROW,AND LAND IMPROVEMEN	\$ -	\$ -	\$ -	\$ -
674720	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ -	\$ 90,000	\$ 90,000
674720	598035	DEPT CHGS-STRMWTR-G/F	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ -	\$ -	\$ 260,841	\$ 260,841
GRAND TOTAL			\$ -	\$ -	\$ 260,841	\$ 260,841

FY17-18 Budget Highlights

FY17-18 is the first year the Stormwater Management Fund will be separate from the Environmental Services Fund. The City of Hendersonville is a federally designated National Pollutant Discharge Elimination System (NPDES) Phase II community. As an NPDES designated community, the city uses the Stormwater Management Fund to address non-point source pollution and runoff. Mitigation of non-point source pollution through the Stormwater Management Fund is important because it assists in improving environmental quality.



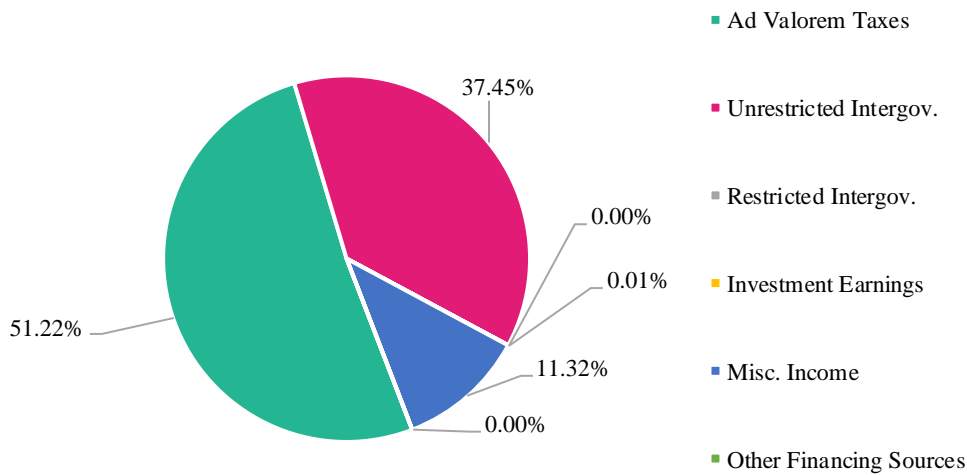
Revenues

The Main Street MSD Fund is funded by an additional ad valorem tax, intergovernmental revenues, investment earnings, miscellaneous income, and other financing sources. The current ad valorem tax rate for the Main Street MSD 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

REVENUE SOURCE	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes	\$ (235,752)	\$ (237,725)	\$ (237,574)	\$ 151
Unrestricted Intergov.	\$ (100,000)	\$ (154,086)	\$ (173,684)	\$ (19,598)
Restricted Intergov.	\$ (96,107)	\$ (20,098)	\$ -	\$ 20,098
Investment Earnings	\$ 58	\$ (50)	\$ (50)	\$ -
Misc. Income	\$ (151,467)	\$ (144,192)	\$ (52,500)	\$ 91,692
Other Financing Sources	\$ (78,533)	\$ (12,500)	\$ -	\$ 12,500
	\$ (661,801)	\$ (568,651)	\$ (463,808)	\$ 104,843

**Main Street MSD Fund Revenues by Source
FY17-18**



Revenues by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes						
200010	410000	TAX REFUNDS	\$ -	\$ -	\$ -	\$ -
200010	411100	TAX LATE LIST >5 YEARS	\$ -	\$ (50)	\$ -	\$ 50
200010	411300	TAX LL PRIOR 2008, ADV	\$ -	\$ (50)	\$ -	\$ 50
200010	411400	TAX - INTEREST	\$ (736)	\$ (1,000)	\$ (500)	\$ 500
200010	420100	2001 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
200010	420101	AD VAL TAX - MTR VEHS	\$ (3,349)	\$ (2,250)	\$ (2,776)	\$ (526)
200010	420600	2006 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
200010	420700	2007 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
200010	420800	2008 AD VAL TAX - R/P	\$ (7)	\$ (25)	\$ -	\$ 25
200010	420900	2009 AD VAL TAX - R/P	\$ (7)	\$ (25)	\$ (25)	\$ -
200010	421000	2010 AD VAL TAX - R/P	\$ (13)	\$ (25)	\$ (25)	\$ -
200010	421100	2011 AD VAL TAX-R/P	\$ (286)	\$ (50)	\$ (25)	\$ 25
200010	421200	2012 AS VAL TAX - R/P	\$ -	\$ (250)	\$ (50)	\$ 200
200010	421300	2013 AD VAL TAX - R/P	\$ -	\$ (500)	\$ (50)	\$ 450
200010	421400	2014 AD VAL TAX R/P	\$ (1,196)	\$ (1,000)	\$ (500)	\$ 500
200010	421500	2015 AD VAL TAX R/P	\$ (230,158)	\$ (2,500)	\$ (1,000)	\$ 1,500
200010	421600	2016 AD VAL TAX R/P	\$ -	\$ (230,000)	\$ (2,500)	\$ 227,500
200010	421700	2017 AD VAL TAX R/P	\$ -	\$ -	\$ (230,123)	\$ (230,123)
		<i>Sub-Total</i>	\$ (235,752)	\$ (237,725)	\$ (237,574)	\$ 151
Unrestricted Intergovernmental						
200030	432300	S&U TAX REIMBURSEMENT	\$ (100,000)	\$ (154,086)	\$ (173,684)	\$ (19,598)
		<i>Sub-Total</i>	\$ (100,000)	\$ (154,086)	\$ (173,684)	\$ (19,598)
Restricted Intergovernmental						
200040	447060	CONTRIBUTION FROM TDA	\$ -	\$ (20,098)	\$ -	\$ 20,098
200040	447100	STATE REIMBURSEMENT	\$ (96,107)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (96,107)	\$ (20,098)	\$ -	\$ 20,098
Investment Earnings						
200070	483100	INTEREST INCOME	\$ 58	\$ (50)	\$ (50)	\$ -
		<i>Sub-Total</i>	\$ 58	\$ (50)	\$ (50)	\$ -
Miscellaneous Income						
200080	444310	SPONSORSHIPS & DONATIONS	\$ -	\$ (1,000)	\$ -	\$ 1,000
204755	443215	BEARFOOTIN' BEAR SALES	\$ (37,351)	\$ (36,692)	\$ (30,000)	\$ 6,692
204755	444310	SPONSORSHIPS & DONATIONS	\$ (16,200)	\$ (16,000)	\$ (16,000)	\$ -
204756	443220	RHYTHM & BREWS SALES	\$ (40,041)	\$ (42,000)	\$ -	\$ 42,000
204756	443300	R&B VENDOR PERMITS	\$ (1,090)	\$ (1,500)	\$ -	\$ 1,500
204756	444310	SPONSORSHIPS & DONATIONS	\$ (48,800)	\$ (40,000)	\$ -	\$ 40,000
204757	443300	SIDEWALK VENDOR FEES	\$ (5,435)	\$ (4,000)	\$ (4,000)	\$ -
204757	444310	SPONSORSHIPS & DONATIONS	\$ (1,750)	\$ (2,000)	\$ (2,000)	\$ -
204758	444310	SPONSORSHIPS & DONATIONS	\$ (800)	\$ (1,000)	\$ (500)	\$ 500
		<i>Sub-Total</i>	\$ (151,467)	\$ (144,192)	\$ (52,500)	\$ 91,692
Other Financing Sources						
200090	499100	PROCEEDS OF DEBT	\$ (78,533)	\$ -	\$ -	\$ -
200090	499200	FUND BALANCE APPROP	\$ -	\$ (12,500)	\$ -	\$ 12,500
200090	499999	PRIOR PERIOD ADJUSTMENT	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (78,533)	\$ (12,500)	\$ -	\$ 12,500
		GRAND TOTAL	\$ (661,801)	\$ (568,651)	\$ (463,808)	\$ 104,843

Misc. Income includes event revenues which are also displayed in the expenditures section



Expenditures

The City of Hendersonville's Downtown Economic Development Department has inherited and continues the work of Downtown Hendersonville, Inc. and the Historic Seventh Avenue District and is guided in this effort by the Downtown Advisory Committee and Seventh Avenue Committee. These stakeholder groups from each of downtown's two historic commercial districts are appointed 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, the part time Promotions Coordinator and two part Downtown Ambassadors.

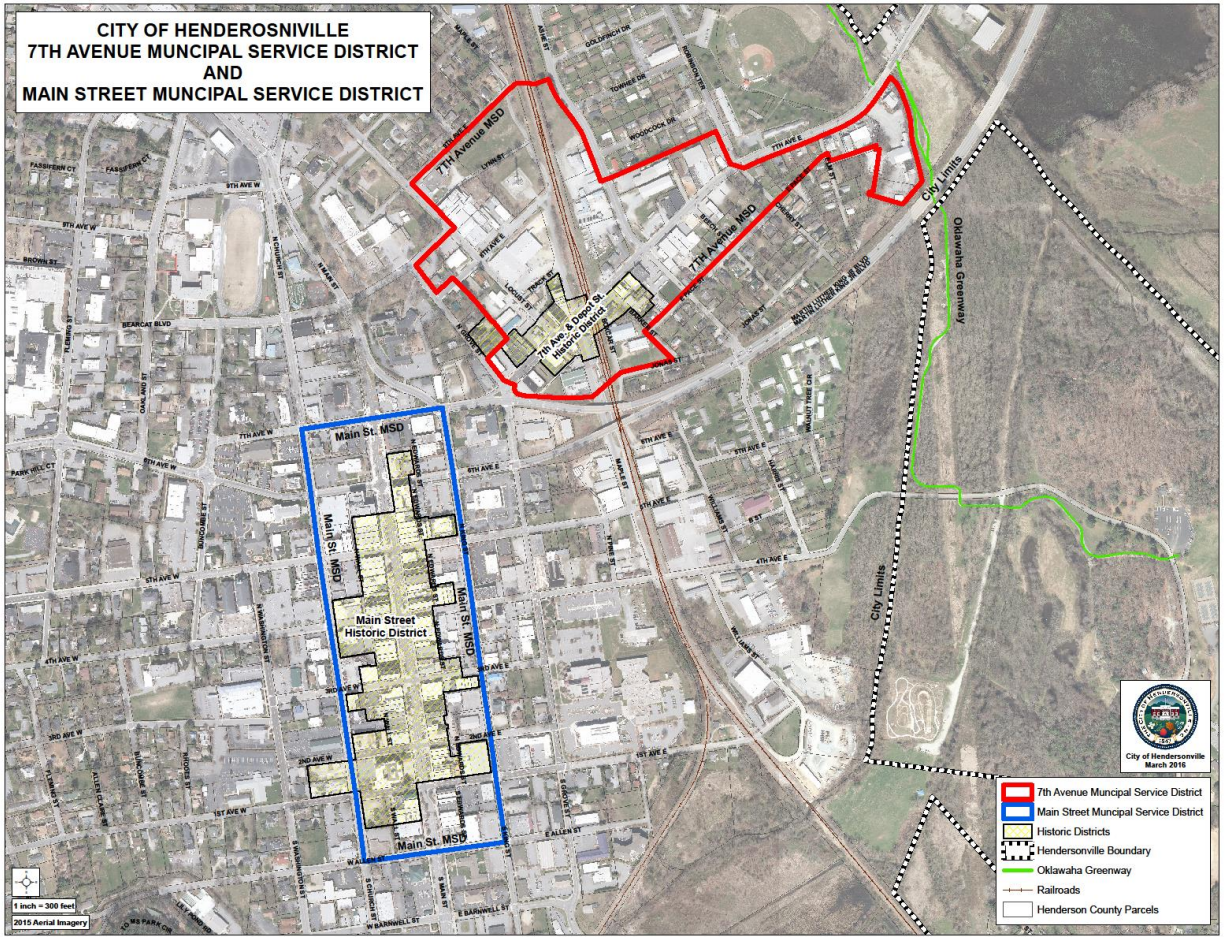
The two historic commercial districts that are part of the City of Hendersonville's Downtown Economic Development Program are each defined by Municipal Service Districts. The Main Street municipal service district is bounded by Church and King Streets to the west and east and 7th Avenue and Allen Street to the north and south. This special tax district (\$0.28 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 7th Avenue District's boundary encompasses the Avenue from Four Seasons Boulevard east to the Oklawaha Greenway and extends down Locust Street at its intersection with 7th north to 9th Avenue. The special tax district (\$0.12 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 has established three project teams which work in concert with the two advisory committees on shared challenges. The Infrastructure Team is currently focused on identifying ways to promote redevelopment in underused historic structures in the two districts. The Community Character Team is seeking to identify opportunities for better understanding the cross generational appeal of the district so that can continue to be capitalized upon. Finally the Events Team conducts existing events and reviews and pursues targeted additional events for the two districts.

The following is an aerial of the two districts and their boundaries within the City:





FY16-17 Accomplishments

- ✓ On-going implementation of Dixon Resource Study, addition of Downtown Ambassadors, enhanced parking revenue, on-going lease agreement improvements.
- ✓ NC Main Street - Best Volunteer Recruitment, Training and Recognition Program for the “Friends of Downtown Volunteers.
- ✓ Continued implementation of the Henderson County Tourism Development Authority wayfinding signage program, with project completion expected in the 2017-2018 Budget year.
- ✓ Friend's of Downtown volunteer database continues to grow and is being applied in a variety of ways moving forward.
- ✓ Over 1,700 hours of volunteer time contributed to the program, an over \$38,000 value according to Independent Sector. This is a 8.5% increase in total hours contributed to the program over 2015.
- ✓ Planned organized and executed 12 downtown events, including the relocation of the wildly successful Rhythm & Brews Concert Series and the newly resurgent 7th Avenue Local Market.
- ✓ Have 20 Sponsors for the 2017 version of Bearfootin'.
- ✓ Partnered with the Henderson County Arts Council and local artists to host the Art in the Sky outdoor gallery, forty juried works posted on banners around downtown.
- ✓ Saw an over \$20,000 donation to local non-profits via the 2016 Bearfootin' Auction.
- ✓ Saw 6 net new businesses open in downtown during the 2015-2016 fiscal year and 1 business expansions.
- ✓ Continued to grow sponsorship support for the variety of downtown events throughout the community.

FY17-18 Goals & Initiatives

- ✓ See installation on stage one of vehicular wayfinding signage in the City of Hendersonville.
- ✓ See initiation of Grey Hosiery Mill Project.
- ✓ Complete comprehensive Business & Property Owner Database, including business plan survey and property information survey.

Long Term Goals and Objectives

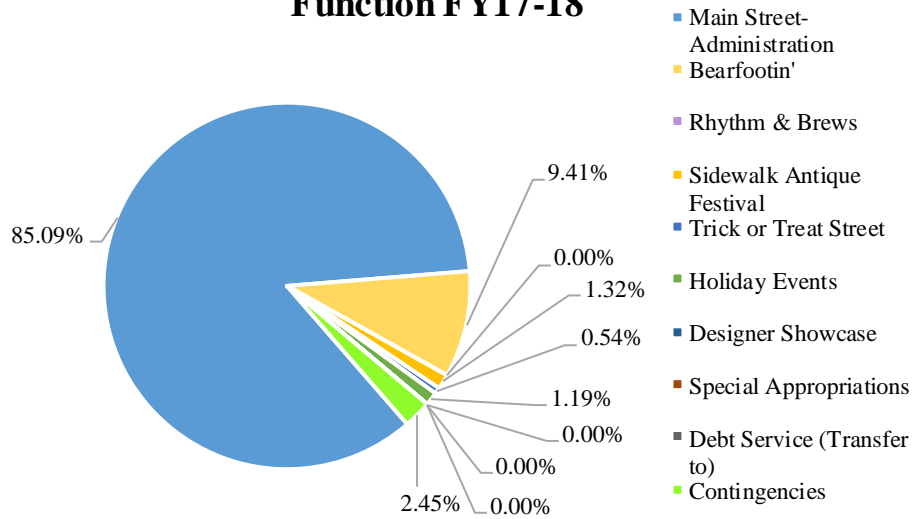
- ✓ Develop a strategy for driving 5 new Building Redevelopment projects in the districts.
- ✓ Build synergy and strengthen relationships between downtown businesses, property owners and residents.
- ✓ Produce annual events that contribute to our character and support our entrepreneurial environment.



Expenditures by Function

EXPENDITURE FUNCTION	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Main Street-Administration	\$ 498,499	\$ 375,057	\$ 394,676	\$ 19,619
Bearfootin'	\$ 44,800	\$ 47,300	\$ 43,650	\$ (3,650)
Rhythm & Brews	\$ 89,001	\$ 84,775	\$ -	\$ (84,775)
Sidewalk Antique Festival	\$ 4,994	\$ 5,850	\$ 6,100	\$ 250
Trick or Treat Street	\$ 1,735	\$ 2,525	\$ 2,525	\$ -
Holiday Events	\$ 5,088	\$ 5,150	\$ 5,500	\$ 350
Designer Showcase	\$ -	\$ -	\$ -	\$ -
Special Appropriations	\$ -	\$ 12,500	\$ -	\$ (12,500)
Debt Service (Transfer to)	\$ 12,438	\$ 12,438	\$ -	\$ (12,438)
Contingencies	\$ -	\$ 23,056	\$ 11,357	\$ (11,699)
Total	\$ 656,555	\$ 568,651	\$ 463,808	\$ (104,843)

Main Street MSD Fund Expenditures by Function FY17-18

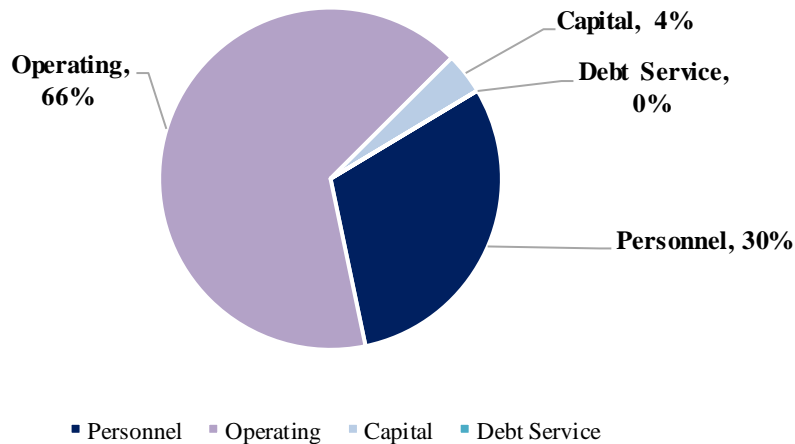


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Main Street MSD Fund				
Personnel	\$ 117,314	\$ 137,872	\$ 140,681	\$ 2,809
Operating	\$ 378,164	\$ 408,141	\$ 305,127	\$ (103,014)
Capital	\$ 148,640	\$ 10,200	\$ 18,000	\$ 7,800
Debt Service	\$ 12,438	\$ 12,438	\$ -	\$ (12,438)
<i>Sub-Total</i>	\$ 656,555	\$ 568,651	\$ 463,808	\$ (104,843)

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	COUNT CHANGE
Main Street MSD Fund				
Full-Time	1.00	1.00	1.00	0.00
Part-Time Perm.	1.00	1.00	1.00	0.00
Part-Time Non-Perm.	2.00	2.00	2.00	0.00
<i>Sub-Total</i>	3.00	3.00	3.00	0.00

Expenditures by Type



Main Street MSD Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 REQUESTED	DOLLAR CHANGE
Main Street-Administration						
204750	512100	SALARIES & WAGES-REG	\$ 65,429	\$ 60,456	\$ 60,768	\$ 312
204750	512900	SALARIES & WAGES - P/T	\$ 31,224	\$ 48,983	\$ 49,709	\$ 726
204750	517200	CELLPHONE STIPEND	\$ 800	\$ 884	\$ 864	\$ (20)
204750	518100	FICA TAX EXPENSE	\$ 7,591	\$ 8,440	\$ 8,518	\$ 78
204750	518200	RETIREMENT EXPENSE	\$ 5,548	\$ 6,853	\$ 7,142	\$ 289
204750	518300	GROUP MED & LIFE INS	\$ 5,627	\$ 11,273	\$ 12,409	\$ 1,136
204750	518600	WORKER'S COMP INS	\$ 1,095	\$ 983	\$ 1,271	\$ 288
204750	519000	PROFESSIONAL SERVICES	\$ 9,250	\$ 4,339	\$ 9,000	\$ 4,661
204750	519100	AUDIT FEES	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
204750	525100	GASOLINE & DIESEL	\$ 87	\$ 300	\$ 300	\$ -
204750	525300	VEHICLE PARTS	\$ 349	\$ 500	\$ 500	\$ -
204750	526000	OFFICE SUPPLIES	\$ 975	\$ 1,000	\$ 1,000	\$ -
204750	529900	SUPPLIES & MATERIALS	\$ 23,309	\$ 46,999	\$ 20,000	\$ (26,999)
204750	532100	TELEPHONE	\$ 395	\$ -	\$ 12,060	\$ 12,060
204750	532500	POSTAGE	\$ 387	\$ 400	\$ 400	\$ -
204750	533000	UTILITIES	\$ 24,834	\$ 21,000	\$ 24,900	\$ 3,900
204750	535200	R & M - EQUIPMENT	\$ 4,379	\$ -	\$ -	\$ -
204750	535300	R & M - TRUCKS	\$ 6	\$ -	\$ -	\$ -
204750	536000	FACADE GRANT EXPENSE	\$ -	\$ -	\$ -	\$ -
204750	537000	ADVERTISING	\$ 3,882	\$ 4,675	\$ 5,000	\$ 325
204750	539400	TRAVEL	\$ 1,231	\$ 1,000	\$ 1,500	\$ 500
204750	539500	TRAINING	\$ 394	\$ 1,500	\$ 2,000	\$ 500
204750	545600	LIAB & PROP INS & BONDS	\$ 281	\$ 262	\$ 385	\$ 123
204750	549100	DUES & SUBSCRIPTIONS	\$ 1,442	\$ 950	\$ 2,500	\$ 1,550
204750	549750	PERMITS & FEES -ORGANIZATIONAL	\$ -	\$ 800	\$ 1,500	\$ 700
204750	549999	MISCELANEOUS EXPENSE	\$ -	\$ 1,034	\$ 1,000	\$ (34)
204750	552000	CAP OUTLAY - EQUIPMENT	\$ -	\$ -	\$ -	\$ -
204750	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 3,776	\$ -	\$ (3,776)
204750	555000	CAP OUTLAY-OTR EQUIP	\$ 72,276	\$ -	\$ -	\$ -
204750	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
204750	559900	CAP OUTLAY-OTR IMPMTS	\$ 76,363	\$ 10,200	\$ 18,000	\$ 7,800
204750	560300	TAX INCENTIVE PROGRAMS	\$ 3,275	\$ 9,000	\$ 9,000	\$ -
204750	561600	MAIN ST SPEC EVENTS	\$ -	\$ -	\$ -	\$ -
204750	569000	CONTRACTED SERVICES	\$ 156,579	\$ 128,000	\$ 143,000	\$ 15,000
204750	575200	BANK SERVICE CHARGES	\$ 491	\$ 450	\$ 950	\$ 500
204750	575320	OPER TRAN TO GEN FD	\$ -	\$ -	\$ -	\$ -
204750	598400	REIMB PUB WORKS DEPT	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 498,499	\$ 375,057	\$ 394,676	\$ 19,619
Main Street-Bearfootin'						
204755	443215	BEARFOOTIN' BEAR SALES	\$ (37,351)	\$ (36,692)	\$ (30,000)	\$ 6,692
204755	444310	SPONSORSHIPS & DONATIONS	\$ (16,200)	\$ (16,000)	\$ (16,000)	\$ -
204755	519000	BEARFOOTIN' PROFESSIONAL SVCS	\$ 4,081	\$ 7,000	\$ 7,250	\$ 250
204755	527000	PURCHASE FOR RESALE-BEARS	\$ 15,775	\$ 15,000	\$ 15,400	\$ 400
204755	529900	SUPPLIES & MATERIALS-BEARS	\$ 194	\$ 500	\$ 500	\$ -
204755	537000	BEARFOOTIN' ADVERTISING	\$ 5,100	\$ 5,500	\$ 5,500	\$ -
204755	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ -	\$ -
204755	561700	CONTRIBUTION OF % BEAR SALES	\$ 19,650	\$ 19,300	\$ 15,000	\$ (4,300)
<i>Sub-Total</i>			\$ (8,751)	\$ (5,392)	\$ (2,350)	\$ 3,042



Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 REQUESTED	DOLLAR CHANGE
Main Street-Rhythm & Brews						
204756	443220	RHYTHM & BREWS SALES	\$ (40,041)	\$ (42,000)	\$ -	\$ 42,000
204756	443300	R&B VENDOR PERMITS	\$ (1,090)	\$ (1,500)	\$ -	\$ 1,500
204756	444310	SPONSORSHIPS & DONATIONS	\$ (48,800)	\$ (40,000)	\$ -	\$ 40,000
204756	512100	SALARIES & WAGES - REGULAR	\$ -	\$ -	\$ -	\$ -
204756	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ -	\$ -	\$ -
204756	518100	FICA TAX EXPENSE	\$ -	\$ -	\$ -	\$ -
204756	518200	RETIREMENT EXPENSE	\$ -	\$ -	\$ -	\$ -
204756	519000	PROFESSIONAL SVCS R & BREWS	\$ 47,998	\$ 50,625	\$ -	\$ (50,625)
204756	527000	PURCH FOR RESALE- R & BREWS	\$ 19,576	\$ 21,150	\$ -	\$ (21,150)
204756	529900	SUPPLIES & MATERIALS - R & B	\$ 9,249	\$ 2,250	\$ -	\$ (2,250)
204756	537000	ADVERTISING-R & BREWS	\$ 8,369	\$ 7,000	\$ -	\$ (7,000)
204756	549750	PERMITS & LICENSE FEES- R & B	\$ 3,810	\$ 3,750	\$ -	\$ (3,750)
204756	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (929)	\$ 1,275	\$ -	\$ (1,275)
Main Street-Sidewalk Antique Festival						
204757	443300	SIDEWALK VENDOR FEES	\$ (5,435)	\$ (4,000)	\$ (4,000)	\$ -
204757	444310	SPONSORSHIPS & DONATIONS	\$ (1,750)	\$ (2,000)	\$ (2,000)	\$ -
204757	519000	PROFESSIONAL SVCS - SIDEWALK	\$ 1,825	\$ 1,350	\$ 1,600	\$ 250
204757	529900	SUPPLIES & MATERIALS -SIDEWALK	\$ 9	\$ 500	\$ 500	\$ -
204757	537000	ADVERTISING-SIDEWALK	\$ 3,160	\$ 4,000	\$ 4,000	\$ -
204757	549750	PERMITS VENDOR FEES - SIDEWALK	\$ -	\$ -	\$ -	\$ -
204757	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (2,191)	\$ (150)	\$ 100	\$ 250
Main Street-Trick or Treat						
204758	444310	SPONSORSHIPS & DONATIONS	\$ (800)	\$ (1,000)	\$ (500)	\$ 500
204758	519000	PROF SVCS TREAT OR TREAT	\$ 1,028	\$ 1,050	\$ 1,050	\$ -
204758	529900	SUPPLIES & MAT -TREAT OR TREAT	\$ 50	\$ 150	\$ 150	\$ -
204758	537000	ADVERTISING-TRICK OR TREAT	\$ 658	\$ 1,325	\$ 1,325	\$ -
204758	549750	PERMITS VENDOR FEE-TRICK TREAT	\$ -	\$ -	\$ -	\$ -
204758	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ 935	\$ 1,525	\$ 2,025	\$ 500
Main Street-Holiday Events						
204759	519000	PROFESSIONAL SVCS HOLIDAY	\$ 1,871	\$ 2,000	\$ 2,500	\$ 500
204759	529900	SUPPLIES & MATERIALS - HOLIDAY	\$ 350	\$ 150	\$ 150	\$ -
204759	537000	ADVERTISING-HOLIDAY EVENTS	\$ 2,867	\$ 3,000	\$ 2,850	\$ (150)
204759	549750	PERMITS & VENDOR FEES-HOLIDAY	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ 5,088	\$ 5,150	\$ 5,500	\$ 350
Main Street-Special Appropriations						
209620	500049	FRIENDS OF DOWNTOWN	\$ -	\$ 12,500	\$ -	\$ (12,500)
		<i>Sub-Total</i>	\$ -	\$ 12,500	\$ -	\$ (12,500)
Main Street-Debt Service						
209621	570100	PRIN - PARKING KIOSKS	\$ 11,364	\$ 11,146	\$ -	\$ (11,146)
209621	570200	INT - PARKING KIOSKS	\$ 1,074	\$ 1,292	\$ -	\$ (1,292)
		<i>Sub-Total</i>	\$ 12,438	\$ 12,438	\$ -	\$ (12,438)
Main Street-Contingencies						
209910	599100	CONTINGENCIES	\$ -	\$ 23,056	\$ 11,357	\$ (11,699)
		<i>Sub-Total</i>	\$ -	\$ 23,056	\$ 11,357	\$ (11,699)



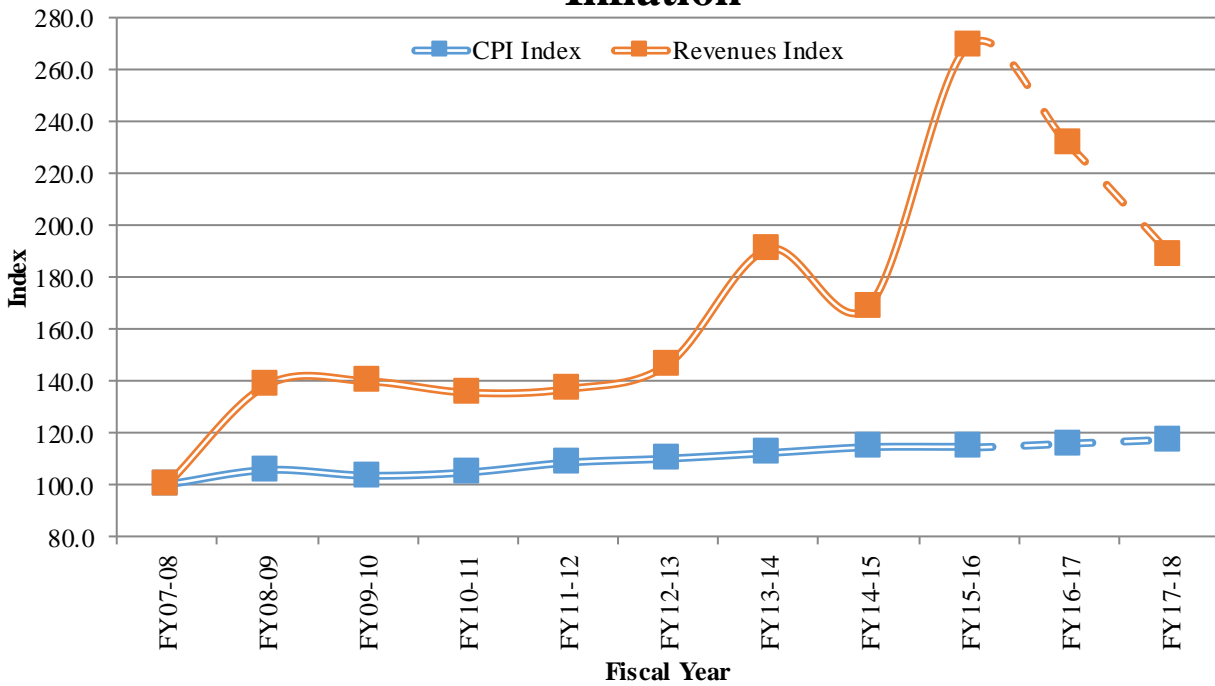
FY17-18 Budget Highlights

There are three major changes in the Main Street MSD budget for FY17-18. First, the debt service note for the parking kiosks has been budgeted in the General Fund. Second, the annual cost for the Main Street wifi has been budgeted in this Fund. The wifi costs approximately \$12,000 a year. Last, the Rhythm and Brews event is now being administered by a third party non-profit, “Friends of Downtown”. This event is still occurring but it will not be budgeted through the City. In addition to the major changes, there is capital budget for hanging baskets and electric panel upgrades.

