

City of Hendersonville



Adopted Budget FY2014-2015

About the Cover

“Appalachian Sunrise”

Sponsor – Jeff Collis

Artist – Eric Degara

To Benefit Medical Loan Closet of Henderson County

Auction Date – October 25, 2014

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 into 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, which debuted in 2003, 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 lambs.

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



Preface

No other aspect of public administration has undergone as much reform or been the focus of attention for political leaders, mayors to presidents, as the annual budget. The budget document and its preparation and adoption express the basic political values of a government. Budgets reflect the negotiations and compromises undergone during the continuous process of budget adoption. They define government's economic and political role in a community, guiding, sanctioning, and limiting administrative action. Budgets 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, that 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, customers, 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.

In addition to enhancing the budgeting process, the City of Hendersonville is applying for the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award. This award encourages local governments to improve their budgeting practices, specifically dealing with the presentation of the document. This budget document follows best practices, requirements, and suggestions made by the GFOA and looks forward to their evaluation.



FY2014-2015 Adopted Budget

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





The Budget Document

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

Budget Message & Ordinance

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

- “a concise explanation of the governmental goals fixed by the budget for the budget year,
- important features of the activities anticipated by the budget,
- reasons for stated changes from the previous year in program goals, programs, and appropriation levels, and,
- 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 1st, to June 30th. The Budget Ordinance also establishes the schedule of fees set for the coming fiscal year.

Community and Organization Profile

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

Financial Summaries

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



A fund is an independent fiscal and accounting entity. Funds make it easier to keep track of accounts that operate similar types of activity and share the same set of accounting records. The City of Hendersonville operates two major funds, the General Fund and the Water and Sewer Fund and a variety of other non-major governmental funds.

General Fund

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

The Water & Sewer Fund

The Water and Sewer Fund is an enterprise fund, which means it operates as a public enterprise. Public enterprises operate off of 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.

Other Funds

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

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

Capital Improvement Plan

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



Supplemental Information

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



The Budget Process

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

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

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



The following is a copy of the City of Hendersonville’s proposed Budget Calendar for FY 2015:

City of Hendersonville Budget Calendar FY14-15		
Budget Procedure	Legally Required Date	Projected Date
✓ Distribution of Information to Department Heads	-	02/14/14
✓ CIP Council Workshop	-	02/27/14
✓ Budget Requests Due to Budget Officer	Before 04/30/14	03/14/14
✓ Manager & Finance Director Review	-	03/28/14
✓ Submission of Budget to City Clerk	By 06/01/14	05/15/14
✓ Turn in Budget to City Council	By 06/01/14	05/15/14
✓ Public Notice of Budget Hearing	By 06/01/14	05/21/14
✓ Budget Workshop with City Council at City Hall 8a.m.-3p.m.	-	05/16/14
✓ Public Budget Hearing	-	06/03/14
✓ Adopt Budget Ordinance	By 07/01/14	06/03/14

Upon submission of the annual budget document, the governing body must schedule a public hearing, detailing that a budget has been submitted and that copies are available for public inspection [G.S. 159-12(b)]. The notice will provide the time, date, and place of the budget hearing. The City of Hendersonville strives to provide ample time between notice and the hearing date, in order to provide the public an opportunity to attend the hearing. These strong



public participation practices will improve the City's responsiveness and accountability. Stakeholder input throughout the planning and budgeting process is highly recommended by the National Advisory Council on State and Local Budgeting Recommended Budget Practices.

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

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

Finally, the budget is enacted upon official adoption of the Budget Ordinance, not later than July 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 number and information can make navigating and deciphering the document a difficult task for any reader. This section is meant to assist the reader in understanding the data presented and other supplemental information.

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

Interpreting Tables & Charts

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



The following are an example 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

This is what the City expects it will actually spend

Proposed budget for the upcoming year

Expenditures by Type					
	FY12-13	FY13-14	FY13-14	FY14-15	Percent
Type	Actual	Budget	Estimate	Budget	Change
Personnel	\$ 607,689	\$ 699,200	\$ 695,419	\$ 757,800	8.38%
Benefits	\$ 85,270	\$ 94,700	\$ 97,191	\$ 106,700	12.67%
Operating	\$ 21,782	\$ 298,150	\$ 301,453	\$ 344,200	15.45%
Capital	\$ 72,286	\$ 72,300	\$ 72,286	\$ 40,000	-44.67%
Debt Service	\$ -	\$ -	\$ -	\$ 73,300	0.00%
Total	\$ 787,027	\$ 1,164,350	\$ 1,166,349	\$ 1,322,000	13.54%

Includes salaries & FICA costs

Includes employee insurance, 401k, & retirement costs

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

Expenditures by Type					
	FY12-13	FY13-14	FY13-14	FY14-15	Percent
Type	Actual	Budget	Estimate	Budget	Change
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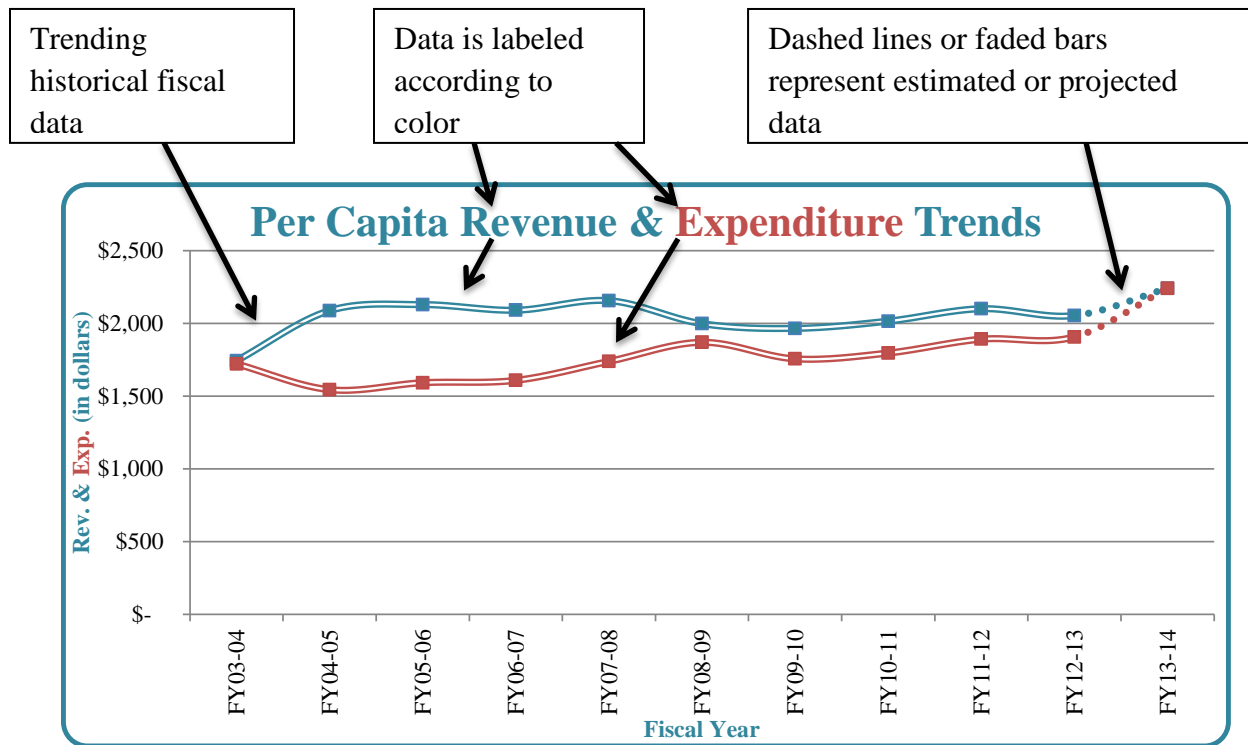
Includes capital items such as land, vehicles, equipment, etc...

Includes annual debt service payments

Change between current year & proposed



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



Performance Measures

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

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



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

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

Police Department Performance Measures					
	FY11-12	FY12-13	FY13-14	FY14-15	
Objective	Actual	Actual	Estimate	Goal	Target
# of accidents per 1,000 population	N/A	80	78	75	<75
% reduction in reportable traffic accidents	N/A	N/A	15%	20%	20%
% accidents involving DWI	N/A	N/A	12%	10%	<10
% accidents involving pedestrians	N/A	1%	5%	10%	<10%