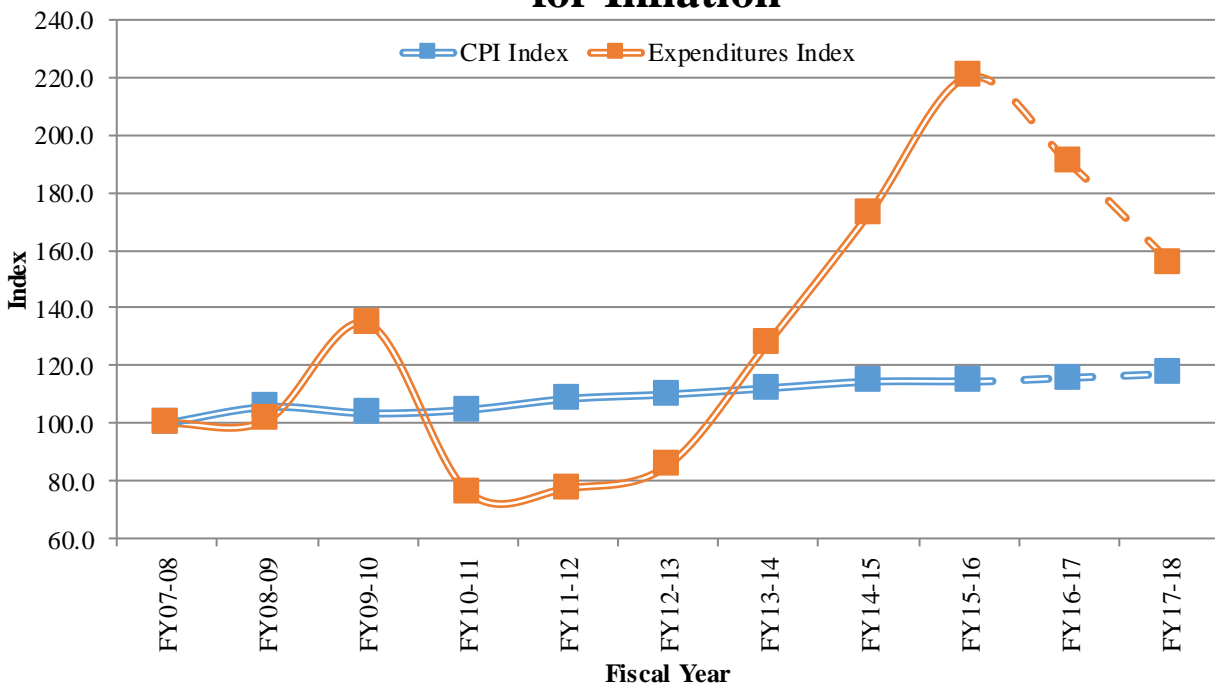


Revenue and Expenditure Trends

Main St. MSD Fund Revenues Controlling for Inflation



Main St. MSD Fund Expenditures Controlling for Inflation



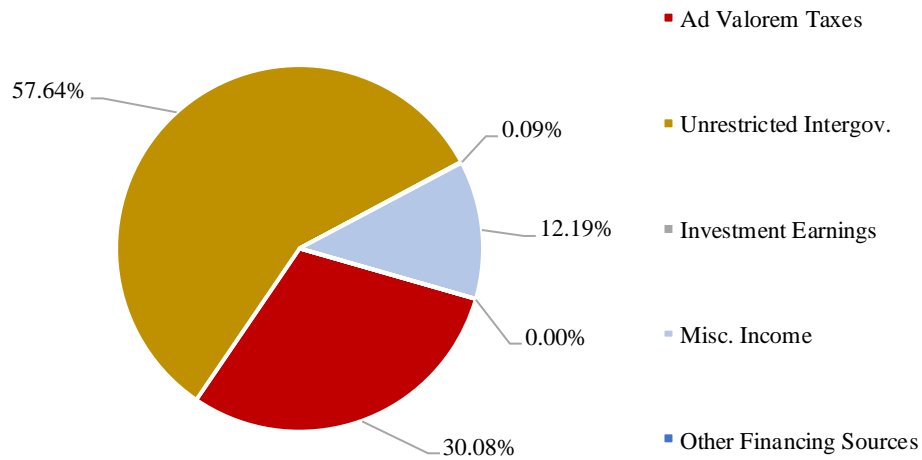
Revenues

The Historic 7th Avenue Tax District Fund is funded by an additional ad valorem tax rate of \$0.12, intergovernmental revenues, investment earnings, miscellaneous income, and other financing sources.

Revenues by Source

REVENUE SOURCE	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes	\$ (18,407)	\$ (16,775)	\$ (17,394)	\$ (619)
Unrestricted Intergov.	\$ (6,652)	\$ (27,428)	\$ (33,333)	\$ (5,905)
Investment Earnings	\$ -	\$ (25)	\$ (50)	\$ (25)
Misc. Income	\$ (26)	\$ (10,135)	\$ (7,050)	\$ 3,085
Other Financing Sources	\$ (36,826)	\$ (11,190)	\$ -	\$ 11,190
	\$ (61,911)	\$ (65,553)	\$ (57,827)	\$ 7,726

**7th Avenue MSD Fund Revenues by Source
FY17-18**



Revenues by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes						
210010	411300	TAX LL PRIOR 2008, ADV	\$ -	\$ -	\$ -	\$ -
210010	411400	TAX - INTEREST	\$ (31)	\$ (50)	\$ (100)	\$ (50)
210010	420101	AD VAL TAX - MTR VEHS	\$ (1,803)	\$ (550)	\$ (1,000)	\$ (450)
210010	420800	2008 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
210010	420900	2009 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
210010	421000	2010 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
210010	421100	2011 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
210010	421200	2012 AS VAL TAX-R/P	\$ -	\$ -	\$ -	\$ -
210010	421300	2013 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
210010	421400	2014 AD VAL TAX R/P	\$ (46)	\$ (25)	\$ -	\$ 25
210010	421500	2015 AD VAL TAX R/P	\$ (16,527)	\$ (50)	\$ (50)	\$ -
210010	421600	2016 AD VAL TAX R/P	\$ -	\$ (16,100)	\$ (100)	\$ 16,000
210010	421700	2017 AD VAL TAX R/P	\$ -	\$ -	\$ (16,144)	\$ (16,144)
		<i>Sub-Total</i>	\$ (18,407)	\$ (16,775)	\$ (17,394)	\$ (619)
Unrestricted Intergovernmental						
210030	432300	S&U TAX REIMBURSEMENT	\$ (6,652)	\$ (27,428)	\$ (33,333)	\$ (5,905)
		<i>Sub-Total</i>	\$ (6,652)	\$ (27,428)	\$ (33,333)	\$ (5,905)
Investment Earnings						
210070	483100	INTEREST INCOME	\$ -	\$ (25)	\$ (50)	\$ (25)
		<i>Sub-Total</i>	\$ -	\$ (25)	\$ (50)	\$ (25)
Miscellaneous Income						
210080	443210	SPECIAL EVENTS - FARMER'S MKT	\$ -	\$ (2,035)	\$ (2,000)	\$ 35
210080	443900	MISCELLANEOUS INCOME	\$ (26)	\$ (100)	\$ (50)	\$ 50
210080	444400	RENTAL INCOME-NON TAXABLE	\$ -	\$ (5,000)	\$ (5,000)	\$ -
210080	498207	DONATIONS/CONTRIBUTIONS	\$ -	\$ (3,000)	\$ -	\$ 3,000
		<i>Sub-Total</i>	\$ (26)	\$ (10,135)	\$ (7,050)	\$ 3,085
Other Financing Sources						
210090	444000	INSURANCE SETTLEMENTS	\$ -	\$ -	\$ -	\$ -
210090	498207	DONATIONS/CONTRIBUTIONS	\$ (31,826)	\$ -	\$ -	\$ -
210090	498210	OPER TRANS FR GEN FD	\$ (5,000)	\$ -	\$ -	\$ -
210090	499200	FUND BALANCE APPROP	\$ -	\$ (11,190)	\$ -	\$ 11,190
		<i>Sub-Total</i>	\$ (36,826)	\$ (11,190)	\$ -	\$ 11,190
GRAND TOTAL			\$ (61,911)	\$ (65,553)	\$ (57,827)	\$ 7,726



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.

FY16-17 Accomplishments

- ✓ Installation of revised banners and partnership with Arts Council for a share of the outdoor gallery project, including for district expansion along Locust Street.
- ✓ Awarded "5" Façade Grants & budgeted for the continued funding of Façade Grants.
- ✓ Installation of 15 additional hanging baskets, extending their presence down Seventh Ave.
- ✓ Integrated 7th Avenue District in annual Downtown Business Directory.
- ✓ Integrated district events and businesses into webpage and social media for Downtown Hendersonville
- ✓ Helped guide the first and second "Seventh Avenue Criterium" events, bringing cycling to downtown Hendersonville.
- ✓ Integrated Committee working teams with members from Seventh and Main Street Committees.

FY17-18 Goals & Initiatives

- ✓ Generate ideas and plans for a link to Main Street
- ✓ Expand "Local Market" event.
- ✓ Continue Streetscape Design Discussion.
- ✓ See initiation of Grey Mill Hotel Project.
- ✓ Provide Façade and Incentive Grant funding.

Long Term Goals and Objectives

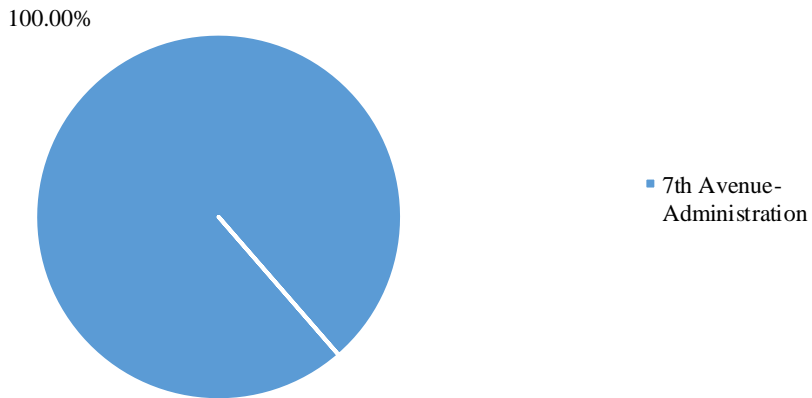
- ✓ Develop a strategy for driving 5 new Building Redevelopment projects in the districts.
- ✓ Build synergy and strengthen relationships between downtown businesses, property owners and residents.
- ✓ Produce annual events that contribute to our character and support our entrepreneurial environment.



Expenditures by Function

EXPENDITURE FUNCTION	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
7th Avenue-Administration	\$ 15,260	\$ 65,553	\$ 57,827	\$ (7,726)
Total	\$ 15,260	\$ 65,553	\$ 57,827	\$ (7,726)

7th Avenue MSD Fund Expenditures by Function FY17-18



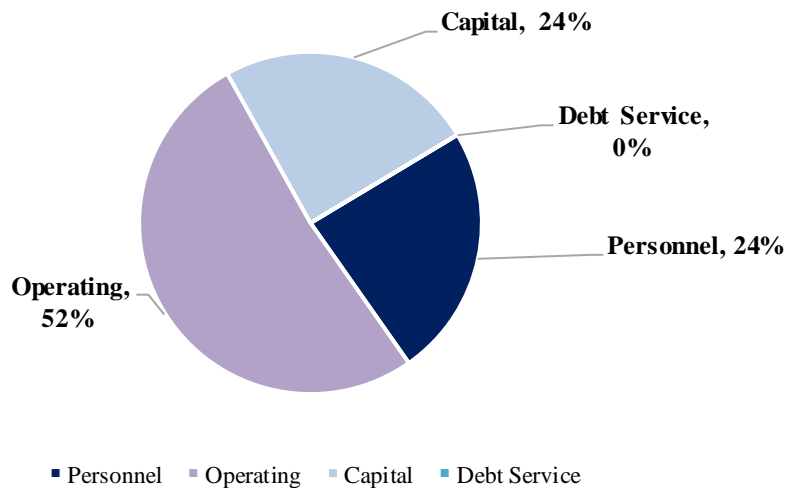
Budget Summary - Type, Personnel Count, & Type Chart

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
7th Avenue MSD Fund				
Personnel	\$ -	\$ 10,498	\$ 13,808	\$ 3,310
Operating	\$ 15,260	\$ 44,690	\$ 29,870	\$ (14,820)
Capital	\$ -	\$ 10,365	\$ 14,149	\$ 3,784
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 15,260	\$ 65,553	\$ 57,827	\$ (7,726)

Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	COUNT CHANGE
Main Street MSD Fund				
Full-Time	0.00	1.00	1.00	0.00
Part-Time Perm.	0.00	1.00	1.00	0.00
Part-Time Non-Perm.	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	0.00	1.00	1.00	0.00

The 7th Avenue MSD Fund is now paying for a portion of the Downtown Director and Promotions Coordinator’s salaries (also reflected in the Main St. MSD Fund section)

Expenditures by Type



Expenditures by Line Item

Org.	Obj.	Description	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
7th-Administration						
214751	500005	ORGANIC GARDEN EXPENSES	\$ -	\$ 3,690	\$ -	\$ (3,690)
214751	512100	SALARIES & WAGES - REGULAR	\$ -	\$ 5,257	\$ 6,752	\$ 1,495
214751	512900	SALARIES & WAGES - P/T	\$ -	\$ 2,886	\$ 3,732	\$ 846
214751	517200	CELLPHONE STIPEND	\$ -	\$ 77	\$ 96	\$ 19
214751	518100	FICA TAX EXPENSE	\$ -	\$ 629	\$ 810	\$ 181
214751	518200	RETIREMENT EXPENSE	\$ -	\$ 596	\$ 794	\$ 198
214751	518300	GROUP MED & LIFE INS	\$ -	\$ 979	\$ 1,503	\$ 524
214751	518600	WORKER'S COMP INS	\$ -	\$ 74	\$ 121	\$ 47
214751	519000	PROFESSIONAL SERVICES	\$ -	\$ 5,900	\$ -	\$ (5,900)
214751	526000	OFFICE SUPPLIES	\$ -	\$ -	\$ -	\$ -
214751	529900	PW SUPPLIES & MATERIALS	\$ 1,220	\$ 6,600	\$ 6,600	\$ -
214751	533900	STREET/TRAFFIC LIGHTS	\$ 11,180	\$ 10,000	\$ 10,020	\$ 20
214751	535200	R & M - WEBSITE	\$ -	\$ -	\$ -	\$ -
214751	536000	FACADE GRANT EXPENSE	\$ 2,500	\$ 10,500	\$ 7,500	\$ (3,000)
214751	537000	ADVERTISING	\$ 360	\$ 3,000	\$ 3,000	\$ -
214751	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 250	\$ 250	\$ -
214751	549890	FARMERS MKT EVENT EXPENSES	\$ -	\$ 4,500	\$ 2,500	\$ (2,000)
214751	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ -	\$ -	\$ -
214751	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
214751	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ 10,365	\$ 14,149	\$ 3,784
214751	560500	7TH AVE DEVELOP PROGM	\$ -	\$ -	\$ -	\$ -
214751	569000	CONTRACTED SERVICES	\$ -	\$ -	\$ -	\$ -
214751	575200	BANK SERVICE CHARGES	\$ -	\$ 250	\$ -	\$ (250)
214751	599100	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 15,260	\$ 65,553	\$ 57,827	\$ (7,726)
GRAND TOTAL			\$ 15,260	\$ 65,553	\$ 57,827	\$ (7,726)

FY17-18 Budget Highlights

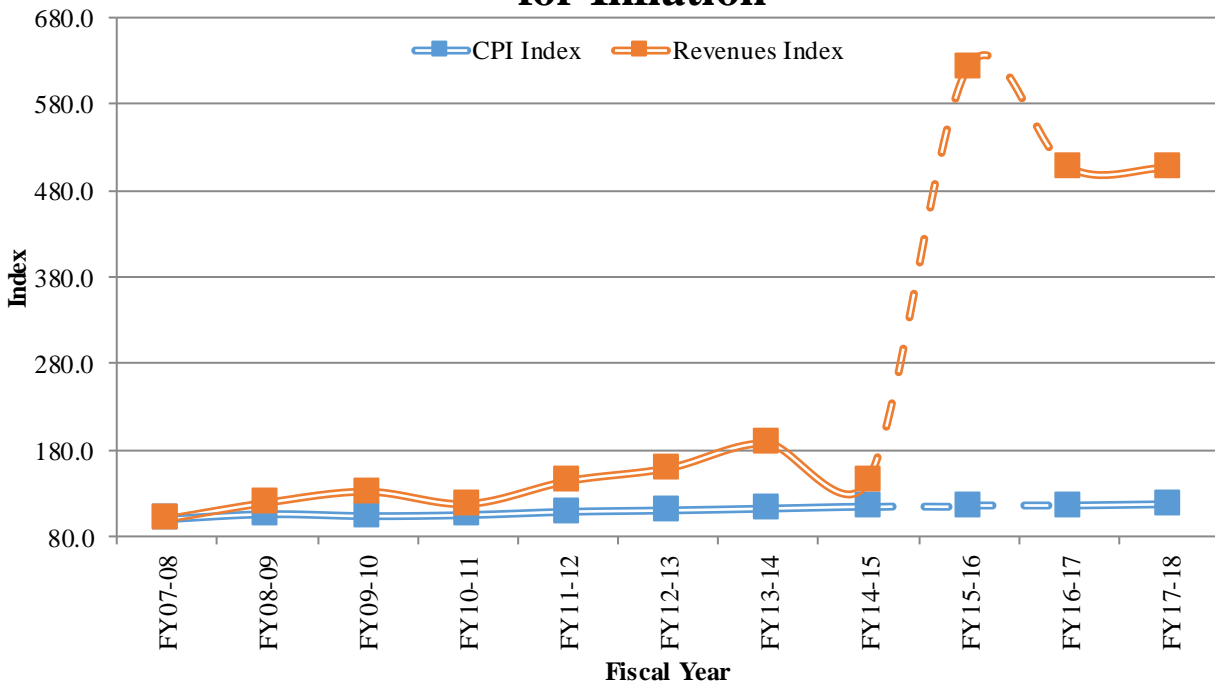
The 7th Avenue MSD Fund's budget totals \$57,827 for FY17-18. Due to an increase in sales tax revenue, the Fund now has a budget that will support capital improvements in the MSD.

Additionally, the Fund is paying for a portion of two employee's salaries that work for the MSD Funds in Downtown Hendersonville.

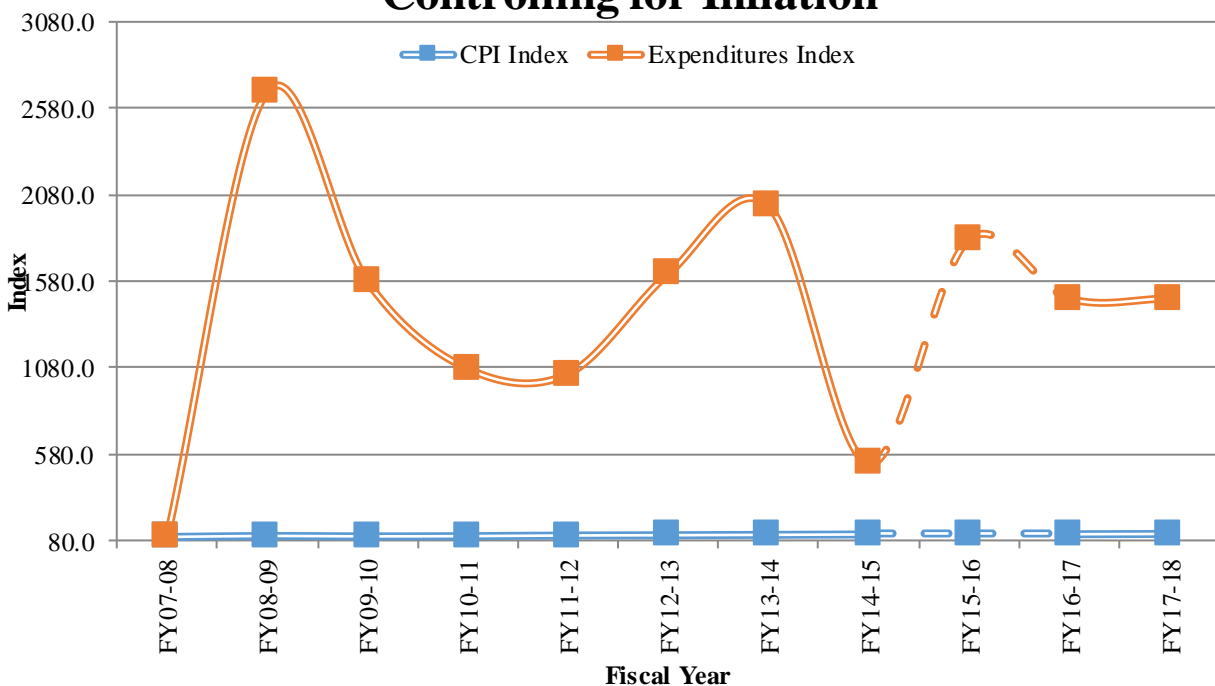


Revenue and Expenditure Trends

7th Avenue MSD Fund Revenues Controlling for Inflation



7th Avenue MSD Fund Expenditures Controlling for Inflation



Other Funds

The following section will briefly describe the various special revenue funds budgeted for the City of Hendersonville in FY17-18.

Debt Service

This special revenue fund was created to pay for debt service notes incurred by the City of Hendersonville. Currently, the Fund only budgets and pays for debt service notes incurred by the City's General Fund. In the future, it may serve all City debt. The General Fund transfers a set amount to cover debt service associated with the Fund. The total budget for the Debt Service Fund is \$1,077,726 for FY17-18.

Fire Community

The Fire Community Fund provides an avenue for donations that directly benefit the City's Fire Department. It allows for money to accrue overtime and be spent on a variety of Fire Department needs. The total budget for FY17-18 is \$250.

Health and Welfare Fund

This special revenue fund is an internal service fund, meaning that it provides a service to other funds and receives revenues from those funds in the form of transfers to pay for those services. This Fund budgets for the City's Wellness Program and health insurance claims. The total budget for this Fund is \$369,605 for FY17-18.

Historic Preservation

This special revenue fund operates to serve the Historic Preservation Committee's goals and objectives. It budgets for historic tours, historic banners and memorials, and other miscellaneous costs like advertising and contracted services. The total budget for this Fund is \$15,000 for FY17-18.

Police Drug Enforcement

The Police Drug Enforcement Fund is used to account for restricted revenues provided from the State of North Carolina, to be used in drug enforcement related expenditures. This Fund's budget totals \$50,000 for FY17-18.

Police Kennel Club

The Police Kennel Club Fund is a special revenue fund operating on donations and event related revenues. The Fund provides funding for Police canine supplies and materials. The Fund's budget for FY17-18 is 5,000.

Police Motor Unit

This special revenue fund was created to utilize donations and event related revenues to provide for training and supplies for the City's Police Motor Unit. The total budget for FY17-18 is \$500.



Police Needy Persons

The Police Needy Persons Fund is a special revenue fund that provides philanthropic related services to the community. An example of the things this Fund provides for are charitable donations around holidays. This Fund's budget totals \$8,000 for FY17-18.

Police RAD

The Police RAD Fund is a special revenue fund that provides classes and systems against rape aggression for the community. RAD stands for Rape Aggression Defense and is a common system around the nation. This Fund's budget totals \$1,500 for FY17-18.

Walk of Fame

The Walk of Fame Fund is a special revenue fund that provides recognizes individuals, past or present, who have made a significant difference to Henderson County in any field of endeavor. This Fund's budget totals \$1,500 for FY17-18.



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		Priority			
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 FY17-18	Year 2 FY18-19	Year 3 FY19-20	Year 4 FY20-21	Year 5 FY21-22	Future Years 2022+
Project Description							
Project Justification							
Impact on Operating Budget							
Expenditure	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	Future Yrs	Total
Salaries & Benefits							\$0
Materials & Supplies							\$0
Repair & Maintenance							\$0
Other							\$0
Total Operating Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Project Costs							
Activity	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	Future Yrs	Total
Professional Services							\$0
Land / ROW / Easement							\$0
Construction							\$0
Equipment / Machinery							\$0
Total Capital Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating + Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Method(s)							
Funding Source(s)	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	Future Yrs	Total
							\$0
							\$0
							\$0
							\$0
							\$0
Total Project Financing	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Additional Comments							



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 is 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 FY17-18:

City of Hendersonville CIP Calendar FY17-18	
Description	Date
Departments begin meeting internally to develop CIP project requests	October 18th, 2016
Departments submit CIP project requests to Finance & Administration	December 2nd, 2016
City Manager & Finance review CIP project request	December 6th, 2016
Department Head discuss CIP project requests with City Manager & Finance	December - January
CIP project impact & financial analysis is prepared	By January 27th, 2017
City Council Budget Preview (Includes CIP Estimates)	February 23rd, 2017

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 2017. 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 trend 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 full faith and credit 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.

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 of 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 (COPs) or Special Obligation Bonds (SOBs)

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. This type of financing should be considered for revenue-generating projects.

Tax Increment Financing

Tax Increment Financing (TIF) is a 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. TIFs can be financed up to thirty years.



Bond Anticipation Notes (BANs)

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



Capital Improvements Plan – Summary Table

Budget FY17-18

YEAR	PROJECT	TOTAL COST	FUNDING MECHANISM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	FUTURE YEARS
7TH AVENUE									
FY17-18	7th Avenue District Improvements	\$138,000	7th Cash	\$15,000	\$15,000	\$18,000	\$20,000	\$20,000	\$50,000
FY17-18	<i>All Projects</i>	<i>\$1,538,000</i>		<i>\$15,000</i>	<i>\$15,000</i>	<i>\$18,000</i>	<i>\$20,000</i>	<i>\$20,000</i>	<i>\$50,000</i>
FY18-19	7th Avenue Streetscape	\$1,400,000	Grant/Loan	\$0	\$1,400,000	\$0	\$0	\$0	\$0
FY18-19	Public Parking Lot - West End 7th Avenue	\$225,000	Loan	\$0	\$150,000	\$75,000	\$0	\$0	\$0
FY18-19	<i>All Projects</i>	<i>\$225,000</i>		<i>\$0</i>	<i>\$1,550,000</i>	<i>\$75,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
All	7TH AVENUE	\$1,763,000		\$15,000	\$1,565,000	\$93,000	\$20,000	\$20,000	\$50,000
FINANCE									
FY17-18	Munis-UBCIS	\$49,000	WS Cash	\$49,000	\$0	\$0	\$0	\$0	\$0
FY17-18	<i>All Projects</i>	<i>\$49,000</i>		<i>\$49,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
All	FINANCE	\$49,000		\$49,000	\$0	\$0	\$0	\$0	\$0
FIRE									
FY17-18	Blitz Fire Portable Monitor Nozzles	\$15,000	GF Cash	\$10,000	\$5,000	\$0	\$0	\$0	\$0
FY17-18	Fire Inspector Vehicle	\$35,000	GF Cash	\$35,000	\$0	\$0	\$0	\$0	\$0
FY17-18	Paratech Vehicle Stabilization Kit	\$7,500	GF Cash	\$7,500	\$0	\$0	\$0	\$0	\$0
FY17-18	Renovate Station 2 - Life Safety Division	\$20,000	GF Cash	\$20,000	\$0	\$0	\$0	\$0	\$0
FY17-18	Replace Mult-Gas Monitors	\$24,000	GF Cash	\$8,000	\$8,000	\$0	\$0	\$0	\$8,000
FY17-18	Replacement of AED's	\$100,000	GF Cash	\$50,000	\$0	\$0	\$0	\$0	\$50,000
FY17-18	Thermal Imaging Cameras	\$28,000	GF Cash	\$14,000	\$0	\$0	\$0	\$0	\$14,000
FY17-18	<i>All Projects</i>	<i>\$229,500</i>		<i>\$144,500</i>	<i>\$13,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
FY18-19	Battalion Chief of Operations Vehicle	\$45,000	GF Cash	\$0	\$45,000	\$0	\$0	\$0	\$0
FY18-19	FS #1 Apparatus Floor Re-Surface	\$40,000	GF Cash	\$0	\$40,000	\$0	\$0	\$0	\$0
FY18-19	FS #1 HVAC Replacement	\$25,000	GF Cash	\$0	\$25,000	\$0	\$0	\$0	\$0
FY18-19	Renovate Station 1 Deck Enclosure	\$1,200,000	Loan	\$0	\$200,000	\$1,000,000	\$0	\$0	\$0
FY18-19	Repair Front Apron Station 1	\$85,000	GF Cash	\$0	\$85,000	\$0	\$0	\$0	\$0
FY18-19	Replace Chevy Astro Van	\$40,000	GF Cash	\$0	\$40,000	\$0	\$0	\$0	\$0
FY18-19	Replace Fire Department Nozzles	\$40,000	GF Cash	\$0	\$40,000	\$0	\$0	\$0	\$0
FY18-19	<i>All Projects</i>	<i>\$1,475,000</i>		<i>\$0</i>	<i>\$475,000</i>	<i>\$1,000,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
FY19-20	Fire & Life Safety Educator Vehicle	\$60,000	GF Cash	\$0	\$0	\$30,000	\$0	\$0	\$30,000
FY19-20	<i>All Projects</i>	<i>\$60,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$30,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$30,000</i>
FY20-21	Additional Engine/Company for FS #1	\$750,000	Loan	\$0	\$0	\$0	\$750,000	\$0	\$0
FY20-21	Replace Deputy Fire Chief Vehicle	\$85,000	GF Cash	\$0	\$0	\$0	\$45,000	\$0	\$40,000
FY20-21	<i>All Projects</i>	<i>\$835,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$795,000</i>	<i>\$0</i>	<i>\$40,000</i>
FY22+	Fire Department Training Facility	\$300,000	GF Cash	\$0	\$0	\$0	\$0	\$0	\$300,000
FY22+	Replace Breathing Air Compressor	\$80,000	GF Cash	\$0	\$0	\$0	\$0	\$0	\$80,000
FY22+	Replace Engine 1	\$750,000	Loan	\$0	\$0	\$0	\$0	\$0	\$750,000
FY22+	Replace Engine 2	\$750,000	Loan	\$0	\$0	\$0	\$0	\$0	\$750,000
FY22+	Replace Engine 3	\$750,000	Loan	\$0	\$0	\$0	\$0	\$0	\$750,000
FY22+	Replace Engine 4	\$750,000	Loan	\$0	\$0	\$0	\$0	\$0	\$750,000
FY22+	Replace Fire Chief Vehicle	\$40,000	GF Cash	\$0	\$0	\$0	\$0	\$0	\$40,000
FY22+	Replace Fire Marshal Vehicle	\$40,000	GF Cash	\$0	\$0	\$0	\$0	\$0	\$40,000
FY22+	Replace Ladder 1	\$1,500,000	Loan	\$0	\$0	\$0	\$0	\$0	\$1,500,000
FY22+	Replace Station #1 Pick-up Truck	\$20,000	GF Cash	\$0	\$0	\$0	\$0	\$0	\$20,000
FY22+	Replacement of Self-Contained Breathing Apparatus	\$300,000	GF Cash	\$0	\$0	\$0	\$0	\$0	\$300,000
FY22+	Vehicle Extrication Equipment	\$75,000	GF Cash	\$0	\$0	\$0	\$0	\$0	\$75,000
FY22+	<i>All Projects</i>	<i>\$5,280,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$5,355,000</i>
All	FIRE	\$7,879,500		\$144,500	\$488,000	\$1,030,000	\$795,000	\$0	\$5,425,000
MAIN STREET									
FY17-18	District Improvements	\$38,000	MS Cash	\$23,000	\$0	\$0	\$0	\$0	\$15,000
FY17-18	Electric Panel Upgrades	\$10,000	MS Cash	\$10,000	\$0	\$0	\$0	\$0	\$0
FY17-18	<i>All Projects</i>	<i>\$48,000</i>		<i>\$33,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$15,000</i>
FY18-19	N. Main St. Visitor Facilities	\$150,000	Loan	\$0	\$150,000	\$0	\$0	\$0	\$0
FY18-19	Avenue Sidewalks & Street Lights	\$1,400,000	Loan	\$0	\$700,000	\$700,000	\$0	\$0	\$0
FY18-19	<i>All Projects</i>	<i>\$1,550,000</i>		<i>\$0</i>	<i>\$850,000</i>	<i>\$700,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
FY19-20	Public Parking Lot - South Main St.	\$260,000	Loan	\$0	\$0	\$250,000	\$10,000	\$0	\$0
FY19-20	<i>All Projects</i>	<i>\$260,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$250,000</i>	<i>\$10,000</i>	<i>\$0</i>	<i>\$0</i>
All	MAIN STREET	\$1,598,000		\$33,000	\$850,000	\$700,000	\$0	\$0	\$15,000



Capital Improvements Plan – Summary Table

Budget FY17-18

YEAR	PROJECT	TOTAL COST	FUNDING MECHANISM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	FUTURE YEARS
INFORMATION TECHNOLOGY									
FY17-18	Key Access System Upgrade	\$50,000	GF Cash	\$50,000	\$0	\$0	\$0	\$0	\$0
FY17-18	<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	INFORMATION TECHNOLOGY	\$50,000		\$50,000	\$0	\$0	\$0	\$0	\$0
POLICE									
FY17-18	Animal Control Vehicles (2)	\$92,000	GF Cash	\$92,000	\$0	\$0	\$0	\$0	\$0
FY17-18	New Police Station	\$4,000,000	Loan	\$4,000,000	\$0	\$0	\$0	\$0	\$0
FY17-18	Police Computer Systems	\$100,000	GF Cash	\$25,000	\$25,000	\$0	\$0	\$0	\$50,000
FY17-18	Police Mobile Computers	\$88,000	GF Cash	\$22,000	\$22,000	\$0	\$0	\$0	\$44,000
FY17-18	Police Vehicle Replacements (5 in Year 1)	\$1,086,000	GF Cash	\$216,000	\$215,000	\$217,000	\$219,000	\$219,000	\$0
FY17-18	<i>All Projects</i>	<i>\$5,366,000</i>		<i>\$4,355,000</i>	<i>\$262,000</i>	<i>\$217,000</i>	<i>\$219,000</i>	<i>\$219,000</i>	<i>\$94,000</i>
All	POLICE	\$5,366,000		\$4,355,000	\$262,000	\$217,000	\$219,000	\$219,000	\$94,000
PUBLIC WORKS									
FY17-18	Floor Covering/Repairs at Operations Center	\$30,000	GF/WS Cash	\$5,000	\$25,000	\$0	\$0	\$0	\$0
FY17-18	N. Main St. Sidewalks	\$813,000	Bond	\$813,000	\$0	\$0	\$0	\$0	\$0
FY17-18	Old Tracey Grove Bridge Replacement	\$1,040,000	GF Cash/NCDOT	\$150,000	\$890,000	\$0	\$0	\$0	\$0
FY17-18	Painting Contract - City Facilities	\$120,000	GF/WS Cash	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
FY17-18	Patton Park Improvements	\$25,000	GF Cash	\$25,000	\$0	\$0	\$0	\$0	\$0
FY17-18	Pavement Condition Survey	\$50,000	GF Cash	\$25,000	\$0	\$0	\$0	\$25,000	\$0
FY17-18	Powell Bill Improvements	\$3,423,682	GF Cash/Powell Bill	\$448,682	\$475,000	\$500,000	\$500,000	\$500,000	\$1,000,000
FY17-18	Repair Waterfall Hole/Carpet at Mini-golf	\$18,000	GF Cash	\$6,000	\$12,000	\$0	\$0	\$0	\$0
FY17-18	Replace Metal Roof at Sugarloaf Shed	\$5,000	GF Cash	\$5,000	\$0	\$0	\$0	\$0	\$0
FY17-18	Skid Steer Purchase	\$85,000	GF Cash	\$85,000	\$0	\$0	\$0	\$0	\$0
FY17-18	Sullivan Park Basketball Resurface	\$16,000	GF Cash	\$8,000	\$0	\$0	\$0	\$0	\$8,000
FY17-18	Sullivan Park Improvements	\$31,000	GF Cash	\$6,000	\$25,000	\$0	\$0	\$0	\$0
FY17-18	Tom's Park Pedestrian Bridge	\$50,000	GF Cash	\$50,000	\$0	\$0	\$0	\$0	\$0
FY17-18	Traffic Signal Cabinet Replacements	\$102,000	GF Cash	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000
FY17-18	Vehicle Replacements	\$347,500	GF Cash	\$27,500	\$0	\$55,000	\$55,000	\$0	\$210,000
FY17-18	Wayfinding/Gateway Signage	\$36,000	GF Cash	\$12,000	\$12,000	\$12,000	\$0	\$0	\$0
FY17-18	<i>All Projects</i>	<i>\$6,291,060</i>		<i>\$1,730,780</i>	<i>\$1,491,280</i>	<i>\$618,000</i>	<i>\$606,000</i>	<i>\$576,000</i>	<i>\$1,269,000</i>
FY18-19	Berkeley Park Improvements	\$1,200,000	Loan	\$0	\$1,200,000	\$0	\$0	\$0	\$0
FY18-19	City Hall HVAC	\$70,000	GF Cash	\$0	\$70,000	\$0	\$0	\$0	\$0
FY18-19	City Hall Landscape and Irrigation	\$25,000	GF Cash	\$0	\$25,000	\$0	\$0	\$0	\$0
FY18-19	Fleet Maintenance Lot Resurfacing	\$65,000	GF Cash	\$0	\$65,000	\$0	\$0	\$0	\$0
FY18-19	Leaf Machine Replacement	\$90,000	GF/ESF Cash	\$0	\$30,000	\$0	\$0	\$30,000	\$30,000
FY18-19	Patton Park Picnic Shed Re-roof	\$9,500	GF Cash	\$0	\$9,500	\$0	\$0	\$0	\$0
FY18-19	Patton Pool Gutter Grates (covers)	\$14,000	GF Cash	\$0	\$14,000	\$0	\$0	\$0	\$0
FY18-19	Patton Pool Umbrellas	\$20,000	GF Cash	\$0	\$20,000	\$0	\$0	\$0	\$0
FY18-19	Resurface Whitmire Building Parking Lot	\$120,000	GF Cash	\$0	\$120,000	\$0	\$0	\$0	\$0
FY18-19	Salt Spreaders	\$28,000	GF Cash	\$0	\$14,000	\$14,000	\$0	\$0	\$0
FY18-19	Snow Blades	\$10,000	GF Cash	\$0	\$10,000	\$0	\$0	\$0	\$0
FY18-19	Streets Dept Walk Saw	\$6,000	GF Cash	\$0	\$6,000	\$0	\$0	\$0	\$0
FY18-19	Whitmire Building Floor Replacement	\$30,000	GF Cash	\$0	\$30,000	\$0	\$0	\$0	\$0
FY18-19	Zero Turn Mower	\$70,000	GF Cash	\$0	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000
FY18-19	<i>All Projects</i>	<i>\$1,757,500</i>		<i>\$0</i>	<i>\$1,627,500</i>	<i>\$28,000</i>	<i>\$14,000</i>	<i>\$44,000</i>	<i>\$44,000</i>
FY19-20	Air Compressor	\$18,000	GF Cash	\$0	\$0	\$18,000	\$0	\$0	\$0
FY19-20	Asphalt Roller	\$65,000	GF Cash	\$0	\$0	\$65,000	\$0	\$0	\$0
FY19-20	City Hall Roof Enclosure	\$390,000	GF Cash	\$0	\$0	\$390,000	\$0	\$0	\$0
FY19-20	Grounds Maintenance Equipment Storage	\$40,000	GF Cash	\$0	\$0	\$40,000	\$0	\$0	\$0
FY19-20	Gym Equipment at Operations Center	\$40,000	GF/WS/ESF/HW Cash	\$0	\$0	\$40,000	\$0	\$0	\$0
FY19-20	Hendersonville Gateway Park	\$110,000	GF Cash	\$0	\$0	\$110,000	\$0	\$0	\$0
FY19-20	Patton Park Tennis Court Lights	\$36,000	GF Cash	\$0	\$0	\$36,000	\$0	\$0	\$0
FY19-20	Replace Mini-Excavator	\$55,000	GF Cash	\$0	\$0	\$55,000	\$0	\$0	\$0
FY19-20	Scissor Lift	\$30,000	GF Cash	\$0	\$0	\$30,000	\$0	\$0	\$0
FY19-20	Utility Vehicle Replacement	\$14,000	GF Cash	\$0	\$0	\$14,000	\$0	\$0	\$0
FY19-20	<i>All Projects</i>	<i>\$798,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$798,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>



Capital Improvements Plan – Summary Table

Budget FY17-18

YEAR	PROJECT	TOTAL COST	FUNDING MECHANISM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	FUTURE YEARS
PUBLIC WORKS									
FY20-21	Bucket Truck Replacement	\$100,000	GF Cash	\$0	\$0	\$0	\$100,000	\$0	\$0
FY20-21	Patton Park Pedestrian Bridge and Vehicular Bridge Replacement	\$70,000	GF Cash	\$0	\$0	\$0	\$70,000	\$0	\$0
FY20-21	Rotary Park Playground Equipment	\$15,000	GF Cash	\$0	\$0	\$0	\$15,000	\$0	\$0
<i>FY20-21</i>	<i>All Projects</i>	<i>\$185,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$185,000</i>	<i>\$0</i>	<i>\$0</i>
FY21-22	Columbarium at Oakdale Cemetery	\$18,000	GF Cash	\$0	\$0	\$0	\$0	\$18,000	\$0
FY21-22	Splash Pad or Water Slide	\$130,000	GF Cash	\$0	\$0	\$0	\$0	\$130,000	\$0
<i>FY21-22</i>	<i>All Projects</i>	<i>\$148,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$148,000</i>	<i>\$0</i>
FY22+	Southside Park Development	\$2,400,000	Loan	\$0	\$0	\$0	\$0	\$0	\$2,400,000
FY22+	West Lake Avenue Right of Way	\$400,000	GF Cash	\$0	\$0	\$0	\$0	\$0	\$400,000
<i>FY22+</i>	<i>All Projects</i>	<i>\$2,400,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$2,400,000</i>
All	PUBLIC WORKS	\$11,509,560		\$1,730,780	\$3,104,780	\$1,430,000	\$791,000	\$754,000	\$3,699,000
SANITATION									
FY17-18	Route Analysis Study	\$35,000	ESF Cash	\$35,000	\$0	\$0	\$0	\$0	\$0
FY17-18	Truck Replacement	\$700,000	Loan	\$230,000	\$0	\$0	\$235,000	\$0	\$235,000
<i>FY17-18</i>	<i>All Projects</i>	<i>\$735,000</i>		<i>\$265,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$235,000</i>	<i>\$0</i>	<i>\$235,000</i>
All	SANITATION	\$735,000		\$265,000	\$0	\$0	\$235,000	\$0	\$235,000
STORMWATER									
FY17-18	Creek Stabilization - Old Chimney Rock Road	\$90,000	ESF Cash	\$90,000	\$0	\$0	\$0	\$0	\$0
<i>FY17-18</i>	<i>All Projects</i>	<i>\$90,000</i>		<i>\$90,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
All	STORMWATER	\$90,000		\$90,000	\$0	\$0	\$0	\$0	\$0



Capital Improvements Plan – Summary Table

Budget FY17-18

YEAR	PROJECT	TOTAL COST	FUNDING MECHANISM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	FUTURE YEARS
WATER & SEWER									
FY17-18	Asphalt Zipper	\$155,000	WS Cash	\$100,000	\$0	\$0	\$0	\$0	\$55,000
FY17-18	Bradley Creek Dredging	\$70,000	WS Cash	\$70,000	\$0	\$0	\$0	\$0	\$0
FY17-18	CCTV Generator Replacement	\$15,000	WS Cash	\$7,500	\$0	\$0	\$0	\$0	\$7,500
FY17-18	Chlorine Scrubber	\$410,000	WS Cash	\$410,000	\$0	\$0	\$0	\$0	\$0
FY17-18	District Metering & Pump Station Metering	\$800,000	WS Cash	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$300,000
FY17-18	Dump Truck 1-1/2 Ton Replacement (17-05)	\$130,000	WS Cash	\$65,000	\$0	\$0	\$0	\$0	\$65,000
FY17-18	Dump Truck Replacement Single-Axle (22-12)	\$165,000	WS Cash	\$90,000	\$0	\$0	\$0	\$0	\$75,000
FY17-18	Eastside Transmission Main, Phase 2 and 3	\$5,100,000	Loan	\$5,100,000	\$0	\$0	\$0	\$0	\$0
FY17-18	Etowah Water System Improvements	\$3,819,200	CPO/Cash	\$2,291,520	\$1,527,680	\$0	\$0	\$0	\$0
FY17-18	Excavator, 12,000-lb. - Replacement	\$190,000	WS Cash	\$70,000	\$0	\$0	\$0	\$0	\$120,000
FY17-18	Florida Avenue Water and Sewer Improvements	\$1,059,000	Loan	\$163,000	\$0	\$896,000	\$0	\$0	\$0
FY17-18	French Broad River Raw Water Intake and Pump Station, Phase 2	\$5,925,000	Loan	\$400,000	\$0	\$5,525,000	\$0	\$0	\$0
FY17-18	Generators and ATS	\$2,156,000	WS Cash	\$154,000	\$154,000	\$154,000	\$154,000	\$154,000	\$1,386,000
FY17-18	Gravity Filter Replacement	\$2,590,000	CPO/Cash	\$2,590,000	\$0	\$0	\$0	\$0	\$0
FY17-18	Motor Vehicle Replacements	\$4,160,000	WS Cash	\$170,000	\$210,000	\$210,000	\$210,000	\$210,000	\$3,150,000
FY17-18	Mud Creek Sewer Interceptor Replacement, Phase 3	\$1,144,000	Loan	\$176,000	\$0	\$968,000	\$0	\$0	\$0
FY17-18	N. Main St. Sanitary Water and Sewer Improvements	\$1,073,000	Loan	\$131,000	\$0	\$942,000	\$0	\$0	\$0
FY17-18	Northside (Fletcher Area) Water System Improvements	\$3,600,000	CPO/Cash	\$375,000	\$0	\$3,225,000	\$0	\$0	\$0
FY17-18	Oakland St. and Fleming St. Water and Sewer Improvements	\$2,188,000	Loan	\$336,000	\$0	\$1,852,000	\$0	\$0	\$0
FY17-18	Pump Station Metering and Weather Stations	\$408,000	WS Cash	\$102,000	\$102,000	\$102,000	\$102,000	\$0	\$0
FY17-18	Replace Service Truck (17-18)	\$65,000	WS Cash	\$65,000	\$0	\$0	\$0	\$0	\$0
FY17-18	Rutledge Rd. Water System Improvements	\$476,000	CPO/Cash	\$476,000	\$0	\$0	\$0	\$0	\$0
FY17-18	SCADA System Upgrade	\$1,586,000	CPO/Cash	\$793,000	\$793,000	\$0	\$0	\$0	\$0
FY17-18	Shoring Box Replacement	\$200,000	WS Cash	\$100,000	\$0	\$0	\$0	\$0	\$100,000
FY17-18	Smokey Ridge Apartments Sewer Pump Station Elimination	\$418,000	Loan	\$65,000	\$0	\$353,000	\$0	\$0	\$0
FY17-18	Soil Screen, portable	\$60,000	WS Cash	\$30,000	\$0	\$0	\$0	\$0	\$30,000
FY17-18	Streambank Restoration - SRF	\$2,920,000	Loan	\$584,000	\$2,336,000	\$0	\$0	\$0	\$0
FY17-18	Wastewater AIA	\$302,000	Grant/CPO Cash	\$302,000	\$0	\$0	\$0	\$0	\$0
FY17-18	Williams St. / 4th Avenue E Sanitary Sewer Replacement	\$542,000	Loan	\$42,000	\$0	\$0	\$500,000	\$0	\$0
FY17-18	WTP High Service Pump Station	\$2,164,000	CPO/Cash	\$2,164,000	\$0	\$0	\$0	\$0	\$0
FY17-18	WWTP Generator & ATS	\$1,850,000	CPO/Cash	\$1,850,000	\$0	\$0	\$0	\$0	\$0
FY17-18	WWTP Reclaimed Water Pumps/Motors Replacement	\$61,000	WS Cash	\$61,000	\$0	\$0	\$0	\$0	\$0
FY17-18	WWTP Sludge Drying System	\$4,109,000	Loan	\$239,000	\$0	\$3,870,000	\$0	\$0	\$0
FY17-18	All Projects	\$49,910,200		\$19,672,020	\$5,222,680	\$18,197,000	\$1,066,000	\$464,000	\$5,288,500
FY18-19	Dump Truck Replacement (22-01)	\$150,000	WS Cash	\$0	\$75,000	\$0	\$0	\$0	\$75,000
FY18-19	Equipment Trailer Replacements - Sewer	\$46,000	WS Cash	\$0	\$23,000	\$0	\$0	\$0	\$23,000
FY18-19	Front-end Loader - Replacement (50-01)	\$204,000	WS Cash	\$0	\$102,000	\$0	\$0	\$0	\$102,000
FY18-19	Rubber Tired Backhoe Replacement (44-06)	\$200,000	WS Cash	\$0	\$75,000	\$0	\$0	\$0	\$125,000
FY18-19	Rubber-tired Backhoe - Replacement (44-07)	\$150,000	WS Cash	\$0	\$75,000	\$0	\$0	\$0	\$75,000
FY18-19	SCADA System Servers	\$112,000	WS Cash	\$0	\$28,000	\$0	\$0	\$0	\$84,000
FY18-19	Trench Roller/Compactor	\$128,000	WS Cash	\$0	\$64,000	\$0	\$0	\$0	\$64,000
FY18-19	WASP, Inventory Control RF Pro	\$15,000	WS Cash	\$0	\$15,000	\$0	\$0	\$0	\$0
FY18-19	WTP Centrifuge Replacement	\$822,000	Loan	\$0	\$822,000	\$0	\$0	\$0	\$0
FY18-19	WWTP Lawnmower	\$19,000	WS Cash	\$0	\$19,000	\$0	\$0	\$0	\$0
FY18-19	WWTP Upgrade SCADA Equipment and VFDs	\$300,000	WS Cash	\$0	\$300,000	\$0	\$0	\$0	\$0
FY18-19	All Projects	\$2,146,000		\$0	\$1,598,000	\$0	\$0	\$0	\$548,000
FY19-20	Brookwood Sewer Pump Station Replacement	\$323,000	WS Cash	\$0	\$0	\$323,000	\$0	\$0	\$0
FY19-20	Dana Rd. Water Main Extension	\$1,971,000	Loan	\$0	\$0	\$371,000	\$1,600,000	\$0	\$0
FY19-20	Dump Truck, Single-axle - Replacement (22-13)	\$150,000	WS Cash	\$0	\$0	\$75,000	\$0	\$0	\$75,000
FY19-20	Excavator, 6500-lb. - Replacement (44-08)	\$150,000	WS Cash	\$0	\$0	\$75,000	\$0	\$0	\$75,000
FY19-20	Replace Gutters on Metal Building at Ewart Hill	\$25,000	WS Cash	\$0	\$0	\$25,000	\$0	\$0	\$0
FY19-20	Willow Rd., Cherokee Dr., Park St. Sanitary Sewer and Water Improvements	\$3,198,000	Loan	\$0	\$0	\$492,000	\$0	\$2,706,000	\$0
FY19-20	WTP Expansions, from 12-MGD to 15-MGD	\$6,064,000	Loan	\$0	\$0	\$237,000	\$0	\$0	\$5,827,000
FY19-20	All Projects	\$11,881,000		\$0	\$0	\$1,598,000	\$1,600,000	\$2,706,000	\$5,977,000



Capital Improvements Plan – Summary Table

Budget FY17-18

YEAR	PROJECT	TOTAL COST	FUNDING MECHANISM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	FUTURE YEARS
WATER & SEWER									
FY20-21	Garden Lane Pump Station Upgrade/Deck	\$200,000	WS Cash	\$0	\$0	\$0	\$200,000	\$0	\$0
FY20-21	Howard Gap Rd. Water Main Extension, Phase 1	\$1,319,000	Loan	\$0	\$0	\$0	\$199,000	\$1,120,000	\$0
FY20-21	Pace Rd. Water Main Extension and Interconnect	\$1,053,000	Loan	\$0	\$0	\$0	\$53,000	\$1,000,000	\$0
FY20-21	S. Rugby Road Water Main Interconnection	\$1,888,000	Loan	\$0	\$0	\$0	\$358,000	\$1,530,000	\$0
FY20-21	WTP Relocate Raw Water Intake - MR	\$1,200,000	Loan	\$0	\$0	\$0	\$200,000	\$1,000,000	\$0
<i>FY20-21</i>	<i>All Projects</i>	<i>\$5,660,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$1,010,000</i>	<i>\$4,650,000</i>	<i>\$0</i>
FY21-22	Air Compressor Replacements - Water	\$40,000	WS Cash	\$0	\$0	\$0	\$0	\$20,000	\$20,000
FY21-22	Dump Truck Replacement (22-07)	\$75,000	WS Cash	\$0	\$0	\$0	\$0	\$75,000	\$0
FY21-22	Howard Gap Rd. Water Main Extension, Phase 2	\$2,341,000	Loan	\$0	\$0	\$0	\$0	\$381,000	\$1,960,000
<i>FY21-22</i>	<i>All Projects</i>	<i>\$2,456,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$476,000</i>	<i>\$1,980,000</i>
FY22+	1st Avenue W and Oak St. Sanitary Sewer and Water Improvements	\$777,000	Loan	\$0	\$0	\$0	\$0	\$0	\$777,000
FY22+	16-inch Transmission Water Main from WTP to Ewart Hill Slip Lining	\$3,881,000	Loan	\$0	\$0	\$0	\$0	\$0	\$3,881,000
FY22+	24-PCCP Transmission Main Replacement	\$8,400,000	Loan	\$0	\$0	\$0	\$0	\$0	\$8,400,000
FY22+	7th Avenue Residential Sanitary Sewer and Water Improvements	\$906,000	Loan	\$0	\$0	\$0	\$0	\$0	\$906,000
FY22+	AMI Metering Infrastructure Replacement	\$12,142,000	Loan	\$0	\$0	\$0	\$0	\$0	\$12,142,000
FY22+	ATV for Inspecting Outfalls	\$16,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$16,000
FY22+	Bradley Creek Raw Water Line Slip Lining	\$2,890,000	Loan	\$0	\$0	\$0	\$0	\$0	\$2,890,000
FY22+	CCTV Sewer Inspection Vehicle	\$482,000	Loan	\$0	\$0	\$0	\$0	\$0	\$482,000
FY22+	Druid Hills Sanitary Sewer and Water Improvements	\$4,116,000	Loan	\$0	\$0	\$0	\$0	\$0	\$4,116,000
FY22+	Dump Truck 1-1/2 Ton Replacement (17-21)	\$65,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$65,000
FY22+	Dump Truck, Dual-axle - Replacement (22-20)	\$150,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$150,000
FY22+	Dump Truck, Triaxle - Replacement (22-17)	\$150,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$150,000
FY22+	Ewart Hill 5-MG Storage Reservoir Replacement	\$3,843,000	Loan	\$0	\$0	\$0	\$0	\$0	\$3,843,000
FY22+	Excavator, 12,000-lb. - Replacement (44-11)	\$75,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$75,000
FY22+	Excavator, 12,000-lb. - Replacement (44-17)	\$75,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$75,000
FY22+	Excavator, 33,000-lb. - Replacement (44-16)	\$136,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$136,000
FY22+	Fairgrounds Avenue (E. Flat Rock Area) - Repair and Replacement Project	\$1,645,000	Loan	\$0	\$0	\$0	\$0	\$0	\$1,645,000
FY22+	Fruitland Rd. Water Main Extension	\$1,935,000	Loan	\$0	\$0	\$0	\$0	\$0	\$1,935,000
FY22+	LongJohn Mountain Interconnect, Pump Stations and Storage Tank	\$3,768,000	Loan	\$0	\$0	\$0	\$0	\$0	\$3,768,000
FY22+	Mud Creek Sewer Interceptor Replacement, Phase 1	\$1,281,000	Loan	\$0	\$0	\$0	\$0	\$0	\$1,281,000
FY22+	Mud Creek Sewer Interceptor Replacement, Phase 2	\$850,000	Loan	\$0	\$0	\$0	\$0	\$0	\$850,000
FY22+	N. Highland Lake Rd. Interconnection	\$699,000	Loan	\$0	\$0	\$0	\$0	\$0	\$699,000
FY22+	North Fork Raw Water Line Slip Lining	\$3,881,000	Loan	\$0	\$0	\$0	\$0	\$0	\$3,881,000
FY22+	S. Mills Gap Rd. Water Main Extension	\$1,386,000	Loan	\$0	\$0	\$0	\$0	\$0	\$1,386,000
FY22+	Sewer Vactor Truck Replacement (29-05)	\$754,000	Loan	\$0	\$0	\$0	\$0	\$0	\$754,000
FY22+	Skid Steer ROW Clearing Equipment (50-03)	\$69,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$69,000
FY22+	Southside Water System Improvements	\$3,128,000	Loan	\$0	\$0	\$0	\$0	\$0	\$3,128,000
FY22+	Tapping Machine (4" to 12")	\$64,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$64,000
FY22+	Trailer-mounted Sewer Jetter 29-04	\$56,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$56,000
FY22+	Upward Road Water Main Upgrade	\$870,000	Loan	\$0	\$0	\$0	\$0	\$0	\$870,000
FY22+	US Highway 64 E / Highland Square Sanitary Sewer Improvements	\$164,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$164,000
FY22+	US Highway 64 West 30-inch Transmission Main	\$9,092,000	Loan	\$0	\$0	\$0	\$0	\$0	\$9,092,000
FY22+	Vacuum Excavator	\$64,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$64,000
FY22+	WTP Lawnmower	\$16,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$16,000
FY22+	WWTP Expansion, 6.0 MGD	\$210,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$210,000
<i>FY22+</i>	<i>All Projects</i>	<i>\$68,036,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$68,036,000</i>
All	WATER & SEWER	\$140,089,200		\$19,672,020	\$4,484,680	\$22,131,000	\$3,676,000	\$8,296,000	\$81,829,500



The total request to be funded with current revenues (cash) or pay-as-you-go is presented below:

FUND	CASH FY17-18	CASH FY18-19	CASH FY19-20	CASH FY20-21	CASH FY21-22	CASH FY22+	TOTAL
General Fund	\$ 873,750	\$ 1,201,000	\$ 1,303,000	\$ 695,000	\$ 598,000	\$ 1,840,000	\$ 6,510,750
Fire	\$ 144,500	\$ 288,000	\$ 30,000	\$ 45,000	\$ -	\$ 922,000	\$ 1,429,500
Finance	\$ 12,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,250
Information Technology	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Police	\$ 263,000	\$ 262,000	\$ 217,000	\$ 219,000	\$ 219,000	\$ 94,000	\$ 1,274,000
Public Works	\$ 429,000	\$ 651,000	\$ 1,056,000	\$ 431,000	\$ 379,000	\$ 824,000	\$ 3,770,000
7th Avenue MSD Fund	\$ 15,000	\$ 15,000	\$ 18,000	\$ 20,000	\$ 20,000	\$ 50,000	\$ 138,000
Environmental Services Fund	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
Main Street MSD Fund	\$ 33,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 48,000
Water/Sewer Fund	\$ 1,668,750	\$ 1,644,500	\$ 1,366,000	\$ 776,000	\$ 569,000	\$ 7,326,500	\$ 13,350,750
TOTAL	\$ 2,625,500	\$ 2,860,500	\$ 2,687,000	\$ 1,491,000	\$ 1,187,000	\$ 9,231,500	\$ 20,082,500

All requested projects, for all financing methods, total **\$26,404,300**.