Current Dollars, Constant Dollars, and Inflation Comparisons

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

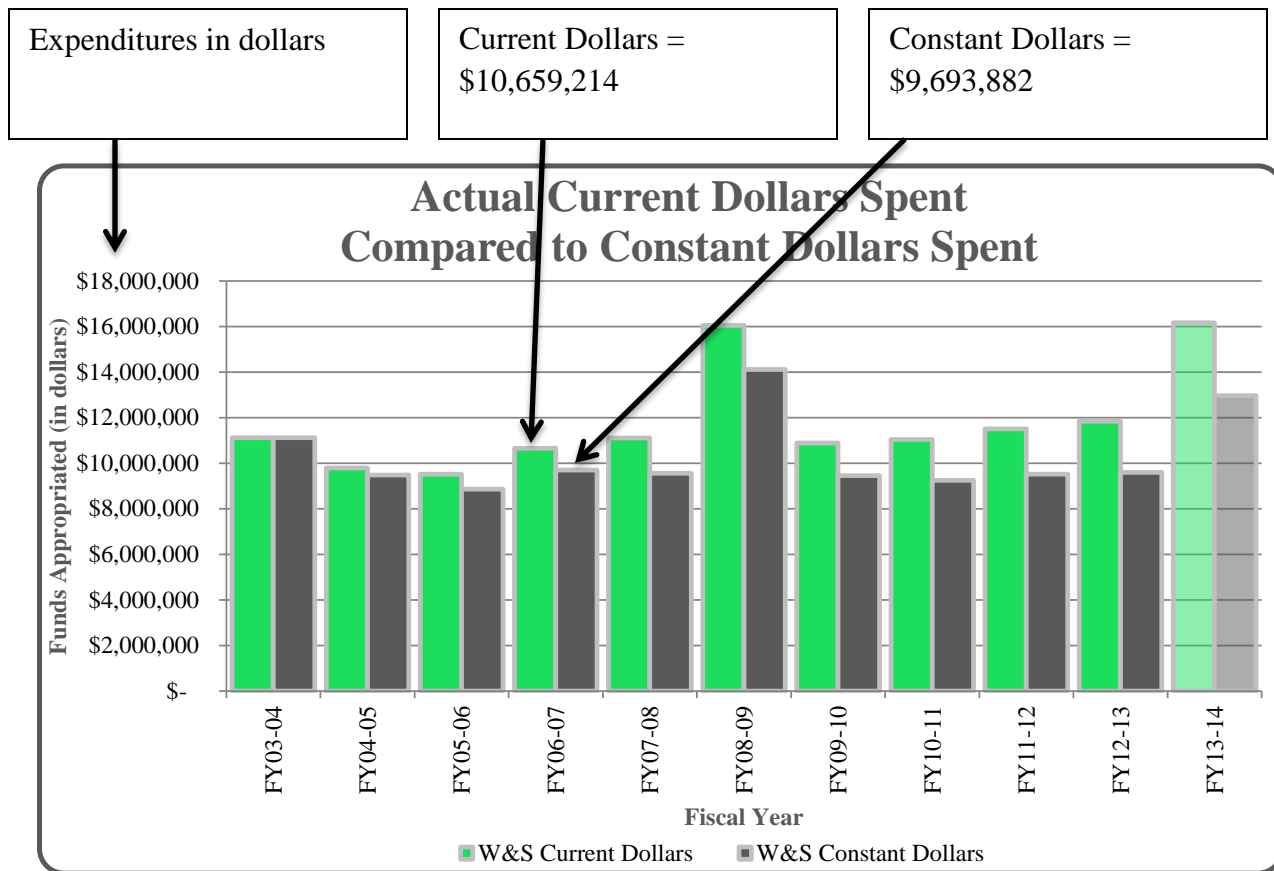


The saying “a dollar doesn’t go as far as it used to”, is exactly right. Now consider this in the case of current dollars and constant dollars. First, current dollars are those dollars that are represented in financial statements. They are real and represent the actual spending that year. Constant dollars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

The formula for converting current dollars to constant dollars is as follows:

$$\text{Current Dollar (Revenue or Expenditure)} * (\text{Base Year CPI/Current CPI}) = \text{Constant Dollars}$$

Below is an example of a chart found throughout this document:



Another way to view the effects of inflation requires converting City revenues or expenditures to an index. By doing this one can view how much the market index has increased and how well the effective dollars have done at keeping pace with that increase. This method requires a more complex calculation and in return, there is a broader understanding of the effective dollar.



To start, one must take their index (in this case the CPI) and convert it to 100.0 for the base year. The 100.0 base essentially represents a starting point for comparison. Imagine that this base value represents 0% change in inflation. This is calculated by taking the CPI index current year and dividing it by the base year, then multiplying that by 100:

$$[(\text{CPI Current Year} = 123.3) / (\text{CPI Base Year} = 119.5)] * 100 = \text{CPI Index } 103.2$$

Or

$$(123.3 / 119.5) * 100 = 103.2$$

Inflation Comparison Example				
Year	1	2	3	4
Expenditures	\$500	\$550	\$600	\$575
Effective Rate of Expenditures	\$500	\$533	\$555	\$518
Deescalating Percent	100%	97%	93%	90%
CPI	119.5	123.3	128.4	131.4
CPI Index	100.0	103.2	107.4	110.0
Effective Expenditures Index	100.0	106.5	111.1	103.5

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

$$[(\text{CPI Index base year} = 100.0) - (\text{CPI Index current year} = 103.2) + (\text{CPI Index base year} = 100.0)] / 100 = \text{Deescalating Percent } 97\%$$

Or

$$(100.0 - 103.2 + 100.0) / 100 = 97\%$$

Inflation Comparison Example				
Year	1	2	3	4
Expenditures	\$500	\$550	\$600	\$575
Effective Rate of Expenditures	\$500	\$533	\$555	\$518
Deescalating Percent	100%	97%	93%	90%
CPI	119.5	123.3	128.4	131.4
CPI Index	100.0	103.2	107.4	110.0
Effective Expenditures Index	100.0	106.5	111.1	103.5



Next, one must convert the current expenditures to effective expenditures. This shows the actual spending level for an organization, controlling for inflation. This is done by multiplying the current expenditures by the deescalating percent:

$$(\text{Expenditures} = \$550) * (\text{Deescalating Percent} = 97\%) = \text{Effective Expenditures } \$533$$

Or

$$\$550 * 97\% = \$533$$

Inflation Comparison Example				
Year	1	2	3	4
Expenditures	\$500	\$550	\$600	\$575
Effective Rate of Expenditures	\$500	\$533	\$555	\$518
Deescalating Percent	100%	97%	93%	90%
CPI	119.5	123.3	128.4	131.4
CPI Index	100.0	103.2	107.4	110.0
Effective Expenditures Index	100.0	106.5	111.1	103.5

The final step is to convert the effective expenditures into an index. By doing so, one can then compare the CPI Index with the Effective Expenditure Index and see if the organization has kept pace with the rate of inflation in the market. This is calculated by dividing effective expenditures current year by effective expenditures base year, then multiplying that by 100:

$$[(\text{Effective Expenditures Current Year} = \$533) / (\text{Effective Expenditures Base Year} = \$500)] * 100 = \text{Effective Expenditure Index } 106.5$$

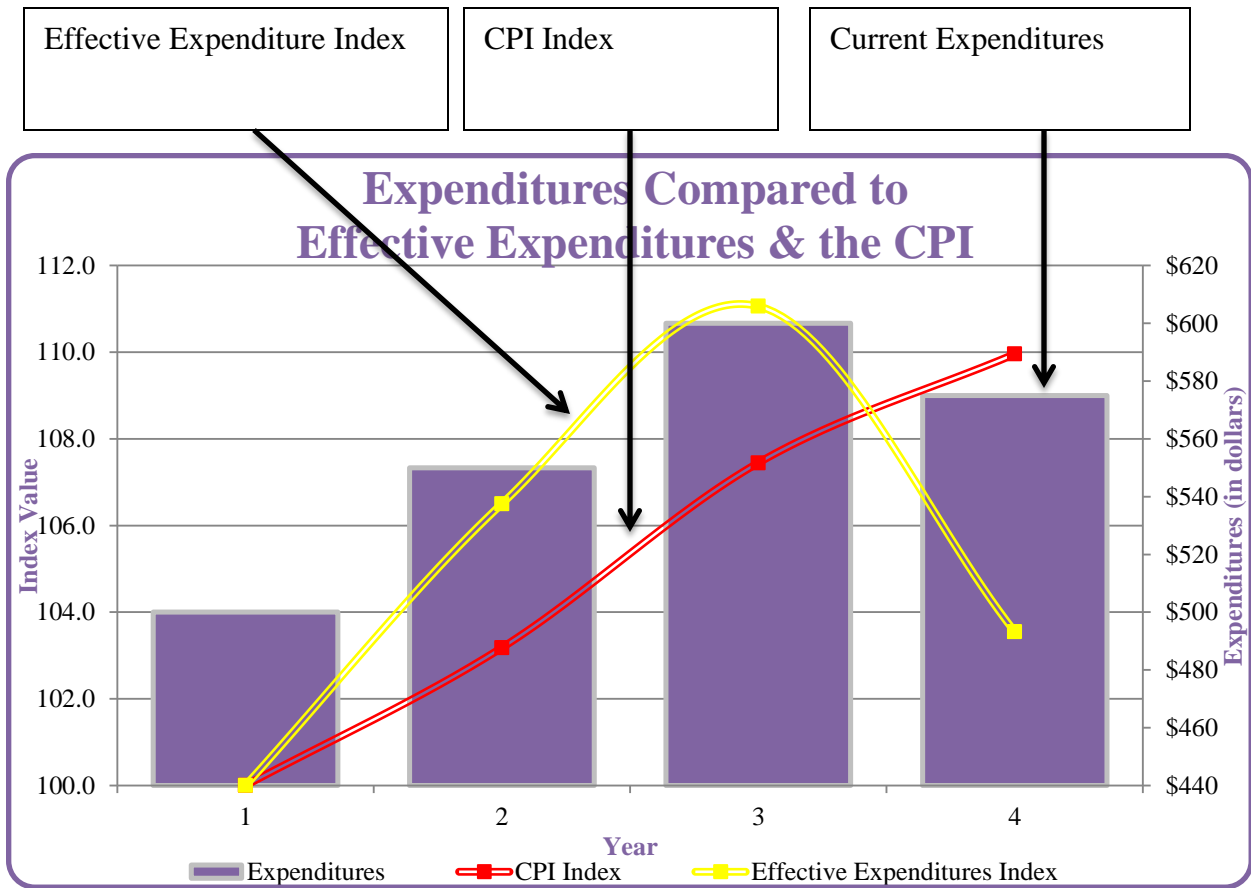
Or

$$(\$533 / \$500) * 100 = 106.5$$

Inflation Comparison Example				
Year	1	2	3	4
Expenditures	\$500	\$550	\$600	\$575
Effective Rate of Expenditures	\$500	\$533	\$555	\$518
Deescalating Percent	100%	97%	93%	90%
CPI	119.5	123.3	128.4	131.4
CPI Index	100.0	103.2	107.4	110.0
Effective Expenditures Index	100.0	106.5	111.1	103.5



The following is an example of a chart found throughout this document:



This chart represents a wealth of information. To start one can see the current spending habits of the organization, represented by the purple columns. Next, one can compare the effective spending (of the aforementioned purple columns), represented by the yellow line, with the market inflation or CPI Index, represented by the red line. This chart shows that the organization maintained spending habits equal to or greater than the CPI for the first three years. However, in year four one can see that current expenditures dropped slightly and the effective expenditures dropped dramatically. This is due to the effects that inflation has on the value of a dollar. This chart would signal to an organization that their spending habits have not kept pace with the general market.