General Fund

Finance

Munis UBCIS: \$49,000

Update Munis to a new program which will increase efficiency in intercompany billing, customer account information, more detailed reporting, and ability to restrict employees from adjusting accounts without approval from a supervisor within the system. Also, employees can schedule work orders to print during the night so they will be available first thing in the morning for the work crews, currently we are printing each one individually during the day. Ability to pull EFT payments closer to the actual bank desired date allowing customers more time to stop or change these payments before bank has processed. Will provide easier to read actual billed information on the customer screen. Ability to run the bill run process as night while employees are away this currently takes several hours during the day to run. Can schedule late fees to run automatically at a scheduled time. The total cost is estimated at \$49,000. The upgrade will take place at the beginning of the new fiscal year.

Fire

Blitz Fire Portable Monitor Nozzles: \$10,000

Purchase three Blitz Fire Portable Monitor Nozzles with mounting brackets. The Blitz Fire Portable Monitor Nozzles are the newest innovation in firefighting equipment. These monitors are smaller than any other ground portable firefighting monitor so they can be quickly set up and left unmanned at the fire scene to free up personnel. Due to our level of staffing these monitor nozzles will be useful on commercial properties as well as any incident that is unsafe for a Firefighter such as Haz-mat, Gas leaks, etc...

Fire Inspector Vehicle: \$35,000

Purchase a vehicle for a new fire inspector position. With the new fiscal year, the Hendersonville fire department will be hiring an additional full-time inspector to support the fire inspection program. This position will need a vehicle to perform his/her job functions. The cost will cover the vehicle, lettering, radio, and lights.

Paratech Vehicle Stabilization Kit: \$7,500

Paratech vehicle stabilization kit for stabilizing crashed vehicles in order to safely remove trapped/injured occupants. Currently, the Hendersonville Fire Department utilizes basic cribbing techniques using wood timbers. Due to the size of the timbers necessary to stabilize vehicles, the amount of wood cribbing each apparatus is able to carry is extremely limited. Even very simple vehicle crashes can require a large amount of wood cribbing to stabilize even a single vehicle. The Paratech Highway VSK 22-796852 kit allows for the stabilization of multiple vehicles, longer reach, and heavier weights such as a fully loaded tractor trailer.



Renovate Station #2 – Life Safety Division: \$20,000

Complete the renovation at Fire Station 2 for Life Safety Division. In FY 16-17 the fire department performed a partial renovation to Fire Station 2 for the Life Safety division. This was unfunded and money had to be moved from other line-items within the fire department budget to cover the costs. Therefore, all the renovations were unable to be completed. Works to still be performed are: adding a new doorway and door to the hallway, changing door hardware, installing key access, recessing a natural gas line that is exposed, boxing in a natural gas line, adding signage for doors, purchasing necessary furniture, etc... The estimated cost of this project is \$20,000.

Replace Multi-Gas Monitors: \$8,000

Replace worn and damaged Multi-gas detectors. The fire department currently owns five multi-gas monitors that are all over five years ago and out of warranty. We routinely have maintenance issues with these monitors and have spent hundreds on repairs over the last two years. Also, many of the small vehicles do not have these monitors which causes significant issues on an emergency scene especially when evacuating structures. The multi-gas monitors are designed to monitor potentially hazardous levels of combustible gases, oxygen enrichment or depletion, carbon monoxide, and hydrogen sulfide. Simple, intuitive user operation enables operators to focus on the situation rather than equipment.

Replacement of AEDs: \$50,000

Replacement of worn and outdated automated external defibrillators (AED). The AED's utilized by the Hendersonville Fire Department are between five to eight years old and have been utilized on numerous cardiac arrest incidents. They have saved countless lives and are an asset to the fire department as well as the community we serve. The American Hospital Association 2008 "Estimated Useful Lives of Depreciable Hospital Assets" lists the estimated service period of a defibrillator at five years. The Department of the Army "Technical Bulletin (TB Med 7)" lists life expectancy of a defibrillator at eight years.

Many vendors also have programs where they "buy back" used AED's depending on their age and condition. Therefore, the amount allocated may decrease significantly the sooner we replace our AED inventory. The newer AED's will also offer new features that were not available previously. The amount requested will purchase a total of thirteen AED's including batteries, cables, pads cases, and training materials.

Thermal Imaging Cameras: \$14,000

In FY 15-16 the fire department replaced two of the three outdated thermal imaging cameras. This fiscal year we are requesting to replace the third thermal imaging camera. This camera will be located on Ladder 1. Since thermal imaging cameras can function in total darkness and



provide sight in a visually obscured environment, they allow firefighters to quickly find the seat of a structure fire and heat signatures of trapped victims. The current thermal imaging camera located on Ladder 1 will all be over six years old by the time of replacement and the cameras is not compliant with NFPA 1801 (Standard for Thermal Imaging Cameras). The thermal imaging cameras owned by the Hendersonville Fire Department have saved countless properties from expensive overhaul damages and unnecessary business interruptions. However, they demand more frequent expensive repair due to their age, the conditions used in, and annual maintenance costs. The thermal imaging camera located on Ladder 1 is currently out of warranty and due to the damaging conditions they are exposed to during calls, candidates for future failure and extended out of service times. Newer thermal imaging cameras are smaller, lighter, more durable, and less expensive to purchase and maintain, which makes them more user friendly and affordable.

Prior to thermal imaging technology, fire crews forcibly opened walls and confined spaces to determine if fire was present in enclosed areas. Failure to identify “hot spots” during overhaul operations allows a hidden fire to grow undetected, further endangering life and property. Thermal imaging cameras can identify these smoldering fires as well as a victim’s body heat. These cameras are used to search and locate disoriented firefighters, victims trapped in buildings, and lost patients in wooded areas. Thermal imaging cameras have saved businesses and homeowners thousands of dollars in property damage and helped our firefighters create a safe, sustainable, fiscally responsible, and livable community.

Information Technology

Key Access System Upgrade: \$50,000

Upgrade the City’s key scan system and add access points to the City Operations building to make it more secure. We are currently encountering problems and errors with the current system and our current provider’s customer service is lacking. We have requested bids from different companies and are evaluating the more effective and efficient one in preparation for the next fiscal year.

Police

Animal Control Vehicles: \$92,000

Purchase two new vehicles for newly hired animal control officers. These vehicles will be equipped with the tools and resources needed to efficiently and effectively enforce animal control within the City of Hendersonville. The estimated cost for the two vehicles is \$92,000.

New Police Station: \$4,000,000

A new police station has been discussed with the City Council for over a year. The current station is collocated with the City Hall and there is no space for expansion. Part of the motivation for moving the police out of City Hall is to create space for a customer service area



on the base floor of the building. It will also provide room for future office space. An architect has done initial renderings. A location will need to be identified before this project moves forward.

Police Computer Systems: \$25,000

Replacement of computers and servers spread out over a two year plan. Our computers are in need of replacement. We are starting to have failures, and all the computers are past their warranty coverage. This plan replaces our workstation computers, half the first year, and half the second.

Police Mobile Computers: \$22,000

Replacement of mobile computers used by officers on patrol. Mobile computers have a life expectancy of about 4 years due to being in a patrol vehicle and subjected to more harsh conditions than a computer in an office. Generally we have replaced these computers every three years, however we are comfortable with changing that to every four years. This is to replace half of the units in 2017-18 and the other half in 2018-19.

Police Vehicle Replacements: \$216,000

Replace 5 vehicles. (2 with radar @ 46 each. 2 w/o radar \$ 44 each. 1 unmarked @ 42). The police vehicles must be replaced when they have ended their useful life, which is calculated by the City's rating system. Our average ten year cycle is five (5) vehicles per year. This is a turnkey cost that includes all the equipment needed for the vehicle. (Does not include MDT computer).

Public Works

Floor Covering/Repairs at Operations Center: \$5,000

Floor covering repairs/replacement in the City Operation Center. Repair the floors in the morning rooms and large showers because the existing coating is worn and peeling up. Replace the carpet in the Operation Center due to stains and worn areas.

North Main Street Sidewalks: \$813,000

Construct sidewalks extending approximately 4,100 linear feet along North Main Street from O'cain Court, where the neighborhoods are primarily urban in nature to Yon Hill Road where several current developments are coming. Staff was directed by City Council to concentrate remaining 2008 sidewalk bond funds to extend sidewalk along N Main Street in order to connect residential areas with the Oklawaha Greenway. Staff went through the qualifications based selection process to contract with Mattern & Craig of Asheville, NC in order to begin with a preliminary engineering report of the study area. The PER was used to determine the final scope



of the construction project. The estimate provided for construction was therefore revised from the PER discussion with Council.

Old Tracey Grove Bridge Replacement Project: \$150,000

Replacement of Bridge \$440350 on Old Tracey Grove Road. The 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 us to receive funding from FHWA for 80% of the cost of replacing the bridge. The City will still be responsible for the other 20%. The project number is STIP # B-5929. This project is in a capital project ordinance and is almost fully funded. It is estimated that \$150,000 for design will be completed in FY17-18.

Painting Contract: \$20,000

Annual contract painting of city buildings (one floor per year). We are planning to repaint one entire floor of City Hall and the Operation Center on an annual basis until the project is completed.

Patton Park Improvements: \$25,000

Replace sand at Patton Playground with rubber playground surface material to keep sand out of pool and help comply with the playground fall protection regulations (\$10,000). Replace the chain link fence around the softball field which is now unsafe. Add bleachers to the softball field and relocate existing set to the soccer fields (public is moving them by hand from one location to the other). Add shade structure to the skate park benches to provide some relief from the heat/sun.

Pavement Condition Survey: \$25,000

Re-evaluate condition of our street infrastructure. Evaluate condition of our sidewalks and inventory our sidewalks. It will have been 5 years since our last 3rd party evaluation. We have never completed a formal sidewalk condition study.

Powell Bill Improvements: \$476,280

Annual allocation of Powell Bill funding to go towards the resurfacing of City maintained streets. A schedule of streets to be resurfaced can be found at the Public Works Department.

Repair Waterfall Hole/Carpet at Mini-Golf: \$6,000

Repair the water fall hole at Boyd Park and replace the carpet on all of the holes. Rocks are falling off of the existing water fall structure and the water pump and holding tank are in bad shape. We need to rebuild this feature at the Mini Golf Course. The carpet is beginning to come apart and fade really bad so we need to replace it (yr 2), estimated to cost \$12,000.



Capital Improvements Plan – Capital Expenditure Detail Budget FY17-18

Replace Metal Roof at Sugarloaf Shed: \$5,000

Replace the metal roof on the sheds at the sugarloaf property. The sheds behind the storage building at sugarloaf are used to store equipment like our leaf machines and salt and sand spreaders while they are not in use. The metal roof on these sheds is in bad shape and needs to be replaced as soon as possible.

Skid Steer Purchase: \$85,000

Replace our 2007 New Holland backhoe with a skid steer. The 2007 New Holland backhoe needs to be replaced and it will become a backup backhoe for the Street Department and Grounds Maintenance Department. Our 1989 Case backhoe will be declared surplus and sold.

Sullivan Park Basketball Court Resurfacing: \$8,000

Repair cracks and cover with paint/resurface material at roughly \$6 per sq. yard. The basketball court has not been resurfaced since 2006 and is due for resurfacing.

Sullivan Park Improvements: \$6,000

Purchase and install new playground equipment. The request is for \$6,000 for additional wood "playground" mulch for the park in year one. The new playground equipment will cost approximately \$25,000 and is requested for FY18-19. We made improvements to the restrooms and playground area and removed some of the older unsafe playground equipment. We also replaced the roof over the basketball courts however we did not replace any of the playground equipment that was removed. This request is to add some new playground equipment. Proper fall protection is required for all playgrounds and adding the additional "playground" mulch will help us comply with that regulation.

Tom's Park Pedestrian Bridge: \$50,000

Replace pedestrian bridge between Toms Park and the Whitmire Bldg. The existing bridge is in pretty bad shape and needs to be scheduled for replacement.

Traffic Signal Cabinet Replacements: \$17,000

Replace our older traffic signal cabinets (EPAC 300) to the newest controller platform (Econolite 2070) which is used by NCDOT and most other municipalities. Replace our older traffic signal cabinets with new cabinets to help reduce downtime and reduce maintenance expenses related to the older equipment. The newer cabinets are the latest technology and will be used for the foreseeable future.



Vehicle Replacements: \$27,500

The regular replacement of Public Works work vehicles. One vehicle replacement is budgeted for FY16-17.

Wayfinding/Gateway Signage: \$12,000

Additional gateway signs to be installed at key City entrances.

Water & Sewer Fund

Asphalt Zipper: \$100,000

An asphalt zipper grinds asphalt in the trench line thus eliminating the need to remove and transport broken up asphalt material prior to excavating the trench. Many of the NCDOT road improvements include 18 to 36-inches of binder and each time our crews are required to cut these roads to make repairs we must rent a saw. With this asphalt zipper, we can grind the asphalt in place and leave it in the trench thus reducing or eliminating, in some case, transporting costs and manpower.

Bradley Creek Dredging: \$70,000

Dredge out the reservoir on Bradley Creek behind the dam in order to increase storage capacity. This structure was built in 1927 and provides a very high quality raw water to the treatment plant. There is very little agriculture/silviculture or human activity in this watershed. Once the reservoir is filled with sediment, the sediment begins to travel to the treatment plant, as well as reducing the storage capacity of the reservoir. This sediment can reduce the efficiency of the treatment plant and reduce the capacity of the raw water mains as sediment builds up in these lines between the reservoirs and the treatment plant. There is no electrical usage required for this water source since all water flows to the treatment plant by gravity. There is also the potential of placing in-line electrical turbines in these raw water lines for generating electrical power which can be placed back on the grid or used internally.

CCTV Generator Replacement: \$7,500

Replace with a 20kW generator to run equipment inside of the CCTV truck.

Chlorine Scrubber: \$410,000

A device designed to contain and treat accidental releases of chlorine gas.

District Metering and Pump Station Metering: \$100,000

Install mag meters at each water pumping station and at strategic locations (to be determined) in the distribution system. Measure volume of water pumped through each pump station and



compare with actual usage (virtual metering) for areas served by each pump station. This will aid staff in better monitoring actual water losses in our distribution system.

Dump Truck 1-1/2 Ton Replacement (17-05): \$65,000

Replacement of existing 1995 Ford F350 single-axle, flat dump truck (17-05). This equipment has a 10-year useful life and will needed to be replaced from time to time..

Dump Truck Replacement Single-Axle (22-12): \$90,000

Replacement for this 1997 Ford F800 single-axle box dump truck (22-12). This equipment has a 15-year useful life and will needed to be replaced from time to time.

Eastside Transmission Main, Phases II and III: 5,100,000

This project will provide approximately 35,160-lf of 16-in. water transmission main on the east side of U.S. Interstate 26 from U.S. Highway 64 East along Laycock Rd., Ridge Rd. and Upward Rd. to Howard Gap Rd. 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 along Sugarloaf Rd. and Upward Rd. This project will allow the removal of 2-3 existing hydro pneumatic pump stations and 1 booster pumping station (Sugarloaf Rd. - serving Dana Elementary School); as recommended in the 2006 Water Distribution System Analysis prepared by Arcadis; will provide interconnection with the City's existing 12-in. water main at Howard Gap Road and Upward Road. This project is proposed to be funded through a 20-year loan agreement and will be accounted for in a capital project ordinance.

Etowah Water System Improvements: \$2,291,520

This project includes the installation of ~15,000-ft. of 12-in. water main to connect with existing 12-in. water main located along US Highway 64 W just east of Etowah, water lift station and a new 0.5 MG storage tank to be located on Little Mountain behind the Etowah Park off of Drexel Rd. The tank site has the footprint for a second tank, if ever required. The tank site has been purchased and pump station site acquisition is currently being negotiated. This project was previously approved by City Council to install new water main, pump station and storage tank to improve water service, storage capacity and fire protection in the Etowah area. Currently this area is served by a 6-in. main and a 0.1 MG storage tank built in 1966. These system improvements should allow the City to eliminate several hydrpneumatic pump stations located at higher elevations in the Etowah area, since the new storage tank will be at a significantly higher elevation than the existing tank. This project has an active permit from PWS and only lacks a pump station site and funding being ready to go to construction.

Excavator, 12,000-lb. – Replacement: \$75,000



Replace existing 2014 Caterpillar 312E, 33,000-lb. Mid-size Excavator (44-16).

Florida Ave. Water and Sewer Improvements: \$163,000

This project consists of the replacement of existing undersized and failing sewer and water lines in a residential neighborhood around Florida Avenue. Construction will include 8-inch PVC sewer and 8-inch DI water with approximately 35 sewer and water connections. Existing sewer lines are vitrified clay, old and undersized (4" and 6"). Existing water lines are 2" galvanized. This project will replace this existing deficient sewer and water infrastructure to decrease operation and maintenance costs. This project is proposed to be financed through the State Revolving Loan Fund and is estimated to be constructed in FY19-20.

French Broad River Raw Water Intake and Pump Station: \$400,000

Construct raw water pumping station on the French Broad River on 1/2-ac. site owned by City, construct raw water intake canal and off-stream storage facility (0.46-ac. site owned by the City adjacent to our water treatment plant in Mills River). This project will allow for the future supply and delivery of drinking water for the continued growth of the City and Henderson County. Currently, we can withdraw up to 12 MGD (million gallons per day) from the Mills River and that may be the limit for our withdrawal from this resource, forever, if some of the regulatory and resource agencies continue with their currently philosophy regarding withdrawals. This resource is static for the City of Hendersonville due to restrictions imposed upon the City with the discovery of the Appalachian elk toe mussel in the Mills River. This mussel is on the federal list of endangered species and its habitat is protected under federal law.

The past droughts have also caused concern to be raised regarding the future withdrawal and delivery of drinking water from the Mills River for the City. The Mills River experienced historical record low flows during the summer of 2008 which caused the City to enforce mandatory water restrictions for its customers. This low flow condition is at a time when our usage is on the increase. If drought conditions were to continue for extended periods of time, the low flows of the Mills River could surpass those record setting low flow conditions of the summer of 2008. The annual daily average flow (1925 – 2011) for the Mills River is 168-cfs or approximately 109-MGD while the French Broad River's annual daily average flow (1921 – 2011) is approximately 979-cfs or 633-MGD.

In regards to off-stream storage, the State will require that we have either adequate off-stream storage or a pretreatment system when the treatment plant is expands to either 14.2 or 18-MGD. We currently own a tract of land (~20-acres) adjacent to the Mills River behind the treatment plant. Also, this facility will allow the WTP to operate more consistently during periods when the condition of the raw water is less than favorable for conventional treatment, thus allowing the City to save money in operating expenses.



Capital Improvements Plan – Capital Expenditure Detail Budget FY17-18

This project is proposed to be funded through a 20-year loan agreement and will be accounted for in a capital project ordinance. The total estimated cost of the project is \$5,925,000.

Generators and ATS: \$154,000

Installing generators at pump stations that either do not have one or that the generator there need to be replaced. This is a needed back-up power supply for critical infrastructure.

Gravity Filter Replacement: \$2,590,000

Replace existing gravity sand filters with a new technology, utilizing membrane. These filters are approaching 12-years of use. The sand media was replaced a couple of years ago and are beginning to fail again. We believe that the new filters can be placed within the same footprint of the existing structure. We would like to have an evaluation performed on the existing filters before proceeding on with new filters. This project is proposed to be funded through a 20-year loan agreement and will be accounted for in a capital project ordinance.

Motor Vehicle Replacements: \$170,000

Regular replacement of water/sewer motor vehicles. Two vehicles are budgeted to be replaced in FY17-18.

Mud Creek Sewer Interceptor Replacement, Phase III: \$176,000

This project consists of the replacement of an existing 12-inch vitrified clay sewer line that has multiple slope/joint issues. The line was the connection point for the Shepherd Creek/Atkinson Elementary Sanitary Sewer Improvements project. It was inspected with CCTV and determined to be deficient with multiple hydraulic issues. Construction will include a realignment of the sewer and pipe bursting through the existing line which crosses the Southgate Shopping Center park lot. The existing sewer line is hydraulically deficient and presents an operation and maintenance as well as environmental issue. Flow is backing up, which could cause sanitary sewer overflows and odor problem. By replacing the sewer these operation and maintenance issues can be avoided. This project is proposed to be financed through the State Revolving Loan Fund and is estimated to be constructed in FY19-20.

N. Main St. Water and Sewer Improvements: \$131,000

This project consists of the replacement of existing undersized and failing sewer and water lines in a residential neighborhood along and just off N. Main Street. Construction will include 8-inch PVC sewer and 8-inch DI water with approximately 40 sewer connections and 50 water connections. Existing sewer lines are vitrified clay, old and undersized (4" and 6"). Existing water lines are 2" galvanized. This project will replace this existing deficient sewer and water infrastructure to decrease operation and maintenance costs and provide better service to



customers. This project is proposed to be financed through the State Revolving Loan Fund and is estimated to be constructed in FY19-20.

Northside Water System Improvements: \$375,000

Installation of 16-inch DIP water main, a booster pumping station and 1.0-MG ground storage tank. Water pressure in parts of the northern most portion of the City's water system, specifically in the Fletcher area, is lower than it should be due to the elevations in this area relative to the elevation of the ground storage tank located on Burney Mtn. Rd. This project will increase the elevation of the pressure gradient in this area in addition to adding more water storage capacity in the portion of the Henderson County. This project is proposed to be financed through the State Revolving Loan Fund and is estimated to be constructed in FY19-20.

Oakland St./Fleming St. Water and Sewer Improvements: \$336,000

This project consists of the replacement of existing undersized and failing sewer and water lines in a residential neighborhood along Oakland and Fleming Streets. Construction will include 8-inch PVC sewer and 8-inch DI water with approximately 40 sewer and water connections. Existing sewer lines are vitrified clay, old and undersized (4" and 6"). Existing water lines are 2" galvanized. This project will replace this existing deficient sewer and water infrastructure to decrease operation and maintenance costs and provide better service to customers. This project is proposed to be financed through the State Revolving Loan Fund and is estimated to be constructed in FY19-20.

Pump Station Metering and Weather Stations: \$102,000

Install mag meters at each water pumping station and at strategic locations (to be determined) in the distribution system. Measure volume of water pumped through each pump station and compare with actual usage (virtual metering) for areas served by each pump station. This will aid staff in better monitoring actual water losses in our distribution system.

Replace Service Truck (17-18): \$65,000

A service truck replacement of vehicle number (17-18).

Rutledge Road Water System Improvements: \$476,000

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 \$476,000 and is fully funded in a capital project ordinance.



Capital Improvements Plan – Capital Expenditure Detail Budget FY17-18

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 and from the Operations Center. Departmental staff are currently installing this equipment location by location; and at this pace it will be 5 to 10 years before completed. Staff is requesting that this project be completed by a contractor over a two-fiscal year period, rather than departmental staff working on it as they have time. This project is fully funded in a capital project ordinance. The total cost of the project is estimated to be \$1,586,000.

Shoring Box Replacement: \$100,000

The purchase of additional shoring box equipment for the wastewater line maintenance division. Shoring boxes are a safety tool used to reinforce trenches during the repair and/or installation of below ground utilities.

Smokey Ridge Apartments Sewer Pump Station Elimination: \$65,000

This project consists of the elimination of a private pump station (inside city limits) at the Smokey Ridge Apartments with gravity sewer that will also serve an existing unsewered residential area. Construction will include realignment of other existing sewer that currently goes through several residential properties. The City has been asked by the private pump station owner for help with their continued maintenance issues. This project would eliminate the private pump station and also allow other residences along the gravity sewer alignment to be connected to public sewer. This project is proposed to be financed through the State Revolving Loan Fund and is estimated to be constructed in FY20-21.

Soil Screen, Portable: \$33,000

Purchase a portable soil screen. Currently we are moving spoils dirt, filled with rocks, roots, asphalt and concrete, to the WWTP for permanent storage. With this equipment, we can both mine this material at the WWTP for re-use or screen soil right on the job site and re-use that material on site without any transporting costs. This can also help reduce the need for clean dirt since we can produce our own clean dirt thus reducing the cost of materials purchased.

Streambank Restoration Project: \$584,000

This project consists of repairing and stabilizing eroded streambanks near various water and sewer lines throughout the City's service area. This project is proposed to be financed through the State Revolving Loan Fund and is estimated to be constructed in FY19-20.

Wastewater Asset Inventory Assessment: \$302,000

This project consists of the evaluations and assessment of wastewater assets and the production of a wastewater master plan. The project is estimated to be completed by the spring of 2018.



Capital Improvements Plan – Capital Expenditure Detail Budget FY17-18

Williams Street/4th Avenue East Sanitary Sewer Replacement: \$42,000

Project consists of the replacement of an existing 15-inch sewer line that is being undermined by bank erosion at a railroad crossing near Williams Street. Construction will include a realignment of the sewer and a new crossing of the railroad tracks. The existing sewer line is being undermined by bank erosion near the railroad crossing. By shifting the sewer alignment, the current crossing will be abandoned and will no longer be an environmental and potential economic hazard. This project will be accounted for in a capital project ordinance since the project will last longer than a fiscal year. The estimated total project cost is \$542,000.

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), if deemed necessary. This project also include upgrading the backwash motor and pump. Three of the five pumps and motors were installed in 1980 while the other two were installed in 1990. This type of equipment typically has a life expectancy of approximately 30-years. All of the equipment being proposed will be of much greater efficiency and will save on electrical expenses, particularly if VFDs are included with the project. This project is estimated to be completed in FY17-18 and will be financed through a traditional financing method.

WWTP Generator & ATS: \$1,850,000

Install a generator and ATS system at the City's wastewater treatment plant to ensure we have security and redundancies in place in the event of an emergency.

WWTP Reclaimed Water Pumps/Motors Replacement: \$61,000

Purchase new water pumps and motors for the wastewater treatment plant facility.

WWTP Sludge Drying System: 239,000

Design, permit, bid, purchase and installation of a sludge drying system for installation at the WWTP. The WWTP is currently producing a Class B sludge which must be disposed of in a regulated landfill or land applied by permit only. Currently our sludge is dried to ~18% solids (~82% water) on a belt press and is transported to the Palmetto landfill near Spartanburg, SC. We are also assessed a tipping fee for the disposal of this sludge in this regulated landfill. Staff is recommending the purchase of a dryer in order to produce a Class A sludge. Class A sludge can be used by the City and by the public for use virtually anywhere and could become a marketable byproduct of the WWTP and could potentially offset some of the operational costs associated with solids management. The City's WWTP is currently equipped with a lime stabilization process that is capable of producing a Class A sludge, but requires the addition of quick lime. This process generates a lot of odor during treatment. In addition to the odor, plant staff must deal with a hazardous chemical in the quick lime. The sludge dryer requires no



hazardous chemicals and will utilize natural gas to fuel the drying process. Under our current operating scheme, the sludge has virtually little to no beneficial use, while the dryer will produce a product that does have beneficial use and is environmentally friendly. If approved, staff would also recommend that the City sell the lime stabilization equipment and lime storage silo. This will help offset some of the upfront cost that will be required to purchase the dryer and related appurtenances. This project is proposed to be funded through a 20-year loan agreement and will be accounted for in a capital project ordinance. The total estimated cost of the project is \$4,109,000.

Other Funds

7th Avenue MSD Fund

7th Avenue District Improvements: \$15,000

Budget to provide for various streetscape and landscaping improvements within the 7th Avenue district.

Environmental Services Fund

Route Analysis Study: \$35,000

Route analysis for the Environmental Services Department. As the city expands, we need to verify that our garbage and recycling routes are as efficient as possible. A study will investigate the efficiency of our routes and propose the necessary changes for them plus help us plan for the future expansion of our municipal boundaries.

Truck Replacement: \$230,000

Replacement of refuse equipment within the Environmental Services Department. Replacement of our old refuse equipment will allow us to continue providing garbage, recycling, and brush collection on a routine schedule. As the older equipment is replaced, we plan to replace it with more efficient equipment which helps us be more sustainable.

Main Street MSD Fund

District Improvements: \$23,000

Various capital improvements within the Main Street MSD. These improvements includes hanging baskets, toe-catch grinding, and other infrastructure upgrades.

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 City special events. This request is for two panels to be upgraded.



Stormwater Fund

Creek Stabilization – Old Chimney Rock Road: \$90,000

Creek stabilization project along Old Chimney Rock Road to help stabilize the side of the road (edge of the creek). The edge of the road is adjacent to the creek that runs parallel to Old Chimney Rock Road. The creek bank is eroding severely in places and we need to hire a firm to design the stabilization project then hire a company to complete the project.



Financial Analysis and Planning

The capital program’s success is contingent on the ability for the City to fund and implement the projects and equipment contained within. The first piece of any plan should involve the identification of funding mechanisms, followed by understanding what funding was used and available in the past, ultimately framing future forecasts for plan funding and implementation. Different funding mechanisms were briefly mentioned earlier in this section but in general, the financing mechanisms in North Carolina can be broken down into roughly five categories – current revenues (cash or pay-as-you-go), savings, special levies, borrowing money, and grants and partnerships.

Current Revenues	Savings	Special Levies	Borrowing Money	Grants and Partnerships
<ul style="list-style-type: none"> ■ General Fund Revenues ■ Enterprise Fund Revenues 	<ul style="list-style-type: none"> ■ Fund Balance ■ Capital Reserve Fund 	<ul style="list-style-type: none"> ■ Special Taxing Districts ■ Special Assessments ■ Impact Fees ■ Development Exactions 	<ul style="list-style-type: none"> ■ General Obligation Bonds ■ Installment Financings ■ Revenue Bonds ■ Special Obligation Bonds ■ Project Development Financing or TIFs 	<ul style="list-style-type: none"> ■ Leases ■ Reimbursement Agreements ■ Redevelopment Areas ■ Grants ■ Gifts, Donations, and Crowd-Funding ■ State Direct Appropriations

Each category has its own subset of financing methods. The most common types of financing in the City of Hendersonville are current revenues or cash, savings, and simple installment financings. In order to understand what funding mechanisms are feasible, a baseline of recurring versus non-recurring revenues and expenditures needs to be established for each fund. After a trend is established this can then be forecasted into future years. This information will ultimately guide the development of the CIP and funding strategy.

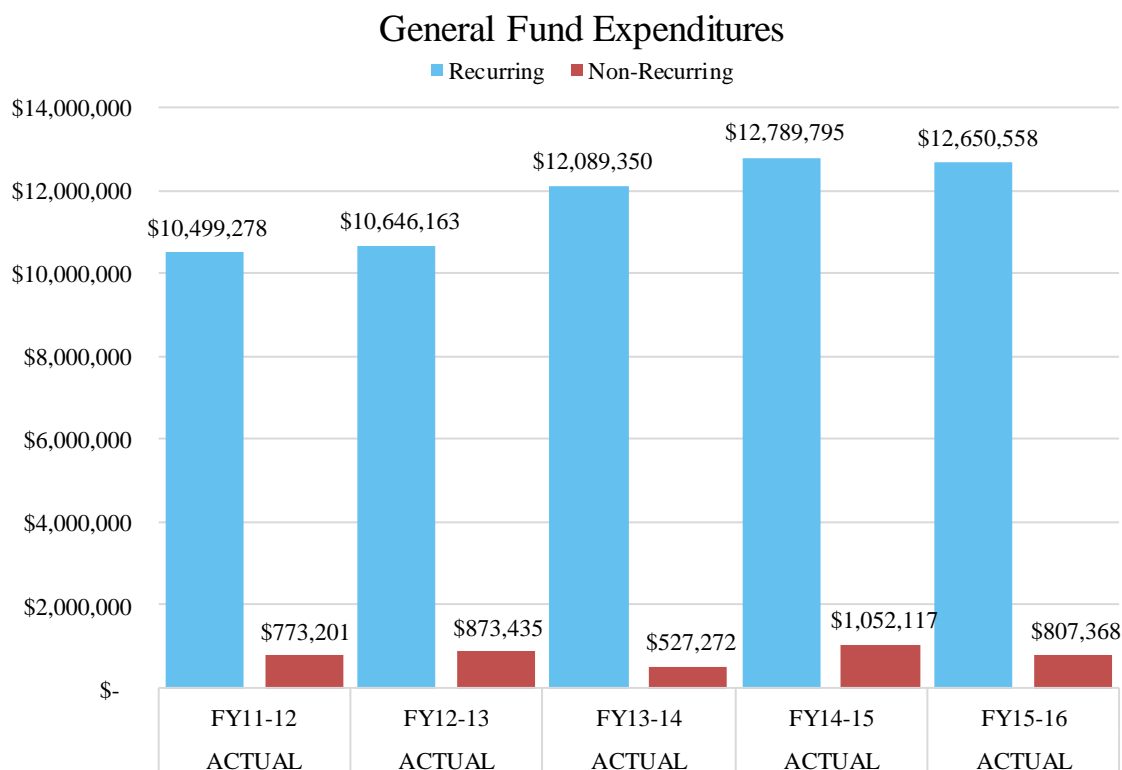
General Fund

The General Fund is the City’s second largest fund and provides functions such as police, public works, fire, development assistance, engineering services, finance and administrative services, and information technology services. The majority of capital costs fall within the public works, public safety, and information technology functions. The following information will identify the City’s historical recurring and non-recurring expenditures. Recurring expenditures are anything that is considered to be a regular expense that occurs from year to year. These expenditures include things like personnel and benefit costs and general supplies and operating costs. Non-recurring expenditures are typically more substantial costs and may only be purchased one-time or over a short period of time, not recurring from year to year. These expenditures include items like capital outlay (depreciable and non-depreciable), and transfers.



Historical Trend Analysis

The following chart details the City’s recurring and non-recurring expenditures for the General Fund for the past five years:



One can see a steady increase in recurring expenditures year over year with an average percent increase of 3.96%. The non-recurring expenditures varied in appropriation level from year to year.

Recurring revenues and those that are available for capital outlay are the next critical piece in gauging capital program financing capacity. The following table presents the total recurring expenditures compared to total recurring revenues for the General Fund:

	ACTUAL FY11-12	ACTUAL FY12-13	ACTUAL FY13-14	ACTUAL FY14-15	ACTUAL FY15-16
Recurring Expenditures	\$ 10,499,278	\$ 10,646,163	\$ 12,089,350	\$ 12,789,795	\$ 12,650,558
Recurring Revenues	\$ 11,773,877	\$ 11,852,899	\$ 12,256,547	\$ 13,132,743	\$ 13,867,712
Revenues Available for Capital	\$ 1,274,599	\$ 1,206,736	\$ 167,197	\$ 342,948	\$ 1,217,154

Depicted above, the remaining current revenues available for non-recurring expenditures has ranged from \$0.2 million to \$1.3 million, averaging \$0.9 million. The table below depicts the City’s total expenditures by type:

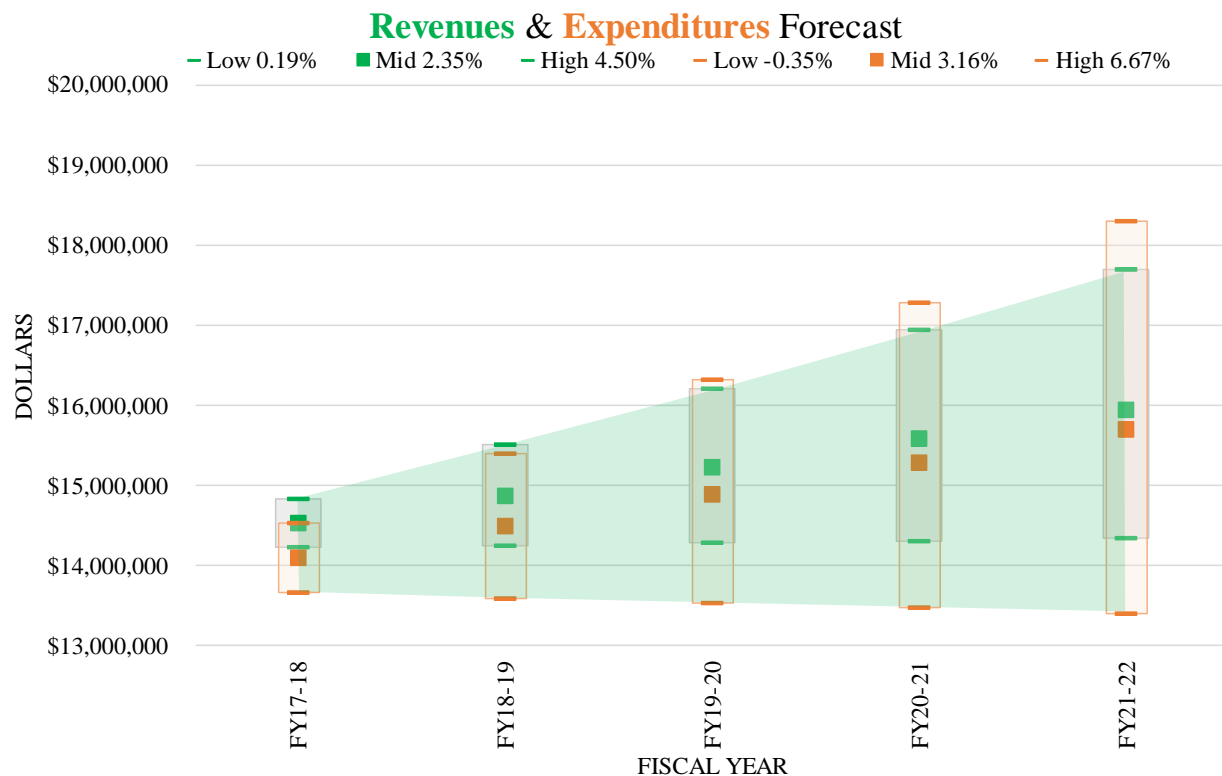


	ACTUAL FY11-12	ACTUAL FY12-13	ACTUAL FY13-14	ACTUAL FY14-15	ACTUAL FY15-16
Personnel/Benefits	\$ 8,016,588	\$ 8,063,799	\$ 8,669,685	\$ 7,917,944	\$ 8,102,026
Operating	\$ 1,858,467	\$ 1,973,162	\$ 2,343,360	\$ 3,823,905	\$ 3,429,759
Capital (transfer to)	\$ 773,201	\$ 873,435	\$ 527,272	\$ 1,052,117	\$ 807,368
Debt Service (transfer to)	\$ 624,223	\$ 609,202	\$ 1,076,305	\$ 1,047,946	\$ 1,118,773
Total Expenditures	\$ 11,272,479	\$ 11,519,598	\$ 12,616,622	\$ 13,841,912	\$ 13,457,926

It is apparent that current revenues have not always been available for full funding of non-recurring expenditures and the City has had to use alternative funding mechanisms, most commonly savings, to implement non-recurring capital outlay. Over the past five fiscal years, on average, there has been about \$0.9 million in current revenues available for capital outlay in the General Fund.

Financial Forecast

The City utilizes a forecasting model to predict future trends. This methodology is further explained in the City’s adopted budget, in the *Community and Organization Profile* section. The total revenue and expenditure forecast for FY17-18 through FY21-22 is presented below:



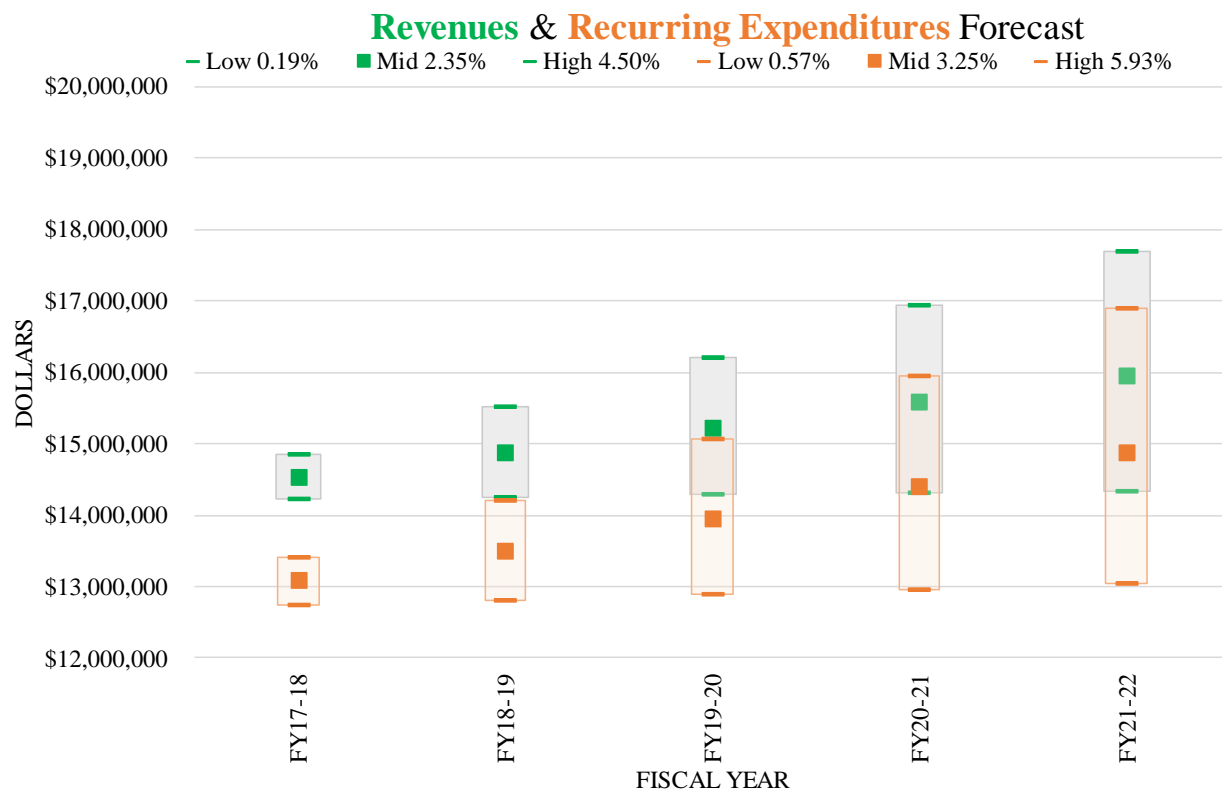
The chart displays forecasted revenues with the average total as a green box and high and low standard errors as green dashes or lines. Average total expenditures is displayed with a red box and high and low standard errors as red dashes or lines. The green shaded areas represent where the lowest project expenditures overlap with the highest projected revenues. This represents an



estimated total budget level that could be sustainable in the future. It is encouraging to see that the average projected revenue and expenditure growth, the green and red boxes, is neighboring one another. Responsible budgeting combined with recent trends signal financially sustainable growth in the coming years.

Now, this financial model needs to be applied to the recurring expenditure trends established in the previous section. To do this, we will convert the expenditure forecast into recurring expenditures, including debt service, and highlight the difference between forecasted revenues and this new forecast. Ultimately, that annual difference will identify the possible future funding available for capital outlay, transfers, and/or new debt service.

The following chart displays the City’s revenue and recurring expenditure forecast for FY17-18 through FY21-22:



Much like the previous forecast, the data and forecast become wider ranging the further out one projects. The FY17-18 prediction has the smallest margin of error and is the most reliable.



The details of the chart’s forecast, on the previous page, are presented below:

% CHANGE	ESTIMATE FY17-18	ESTIMATE FY18-19	ESTIMATE FY19-20	ESTIMATE FY20-21	ESTIMATE FY21-22
Recurring Expenditures					
Low 0.57%	\$ 12,741,023	\$ 12,814,170	\$ 12,887,737	\$ 12,961,726	\$ 13,036,140
Mid 3.25%	\$ 13,080,256	\$ 13,505,614	\$ 13,944,805	\$ 14,398,278	\$ 14,866,497
High 5.93%	\$ 13,419,488	\$ 14,215,226	\$ 15,058,150	\$ 15,951,056	\$ 16,896,909
Revenues					
Low 0.19%	\$ 14,229,264	\$ 14,256,656	\$ 14,284,101	\$ 14,311,599	\$ 14,339,150
Mid 2.35%	\$ 14,535,174	\$ 14,876,243	\$ 15,225,316	\$ 15,582,579	\$ 15,948,226
High 4.50%	\$ 14,841,084	\$ 15,509,009	\$ 16,206,994	\$ 16,936,392	\$ 17,698,617

The following table presents the best-case, worst-case, and median differences between forecasted revenues and forecasted recurring expenditures is depicted below:

(Rev Exp)	ESTIMATE FY17-18	ESTIMATE FY18-19	ESTIMATE FY19-20	ESTIMATE FY20-21	ESTIMATE FY21-22
High Low	\$ 2,100,060	\$ 2,694,839	\$ 3,319,257	\$ 3,974,666	\$ 4,662,477
Mid Mid	\$ 1,454,918	\$ 1,370,629	\$ 1,280,511	\$ 1,184,302	\$ 1,081,729
Low High	\$ 809,775	\$ 41,430	\$ (774,049)	\$ (1,639,457)	\$ (2,557,759)

In FY17-18 funding available for capital outlay, transfers, or additional debt service is estimated to range from \$809,775 to \$2,100,060. The average estimated funding available per year is \$1,266,889, over the next five years. This is in line with actual historical spending on capital outlay. Without any major additional gains or losses in future revenues, or adjustments to City expenditures, this trend should continue at the forecasted level. It is important to recognize that the next county-wide revaluation will take effect in the FY19-20 budget and is expected to have significant impacts on this forecast.

CIP Analysis

The CIP process is made up of requests, evaluation, and revisions to those requests. The initial requests for pay-as-you-go, using current revenues to fund projects, in the General Fund totaled \$2,014,025. As identified in the financial forecast, the City expects to have capacity to fund pay-as-you-go with approximately \$1.2 million. During review, City Staff worked to adjust the initial CIP requests to this number. The following items were moved to future years in the General Fund CIP:

Engineering

Permitting Software = \$30,000

Fire

1 Blitz Fire Portable Monitor Nozzle = \$5,000

FS #1 HVAC Replacement = \$25,000

Replace Chevy Astro Van = \$40,000



Police

Encase Forensic Computer Recovery Data System = \$16,000
Police Vehicles New Employees = \$180,000

Public Works

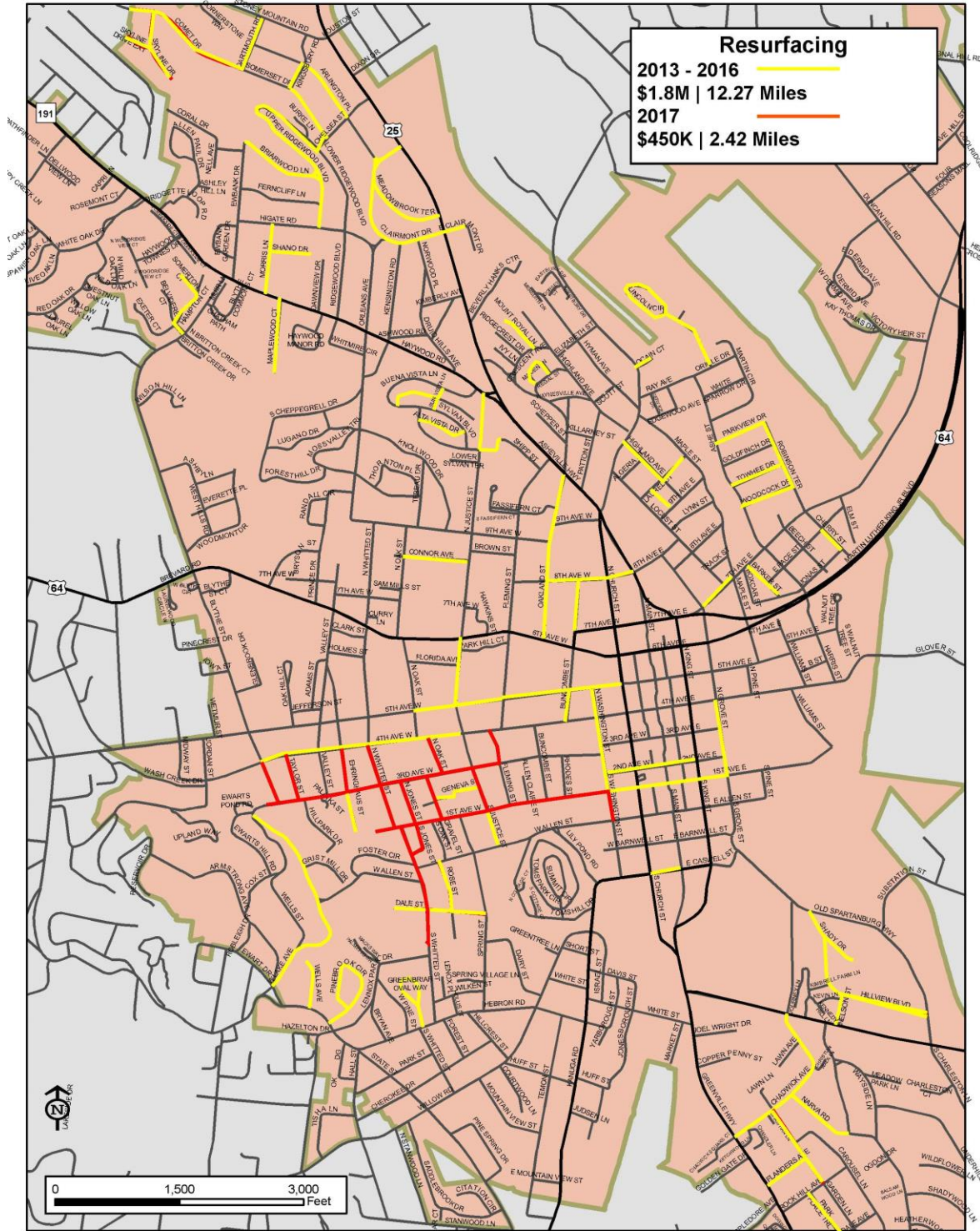
Berkeley Baseball Field Irrigation Expansion = \$20,000
Berkeley Park Master Plan = \$300,000
Disc Golf Course – Berkeley = \$10,000
Maple Street Improvements Contribution = \$80,000
Operations Center Landscaping = \$8,000
Patton Park Pedestrian Bridge = \$70,000
Patton Pool Gutter Grate Covers = \$14,000
Patton Pool Umbrellas = \$20,000
Resurface Whitmire Parking Lot = \$120,000
Salt Spreaders = \$14,000
Snow Blades = \$10,000
Whitmire Floor Replacement = \$30,000

Staff adjusted the funding amount for FY17-18 by \$992,000. Some items were moved to future years, while others were proposed to be funded with other financing methods (grants, loans, etc...). Many of the items and projects listed above were adjusted because they were identified as a lower priority in comparison to other items. Some major projects that were delayed or proposed to be funded through alternative methods include Berkeley Mills Park Improvements and Whitmire Activity Center Improvements.

First, Berkeley Mills Park has a variety of proposed improvements including, baseball field irrigation expansion, baseball field lighting upgrades, baseball field renovations, disc golf course design and installation, and the Berkeley Park master plan which includes parking, bird watching area, and a destination playground. In total estimated cost for implementing all of these improvements is \$1,040,000. This project can be done incrementally and slowly incorporated into the CIP, however there is a risk that this incremental approach could be abandoned or inevitably get pushed out to future years to provide funding capacity for more pressing capital needs. Management recommends considering a private installment financing or other type of debt proposal to fund the improvements at Berkeley Park in a comprehensive approach. A debt financing method would spread the cost of the improvements out of approximately 20 years. In turn, future tax-payers who benefit from the park over the 20 year loan would pay towards its improvements, rather than the burden be placed on the current tax-payers over a shorter period of time.

Additionally, the Whitmire Activity Center Improvements have been pushed into FY18-19. These improvements total \$150,000 and would require a large amount of other priorities be delayed if it were to be funded. The Tom's Park Pedestrian Bridge is part of the total improvements for the Whitmire Center and is proposed to be funded in FY17-18. This project will need to be considered when discussing other future priorities, including new debt notes and new personnel and benefits.

Another Council priority is the continuous resurfacing of City maintained streets and roadways. The following map displays the total miles of streets resurfaced over the past 4 years and the proposed resurfacing for FY17-18. In five years the City will have repaved approximately 25% of its streets and roadways.



After the adjustments were made the total projected General Fund CIP pay-as-you-go fits well within the estimated future year funding capacity. The projected capacity and the proposed CIP is presented below:

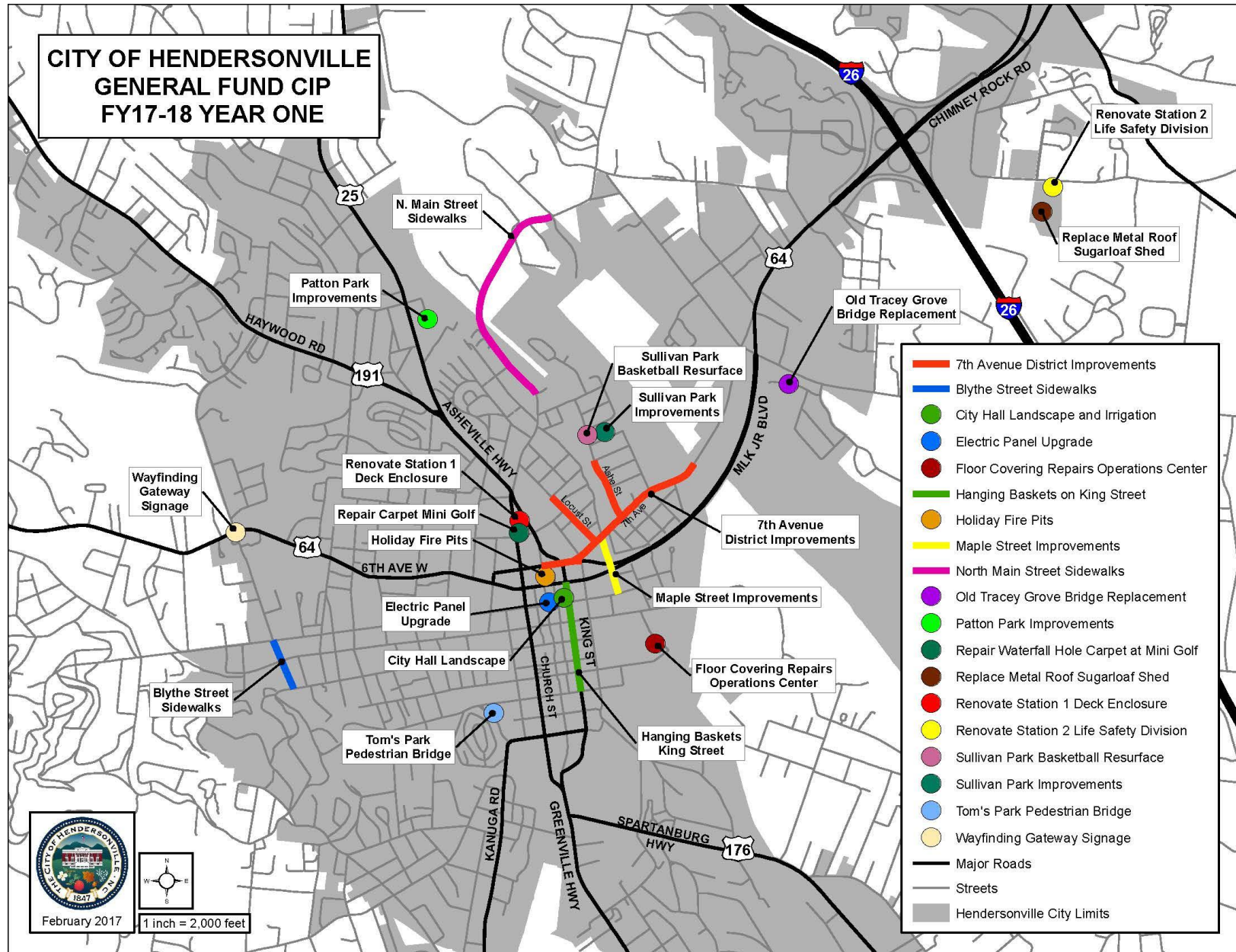
(Rev Exp)	ESTIMATE FY17-18	ESTIMATE FY18-19	ESTIMATE FY19-20	ESTIMATE FY20-21	ESTIMATE FY21-22
High Low	\$ 2,100,060	\$ 2,694,839	\$ 3,319,257	\$ 3,974,666	\$ 4,662,477
Mid Mid	\$ 1,454,918	\$ 1,370,629	\$ 1,280,511	\$ 1,184,302	\$ 1,081,729
Low High	\$ 809,775	\$ 41,430	\$ (774,049)	\$ (1,639,457)	\$ (2,557,759)
CIP	\$ 1,037,025	\$ 1,176,000	\$ 1,303,000	\$ 695,000	\$ 598,000

****Average Pay-as-you-go Capacity = \$1,266,889**

The proposed CIP provides flexibility for new personnel and benefits, new programs and services, additional pay-as-you-go capital, and/or new debt service payments, dependent upon future non-recurring capacity. An estimate of this capacity along with various priorities and variables will be discussed with the City Council at their February Budget Retreat. It is important to remember that these are estimates and each year the City’s forecast will change depending on externalities and other variables.