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

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

CITY OF HENDERSONVILLE

The City of Four Seasons

OFFICE OF THE CITY MANAGER
JOHN F. CONNET

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

July 31, 2014

The Honorable Barbara G. Volk, Mayor
Members of 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) 2014-2015 for your review and consideration.

Prior to presenting the 2014-2015 Budget, I would like to take this time to review some of our accomplishments for the 2013-2014 Fiscal Year. We undertook three significant capital projects during the past twelve months. These projects include Phase III of the Main Street Revitalization Project, constructed Fire Station 2, renovated the warehouse facility on Sugarloaf Road, and initiated an enhanced curbside recycling program. We resurfaced or crack sealed over five miles of city streets, installed new sidewalks along Valley Street and 5th Avenue, and began playground and restroom improvements at Sullivan Park. In the Water and Sewer Fund, we began construction of the Jackson Park, Wolfpen and Shepherds Creek /Atkinson Elementary sewer projects, replaced the water line on Osceola Drive and obtained permits and funding for the Academy Road water line project. This list is not inclusive of all of our accomplishments this year, but it is a good sample of the types of projects and activities the city has undertaken in the past twelve months.

The FY 2014-2015 Budget is based upon information presented and discussed during our City Council/Staff Retreat on January 24, 2014. At the completion of the aforementioned retreat, the City Council adopted formal Vision and Mission Statements and directed staff to develop a proactive budget that will allow the City of Hendersonville to develop and maintain programs and services that are sustainable for future generations. These programs and services should address the six critical focus areas identified by the City Council during our annual retreat. These focus areas are listed below and departmental goals and objectives are described in the departmental sections later in the budget document.



Focus Areas

Economic Vitality: Hendersonville is a good place for all businesses 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 Service: 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 and use of public resources to ensure efficient and effective delivery of quality services.

This recommended budget provides a financial plan for the ensuing fiscal year and has been developed in accordance with the City Council's focus areas. The City Council Focus Areas serve as the foundation for all governmental activities for the upcoming fiscal year.

Budget Development Highlights

- You will notice several changes in how the budget depicts revenues and expenditures. Lisa White has spent a great deal of time working to ensure that we could show the true cost of operating the City of Hendersonville. This is somewhat of a philosophical shift from the previous budgets you have reviewed.
- City departments provided their budget requests during the month of February. We then proceeded to cut all requests by 5% in order to reduce the amount needed from fund balance.



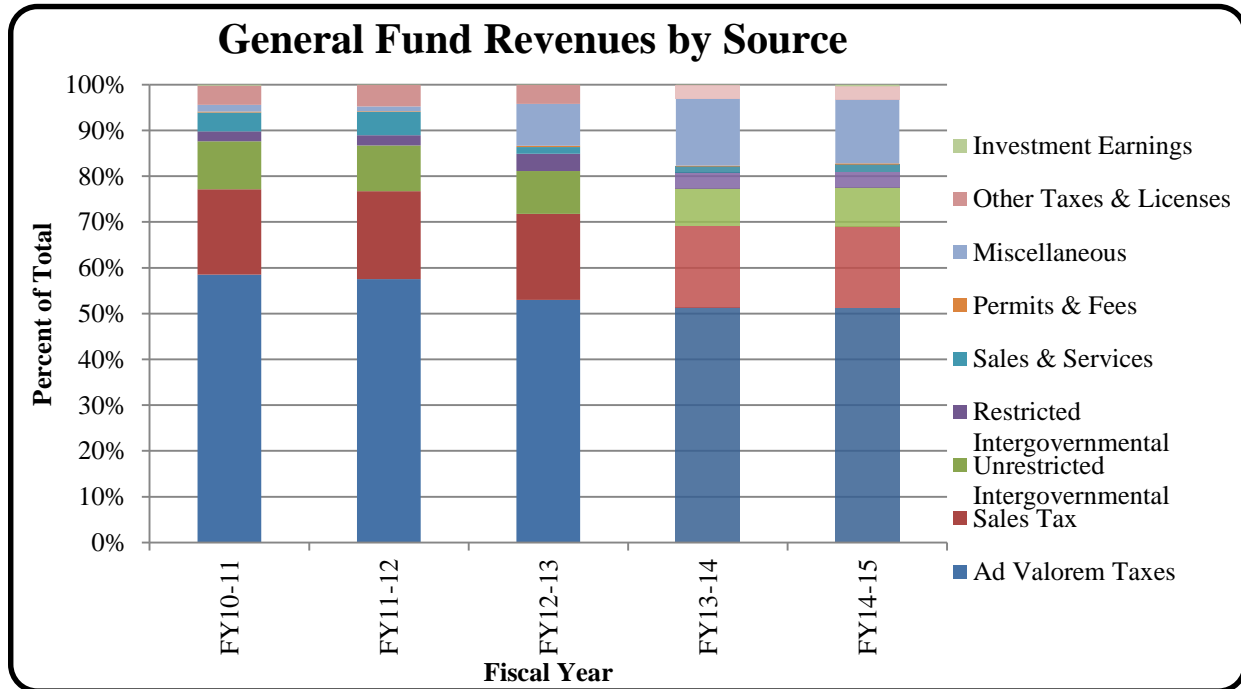
- The following projects were delayed or reduced: Sullivan Park Improvement Project reduced by \$25,000, Whitmire Parking Lot resurfacing (\$20,000) delayed to future year, Berkeley Park Improvements (\$300,000) delayed until FY 2015-2016 and Street Resurfacing reduced by (\$27,000).
- A strong emphasis was put on reinvesting Water and Sewer Fund retained earnings back into the system in a way that benefits all of our customers. You will notice an increase in spending in the Water and Sewer Fund. This is all being paid for from retained earnings.
- General Fund debt service payments have increased by \$453,791 since FY 2012 – 2013. This increase is due to the Main Street Improvements, Fire Station 2 and new fire apparatus.
- A three cent (\$0.03) tax increase will generate between \$450,000 and \$500,000 in additional revenue.
- In prior years, departments had put large repairs into the capital outlay line item. In the FY 2014- 2015 these expenditures are budgeted in the repair and maintenance line items to capture the true operational cost for facilities and equipment. This may cause some comparability issues during the budget review for this first year.
- Utility expense line items in all budgets include a proposed five percent (5%) rate increase by Duke Energy.
- The General Fund Contingency Line Item has traditionally been budgeted at \$150,000. The FY 2014- 2015 Budget only allocates \$100,000 in this line item.
- In the Budget Ordinance, we will request authority to allow the City Manager to transfer funds between departments within the same fund. This will allow us greater flexibility without exceeding the total budgetary authority granted by the City Council.



TOTAL BUDGET

The FY 2014-2015 Recommended Budget totals \$31,999,895.24 for all City operations, capital improvements and debt service requirements. This is \$842,013.74 or 3.00% more than the FY 2013-2014 Budget.

Revenue Sources Of The Recommended Budget



General Fund

The General Fund is used to account for resources that are not required legally or by sound financial management to be accounted for in another fund. Typically, the General Fund includes services that cannot be operated as a business enterprise and rely on tax dollars as their primary source of revenue.

The 2014-2015 Recommended Budget for the General Fund totals \$13,906,346.24 or 8.00% more than the FY 2013-2014 Fiscal Year Budget of \$12,876,464.

The large General Fund increase is due to the purchase and preparation of the Wingate property at a cost of \$700,000. Excluding the Wingate project, the FY 2014-2015 General Fund budget is only 2% greater than the FY 2013-2014 Budget.

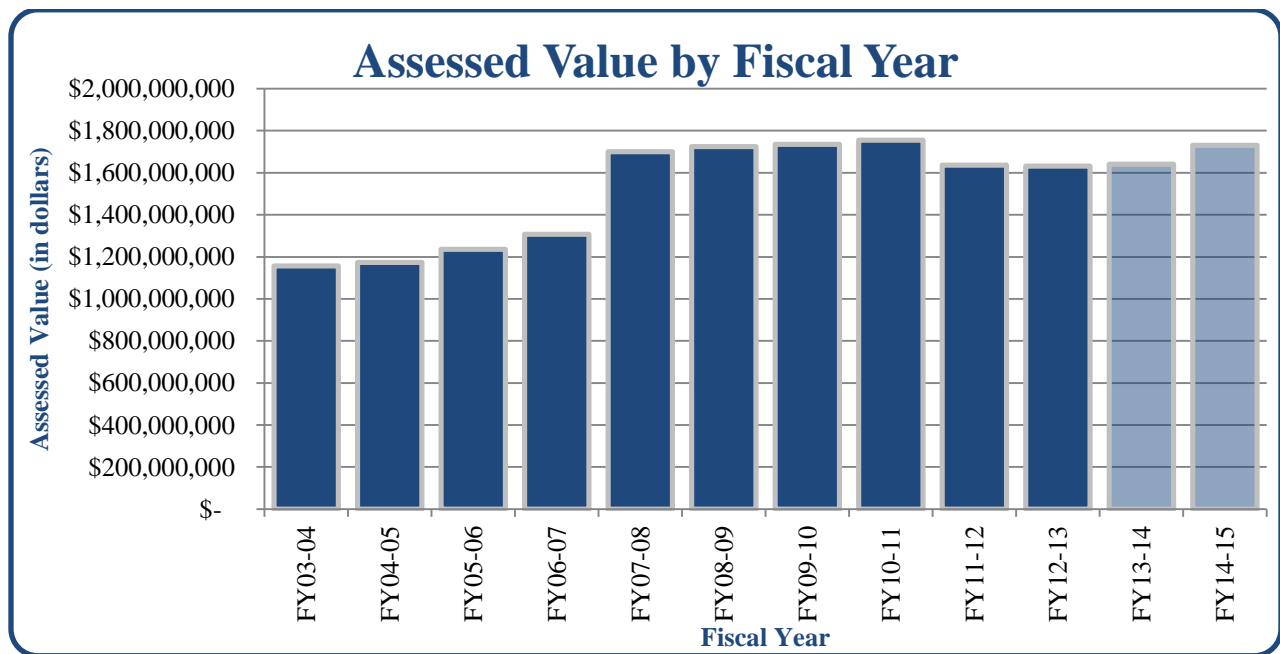
General Fund Revenues

This section highlights the major revenues for the General Fund. The entire list of General Fund revenues is included behind the General Fund tab in the budget document.



Ad Valorem Tax: The General Fund budget is balanced with a property tax rate of \$0.44 per \$100 valuation, which is **\$0.03 higher** than the current tax rate of \$0.41. The last ad valorem tax increase occurred in the FY 2011-2012 when the rate was increase from \$0.38 to \$0.41. This new rate will provide approximately \$7,121,600 in property tax revenues based on an expected collection rate of 97%. The ad valorem real estate tax base is estimated to be \$1,445,000,000, which is approximately \$22,000,000 higher than FY 2013-2014. Personal property valuations showed a significant drop due to a change in Department of Revenue valuation schedules. The new schedules drastically shorten the lives on all types of computer equipment. This change resulted in a loss of approximately \$110,000 in property tax revenues.

The ad valorem tax revenues as well as other governmental revenues fund the general government operations for the City of Hendersonville. The ad valorem tax is the tax paid on real property and personal property, including property of public service companies allocated by the Ad Valorem Tax Division of the State Department of Revenue.



Sales Taxes: Two and half percent of sales tax paid on retail sales in North Carolina represents the local sales tax portion levied by the City and County. These taxes consist of a one percent tax that was first levied in 1971, a one-half cent levied in 1983, a one-half cent levied in 1986 and a one-half cent levied in 2001. Effective October 1, 2007, the state repealed one quarter of the Article 44 local option sales tax authorized in 2003 and effective October 1, 2009, the state repealed the remaining one-quarter cent of that local tax. The first one-quarter cent will be replaced by a payment equal to 50% of the amount each municipality receives from the Article 40 (1983) local sales tax, and the second one-quarter cent will be replaced by a payment equal to 25% of the amount each municipality receives for the Article 39 (1971) local sales tax. The legislation provides for municipalities to be completely reimbursed for the loss of their share of these tax revenues, including growth. The State of North



Carolina collects the sales tax and distributes it to the local units. Sales tax revenues are distributed on a proportional ad valorem tax evaluation basis in Henderson County. The City of Hendersonville has the second largest ad valorem tax evaluation in Henderson County and receives the second largest proportional share of sales tax revenues behind Henderson County. Sales tax revenues are estimated to be \$2,476,000 in FY 2014-2015.

Utility Sales Tax: Effective July 1, 2014, the general sales tax rate will be applied to the sale of electricity and natural gas. From the proceeds of that tax, 44 percent and 20 percent respectively are allocated to cities. Each city receives a franchise share and ad valorem share of these proceeds. The franchise tax share is equivalent to the electricity franchise tax and gas excise tax distribution each city received as its quarterly distributions FY 2013-2014. If there is insufficient revenue to provide each municipality with the same distribution that it received in FY 2013-2014, then every municipality will be reduced proportionately. If there is excess sales tax revenue after distributing every municipalities share, then each municipality will receive an ad valorem share. These funds are collected by the State and are distributed to the City. This revenue source is expected to be \$920,000 for FY 2014-2015.

Powell Bill Street Allocation: These funds represent redistribution by the State of a portion of the motor fuels tax. The use of these funds is restricted to maintaining, repairing, constructing, reconstructing or widening any public street or thoroughfare within the city limits. Bridges, drainage improvements, curb and gutter and other necessary appurtenances are also approved uses of these funds. One quarter of the distribution is based on the number of miles of local streets in the city and the remainder is distributed on a population basis. These funds are expected to be \$383,280 in FY 2014-2015.

911 Secondary Public Safety Answering Point (PSAP) Funding: For the first time since the establishment of the statewide 911 system, the North Carolina 911 Board has awarded capital funding to secondary PSAPs. We qualify as a secondary PSAP because of our police dispatch center. These funds can only be allocated for capital items in our dispatch center. We are expecting to receive \$44,625 in the FY 2014-2015.

Parking Revenues: Parking revenues are generated from our four (4) metered parking lots, leased parking spaces and parking enforcement activities. We have seen an increase of \$14,000 in parking meter revenue during the current fiscal year due to the removal of the bags for the holiday season. These fees are expected to generate \$142,400 in FY 2014-2015.

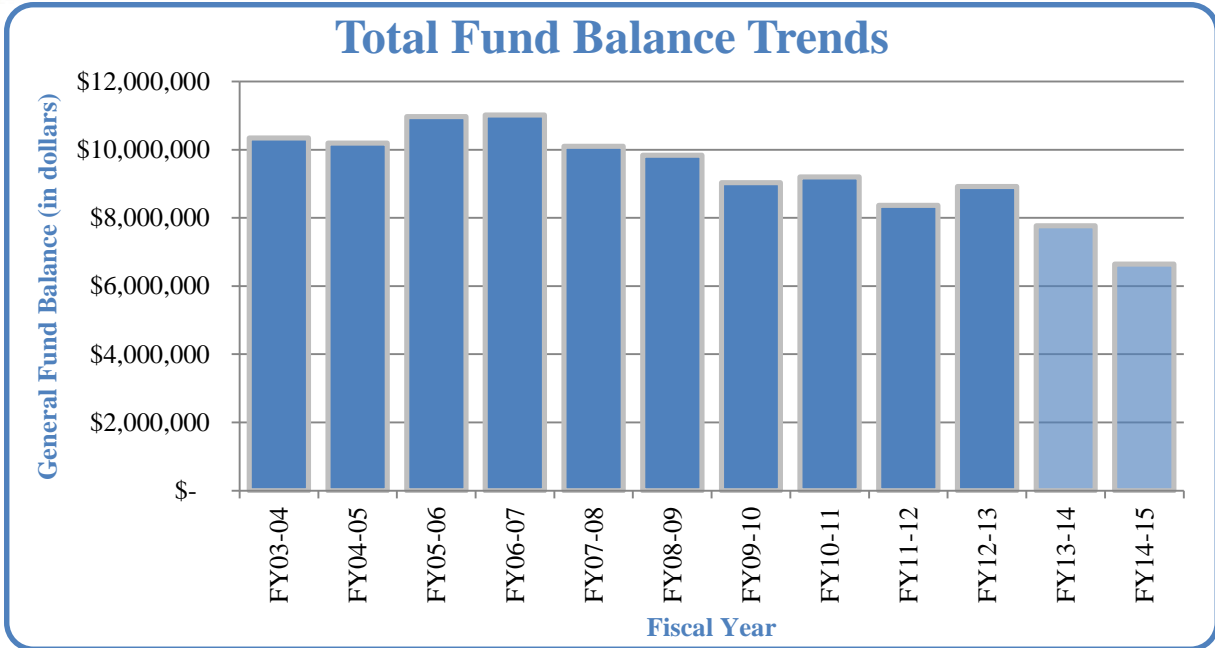
Privilege License Taxes: Each business that conducts activity within the city limits is required to purchase a privilege license to conduct such business. These taxes are a revenue measure provided to cities by the North Carolina General Statutes. **This revenue source has been reduced by \$134,295 from FY 2012 -2013 due to the closing of the video sweepstakes establishments.** These funds are expected to be \$385,000 in FY 2014-2015.



Fire Permit and Hazardous Material Response Fees: The Fire Department is requesting to establish permitting fees to cover their cost associated with plan review and inspections of new facilities. In addition, they are proposing to establish hazard materials response fees to cover the operational cost (manpower and equipment) and material cost (oil dry, absorbent pad, etc.) required when responding to hazardous material incidents. These new fees are highlighted in the proposed fee schedule in the back of the budget document. These fees are expected to generate \$5,000 in FY 2014-2014.