The following provides a map of all year one CIP projects for the General Fund:

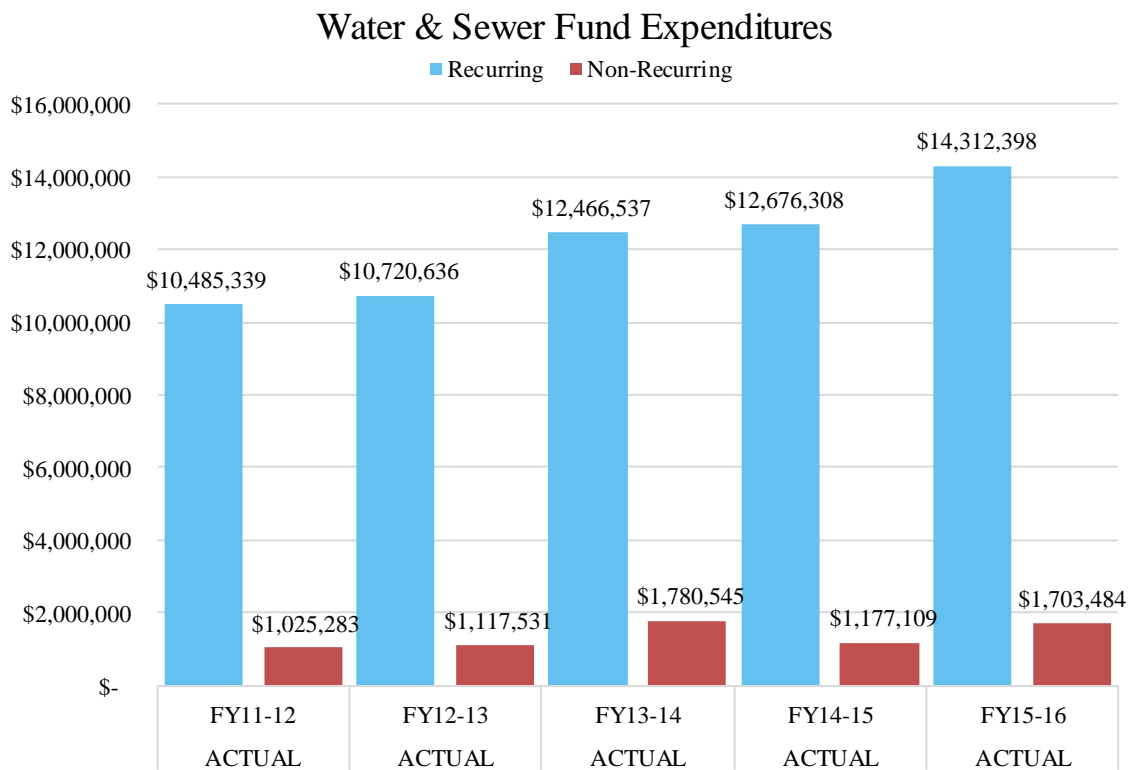


Water & Sewer Fund

The Water and Sewer Fund is the City’s largest fund and provides functions such as water and sewer services to over 26,000 customer accounts. The majority of capital costs fall within equipment and project categories for both respective major functions, water and sewer. The following information will identify the City’s historical recurring and non-recurring expenditures. Recurring expenditures are anything that is considered to be a regular expense that occurs from year to year. These expenditures include things like personnel and benefit costs and general supplies and operating costs. Non-recurring expenditures are typically more substantial costs and may only be purchased one-time or over a short period of time, not recurring from year to year. These expenditures include items like capital outlay (depreciable and non-depreciable), and transfers.

Historical Trend Analysis

The following charts details the City’s recurring and non-recurring expenditures for the General Fund for the past five years:



One can see a steady increase in recurring expenditures year over year with an average percent increase of 6.87%. The non-recurring expenditures varied in appropriation level from year to year. Historically, actual pay-as-you-go capital appropriations have made up a small portion of the Water and Sewer Fund budget. This can be attributed to larger projects being financed through debt issuances and accounted for in separate capital project ordinances (CPOs).



Next, to gauge capital program financing capacity, we will analyze recurring revenues and those that are available for capital outlay. The following table presents the total recurring expenditures compared to total recurring revenues for the Water & Sewer Fund:

	ACTUAL FY11-12	ACTUAL FY12-13	ACTUAL FY13-14	ACTUAL FY14-15	ACTUAL FY15-16
Recurring Expenditures	\$ 10,485,339	\$ 10,720,636	\$ 12,466,537	\$ 12,676,308	\$ 14,312,398
Recurring Revenues	\$ 14,111,471	\$ 14,090,505	\$ 14,442,094	\$ 14,925,511	\$ 15,836,340
Revenues Available for Capital	\$ 3,626,132	\$ 3,369,869	\$ 1,975,557	\$ 2,249,203	\$ 1,523,942

Depicted above, the remaining current revenues available for non-recurring expenditures has ranged from \$1.5 million to \$3.6 million, averaging \$2.5 million.

The table below depicts the Fund’s total expenditures by type:

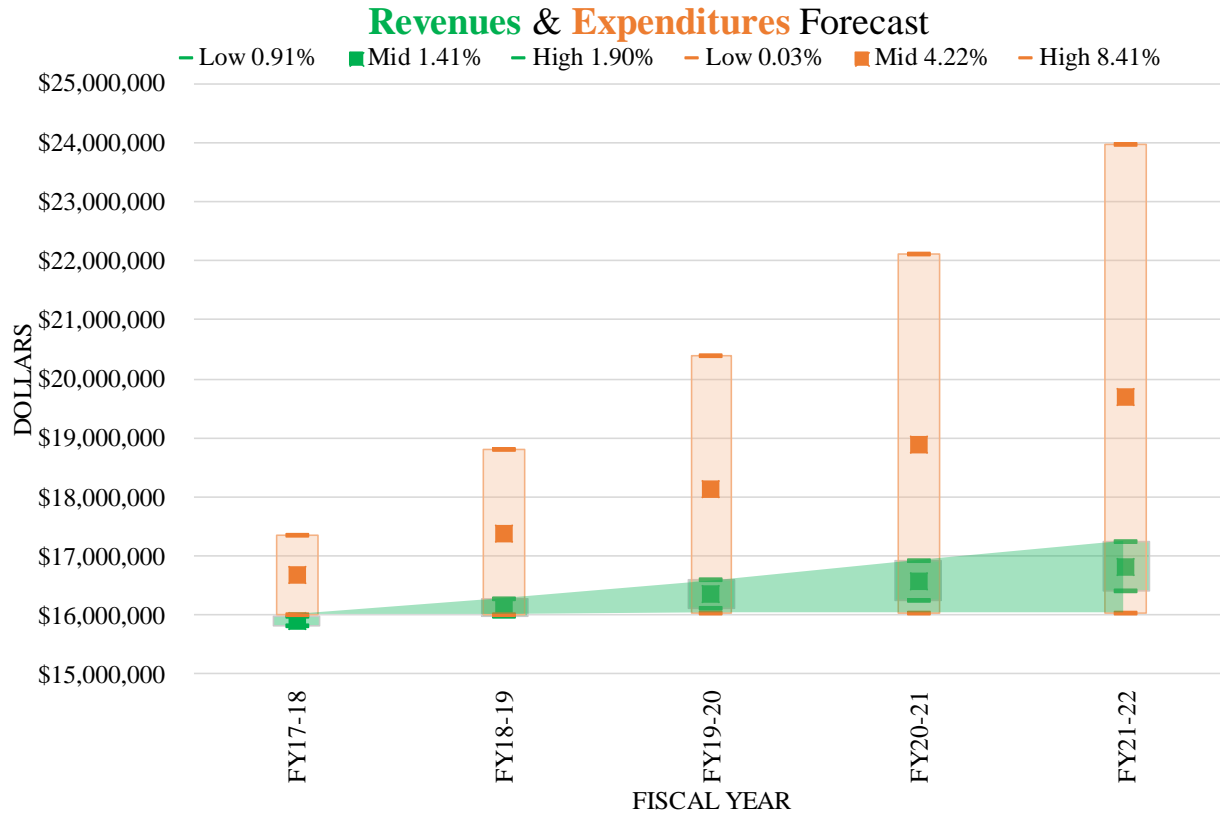
	ACTUAL FY11-12	ACTUAL FY12-13	ACTUAL FY13-14	ACTUAL FY14-15	ACTUAL FY15-16
Personnel/Benefits	\$ 3,934,768	\$ 4,002,432	\$ 4,034,589	\$ 4,471,638	\$ 5,305,725
Operating	\$ 4,275,474	\$ 4,485,434	\$ 4,982,649	\$ 4,950,846	\$ 5,251,264
Capital (transfer to)	\$ 1,025,283	\$ 1,117,531	\$ 1,780,545	\$ 1,177,109	\$ 1,703,484
Debt Service (transfer to)	\$ 2,275,097	\$ 2,232,770	\$ 3,449,299	\$ 3,253,824	\$ 3,755,409
Total Expenditures	\$ 11,510,622	\$ 11,838,167	\$ 14,247,082	\$ 13,853,417	\$ 16,015,882

Historically, the Water & Sewer Fund has not always utilized its full capital capacity. On average the Fund appropriates approximately \$1,360,790 for pay-as-you-go capital outlay each year.



Financial Forecast

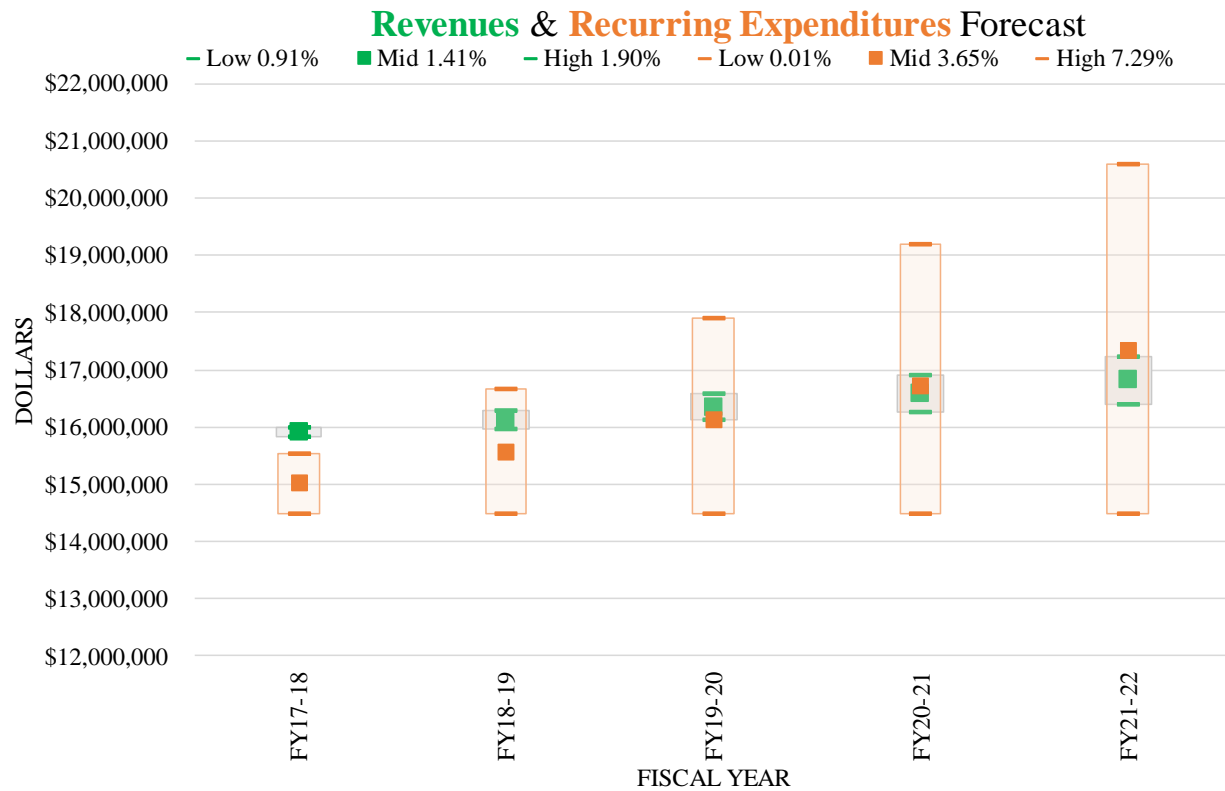
As mentioned before, the City uses a financial model to predict future trends, explained in the *Community and Organization Profile* section of this document. The total revenue and expenditure forecast for FY17-18 through FY21-22 is presented below:



The chart displays forecasted revenues with the average total as a **green** box and high and low standard errors as **green** dashes or lines. Average total expenditures is displayed with a **red** box and high and low standard errors as **red** dashes or lines. The green shaded areas represent where the lowest project expenditures overlap with the highest projected revenues. This represents an estimated total budget level that could be sustainable in the future. The Water & Sewer Fund’s total forecast is markedly different from the General Fund. The immense size of the Fund’s typical capital outlay creates substantial swings in the Fund’s average percent change for expenditures. On the high end, it is predicted that Water & Sewer Fund expenditures may increase by close to 9% and on the low end 0.5%. This large discrepancy hurts the use of this forecast and highlights the funds volatility in year-to-year spending. However, one can be confident in the less volatile revenue forecast, knowing that this is what is likely to be available for appropriation in the coming years.



It is normal for the Water and Sewer Fund to appropriate large portions of its budget for capital improvements. When those volatile non-recurring expenditures are removed from the forecast, one can observe a much more reliable recurring expenditure forecast, presented below:



The chart displays forecasted recurring expenditures at an average growth rate of 3.65%. Much like the previous forecast, the data and forecast become wider ranging the further out one projects. The FY17-18 prediction has the smallest margin of error and is the most reliable.

The details of the previous chart’s forecast are presented below:

% CHANGE	ESTIMATE FY17-18	ESTIMATE FY18-19	ESTIMATE FY19-20	ESTIMATE FY20-21	ESTIMATE FY21-22
Recurring Expenditures					
Low 0.01%	\$ 14,490,767	\$ 14,491,850	\$ 14,492,933	\$ 14,494,016	\$ 14,495,099
Mid 3.65%	\$ 15,018,630	\$ 15,566,884	\$ 16,135,153	\$ 16,724,167	\$ 17,334,682
High 7.29%	\$ 15,546,492	\$ 16,680,379	\$ 17,896,967	\$ 19,202,286	\$ 20,602,809
Revenues					
Low 1.29%	\$ 16,040,458	\$ 16,247,207	\$ 16,456,621	\$ 16,668,734	\$ 16,883,581
Mid 1.62%	\$ 16,093,496	\$ 16,354,828	\$ 16,620,404	\$ 16,890,292	\$ 17,164,563
High 1.96%	\$ 16,146,534	\$ 16,462,804	\$ 16,785,270	\$ 17,114,051	\$ 17,449,272



The following table presents the best-case, worst-case, and median differences between forecasted revenues and forecasted recurring expenditures is depicted below:

(Rev Exp)	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22
High Low	\$ 1,655,768	\$ 1,970,955	\$ 2,292,337	\$ 2,620,035	\$ 2,954,174
Mid Mid	\$ 1,074,867	\$ 787,944	\$ 485,251	\$ 166,125	\$ (170,119)
Low High	\$ 493,966	\$ (433,172)	\$ (1,440,346)	\$ (2,533,552)	\$ (3,719,228)

In FY17-18 funding available for capital outlay, transfers, or additional debt service is estimated to range from \$493,966 to \$1,655,768. The average estimated funding available per year is \$413,667 over the next five years. This is not in line with historical actuals and brings into question the validity of this forecast. With any forecasting tool it is important to evaluate the accuracy of the forecast once actuals are reported. The earlier fiscal years (FY17-18 and FY18-19) will be more reliable and will provide time to gauge the effectiveness of this forecast.

CIP Analysis

The CIP process is made up of requests, evaluation, and revisions to those requests. The initial requests for pay-as-you-go, using current revenues to fund projects, in the Water & Sewer Fund totaled \$1,668,750. As identified in the financial forecast, the City expects to have capacity to fund pay-as-you-go with approximately \$0.5 million up to \$1.6 million. During review, City Staff felt comfortable with this initial number. Adjustments will be made later in the process to help balance the budget, if needed. Some of the variables that will have impacts on the upcoming capital budget are debt service, financing for major projects, revenues, and available fund balance.

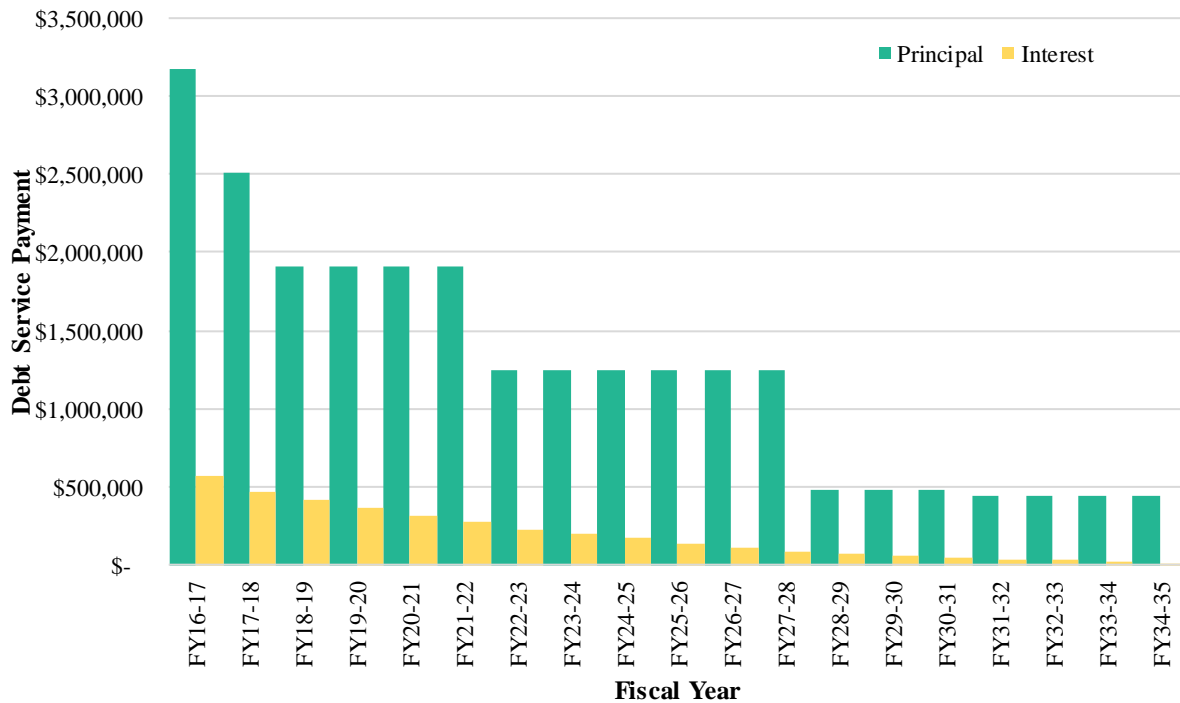
The biggest factor to be considered in future budgets is upcoming decreases in debt service payments. The Water & Sewer Fund currently has eight (8) debt service notes and pays \$3,755,409 in principal and interest for FY16-17. The Fund’s bank loan with BB&T for the renovation of the Water Treatment Plant facility, located on HWY 191, is set to be paid in full by FY17-18. The outstanding principal on this loan as of FY16-17 totals \$1,756,901. The payment scheduled to be made in FY16-17 totals \$1,217,241. This leaves approximately 539,660 left to be paid in FY17-18 and will have greatly decreased the Fund’s debt service obligation by FY18-19. Another sewer line improvements loan financed by the State Revolving Loan Fund will be paid in full by the end of FY16-17. This will decrease the Fund’s debt service obligation by another \$104,340. In total, the estimated decrease in debt service is depicted below:

	ESTIMATE	ESTIMATE	ESTIMATE
	FY16-17	FY17-18	FY18-19
Debt Service Payment	\$ 3,755,409	\$ 2,973,488	\$ 2,433,828
\$ Change	\$ -	\$ (781,921)	\$ (539,660)
Cumulative Change	\$ -	\$ (781,921)	\$ (1,321,581)



As depicted in the table, the Water and Sewer Fund is expected to increase its expenditure capacity by \$1,321,581 by FY18-19. The Fund’s debt service schedule is presented below:

Water & Sewer Fund Debt Service



Looking further out, another large portion of debt service payments are paid in full by FY22-23. This loan was for the construction of the Fund’s Wastewater Treatment Plant, located on Balfour Road, and will provide approximately \$750,000 in future expenditures capacity.

There are several major projects that are part of the current 5-year Capital Improvement Plan (CIP). Major project refers to anything with a cost greater than \$500,000 or will last more than one fiscal year. These projects are identified in the summary sheets and Gantt chart in this document. The Gantt chart details projected project stages, design, evaluation, bid, construction, etc..., and identifies when funding will be needed. This chart and plan is reliant on funding capacity and will be continually evaluated and revised. In total, seven major projects will be fully funded in FY17-18, totaling \$12,650,050 in pay-go funding.

Management is working with a financial advisor to determine the best funding strategy for these major projects. In concert with these advisors, staff has developed a tool to project financing capacity and strategy. This tool is presented on the following page:

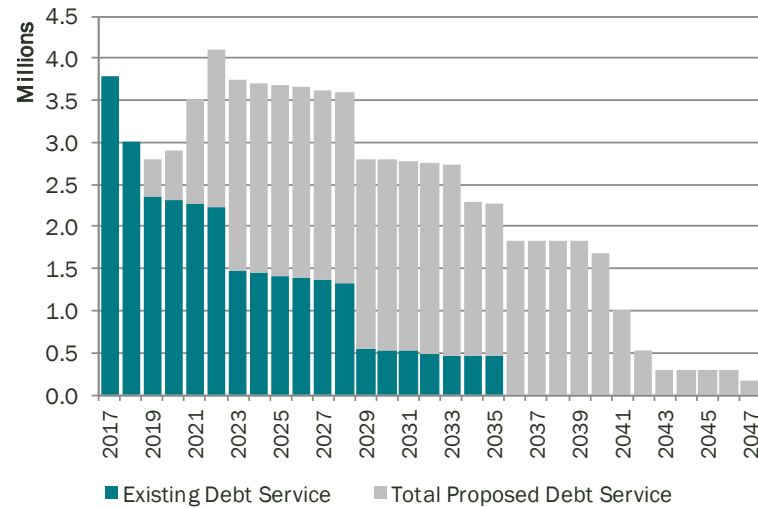


City of Hendersonville, North Carolina

Capital Planning Model - Utility Fund
 Scenario 1
 Full Project List

Projects Under Consideration									Targets			Outstanding Debt Service				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
On/Off	Description	Project Amount	Issued (FY)	Funding Type	Structure	Term	Principal Deferral	Rate	FY	Debt Service Coverage	Days' Cash on Hand*	FY	Principal	Interest	Debt Service	Principal Balance
On	Eastside Transmission Main	5,100,000	2018	Revenue Bond	Level D/S	15	0	3.50%	Total				24,262,654	3,591,253	27,853,907	
On	Etowah Water System Improvements	3,819,200	2018	Pay-Go					2017	1.44x	684 days	2017	3,205,283	570,965	3,776,248	21,057,371
On	Rutledge Road Water Improvements	476,000	2018	Pay-Go					2018	1.83x	325 days	2018	2,542,041	474,013	3,016,054	18,515,330
On	SCADA System Upgrade	1,586,000	2018	Pay-Go					2019	1.99x	409 days	2019	1,945,654	414,547	2,360,201	16,569,676
On	Wastewater AIA	302,000	2018	Pay-Go					2020	1.95x	336 days	2020	1,946,252	366,713	2,312,965	14,623,424
On	WTP High Service Pump	2,164,000	2018	Pay-Go					2021	1.63x	336 days	2021	1,946,871	318,861	2,265,732	12,676,553
On	WWTP Generator/ATS	1,850,000	2018	Pay-Go					2022	1.42x	381 days	2022	1,950,506	271,155	2,221,662	10,726,047
On	WWTP Gravity Filter	2,590,000	2018	Pay-Go					2023	1.57x	437 days	2023	1,251,847	223,289	1,475,137	9,474,200
On	Streambank Restoration Project	2,920,000	2019	SRF Loan	Level D/S	20	0	0.00%	2024	1.60x	493 days	2024	1,251,847	195,334	1,447,181	8,222,352
On	French Broad River Intake	5,740,133	2020	SRF Loan	Level D/S	20	0	3.00%	2025	1.64x	550 days	2025	1,251,847	167,379	1,419,226	6,970,505
On	Mud Creek Sewer Interceptor Phase III	1,144,000	2020	Pay-Go					2026	1.67x	607 days	2026	1,251,847	139,424	1,391,271	5,718,658
On	Northside Water System Improvements	3,600,000	2020	Pay-Go					2027	1.71x	829 days	2027	1,251,847	111,469	1,363,316	4,466,811
On	WWTP Sludge Drying System	4,109,000	2020	SRF Loan	Level D/S	20	0	3.00%	2028	1.74x	882 days	2028	1,251,847	83,513	1,335,361	3,214,964
On	Dana Rd. Water main Ext.	1,971,000	2021	Pay-Go					2029	2.26x	956 days	2029	475,617	64,711	540,328	2,739,346
On	E. Blue Ridge Rd. Water Line Replacement	644,000	2021	SRF Loan	Level D/S	20	0	2.25%	2030	2.30x	1029 days	2030	475,617	55,061	530,678	2,263,729
On	Florida Ave. Water & Sewer	1,059,000	2021	SRF Loan	Level D/S	20	0	3.25%	2031	2.34x	1100 days	2031	475,617	45,412	521,029	1,788,112
On	N. Main St. Water & Sewer	1,073,000	2021	SRF Loan	Level D/S	20	0	3.25%	2032	2.40x	1170 days	2032	447,028	35,762	482,790	1,341,084
On	Oakland/Fleming St. Water and Sewer	2,188,000	2021	SRF Loan	Level D/S	20	0	3.25%	2033	2.44x	1239 days	2033	447,028	26,822	473,850	894,056
On	Relocate Mills River Intake	1,200,000	2021	SRF Loan	Level D/S	20	0	3.25%	2034	2.96x	1317 days	2034	447,028	17,881	464,909	447,028
On	S. Rugby Water Main Interconnect	1,888,000	2021	Revenue Bond	Level D/S	25	0	5.00%	2035	3.01x	1393 days	2035	447,028	8,941	455,969	-
On	Smokey Ridge Apts. Sewer Pump Station Elim.	418,000	2021	SRF Loan	Level D/S	20	0	3.25%	2036	3.80x	1477 days	2036	-	-	-	-
On	Williams St./4th Ave. Water & Sewer	542,000	2021	SRF Loan	Level D/S	20	0	3.25%	2037	3.85x	1558 days	2037	-	-	-	-
On	Howard Gap Rd. Water Main Ext. Phase I	1,319,000	2022	Revenue Bond	Level D/S	25	0	5.00%	2038	3.90x	1637 days	2038	-	-	-	-
On	Pace R. Water Main Ext. & Interconnect	1,052,000	2022	Revenue Bond	Level D/S	25	0	5.00%	2039	3.94x	1714 days	2039	-	-	-	-
On	Willow Rd./Cherokee Dr./Park St. Water & Sewer	3,198,000	2022	SRF Loan	Level D/S	20	0	3.50%	2040	4.34x	1791 days	2040	-	-	-	-
Off									2041	7.26x	1879 days	2041	-	-	-	-
Off									2042	14.11x	1973 days	2042	-	-	-	-
Off									2043	24.91x	2068 days	2043	-	-	-	-
Off									2044	25.20x	2160 days	2044	-	-	-	-
Off									2045	25.49x	2248 days	2045	-	-	-	-
Off									2046	25.77x	2332 days	2046	-	-	-	-
Off									2047	46.82x	2416 days	2047	-	-	-	-
									2048	-	2499 days	2048	-	-	-	-
									2049	-	2578 days	2049	-	-	-	-
									2050	-	2654 days	2050	-	-	-	-
									2051	-	2727 days	2051	-	-	-	-
									2052	-	2797 days	2052	-	-	-	-

Total G.O. Projects	-
Total Revenue Bond Projects	9,359,000
Total SRF Loan Projects	23,091,133
Total Pay-Go Projects	19,502,200
Total Projects Funded	51,952,333



*in addition to \$6mm reserved for potential impact fee liability for FY2017-2026



The tool uses the City’s Gantt chart and other planning documents to identify projects and their estimated costs. Staff and City Council can then adjust the table for funding type, structure, term, principal deferral, rate, etc... This information is then added into the financial model and produces benchmark ratios that are needed to be met to maintain financial sustainability. The two main benchmark ratios used are the debt service coverage ratio and the days’ cash on hand. These measures determine the unit’s ability to pay for debt service and amount of cash reserves, respectively. Our target for these ratios are 1.40 (debt service coverage ratio) and 270 days (days cash on hand). The tool shows that under the current strategy the City can afford to pursue these projects and maintain financial sustainability.