Transfer from Water and Sewer Fund: In previous years we have made significant transfers (\$1,126,310 in FY 2013-2014) from the Water and Sewer Fund to cover services provided to the Water and Sewer Fund by the General Fund departments. These transfers were recorded as a reduction in department expenses. For FY 2014-2015, we have completed an internal allocation survey to ensure all staff time is accounted for in the appropriate fund. This has resulted in personnel cost for various individuals to be shifted from one fund to or from another. In addition, we have established information technology and engineering expenditure codes in the Water and Sewer Fund. We will also be charging the Water and Sewer Fund for utility cut repairs in the same manner that we charge the private utility companies. We believe this will better reflect the true cost of providing water and sewer service to our customers. Therefore, you will no longer see a large transfer from the Water and Sewer Fund to the General Fund.

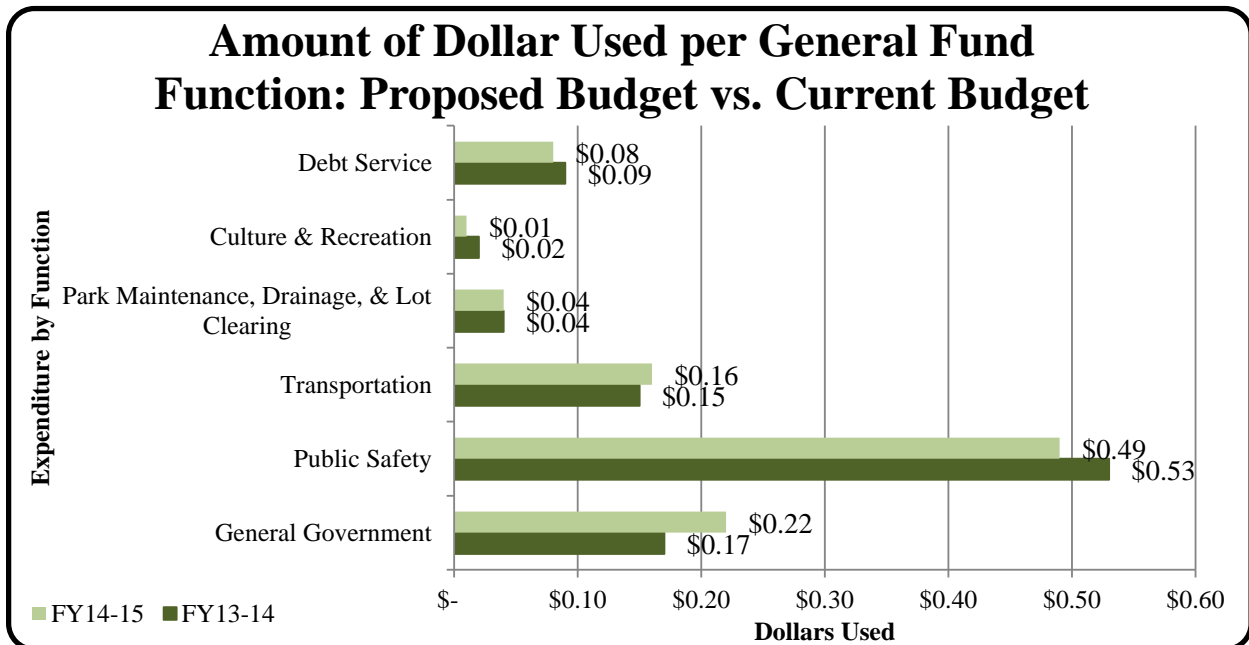
Fund Balance: The North Carolina Local Government Commission recommends that local governments maintain a minimum undesignated fund balance of no less than eight percent (8%) of expenditures. The City of Hendersonville has adopted a formal fund balance policy establishing a goal of maintaining a fund balance of at least forty-five percent (45%) of expenditures. Any funds in excess of the 45% may be transferred to the Capital Reserve Fund for capital purchases. The City of Hendersonville's unassigned fund balance on June 30, 2013 is \$6,410,105 or 55.6% of expenditures. We are proposing to budget **\$1,122,300** in fund balance in the FY 2014-2015 Budget. We will use \$700,000 to purchase and prepare the site for the Health Sciences Building (Wingate). The remaining funds (\$411,000) will be used to make one time capital purchases. The \$411,000 fund balance appropriation may be reduced if other line items, such as special appropriation expenditures, are reduce during the budget revenue.



Interest Income: Interest income within the General Fund has been increased by \$33,000 due to the purchase of U.S. Federal Securities with higher interest rates than conventional bank CDs.

All other proposed General Fund fee changes are highlighted in the fee schedule located at the end of the budget document.

Departmental Expenditures





For specific departmental expenditure information, please see the Departmental Information section or Line Item Budget sections of the budget document.

Environmental Services Fund

In an effort to make the Environmental Service Fund self-supporting we are proposing a modification to the rate structure that will provide sustainable revenue and a more simplified rate structure for the fund. In prior years the Environmental Services Fund has required a transfer from the General Fund to cover all expenses.

The following table shows the proposed changes:

Services	FY 2013-2014	FY 2014-2015
Residential – 96-gal container (non-recycler)	\$19.00	\$20.00
Residential – 96 gal container (active recycler)	\$14.50	\$16.50
Residential – 32 gal container (non-recycler)	\$17.00	\$18.00
Residential – 32 gal container (active recycler)	\$12.50	\$14.25
Commercial – 96 gal. container (non-recycler)	\$30.75	\$25.50
Commercial – 96 gal. container (active-recycler)	\$30.75	\$22.00
Commercial – Container Lease	\$75.00	\$0.00

The solid waste fee was established to offset the increasing cost of providing garbage, trash and recycling collection to the citizens of Hendersonville. These fees are expected to generate \$1,049,304 in FY 2014-2015. If these fees are approved this fund will be self-supporting for the first time since it was established.

The 2014-2015 Recommended Budget for the Environmental Services Fund totals \$1,121,064 or 26% less than the 2013-2014 Fiscal Year Budget of \$1,507,400.

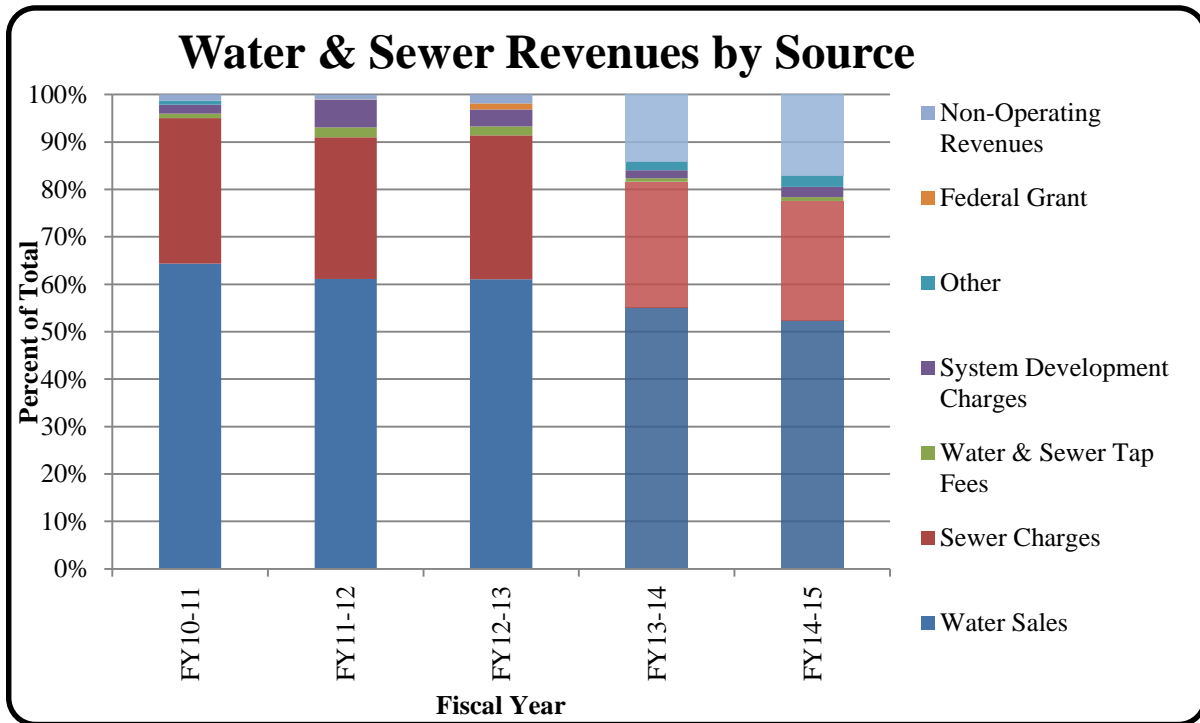
Water and Sewer Fund

The Water and Sewer Fund accounts for all revenues generated and expenditures incurred as a result of the activity of the City’s water and sewer utility. This fund is financed through user charges paid by



customers of the water and sewer utility. Because it is an enterprise fund, it must generate revenues through its sales and services to support its operations. The Water and Sewer Fund’s rates are set at a level which supports the operation of the utility.

The 2014-2015 Recommended Budget for the Water and Sewer Fund totals \$16,440,550 or 2% more than the 2013-2014 Fiscal Year Budget of \$16,167,732.



Water and Sewer Fund Revenues

Water and Sewer Fees: Water and sewer charges are expected to provide \$12,751,000 in revenues for the FY 2014-2014. These revenues along with revenues from tap fees, system development charges, service fees and interest income will fund all expenditures for the Water and Sewer Fund. We are not proposing any rate increases for FY2014-15.

Credit Card Fees: Currently the City of Hendersonville is absorbing all fees associated with customers paying their utility bills by credit card. In the past year, the City has paid approximately \$70,000 in credit card transaction fees. In an effort to eliminate this cost, we are proposing to establish a credit card processing fee of **\$2.95 per \$300.00** to our credit card customers. This fee is the same amount being charged to the City by our current vendor.

Interest Income: Interest income within the Water and Sewer Fund has been increased by \$110,000 due to the purchase of U.S. Federal Securities with higher interest rates than conventional band CDs.

All other proposed fee changes are highlighted in the fee schedule located at the end of the budget document.



Retained Earnings: The North Carolina Local Government Commission does not have a specific recommendation regarding how much fund balance or retained earnings a local government enterprise operation shall maintain. The City of Hendersonville's estimated retained earnings on June 30, 2013 is \$25,322,705 or 168% of 2013-2014 expenditures. We are proposing to budget **\$2,808,000** in retained earnings for water and sewer system improvement projects. These funds will be used to cover the costs of one time capital expenditures.

Downtown Tax District Fund

The Downtown Tax District Fund accounts for funds received from the Downtown Tax District. This District was established to fund special projects in the downtown area. The current tax rate is \$0.28 per \$100 valuation.

The 2014-2015 Recommended Budget for the Downtown Special Tax District Fund totals \$513,475 or 4.00% less than the FY 2013-2014 Fiscal Year Budget of \$537,095.

The Downtown Tax District Fund is appropriating \$46,000 of its fund balance to cover some operating expenditures. We may be able to continue to utilize fund balance for a few more years, but it is not sustainable in the long term. In coming fiscal years, we will be seeking a permanent solution to the utilization of fund balance.

Historic Seventh Avenue Special Tax District Fund

The Historic Seventh Avenue Tax District (HSAD) Fund accounts for funds received from the Historic Seventh Avenue Tax District. This District was established to fund special projects in the Seventh Avenue Area. The current special tax rate is \$0.12 per 100 valuation.

The 2014-2015 Recommended Budget for the Historic Seventh Avenue Tax District totals \$18,460 or 73% less than the FY 2013-2014 Fiscal Year Budget of \$69,190.50.

The dramatic reduction in the HSAD Fund is the result of transferring the HSAD Executive Director into the General Fund as the City's new Public Information Officer. The transferring of this position reduced HSAD's budget and eliminated a significant transfer from the General Fund to the Historic Seventh Avenue Tax District Fund.

A small contribution (\$3,750) is being made from the HSAD non-profit to balance the fund. HSAD will continue to use their non-profit bank account for special projects until these funds are depleted. Similar to the Downtown Tax Fund a permanent solution will have to be found to provide sustainable revenue for this fund.



MAJOR INITIATIVES

The following major initiatives are included in the FY 2014-2015 Budget. These initiatives are consistent with the goals and the strategic focus areas discussed earlier in the Budget Message.

Major water and sewer projects that have been approved and are ongoing, such as the Jackson Park, Wolfpen, Shepherds Creek /Atkinson Elementary and Academy Road projects, will be completed in the coming fiscal year, but are not included in this budget document.

Street Resurfacing – The City Council has established street maintenance as a major initiative for the FY2014-15. Therefore, they have allocated one cent (\$0.01) of the property tax revenue for street maintenance. These funds, along with Powell Bill funds, will be used for street resurfacing. The FY 2014-2015 Budget allocates \$533,280 for street resurfacing. These funds will be used to resurface streets in accordance with our pavement condition study completed in 2013.

Service Excellence Process – In order to meet the City Council’s goal of providing great public service, the City of Hendersonville has embarked on a process to go from good customer service to great customer service. This multi-year process will involve all levels of our organization and require a strong commitment from everyone involved. However, I believe this process will dramatically reshape how the City of Hendersonville does business. The FY 2014-2015 Budget allocates \$15,000 (\$9,000 – GF, \$6,000 WS Fund) for this process.

Wingate/Pardee/ Blue Ridge Community College Health Sciences Building – Through a partnership with Henderson County, Pardee Memorial Hospital, Blue Ridge Community College, the City of Hendersonville has agreed to purchase the property and remove all buildings for the construction of a 75,000 square foot health sciences facility directly adjacent to Pardee Memorial Hospital. This one of a kind partnership will provide a sustainable health sciences educational facility for the residents of Henderson County and the region. The FY 2014-2015 Budget allocates \$700,000 for this project.

Etowah Water System Improvements – This project will install new water main, pump stations and storage tank to improve water service and fire protection in the Etowah area. These system improvements should allow the City to eliminate several hydro pneumatic pump stations located at the higher elevations in the Etowah area, since the new storage tank will be at a significantly higher elevation. This project has an active Public Water Supply permit. The FY 2014-2015 Budget does not allocate funding for this project. However, this is a major initiative for the coming fiscal year.

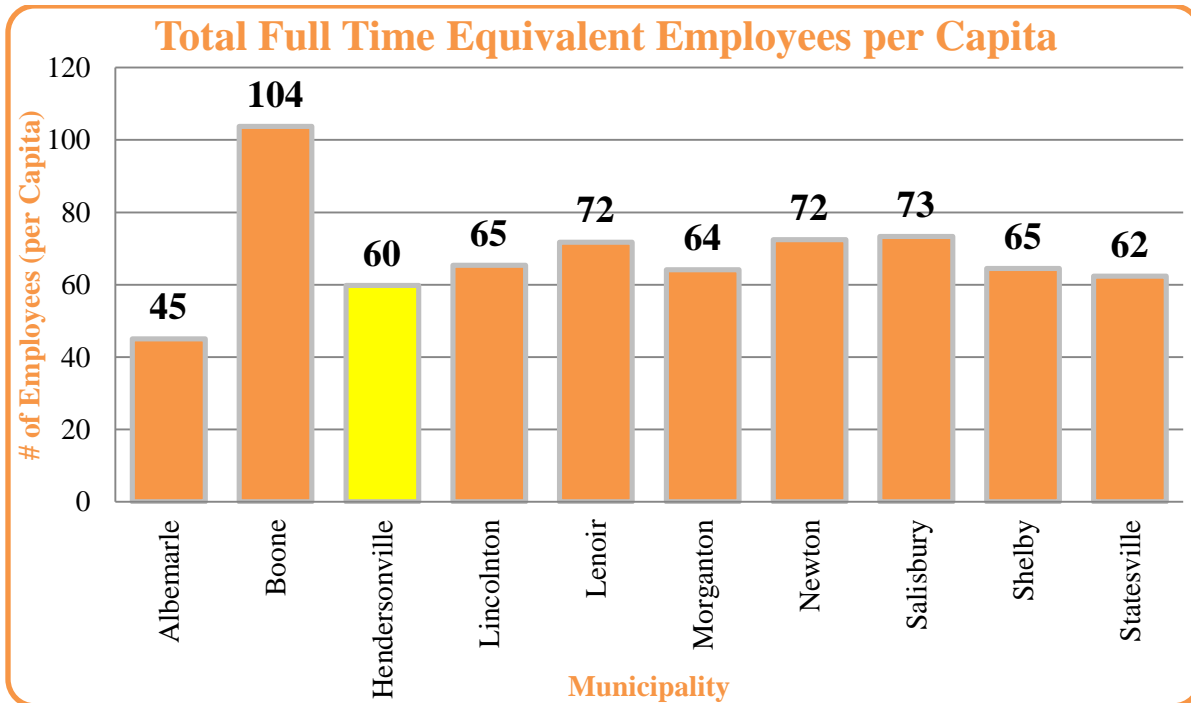
Grey Hosiery Mill - One of the major initiatives for FY 2014-2015 is the redevelopment of the Grey Hosiery Mill. The City of Hendersonville is currently considering several viable projects for this site. Although no money has been allocated for this initiative, it is a major priority for the City Council.



Service Reduction/Consolidations/Efficiencies

Position(s) Elimination – We are exploring the outsourcing of our mailed utility bill processing. This will be fully explored as we evaluate proposals from area banks as part of a complete banking services request for proposal. If we choose to move forward with this service, a part-time collections assistant position will be eliminated. The position is currently being filled by a temporary employee.

Personnel And Insurance Highlights



Employee Cost of Living – We are proposing an employee cost of living increase of 1.5 percent. This increase is based on a March 2014 CPI of 1.5%. This increase will become effective July 1, 2014. In addition, we are proposing a merit increase of up to additional 1.5% for all employees. This increase will become effective following their performance review during their anniversary month. The FY 2014-2015 Budget allocates approximately \$319,000 across all funds for these increases.

Health and Wellness Fund Contribution – Due to the effectiveness of our wellness program, the Health and Wellness Fund has a very large fund balance. Therefore, the allocation to this fund from the General Fund, Water and Sewer Fund and Environmental Services Fund were reduced for FY 2014- 2015. This reduction allowed us to fund an additional .05% in merit raises.

Health Insurance Premium – Employee health insurance premiums increased by 3%.

Workers Compensation Insurance Premium – Our Workers Compensation Insurance experience modified decreased from 1.08 to 1.06, which resulted minimal change to our premium due to projected salary increases.