In addition to the financing tool, the following pages contain the City’s Gantt chart for major water and sewer projects, along with a map of where the CIP projects are occurring.



Projects	Nature of Project	Fund	Estimated Cost	Cash Budget	Loan/Grant Budget	Schedule	CURRENT YEAR				YEAR 1				YEAR 2				YEAR 3				YEAR 4				YEAR 5				Total Budget Needed	Proposed Funding Mech.
							FY16-17				FY17-18				FY18-19				FY19-20				FY20-21				FY21-22					
							JUL-1st	SEP-2nd	OCT-3rd	DEC-4th	JUL-1st	SEP-2nd	OCT-3rd	DEC-4th	JUL-1st	SEP-2nd	OCT-3rd	DEC-4th	JUL-1st	SEP-2nd	OCT-3rd	DEC-4th	JUL-1st	SEP-2nd	OCT-3rd	DEC-4th	JUL-1st	SEP-2nd	OCT-3rd	DEC-4th		
Eastside Transmission Main	New Infrastructure	402	\$ 5,100,000	\$ -	\$ 5,100,000	projected actual																						\$ -	TF			
Etowah Water System Improvements	Improvement to Ex. Infrastructure	430	\$ 3,819,200	\$ 3,819,200	\$ -	projected actual																							\$ -	Cash		
Rutledge Road Water System Improvements	Repair/Replacement	420	\$ 476,000	\$ 476,000	\$ -	projected actual																							\$ -	Cash		
SCADA System Upgrade	Improvement to Ex. Infrastructure	410	\$ 1,586,000	\$ 1,586,000	\$ -	projected actual																							\$ -	Cash		
Streambank Restoration Project	Repair/Replacement	N/A	\$ 2,920,000	\$ -	\$ 2,920,000	projected actual																							\$ -	SRF		
Wastewater AIA	Study	460	\$ 314,850	\$ 164,850	\$ 150,000	projected actual																							\$ -	Cash/Grant		
WTP High Service Pump	Repair/Replacement	403	\$ 2,164,000	\$ 2,164,000	\$ -	projected actual																							\$ -	Cash		
WWTP Generator/ATS	Improvement to Ex. Infrastructure	445	\$ 1,850,000	\$ 1,850,000	\$ -	projected actual																							\$ -	Cash		
WWTP Gravity Filter Replacement	Repair/Replacement	425	\$ 2,590,000	\$ 2,590,000	\$ -	projected actual																							\$ -	Cash		
French Broad River Intake	New Infrastructure	N/A	\$ 5,925,000	\$ -	\$ -	projected actual																							\$ 5,925,000	SRF		
Mud Creek Sewer Interceptor Replacement, Phase 3	Repair/Replacement	N/A	\$ 1,144,000	\$ -	\$ -	projected actual																							\$ 1,144,000	Cash		
Northside Water System Improvements	Improvement to Ex. Infrastructure	401	\$ 3,600,000	\$ 468,180	\$ -	projected actual																							\$ 3,131,820	Cash		
Williams St./4th Avenue E. Sanitary Sewer Improvements	Repair/Replacement	N/A	\$ 542,000	\$ -	\$ -	projected actual																							\$ 542,000	Cash		
WWTP Sludge Drying System	Improvement to Ex. Infrastructure	N/A	\$ 4,109,000	\$ -	\$ 4,109,000	projected actual																							\$ -	SRF		
Dana Rd. Water Main Extension	New Infrastructure	N/A	\$ 2,622,000	\$ -	\$ -	projected actual																							\$ 2,622,000	TF		
E. Blue Ridge Road Water Line Replacement	Repair/Replacement	N/A	\$ 644,000	\$ -	\$ -	projected actual																							\$ 644,000	SRF		
Florida Avenue Water & Sanitary Sewer Impr.	Repair/Replacement	N/A	\$ 1,059,000	\$ -	\$ -	projected actual																							\$ 1,059,000	SRF		
N. Main St. Sanitary Sewer and Water Improvements	Repair/Replacement	N/A	\$ 1,519,000	\$ -	\$ -	projected actual																							\$ 1,519,000	SRF		
Oakland/Fleming St. Sanitary Sewer and Water Improvements	Repair/Replacement	N/A	\$ 2,188,000	\$ -	\$ -	projected actual																							\$ 2,188,000	SRF		
Relocate Mills River Intake	Repair/Replacement	N/A	\$ 1,200,000	\$ -	\$ -	projected actual																							\$ 1,200,000	SRF		
Rugby Rd. Water Main Interconnection	New Infrastructure	N/A	\$ 1,938,000	\$ -	\$ -	projected actual																							\$ 1,938,000	TF		
Smokey Ridge Apts. Sewer Pump Station Elimination	New Infrastructure	N/A	\$ 418,000	\$ -	\$ -	projected actual																							\$ 418,000	SRF		
Howard Gap Rd. Water Main Extension, Phase 1	New Infrastructure	N/A	\$ 1,319,000	\$ -	\$ -	projected actual																							\$ 1,319,000	TF		
Howard Gap Rd. Water Main Extension, Phase 2	New Infrastructure	N/A	\$ 2,341,000	\$ -	\$ -	projected actual																							\$ 2,341,000	TF		
Pace Road Water Main Extension and Interconnect	New Infrastructure	N/A	\$ 2,040,000	\$ -	\$ -	projected actual																							\$ 2,040,000	TF		
Willow Rd./Cherokee Dr./Park St. Sanitary Sewer and Water Impr.	Repair/Replacement	N/A	\$ 3,198,000	\$ -	\$ -	projected actual																							\$ 3,198,000	SRF		
WTP Expansions (12-MGD to 15-MGD) Environmental Accessment	Study	N/A	\$ 250,000	\$ -	\$ -	projected actual																							\$ 250,000	Cash		
1st Avenue W./Oak St. Sewer and Water Improvements	Repair/Replacement	N/A	\$ 777,000	\$ -	\$ -	projected actual																							\$ 777,000			
Fairgrounds Avenue Repair and Replacement Project	Repair/Replacement	N/A	\$ 1,645,000	\$ -	\$ -	projected actual																							\$ 1,645,000			
Hwy. 64 E./Highland Square Sewer Improvements	Repair/Replacement	N/A	\$ 164,000	\$ -	\$ -	projected actual																							\$ 164,000			
Long John Mtn Interconnect, Tank, and Pump Station	Improvement to Ex. Infrastructure	N/A	\$ 3,768,000	\$ -	\$ -	projected actual																							\$ 3,768,000			
N. Highlands Lake Road Interconnection	New Infrastructure	N/A	\$ 699,000	\$ -	\$ -	projected actual																							\$ 699,000			
WTP Expansions (12-MGD to 15-MGD)	New Infrastructure	N/A	\$ 6,064,000	\$ -	\$ -	projected actual																							\$ 6,064,000			

DRAFT - 05/01/2017

	EVALUATION/STUDY		CONTRACTOR PRE-QUALIFICATION
	DESIGN PHASE (IN HOUSE)		BIDDING PHASE
	DESIGN PHASE (CONTRACTED)		PERMITTING PHASE
	CONSTR. PHASE (CONTRACTED)		EASEMENT ACQUISITION
	CONSTR. PHASE (IN HOUSE)		FUNDING SUBMITTAL DUE
	FUNDING APPROVAL		



Development and implementation of capital projects from the Capital Improvement Plan (CIP) often results in financial impact on municipal operating budgets. Certain capital projects may involve small personnel and operating and maintenance (O&M) costs, while others may create a considerably more notable impact. Capital projects, large or small, involve a municipality's operating budget. It is important to estimate changes in operating budget created by CIP projects to understand the full benefits and costs of implemented projects.

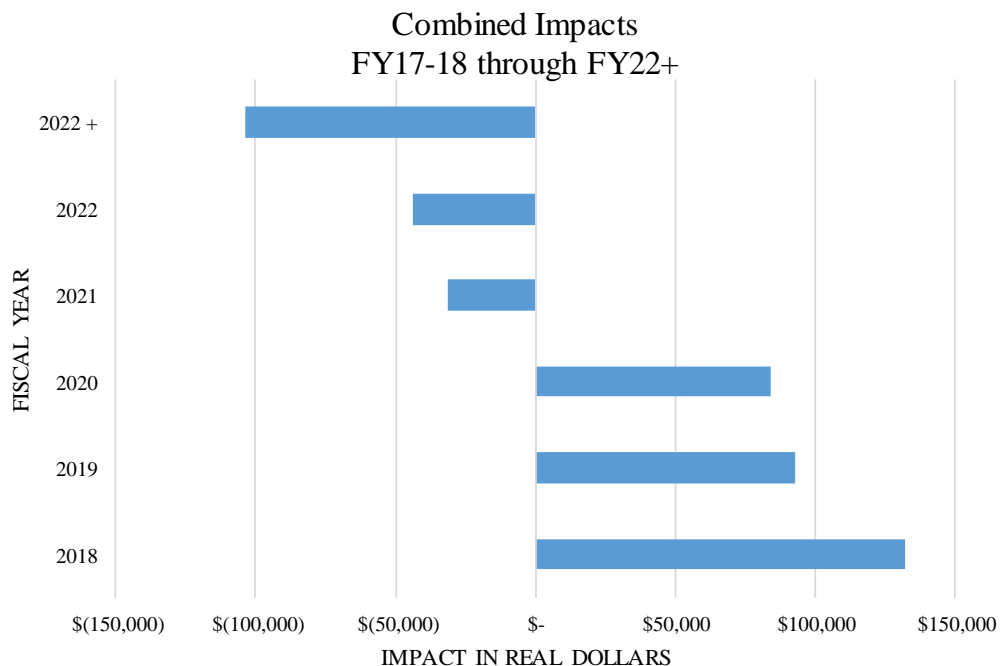
The City of Hendersonville's capital budgeting process involves estimating the impact of capital projects on the operating budget. Impacts are estimated during the project request and development stages. Personnel and O&M costs are estimated through future fiscal years (FY), in terms of current FY dollars during the first full year of operation. A 3.5% inflation rate per year is applied to estimates to provide a more accurate representation of future FY operating budget impacts.

The City of Hendersonville's operating impact forecasts are based on a few key assumptions listed below. Assumptions assist in interpreting the following tables and graphs.

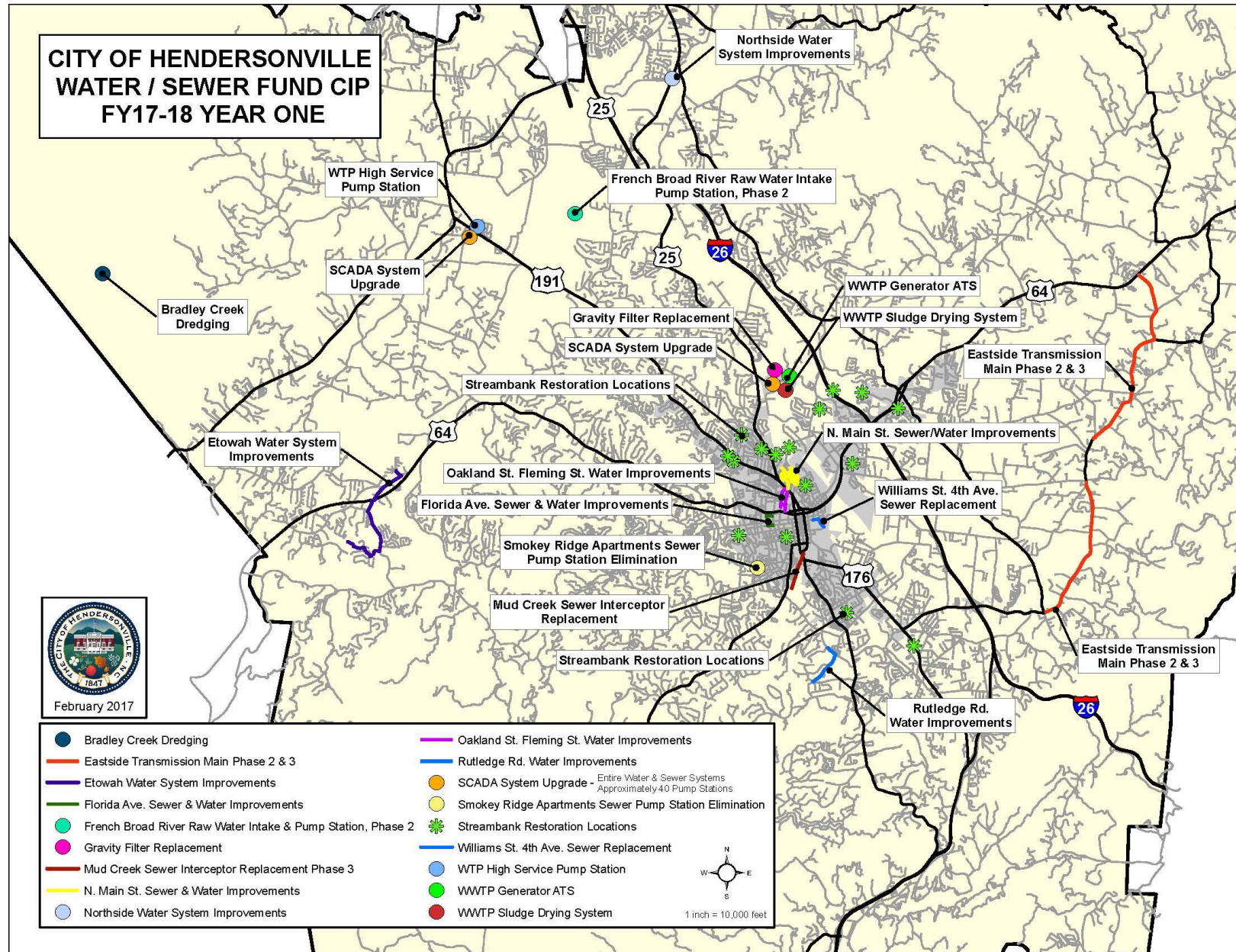
1. Operating impacts involve personnel and O&M needs associated with a capital project that must be met on a continual (annual) basis in order to maintain the capital project.
2. Operating impacts associated with capital projects beginning FY17-18 are included in the City's Annual Operating Budget.
3. Operating impacts contained in the following schedules are cumulative- operating impacts beginning in the current FY are included in future years' impact figures.
4. Operating impacts are effective for the first year a project is fully functioning.
5. Inflation for operating impacts is calculated at 3.5% per year. This inflation factor is based on long-run, aggregate, economic data and is somewhat conservative.

A table and chart depicting the operating impacts is presented on the following page:

PERSONNEL OPERATING IMPACTS								
DEPT.	PROJECT NAME	TOTAL PERSONNEL COST	FY	FY	FY	FY	FY	FY
			2018	2019	2020	2021	2022	2022 +
WS	Eastside Transmission Main	\$ 12,570	\$ -	\$ 2,000	\$ 2,070	\$ 2,142	\$ 2,217	\$ 4,140
WS	Etowah Water System Improvements	(18,941)	(2,600)	(2,600)	(2,691)	(2,785)	(2,883)	(5,382)
WS	Rutledge Road Water System Improvements	(9,000)	(4,500)	(4,500)	(4,658)	(4,821)	(4,989)	(9,315)
WS	SCADA System Upgrade	(1,747)	(1,747)	(1,747)	(1,808)	(1,872)	(1,937)	(3,617)
WS	Streambank Restoration Project	(282,822)	-	(45,000)	(46,575)	(48,205)	(49,892)	(93,150)
WS	Wastewater AIA	-	-	-	-	-	-	-
WS	WTP High Service Pump	31,425	-	5,000	5,175	5,356	5,544	10,350
WS	WWTP Generator/ATS	-	-	-	-	-	-	-
WS	WWTP Gravity Filter Replacement	(512)	(512)	(512)	(530)	(548)	(568)	(1,060)
Total Personnel Impacts		\$ (269,028)	\$ (9,359)	\$ (47,359)	\$ (49,017)	\$ (50,732)	\$ (52,508)	\$ (98,034)
O&M OPERATING IMPACTS								
DEPT.	PROJECT NAME	TOTAL O&M COST	FY	FY	FY	FY	FY	FY
			2018	2019	2020	2021	2022	2022 +
WS	Eastside Transmission Main	\$ 31,425	\$ -	\$ 5,000	5,175	5,356	5,544	\$ 10,350
WS	Etowah Water System Improvements	\$ 230,000	50,000	50,000	40,000	30,000	20,000	40,000
WS	Rutledge Road Water System Improvements	\$ (6,556)	(900)	(900)	(932)	(964)	(998)	(1,863)
WS	SCADA System Upgrade	\$ -	-	-	-	-	-	-
WS	Streambank Restoration Project	\$ (164,699)	-	(22,500)	(23,288)	(24,103)	(24,946)	(69,863)
WS	Wastewater AIA	\$ 303,500	100,000	100,000	103,500	-	-	-
WS	WTP High Service Pump	\$ 2,000	-	2,000	2,070	2,142	2,217	2,500
WS	WWTP Generator/ATS	\$ 90,258	-	14,361	14,864	15,384	15,922	29,727
WS	WWTP Gravity Filter Replacement	\$ (8,000)	(8,000)	(8,000)	(8,280)	(8,570)	(8,870)	(16,560)
Total O&M Impacts		\$ 477,928	\$ 141,100	\$ 139,961	\$ 133,110	\$ 19,246	\$ 8,870	\$ (5,708)
TOTAL IMPACTS		\$ 208,900	\$ 131,741	\$ 92,602	\$ 84,093	\$ (31,486)	\$ (43,638)	\$ (103,742)



The following provides a map of all year one CIP projects for the Water & Sewer Fund:



Other Funds

Other non-major City funds will be discussed in less detail. These funds follow the same capital improvement plan process. However, the extent of their requests do not require the same analysis to understand funding capacity.

7th Avenue MSD Fund

The 7th Avenue MSD Fund is a smaller fund with an estimated revenue budget of \$61,418. Initial expenditures estimates, prior to any capital, totals \$39,495. This leaves approximately \$21,923 available for expenditures on capital outlay and/or other expenditures. The current request for capital outlay totals \$15,000 for various district improvements. It is expected that this capacity for capital funding will be available for the foreseeable future. However, the Committee and City Council may determine that this funding be used to pay for a debt service note associated with the upcoming streetscape design proposal. An initial phase of this project is scheduled for FY18-19. Additionally, the Fund has a substantial estimated available fund balance of \$62,489, as of June 30th, 2017.

Environmental Services Fund

The Environmental Services Fund provides sanitation and other related services for the City and has an estimated revenue budget of 1,201,750. Estimated expenditures total around \$1,192,140, providing little capacity for pay-as-you-go capital outlay. In FY17-18 there is a request for a route analysis, \$35,000, and a new sanitation truck, \$230,000. The new sanitation truck will be financed through a debt service note.

Main Street MSD Fund

The Main Street MSD Fund is another one of the City's smaller funds, with an estimated revenue budget of \$556,151. There is an estimated \$25,000 - \$30,000 available for annual capital outlay. Approximately, \$33,000 has been requested for pay-as-you-go in FY17-18. Additionally, there are three other priorities that are of significantly higher cost. These are paved surface lot parking areas, \$350,000, North Main Street visitor facilities, \$150,000, and avenue sidewalk and street light upgrades, \$1,400,000. These are loose estimates, as no formal evaluation has been done at this time. These major projects will require debt financing or assistance from the City's General Fund. The Fund has an estimated fund balance of \$99,082, as of June 30th, 2017.

Stormwater Fund

The City's Stormwater Fund provides a variety of stormwater services to the City. It is a smaller fund and its budget totals around \$200,000. The estimated funding available for capital outlay is \$60,000 - \$70,000 per year. This provides enough funding to conduct small stormwater improvement projects. However, any major endeavor will require revenue from other sources. The request for capital outlay totals \$90,000 in FY17-18.

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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	MID	MAX
1	20,554.51	25,918.84	31,278.62
2	21,582.24	27,214.78	32,842.55
3	22,661.35	28,575.52	34,484.68
4	23,794.41	30,004.30	36,208.91
5	24,984.14	31,504.52	38,019.36
6	26,233.34	33,079.74	39,920.32
7	27,545.01	34,733.73	41,916.34
8	28,922.26	36,470.41	44,012.16
9	30,368.37	38,293.94	46,212.77
10	31,886.79	40,208.63	48,523.40
11	33,481.13	42,219.06	50,949.57
12	35,155.19	44,330.02	53,497.05
13	36,912.95	46,546.52	56,171.91
14	38,758.59	48,873.84	58,980.50
15	40,696.52	51,317.54	61,929.53
16	42,731.35	53,883.41	65,026.00
17	44,867.92	56,577.58	68,277.30
18	47,111.31	59,406.46	71,691.17
19	49,466.88	62,376.79	75,275.73
20	51,940.22	65,495.62	79,039.51
21	54,537.23	68,770.41	82,991.49
22	57,264.10	72,208.93	87,141.06
23	60,127.30	75,819.37	91,498.12
24	63,133.67	79,610.34	96,073.02
25	66,290.35	83,590.86	100,876.67
26	69,604.87	90,486.33	111,367.79
27	73,085.11	95,010.64	116,936.17
28	76,739.37	96,766.87	116,777.36
29	80,576.33	101,605.21	122,616.23
30	84,605.15	106,685.47	128,747.04
31	88,835.41	112,019.74	135,184.39
32	93,277.18	117,620.73	141,943.61
33	97,941.04	123,501.77	149,040.79
34	102,838.09	129,676.86	156,492.83
35	102,838.09	129,676.86	156,492.83
36	102,838.09	129,676.86	156,492.83



Position Allocation to Range Detail

<u>Grade</u>	<u>Job Classification Title</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
1	Not assigned	20,554.51	25,918.84	31,278.62
2	Not assigned	21,582.24	27,214.78	32,842.55
3	Not assigned	22,661.35	28,575.52	34,484.68
4	Not assigned	23,794.41	30,004.30	36,208.91
5	Not assigned	24,984.14	31,504.52	38,019.36
6	Environmental Services Worker I	26,233.34	33,079.74	39,920.32
6	Property Maintenance Worker I	26,233.34	33,079.74	39,920.32
6	Street Maintenance Worker I	26,233.34	33,079.74	39,920.32
7	Customer Service Collection Specialist	27,545.01	34,733.73	41,916.34
7	Facilities Maintenance Technician	27,545.01	34,733.73	41,916.34
8	Administrative Assistant I	28,922.26	36,470.41	44,012.16
8	Customer Service Representative	28,922.26	36,470.41	44,012.16
8	Environmental Services Worker II	28,922.26	36,470.41	44,012.16
8	Line Maintenance Mechanic I	28,922.26	36,470.41	44,012.16
8	Meter Services Technician	28,922.26	36,470.41	44,012.16
8	Police Support Specialist	28,922.26	36,470.41	44,012.16
8	Property Maintenance Worker II	28,922.26	36,470.41	44,012.16
8	Street Maintenance Worker II	28,922.26	36,470.41	44,012.16
8	Warehouse Specialist	28,922.26	36,470.41	44,012.16
8	WTP Operator I	28,922.26	36,470.41	44,012.16
8	WWTP Operator I	28,922.26	36,470.41	44,012.16
9	Evidence Technician/Admin Assistant	30,368.37	38,293.94	46,212.77
9	Facilities Maintenance Mechanic I	30,368.37	38,293.94	46,212.77
9	Senior Police Support Specialist	30,368.37	38,293.94	46,212.77
10	Accounts Payable Specialist	31,886.79	40,208.63	48,523.40
10	Building Maintenance Technivian	31,886.79	40,208.63	48,523.40
10	Environmental Services Equip Operator	31,886.79	40,208.63	48,523.40
10	Fleet Equipment Mechanic	31,886.79	40,208.63	48,523.40
10	Line Maintenance Mechanic II	31,886.79	40,208.63	48,523.40
10	Property Maintenance Equip Operator	31,886.79	40,208.63	48,523.40
10	Telecommunicator	31,886.79	40,208.63	48,523.40
10	Street Maintenance Equipment Operator	31,886.79	40,208.63	48,523.40
10	Utilities Locator	31,886.79	40,208.63	48,523.40
10	WTP Operator II	31,886.79	40,208.63	48,523.40
10	WWTP Operator II	31,886.79	40,208.63	48,523.40



<u>Grade</u>	<u>Job Classification Title</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
11	Administrative Assistant II	33,481.13	42,219.06	50,949.57
11	Customer Service Support Specialist	33,481.13	42,219.06	50,949.57
11	Downtown Promotions Coordinator	33,481.13	42,219.06	50,949.57
11	Environmental Services Crew Leader	33,481.13	42,219.06	50,949.57
11	Facilities Maintenance Mechanic II	33,481.13	42,219.06	50,949.57
11	Firefighter/EMT	33,481.13	42,219.06	50,949.57
11	Fleet Equipment Services Specialist	33,481.13	42,219.06	50,949.57
11	Lead Telecommunicator	33,481.13	42,219.06	50,949.57
11	Property Maintenance Crew Leader	33,481.13	42,219.06	50,949.57
11	Street Maintenance Crew Leader	33,481.13	42,219.06	50,949.57
11	Traffic Control Technician	33,481.13	42,219.06	50,949.57
11	Utility Operations Support Specialist	33,481.13	42,219.06	50,949.57

12	Fire Inspector I	35,155.19	44,330.02	53,497.05
12	Inflow Infiltration Technician	35,155.19	44,330.02	53,497.05
12	Laboratory Technician	35,155.19	44,330.02	53,497.05
12	Leak Detection Technician	35,155.19	44,330.02	53,497.05
12	Line Maintenance Crew Leader	35,155.19	44,330.02	53,497.05
12	Police Officer	35,155.19	44,330.02	53,497.05
12	Senior Firefighter/EMT	35,155.19	44,330.02	53,497.05
12	WTP Operator III	35,155.19	44,330.02	53,497.05
12	WWTP Operator III	35,155.19	44,330.02	53,497.05
12	Zoning Enforcement Officer	35,155.19	44,330.02	53,497.05

13	Administrative Assistant III	36,912.95	46,546.52	56,171.91
13	Fire Engineer	36,912.95	46,546.52	56,171.91
13	Fire Inspector II	36,912.95	46,546.52	56,171.91
13	Human Resources Coordinator	36,912.95	46,546.52	56,171.91
13	Instruments & Electronics Technician	36,912.95	46,546.52	56,171.91
13	Parking Services Supervisor	36,912.95	46,546.52	56,171.91
13	Payroll & Benefits Coordinator	36,912.95	46,546.52	56,171.91
13	Police Communications Supervisor	36,912.95	46,546.52	56,171.91
13	School Resource Officer	36,912.95	46,546.52	56,171.91
13	Utilities Operations Support Supervisor	36,912.95	46,546.52	56,171.91
13	WWTP Laboratory Technician	36,912.95	46,546.52	56,171.91

14	Engineering Technician I	38,758.59	48,873.84	58,980.50
14	Environmental Services Coordinator	38,758.59	48,873.84	58,980.50
14	Environmental Services Supervisor	38,758.59	48,873.84	58,980.50
14	Fire and Life Safety Educator	38,758.59	48,873.84	58,980.50
14	Meter Services Supervisor	38,758.59	48,873.84	58,980.50
14	Paralegal & Grants Coordinator	38,758.59	48,873.84	58,980.50
14	Police Detective	38,758.59	48,873.84	58,980.50
14	Public Information Officer	38,758.59	48,873.84	58,980.50



<u>Grade</u>	<u>Job Classification Title</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
15	Assistant Fire Marshal	40,696.52	51,317.54	61,929.53
15	Building Maintenance Supervisor	40,696.52	51,317.54	61,929.53
15	Chief WTP Operator	40,696.52	51,317.54	61,929.53
15	Chief WWTP Operator	40,696.52	51,317.54	61,929.53
15	Construction Inspector	40,696.52	51,317.54	61,929.53
15	Engineering Technician II	40,696.52	51,317.54	61,929.53
15	Environmental Services Supervisor	40,696.52	51,317.54	61,929.53
15	Facilities Maintenance Supervisor	40,696.52	51,317.54	61,929.53
15	Fire Lieutenant	40,696.52	51,317.54	61,929.53
15	Fleet Maintenance Supervisor	40,696.52	51,317.54	61,929.53
15	GIS/IT Analyst	40,696.52	51,317.54	61,929.53
15	Planner I	40,696.52	51,317.54	61,929.53
15	Police Sergeant	40,696.52	51,317.54	61,929.53
15	Property Maintenance Supervisor	40,696.52	51,317.54	61,929.53
15	Sewer Collection Systems Supervisor	40,696.52	51,317.54	61,929.53
15	Budget & Management Analyst	40,696.52	51,317.54	61,929.53
15	Street Maintenance Supervisor	40,696.52	51,317.54	61,929.53
15	Traffic Control Supervisor	40,696.52	51,317.54	61,929.53
15	Water Distribution Systems Supervisor	40,696.52	51,317.54	61,929.53
15	WWTP Laboratory Supervisor	40,696.52	51,317.54	61,929.53
16	Accountant	42,731.35	53,883.41	65,026.00
16	Engineering Technician III	42,731.35	53,883.41	65,026.00
16	Stormwater Quality Specialist	42,731.35	53,883.41	65,026.00
17	Planner II	44,867.92	56,577.58	68,277.30
18	Accounting Supervisor	47,111.31	59,406.46	71,691.17
18	Civil Engineer I	47,111.31	59,406.46	71,691.17
18	Construction Manager	47,111.31	59,406.46	71,691.17
18	Deputy Fire Marshal	47,111.31	59,406.46	71,691.17
18	Fire Captain	47,111.31	59,406.46	71,691.17
18	Fire Training Officer	47,111.31	59,406.46	71,691.17
18	Revenue Supervisor	47,111.31	59,406.46	71,691.17
18	Wastewater Treatment Facilities Manager	47,111.31	59,406.46	71,691.17
18	Water Treatment Facilities Manager	47,111.31	59,406.46	71,691.17
19	Fire Battalion Chief	49,466.88	62,376.79	75,275.73
19	Police Lieutenant	49,466.88	62,376.79	75,275.73
20	Civil Engineer II	51,940.22	65,495.62	79,039.51
20	Fire Marshal	51,940.22	65,495.62	79,039.51
20	Utilities Technology Manager	51,940.22	65,495.62	79,039.51
21	Not Assigned	54,537.23	68,770.41	82,991.49