Property and Causality Insurance Premium – Our Property and Causality Insurance Premium remained relatively flat except for the small increase due to new fire station.

Employer Retirement Contribution -The North Carolina Local Government Retirement System employer contribution will be 7.07% for regular employees and 7.28% for law enforcement officers for FY 2014-2015. Local government employees currently contribute 6.00% of their salary to the System.

New Performance Appraisal System – In the 2014-2015 Fiscal Year Budget, we will begin and complete the development of a new Performance Appraisal System. The new system shifts our performance appraisal system from an evaluation system driven by the appraisal document to a supervisor/employee driven system. The new system requires that the supervisor maintain adequate performance records, establish clear performance goals and objectives for each employee and conduct thorough performance meetings several times a year. We believe that this philosophical shift will create a performance appraisal system that rewards employees for meeting their goals and performing at a high level. The total cost of developing this system is \$15,900 in the General Fund and \$13,250 in the Water and Sewer Fund.

Temporary Hiring Freeze – We recommend the establishment of a two month hiring freeze on any full-time position that is vacated during the 2014-2015 Fiscal Year. This two month freeze will allow us to evaluate the need for the position and determine if it should be filled, modified or eliminated.

Police Special Separation Allowance – If a law enforcement officer retires below the age of sixty-two (62) and has served at least five years of creditable service, the North Carolina General Statutes require the City of Hendersonville to compensate the officer until they reach the age of sixty-two. The officer's compensation is based on an established formula. FY 2014-2015 includes \$81,654.76 to cover the cost of Police Special Separation Allowances.

Additional Positions – We are proposing two part-time positions in FY 2014-2015 Budget. These include a part-time Public Information Officer and a part-time Building and Grounds Maintenance Worker. The Public Information Officer will assist the City Council and City Manager in publicizing the work of the City. The part-time Building and Grounds Maintenance Worker will assist with litter collection and restrooms cleaning at our park facilities.

The following full-time positions were requested, but not funded as part of the FY 2014-2015 Budget: Planner, Traffic Maintenance Worker, Building and Grounds Maintenance Worker and Street Maintenance Worker. Note: The Planner position is an approved position. However, it is not funded at this time.

More specific departmental allocation information follows this document in your budget workbook.



CAPITAL OUTLAY HIGHLIGHTS

Vehicles and Equipment - The following vehicles and equipment will be purchased to replace aging vehicles and equipment within our fleet or improve the efficiency of our operations:

- 1 SUV/ Crossover (Fire)
- 1 Dump Truck (Public Works)
- 1 SUV / Crossover (Zoning)
- 1 Vacuum Excavator (Water and Sewer)
- 1 Large Excavator and Trailer (Water and Sewer)

Vehicle Replacement Programs – In order to give our larger departments greater flexibility in replacing their aging vehicles and equipment, we have established a Vehicle Replacement Program where each of these departments is allocated the same amount of funding over consecutive years. This will allow them to more accurately plan their vehicle and equipment replacement. We also believe that over time this will allow us to get a greater return on our surplus vehicles. The Vehicle Replacement Program is funded as follows:

- Police Department - \$202,000
- Water and Sewer - \$55,000
- Public Works - \$50,000

Vehicle purchases will be heavily scrutinized to ensure we are purchasing the appropriate vehicles for each department.

Sullivan Park Improvements – The FY 2014-2015 Budget allocates \$50,000 for improvements at Sullivan Park.

Water and Sewer Maintenance – The FY 2014-2015 Budget allocates \$800,000 for general water and sewer maintenance and repairs.

Inflow and Infiltration Reduction Program – The FY 2014-2015 Budget allocates \$100,000 for inflow and infiltration reduction in the sewer system.

NCDOT Highway 64 Improvements Reimbursement - The FY 2014-2015 Budget allocates \$1,000,000 to reimburse NCDOT for utility line relocation on U.S. 64 West.



City Hall Debt Service Payments – The General Fund budget includes a transfer from the Capital Reserve Fund in the amount of \$274,580 to pay the principal and interest payments on the 1995 City Hall Renovation project.

FY 2014-2015 Installment Purchase Package – The following capital items will be purchased utilizing a three to five year installment purchase loan package totaling \$250,000:

- New Phone System
- Police Server
- Storage Units for Sugarloaf Warehouse
- Salt and Sand Spreader
- Dump Truck
- Polaris All-terrain Utility Vehicle
- Commercial Zero Turn Mower
- Zoning / Code Enforcement Vehicle

FY 2014-15 Grant Projects – The following grant or bond projects are scheduled to be started or completed during FY 2014-15:

- North Main Street Sidewalks (\$350,000)
- Oklawaha Greenway Extension (\$1,300,000)
- Highway 64 Sidewalk Improvements (\$260,000)
- Academy Road Water Improvements (\$956,000)

Additional information regarding capital improvement projects are included the City of Hendersonville Capital Improvement Program.

The 2014-2015 Fiscal Year expenditures are more fully described in the line item budget sections of the budget document. As required by the North Carolina General Statutes, the expenditures for the 2014-2015 Fiscal Year are equal to the projected revenues. For specific information regarding departmental operations, please feel free to contact the department head responsible for that department.



FORECAST

The long-term revenue picture for the City of Hendersonville is improving, but still somewhat uncertain. We are seeing an increase in commercial growth and I expect this activity to continue for the foreseeable future as the Asheville Metropolitan Area continues to grow. In the past, we have expanded the city through a proactive annexation program. However, legislation has made annexation more difficult and will require us to formulate new ways to grow the city. We must put a greater emphasis on economic development activities that will allow us to fill our remaining vacant industrial and commercial structures over the next several years. In addition, we must move forward with infrastructure improvements that will increase our capacity to support existing and new industrial and commercial growth. The City of Hendersonville staff is continuing to work with the Henderson County Partnership for Economic Development and property owners to develop potential industrial and commercial sites to diversify our expanding tax base. Our desire is to take advantage of our location and workforce to generate growth opportunities.

However, no matter how hard we work to improve our local revenue situation, there is one factor that is completely out of our control and that factor is the North Carolina General Assembly. The General Assembly is considering significant changes in the North Carolina Tax Code. While I agree that some of these changes may be warranted, such as diversifying the sales tax, I believe that the legislature must take it's time to evaluate the impact of these changes. For example, if they eliminate our ability to collect a local privilege taxes, we will see a reduction of \$300,000 in revenue. This \$300,000 equates to almost two and half cents on our tax rate. We have been told that the revenue will be replaced in some manner with the diversified sales tax, but at this time we do not know if we would receive the entire \$300,000. Therefore, we must monitor legislative activity to determine if our revenue sources are in jeopardy and engage our legislators in respectful, but forthright, conversations about the impact that tax reform legislation may have on the City of Hendersonville.

In planning for the future, we must be vigilant in understanding how existing service and program costs directly affect the long-term health of the City of Hendersonville. These well-managed budget deliberations have resulted in decisions that will serve the long-term interests of the community. With the revision and addition of clear budget policies the City has provided the framework within both executive and legislative branches which enhances constructive dialogue through all phases of the budget cycle. It is important that in these economic times we evaluate every service and program to determine if they are needed. The City Council and staff must realize that we may not be able to continue to do the things we have done in the past. Under current economic constraints, we must focus on the critical service areas and look for opportunities to improve the efficiency of our services or look for consolidation opportunities.

In summary, this proposed budget is balanced in accordance with state statues and attempts to address the priorities, which have been set by the City Council for the 2014 -2015 Fiscal Year. The budget is fiscally sound, and although it does not fund all the requests made by departments or external groups,



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. It is with high hopes that this document effectively communicates all prevalent budget information to stakeholders, citizens, customers, and partners, inside and outside of this government.

My appreciation is expressed to Lisa White and the other staff members who helped in preparing this budget.

I recommend this proposed budget for Fiscal Year 2014-2015 to the City Council.

Respectfully submitted,

John F. Connet
City Manager



BUDGET ORDINANCE

**AN ORDINANCE MAKING APPROPRIATIONS FOR CERTAIN EXPENSES,
CAPITAL IMPROVEMENTS AND INDEBTEDNESS AND
ADOPTING A CAPITAL IMPROVEMENT PLAN FOR
THE CITY OF HENDERSONVILLE, NORTH CAROLINA
FOR THE YEAR BEGINNING JULY 1, 2014 AND ENDING JUNE 30, 2015**

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, 2014; and

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

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

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

SECTION 1: The following amounts are hereby appropriated for the operating budget for the City of Hendersonville and its activities for the fiscal year beginning July 1, 2014, and ending June 30, 2015, in accordance with the chart of accounts heretofore established for this City:

General Fund	\$13,906,346
Downtown Tax District	513,475
Seventh Avenue District	18,460
Water/Sewer Fund	16,440,550
Environmental Services Fund	1,121,064
TOTAL APPROPRIATIONS	\$31,999,895
Less: Interfund Transfers	374,580
TOTAL NET APPROPRIATIONS	<u>\$31,625,315</u>

SECTION 2: That the attached detailed budget document be, and the same reflects the estimated revenues, revenue contributions, and budget appropriations



of the City of Hendersonville, North Carolina, for the period beginning July 1, 2014, and ending June 30, 2015. 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 department, 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-four cents (\$.44) per one hundred dollars valuation of property as listed for taxes as of March 1, 2014. This rate is based on an estimated total valuation of property for the purpose of taxation of \$1,640,000 and estimated collection rate of 97%.