<u>Grade</u>	<u>Job Classification Title</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
22	Assistant Finance Director	57,264.10	72,208.93	87,141.06
22	Assistant Public Works Director	57,264.10	72,208.93	87,141.06
22	Civil Engineer III	57,264.10	72,208.93	87,141.06
22	GIS Administrator	57,264.10	72,208.93	87,141.06
22	Operations Manager	57,264.10	72,208.93	87,141.06
22	Police Captain	57,264.10	72,208.93	87,141.06
22	Utility Finance Manager	57,264.10	72,208.93	87,141.06
23	Assistant To City Mgr/Budget & Eval Dir	60,127.30	75,819.37	91,498.12
23	Assistant Police Chief	60,127.30	75,819.37	91,498.12
23	Deputy Fire Chief	60,127.30	75,819.37	91,498.12
24	Civil Engineer IV	63,133.67	79,610.34	96,073.02
25	City Clerk	66,290.35	83,590.86	100,876.67
25	Development Assistance Director	66,290.35	83,590.86	100,876.67
25	Downtown Economic Development Dir	66,290.35	83,590.86	100,876.67
25	Human Resources Director	66,290.35	83,590.86	100,876.67
26	Not assigned	69,604.87	90,486.33	111,367.79
27	Not assigned	73,085.11	95,010.64	116,936.17
28	City Engineer	76,739.37	96,766.87	116,777.36
28	Finance Director	76,739.37	96,766.87	116,777.36
28	Fire Chief	76,739.37	96,766.87	116,777.36
28	Police Chief	76,739.37	96,766.87	116,777.36
28	Public Works Director	76,739.37	96,766.87	116,777.36
28	Utilities Director	76,739.37	96,766.87	116,777.36
29	Not assigned	80,576.33	101,605.21	122,616.23
30	Not assigned	84,605.15	106,685.47	128,747.04
31	Not assigned	88,835.41	112,019.74	135,184.39
32	Not assigned	93,277.18	117,620.73	141,943.61
33	Not assigned	97,941.04	123,501.77	149,040.79
34	Not assigned	102,838.09	129,676.86	156,492.83
35	Not assigned	107,979.99	136,160.70	164,317.47
36	Not assigned	113,378.99	142,968.74	172,533.34



Position Count Detail

POSITION	POSITION TYPE	SALARY GRADE	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	COUNT CHANGE	FY17-18 F.T.E
<i>Governing Body</i>							
Mayor	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
Mayor Pro-Tem.	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
Council Member	P/T-NON-PERMANENT	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	F/T	N/A	1.00	1.00	1.00	0.00	1.00
City Clerk	F/T	25	1.00	1.00	1.00	0.00	1.00
Downtown Economic Development Director	F/T	25	1.00	1.00	1.00	0.00	1.00
Human Resources Director	F/T	25	1.00	1.00	1.00	0.00	1.00
Assistant to City Manager/Budget & Eval. Director	F/T	23	1.00	1.00	1.00	0.00	1.00
Human Resources Coordinator	F/T	13	1.00	1.00	1.00	0.00	1.00
Public Information Officer	P/T-PERMANENT	14	1.00	1.00	1.00	0.00	0.50
Promotions Coordinator	P/T-PERMANENT	11	1.00	1.00	1.00	0.00	0.50
Parking Ambassador	P/T-NON-PERMANENT	N/A	2.00	2.00	2.00	0.00	0.00
Administrative Intern	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
<i>Sub-Total</i>			11.00	11.00	11.00	0.00	7.00
<i>Finance</i>							
Finance Director	F/T	28	1.00	1.00	1.00	0.00	1.00
Utility Finance Manager	F/T	22	0.00	0.00	1.00	1.00	1.00
Senior Accounting Supervisor	F/T	18	1.00	1.00	1.00	0.00	1.00
Revenue Accounting Supervisor	F/T	18	1.00	1.00	1.00	0.00	1.00
Accountant	F/T	16	2.00	1.00	1.00	0.00	1.00
Payroll Benefits Coordinator	F/T	13	1.00	1.00	1.00	0.00	1.00
Accounts Payable Specialist	F/T	10	1.00	1.00	1.00	0.00	1.00
Customer Service Support Specialist	F/T	11	1.00	2.00	2.00	0.00	2.00
Customer Service Representative	F/T	9	3.00	4.00	6.00	2.00	6.00
Customer Service Collection Specialist	F/T	7	2.00	2.00	2.00	0.00	2.00
Customer Service Collection Specialist	P/T-PERMANENT	7	1.50	1.00	1.00	0.00	0.50
<i>Sub-Total</i>			14.50	15.00	18.00	3.00	17.50
<i>City Engineer</i>							
City Engineer	F/T	28	1.00	1.00	1.00	0.00	1.00
Civil Engineer III	F/T	22	1.00	1.00	1.00	0.00	1.00
GIS Administrator	F/T	22	1.00	1.00	1.00	0.00	1.00
Civil Engineer I	F/T	18	0.00	0.00	1.00	1.00	1.00
Construction Manager	F/T	18	1.00	1.00	1.00	0.00	1.00
Construction Inspector	F/T	15	1.00	1.00	1.00	0.00	1.00
Engineering Technician III	F/T	16	1.00	1.00	1.00	0.00	1.00
Stormwater Quality Specialist	F/T	16	0.00	1.00	1.00	0.00	1.00
Engineering Intern	P/T-NON-PERMANENT	N/A	1.00	0.00	0.00	0.00	0.00
<i>Sub-Total</i>			7.00	7.00	8.00	1.00	8.00
<i>Legal</i>							
City Attorney	F/T	N/A	1.00	1.00	1.00	0.00	1.00
Paralegal & Grants Coordinator	P/T-PERMANENT	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
<i>Public Works-Fleet Maintenance</i>							
Fleet Maintenance Supervisor	F/T	15	1.00	1.00	1.00	0.00	1.00
Fleet Equipment Services Specialist	F/T	11	1.00	1.00	1.00	0.00	1.00
Fleet Maintenance Mechanic I	F/T	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



Supplemental Information – Position Detail

Budget FY17-18

POSITION	POSITION TYPE	SALARY GRADE	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	COUNT CHANGE	FY17-18 F.T.E
<i>Public Works-Building Maintenance</i>							
Building Maintenance Supervisor	F/T	15	1.00	1.00	1.00	0.00	1.00
Building Maintenance Technician	F/T	10	2.00	3.00	3.00	0.00	3.00
Mini-Golf Attendant	P/T-NON-PERMANENT	N/A	2.00	2.00	2.00	0.00	0.00
<i>Sub-Total</i>			5.00	6.00	6.00	0.00	4.00
<i>Police</i>							
<i>Police-Sworn Officers</i>							
Police Chief	F/T	28	1.00	1.00	1.00	0.00	1.00
Assistant Police Chief	F/T	23	1.00	1.00	0.00	-1.00	0.00
Police Captain	F/T	22	1.00	1.00	3.00	2.00	3.00
Police Lieutenant	F/T	19	6.00	6.00	5.00	-1.00	5.00
Police Sergeant	F/T	15	5.00	5.00	5.00	0.00	5.00
Police Detective	F/T	14	5.00	5.00	5.00	0.00	5.00
Police Officer	F/T	12	20.00	20.00	22.00	2.00	22.00
School Resource Officer	F/T	13	2.00	2.00	2.00	0.00	2.00
<i>Police-Civilian Staff</i>							
Police Communications Supervisor	F/T	13	1.00	1.00	1.00	0.00	1.00
Administrative Assistant III	F/T	13	1.00	1.00	1.00	0.00	1.00
Parking Services Supervisor	F/T	13	1.00	1.00	1.00	0.00	1.00
Lead Telecommunicator	F/T	11	1.00	1.00	1.00	0.00	1.00
Police Telecommunicator	F/T	10	4.00	4.00	5.00	1.00	5.00
Evidence Technician/Admin. Assistant	F/T	9	1.00	1.00	1.00	0.00	1.00
Sr. Police Support Specialist	F/T	9	1.00	1.00	1.00	0.00	1.00
Administrative Assistant I	F/T	8	1.00	1.00	1.00	0.00	1.00
Police Support Specialist	F/T	8	1.00	1.00	1.00	0.00	1.00
<i>Police-Part-Time</i>							
Crossing Guard	P/T-NON-PERMANENT	N/A	7.00	7.00	7.00	0.00	0.00
Reserve Telecommunications	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
Reserve Officer	P/T-NON-PERMANENT	N/A	6.00	6.00	6.00	0.00	0.00
<i>Sub-Total</i>			67.00	67.00	70.00	3.00	56.00
<i>Fire</i>							
Fire Chief	F/T	28	1.00	1.00	1.00	0.00	1.00
Deputy Fire Chief	F/T	23	1.00	1.00	1.00	0.00	1.00
Fire Marshal	F/T	20	0.00	1.00	1.00	0.00	1.00
Fire Battalion Chief	F/T	19	0.00	0.00	0.00	0.00	0.00
Deputy Fire Marshal	F/T	18	1.00	0.00	0.00	0.00	0.00
Fire Captain	F/T	18	3.00	3.00	3.00	0.00	3.00
Assistant Fire Marshal	F/T	15	0.00	1.00	1.00	0.00	1.00
Fire Lieutenant	F/T	15	6.00	6.00	6.00	0.00	6.00
Fire Engineer	F/T	13	9.00	9.00	9.00	0.00	9.00
Administrative Assistant III	F/T	13	0.00	1.00	1.00	0.00	1.00
Senior Firefighter/EMT	F/T	12	0.00	0.00	0.00	0.00	0.00
Fire Inspector I	F/T	12	0.00	0.00	1.00	1.00	1.00
Firefighter/EMT	F/T	11	6.00	6.00	9.00	3.00	9.00
P/T Fire Inspector	P/T-NON-PERMANENT	N/A	0.00	2.00	2.00	0.00	0.00
Reserve Firefighter	P/T-NON-PERMANENT	N/A	15.00	15.00	15.00	0.00	0.00
<i>Sub-Total</i>			42.00	46.00	50.00	4.00	33.00
<i>Development Assistance</i>							
Development Assistance Director	F/T	25	1.00	1.00	1.00	0.00	1.00
Planner II	F/T	17	0.00	1.00	1.00	0.00	1.00
Planner II	F/T	15	0.00	1.00	1.00	0.00	1.00
Zoning Code Enforcement Officer	F/T	12	1.00	1.00	1.00	0.00	1.00
Administrative Assistant III	F/T	13	1.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>			3.00	5.00	5.00	0.00	5.00



POSITION	POSITION TYPE	SALARY GRADE	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	COUNT CHANGE	FY17-18 F.T.E
<i>Public Works-Administration</i>							
Public Works Director	F/T	28	1.00	1.00	1.00	0.00	1.00
Assistant Public Works Director	F/T	22	1.00	1.00	1.00	0.00	1.00
Administrative Assistant III	F/T	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	F/T	15	1.00	1.00	1.00	0.00	1.00
Street Maintenance Crew Leader	F/T	11	1.00	1.00	1.00	0.00	1.00
Equipment Operator	F/T	10	2.00	2.00	2.00	0.00	2.00
Street Maintenance Worker II	F/T	8	2.00	2.00	2.00	0.00	2.00
Street Maintenance Worker I	F/T	6	2.00	2.00	3.00	1.00	3.00
Temporary Worker	P/T-NON-PERMANENT	N/A	2.00	0.00	0.00	0.00	0.00
<i>Sub-Total</i>			10.00	8.00	9.00	1.00	9.00
<i>Public Works-Traffic Engineering</i>							
Traffic Control Supervisor	F/T	15	0.00	1.00	1.00	0.00	1.00
Traffic Control Technician	F/T	11	2.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>			2.00	1.00	1.00	0.00	2.00
<i>Public Works-Grounds Maintenance</i>							
Property Maintenance Supervisor	F/T	15	1.00	1.00	1.00	0.00	1.00
Property Maintenance Crew Leader	F/T	11	2.00	2.00	2.00	0.00	2.00
Property Maintenance Worker I	F/T	6	5.00	5.00	5.00	0.00	5.00
Temporary Worker	P/T-NON-PERMANENT	N/A	2.00	0.00	0.00	0.00	0.00
<i>Sub-Total</i>			10.00	8.00	8.00	0.00	8.00
<i>Public Works-Patton Pool</i>							
Pool Manager	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
Assistant Manager	P/T-NON-PERMANENT	N/A	2.00	3.00	3.00	0.00	0.00
Gate/Concessions Manager	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
Head Guard	P/T-NON-PERMANENT	N/A	9.00	9.00	9.00	0.00	0.00
Aerobics Instructor	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
Lifeguard	P/T-NON-PERMANENT	N/A	12.00	12.00	12.00	0.00	0.00
Gate/Concessions Operator	P/T-NON-PERMANENT	N/A	9.00	9.00	9.00	0.00	0.00
<i>Sub-Total</i>			35.00	36.00	36.00	0.00	0.00
<i>W/S Administration</i>							
Utilities Director	F/T	28	1.00	1.00	1.00	0.00	1.00
Operations Manager	F/T	22	0.00	0.00	1.00	1.00	1.00
Civil Engineer III	F/T	22	1.00	1.00	1.00	0.00	1.00
Budget & Management Analyst	F/T	15	0.00	0.00	1.00	1.00	1.00
Environmental Services Coordinator	F/T	14	1.00	1.00	1.00	0.00	1.00
Administrative Assistant III	F/T	13	1.00	1.00	1.00	0.00	1.00
Administrative Assistant I	F/T	8	1.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>			5.00	5.00	7.00	2.00	7.00
<i>W/S Facilities Maintenance</i>							
Facilities Maintenance Superintendent	F/T	15	1.00	1.00	1.00	0.00	1.00
Instruments & Electronics Technician	F/T	13	1.00	1.00	1.00	0.00	1.00
Facilities Maintenance Mechanic II	F/T	11	2.00	2.00	2.00	0.00	2.00
Facilities Maintenance Mechanic I	F/T	9	2.00	2.00	2.00	0.00	2.00
Facilities Maintenance Technician	F/T	7	0.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>			6.00	7.00	7.00	0.00	7.00



Supplemental Information – Position Detail

Budget FY17-18

POSITION	POSITION TYPE	SALARY GRADE	FY15-16 ACTUAL	FY16-17 REVISED BUD	FY17-18 ADOPTED	COUNT CHANGE	FY17-18 F.T.E
<i>Water Treatment Plant</i>							
Water Treatment Facilities Manager	F/T	18	1.00	1.00	1.00	0.00	1.00
Chief WTP Operator	F/T	15	1.00	1.00	1.00	0.00	1.00
WTP Operator III	F/T	12	4.00	4.00	4.00	0.00	4.00
WTP Operator II	F/T	10	1.00	1.00	1.00	0.00	1.00
WTP Operator I	F/T	8	4.00	4.00	4.00	0.00	4.00
Temporary Treatment Plant Operator	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
<i>Sub-Total</i>			12.00	12.00	12.00	0.00	11.00
<i>Shop Operations Center</i>							
Utilities Technology Manager	F/T	20	1.00	1.00	1.00	0.00	1.00
GIS/IT Analyst	F/T	15	1.00	1.00	1.00	0.00	1.00
Meter Services Supervisor	F/T	14	1.00	1.00	1.00	0.00	1.00
Utility Operations Support Supervisor	F/T	13	1.00	1.00	1.00	0.00	1.00
Utility Operations Support Specialist	F/T	11	1.00	1.00	1.00	0.00	1.00
Utility Locator	F/T	10	2.00	2.00	2.00	0.00	2.00
Warehouse Specialist	F/T	8	1.00	1.00	1.00	0.00	1.00
Meter Services Technician	F/T	8	3.00	3.00	3.00	0.00	3.00
GIS Intern	P/T-NON-PERMANENT	N/A	1.00	0.00	0.00	0.00	0.00
<i>Sub-Total</i>			12.00	11.00	11.00	0.00	11.00
<i>Water Distribution</i>							
Water Distribution Systems Supervisor	F/T	15	1.00	1.00	1.00	0.00	1.00
Leak Detection Technician	F/T	12	1.00	1.00	1.00	0.00	1.00
Line Maintenance Crew Leader	F/T	12	1.00	2.00	2.00	0.00	2.00
Line Maintenance Mechanic II	F/T	10	4.00	4.00	4.00	0.00	4.00
Line Maintenance Mechanic I	F/T	8	8.00	10.00	10.00	0.00	10.00
<i>Sub-Total</i>			15.00	18.00	18.00	0.00	18.00
<i>Wastewater Treatment Plant</i>							
Wastewater Treatment Facilities Manager	F/T	18	1.00	1.00	1.00	0.00	1.00
WWTP Laboratory Supervisor	F/T	15	1.00	1.00	1.00	0.00	1.00
Chief WTP Operator	F/T	15	1.00	1.00	1.00	0.00	1.00
Laboratory Technician	F/T	12	1.00	1.00	1.00	0.00	1.00
Treatment Plant Operator III	F/T	12	2.00	2.00	2.00	0.00	2.00
Treatment Plant Operator II	F/T	10	2.00	2.00	2.00	0.00	2.00
Treatment Plant Operator I	F/T	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
<i>Wastewater Collection</i>							
Sewer Collections Systems Supervisor	F/T	15	1.00	1.00	1.00	0.00	1.00
Inflow & Infiltration Technician	F/T	12	1.00	1.00	1.00	0.00	1.00
Line Maintenance Crew Leader	F/T	12	1.00	1.00	1.00	0.00	1.00
Line Maintenance Mechanic II	F/T	10	2.00	2.00	2.00	0.00	2.00
Line Maintenance Mechanic I	F/T	8	6.00	6.00	6.00	0.00	6.00
<i>Sub-Total</i>			11.00	11.00	11.00	0.00	11.00
<i>Environmental Services</i>							
Environmental Services Supervisor	F/T	15	1.00	1.00	1.00	0.00	1.00
Environmental Services Crew Leader	F/T	11	1.00	1.00	1.00	0.00	1.00
Equipment Operator	F/T	10	6.00	6.00	4.00	-2.00	4.00
Administrative Assistant I	F/T	8	1.00	1.00	1.00	0.00	1.00
Environmental Services Worker II	F/T	8	1.00	1.00	2.00	1.00	2.00
Environmental Services Worker I	F/T	6	4.00	4.00	5.00	1.00	5.00
<i>Sub-Total</i>			14.00	14.00	14.00	0.00	14.00
TOTAL			306.50	314.00	328.00	14.00	248.00

Note that the count includes part-time employees represented by “1.00” full count



Note the F.T.E. column includes F/T as “1.00”, P/T-Permanent as “0.50”, and P/T-Non-Permanent as “0.00”

The increase in total number of employees by a count of “14.00” is a result of the following additions:

1. Two full-time “Customer Service Specialist” positions, (2 total positions)

The City Council adopted the addition of two additional full-time position to assist the Finance Department’s customer service and utility billing functions. The positions are needed to address the growing number of utility customers the City has and the number of customer service calls that are going unanswered. Currently, around 35% of customer calls go to voicemail.

2. One full-time “Utility Finance Manager”, “Operations Manager”, “Civil Engineer I”, and “Budget and Management Analyst” positions, (4 total positions)

Discussed in the *Budget Message* section of this document, Hendersonville Water and Sewer is hiring additional personnel to assist with critical technical and administrative functions that support the system. These positions were identified in various strategic planning processes and will address the needs produced through that process and the system-wide stakeholder input process.

3. Two full-time “Police Officers” (animal control) and one full-time “Telecommunicator” positions, (3 total positions)

As discussed in the *Budget Message* section of this document, the City is addressing its growing call volume and animal control services. This additional telecommunicator position will provide enough staffing for at least two positions on each shift. The Sheriff’s office will no longer provide animal control services within municipalities and this has driven the need to hire our own animal control specific officers.

4. Three full-time “Firefighter/EMT” and one full-time “Fire Inspector I” position, (4 total positions)

Discussed in the *Budget Message* section of this document, the Fire Department has adopted a strategic plan to help address short and long term priorities of the Department. A top priority of this plan was the addition of three firefighter positions to provide adequate staffing on our ladder apparatus for efficient and safe function. Additionally, the fire inspection fee program, started in FY16-17, will provide enough additional revenue in FY17-18 to hire an additional fire inspector. This position will assist in making sure the City hits its target for number of eligible structures inspected.

5. One full-time “Streets Maintenance Worker I” position, (1 total position)

The Streets Division of the Public Works Department has adjusted existing expenditures, operating and temporary salaries, to provide funding for an additional worker position. The position will assist in meeting the City’s goal of resurfacing 25% of existing City streets every five years.



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2017 - 2018

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
Outdoor Dining Fee (Annual)	\$35.00
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
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)



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2017 - 2018

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
DEVELOPMENT ASSISTANCE	
Street Closing Petition (\$1,000 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

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.

FIRE DEPARTMENT	
Operational Permits	
ABC License Fee	\$50.00
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
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 (Fee per site) (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	
General Fees	
Illegal Burn Fee	\$100.00
Construction Plans Review	
Commercial hood suppression systems	\$100.00
Explosives and fireworks	\$100.00
Petroleum tanks and appurtenances	\$100.00
Sprinkler systems and fire alarm systems:	
Minimum up to 1,000 square feet	\$50.00
1,001 - 5,000 square feet	\$100.00
5,001 - 10,000 square feet	\$150.00
10,001 - 25,000 square feet	\$200.00
25,001 - 50,000 square feet	\$250.00
50,001 - 100,000 square feet	\$300.00
100,001 - 200,000 square feet	\$350.00
Over 200,000 square feet	\$400.00
Work without a permit	\$250.00
Fire Inspection Fees	
Minimum up to 1,000 square feet	\$50.00
1,001 - 5,000 square feet	\$100.00
5,001 - 10,000 square feet	\$150.00
10,001 - 25,000 square feet	\$200.00
25,001 - 50,000 square feet	\$250.00
50,001 - 100,000 square feet	\$300.00
100,001 - 200,000 square feet	\$350.00
Over 200,000 square feet	\$400.00
R-2 Occupancies (Apartment Complexes, etc...)	
1-20 Units	\$50.00
21-50 Units	\$100.00
51-100 Units	\$150.00
101-150 Units	\$200.00
151-200 Units	\$250.00
201-250 Units	\$300.00
251-300 Units	\$350.00
Over 300 Units	\$400.00
Re-inspections	
Re-inspection Fee (Follow-up) per re-inspection	\$100.00
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 Marshal/Deputy Fire Marshal - 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



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
FINANCE	
Beer License - On Premises	\$15.00
Beer License - Off Premises	\$5.00
Carnival Permit	\$100/week + \$5 per device
Credit Card Processing Fee (per transaction) for Tax Payments	2.75%
Returned item fee	\$25.00
Itinerant Merchant/Peddlers Permit	\$100.00
Wholesale Dealers License - Beer Only	\$37.50
Wholesale Dealers License - Wine Only	\$37.50
Wholesale Dealers License - Beer & Wine	\$62.50
Wine License - On Premises	\$15.00
Wine License - Off Premises	\$10.00
POLICE	
Fingerprinting	\$10.00
Precious Metals Dealer Background Check	\$75.00
Precious Metals Dealer Permit	\$180.00
<u>Parking Fees, Fines & Penalties:</u>	
All Other Parking Violations C.O. 50	\$25.00
Construction parking permit (per day)	\$5.00
Crosswalk	\$25.00
Fire Lane	\$100.00
Fire Hydrant	\$100.00
Habitual Offender (3 Tickets or more in 30 days)	\$100.00
Handicapped	\$250.00
Limited Zone (Same Block Parking)	\$50.00
Loading Zone/15 minute parking	\$25.00
Monthly Parking Space - G Permit Interior	\$40.00
Monthly Parking Space - G Permit Exterior	\$30.00
Monthly Parking Space - R Permit Interior	\$30.00
Monthly Parking Space - R Permit Exterior	\$20.00
Monthly Parking Space - S Permit Interior	\$20.00
Monthly Parking Space - S Permit Exterior	\$10.00
Overtime/Expired meter	\$25.00
Parking meter (per 1/2 hour)	\$0.50
Penalty after 15 days	\$25.00
Penalty after 30 days additional	\$50.00
Subsequent overtime	\$50 + Doubles each O/T
PUBLIC WORKS	
<u>Boyd Park Mini-Golf Admission</u>	
Adults	\$3.00
Children	\$2.00
Course Rental (full day - with concessions)	\$200.00
Course Rental (full day - without concessions)	\$300.00
<u>Miscellaneous</u>	
Backhoe (per hour)	\$80.00
Building Maintenance Fees (per hour)	\$45.00
Bush Hogs/Tractor Mowing (per hour)	\$80.00
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



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	
Miscellaneous	
Encroachment Permit Fee	\$10.00
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
Oakdale Cemetery Lots (per grave space)	
City Resident	\$500.00
Out of City Resident	\$1,000.00
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
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
Patton Pool	
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
Lap Swim	\$4.00
Punch Pass - Adult - City Resident (15 admissions)	\$38.00
Punch Pass - Adult - Non City Resident (15 admissions)	\$60.00
Punch Pass - Youth - City Resident (15 admissions)	\$30.00
Punch Pass - Youth - Non City Resident (15 admissions)	\$45.00
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 Senior - Non City Resident	\$120.00
Season Pass - Individual Youth - City Resident	\$60.00
Season Pass - Individual Youth - Non City Resident	\$120.00
Sanitation Services	
<i>Commercial Services</i>	
Commercial Recycling Collection (up to four 65 gallon carts emptied once per week)	\$12.00
Commercial Recycling Collection (up to four 65 gallon carts emptied twice per week)	\$22.00
Commercial-Business refuse pickup per can (96-gal)	\$27.50
Commercial-Business refuse pickup per can (96-gal) (Actively Recycles)	\$24.00
<i>Residential Services</i>	
Residential - 96-gal container (non recycler)	\$22.00
Residential - 96-gal container (actively recycles)	\$18.50
Residential - 32-gal container (non recycler)	\$20.00
Residential - 32-gal container (actively recycles)	\$16.25
Small Special load (collected with pickup truck and city staff)	\$50.00
Special Loads (tipping fee added to special fee) (collected with knuckleboom using city staff)	\$150.00
Stolen/Damaged Cart Replacement Fee	\$100.00
Stormwater Services	
Stormwater Monthly Fee	\$2.00
Stormwater Permit Fee	\$500.00



**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	
Water Rate Schedule	
Deposits	
Water & Sewer Service Deposit ¹	\$100.00
<i>Inside City Limits</i>	
Residential	
Base Charge per Account	\$5.91 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$2.86 per 1000 gallons
> 40,000 gallons	\$3.14 per 1000 gallons
Commercial/Industrial	
Base Charge per Account	\$5.91 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$2.86 per 1000 gallons
40,000 - 200,000 gallons	\$2.18 per 1000 gallons
> 200,000 gallons	\$2.15 per 1000 gallons
Irrigation	
Base Charge per Account	\$6.39 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$3.14 per 1000 gallons
> 40,000 gallons	\$3.46 per 1000 gallons
<i>Outside City Limits</i>	
Residential	
Base Charge per Account	\$8.59 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$4.42 per 1000 gallons
> 40,000 gallons	\$4.85 per 1000 gallons
Commercial/Industrial	
Base Charge per Account	\$8.55 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$4.42 per 1000 gallons
40,000 - 200,000 gallons	\$3.33 per 1000 gallons
> 200,000 gallons	\$3.17 per 1000 gallons
Municipal	
Base Charge per Account	\$8.55 per month
Rate per 1,000 Gallons	
All Usage	\$2.87 per 1000 gallons
Irrigation	
Base Charge per Account	\$9.31 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$4.85 per 1000 gallons
> 40,000 gallons	\$5.34 per 1000 gallons
Bulk Water Sales	
Base Charge per Account	\$9.31 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$4.85 per 1000 gallons
> 40,000 gallons	\$5.34 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	
<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/Off/Set Meter During Business Hours	\$40.00
Turn On/Off/Set Meter After Business Hours	\$100.00
Meter Tampering Fee	\$250.00
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%
Engineering Review Fees	
Line Extensions	\$300.00
Pump Stations	\$75.00
Storage Tanks	\$75.00
Miscellaneous Fees	
Credit Card Processing Fee (per \$300)	\$2.95
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
Customer-Side Shut-Off Valve - Limit one per account	\$75.00
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>	



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	
Sewer Rate Schedule	
All Customers - Inside	
Base Charge per Account	\$6.60 per month
Rate per 1,000 Gallons	\$4.55 per 1000-gallons
Sewer Only - Flat Rate	\$29.58 per month
All Customers - Outside	
Base Charge per Account	\$9.64 per month
Rate per 1,000 Gallons	\$7.06 per 1000-gallons
Sewer Only - Flat Rate	\$44.66 per month
Municipal	
Base Charge per Account	\$9.64 per month
Rate per 1,000 Gallons	\$6.73 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
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
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
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
Harber	\$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