Also levied is a tax rate of twenty-eight cents (\$.28) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2014, for a special service district established for the purpose of a Downtown Revitalization Project. This rate is based on an estimated total valuation of property for the purpose of taxation of \$81,700,000 and an estimated collection rate of 95.78%.

A tax rate is also levied of twelve (\$.12) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2014, for the Seventh Avenue Municipal Service District formed upon a petition of some of the property owners, established for the purpose of landscaping improvements and special events in the district. The rate is based on an estimated total valuation of property for the purpose of taxation of \$9,200,000 and an estimated collection rate of 92.40%.

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

- a) the use of City facilities and equipment for the purposes of making them available to public
- b) specific utility rates the proceeds of which are for the maintenance and expansion of its water and sewer system



- c) the administration of a system of business licenses taxation to generate revenue for the General Fund under the authority of North Carolina General Statutes (NCGS) §160A-211,
- d) the reproduction of public records and other miscellaneous services to cover the actual cost of producing these documents and information under the provision of NCGS §132-6.2.

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

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

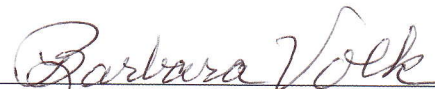
SECTION 7: That copies of this Budget Ordinance shall be furnished to the City Clerk, City Manager and Finance Officer to be kept on file by them for their direction in the disbursement of funds.

SECTION 8: This ordinance shall become effective on and after July 1, 2014.

SECTION 9: 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 3rd day of June, 2014.

ATTEST:



Barbara Volk, Mayor, City of Hendersonville



Tammie K. Drake, CMC, City Clerk

Approved as to form:



Samuel H. Fritschner, City Attorney



History, Geography, and Demographic Background

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 areas beauty, the absence of navigable waterways and poor condition of land routes hampered long distance trade and stunted growth. In response to the poor land access the Buncombe Turnpike was created. This access road provided the basis for growth and an emergence of a cash-crop economy. Finally in 1838, the General Assembly created Henderson County. Hendersonville was created two years later as the county seat. It was not until 1847 that the City of Hendersonville was officially chartered.

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

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

As the 1900's progressed, Hendersonville suffered dramatically due to the Great Depression. The 30's 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.



Community & Organizational Profile – FY 2015

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

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

Geography

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

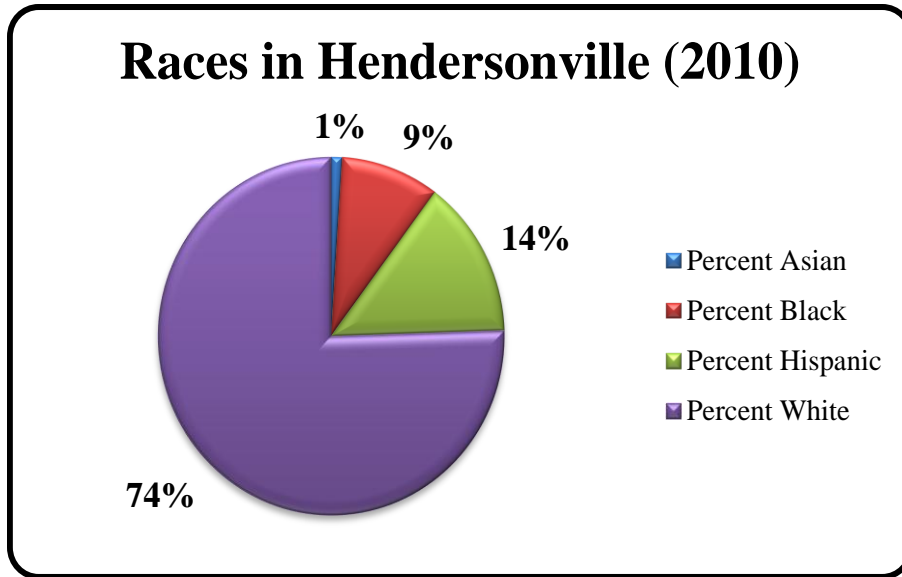


Demographics

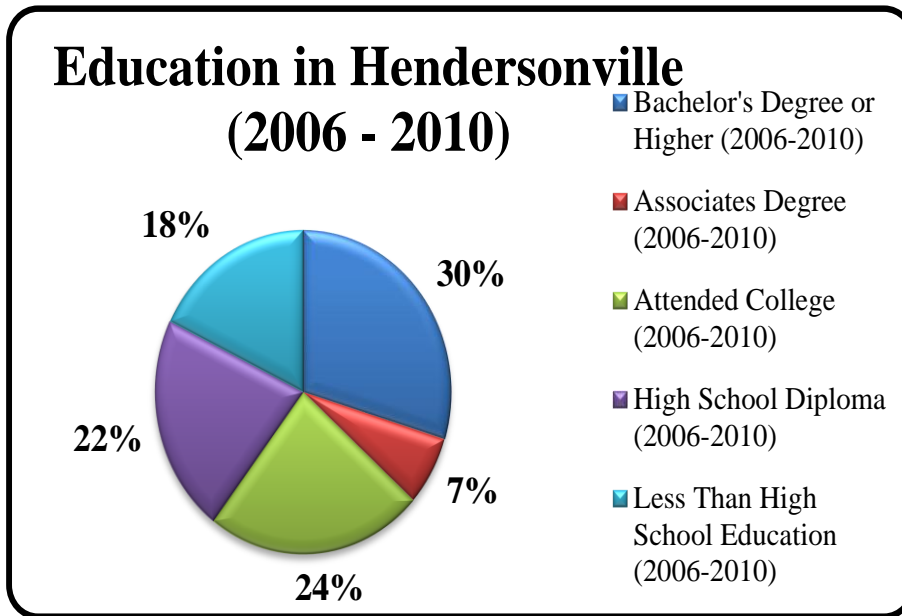
The population in the City of Hendersonville as of 2012 was 13,288. This is a 25.7% increase since 2000. The median resident age is 48.7 years and the median household income was \$37,251 as of 2011.



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



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



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



The Local Economy & Government Structure

Local Economy

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

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

Apples, which were first planted at the end of the 18th century, continue to be an important part of the economy today with sales averaging \$24 million per year. Early settlers in Henderson County staked claims to their land by planting apple trees. The County produces about 65 percent of the apples grown in North Carolina on approximately 6,000 acres of land and is the largest apple producer in the State with about 150 apple orchards. The mountain climate is conducive to producing excellent fruit color and flavor. Rome Beauty is the most widely grown apple variety followed by Red and Golden Delicious. Winesap, Jonathans, and Granny Smith types are also grown in addition to the newest varieties, Ginger Gold, Gala, Honey Crisp, Empire, Fuji, and Jonagolds. Agriculture in Henderson County is more than just apple production. The County has more than 500 farms that produce milk and field crops in addition to livestock and horses. Henderson County is second in the state in ornamental plant production. Van Wingerden Greenhouse Company, located in the County, is not only a major supplier of greenhouse products but also ranks high among the nation's top 100 growers. More than 20 greenhouses, 85 nurseries, 5 cut-flower farms and two sod farms produce an estimated 4,200



Community & Organizational Profile – FY 2015

species of plants on about 4,000 acres of land. Henderson County is second in the state in ornamental plant production. It has exceeded apple production for the past ten years and is expected to continue to grow in the near future. However, North Carolina is still ranked seventh in the nation in apple production.

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

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

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



Community & Organizational Profile – FY 2015

The following tables detail the ten largest property and real estate tax payers in the City of Hendersonville, year end June 30, 2013:

Ten Largest Property Tax Payers By Assessed Valuation as of June 30, 2013		
Tax Payer	Assessed Value	Percent of Total Assessed Value
Ingles Market Inc.	\$ 10,628,620	0.61%
Duke Energy Corp.	\$ 10,581,377	0.61%
Bellsouth Tel. Co.	\$ 10,324,603	0.60%
Morris Broadband LLC	\$ 9,043,507	0.52%
Public Service Company of NC Inc.	\$ 4,281,116	0.25%
Lowes of Hendersonville	\$ 2,390,187	0.14%
First Citizens Leasing	\$ 2,067,038	0.12%
Healthcare Equipment Funding LLC	\$ 2,016,980	0.12%
Wal-Mart Stores East LP	\$ 1,890,780	0.11%
Harris Teeter #79	\$ 1,809,184	0.10%
Total	\$ 55,033,392	3.18%
<i>Total Assessed Value</i>	<i>\$ 1,730,900,000</i>	

Ten Largest Real Estate Tax Payers By Assessed Valuation as of June 30, 2013		
Tax Payer	Assessed Value	Percent of Total Assessed Value
Triangle Real Estate of Gastonia Inc.	\$ 23,598,700	1.36%
Wal-Mart Real Estate Business Trust	\$ 17,551,700	1.01%
Highland Investors Limited Partnership	\$ 16,231,000	0.94%
Hyder, Boyd L	\$ 16,169,300	0.93%
Ingles Market Inc.	\$ 11,694,000	0.68%
Ingles Market Incorp.	\$ 11,486,900	0.66%
Lake Pointe Landing Real Estate Investor	\$ 10,329,200	0.60%
Home Depot USA Inc.	\$ 10,209,400	0.59%
First Citizens Bank & Trust Co.	\$ 8,161,200	0.47%
Rubin, Stuart I	\$ 7,622,100	0.44%
Total	\$ 109,872,600	6.35%
<i>Total Assessed Value</i>	<i>\$ 1,730,900,000</i>	



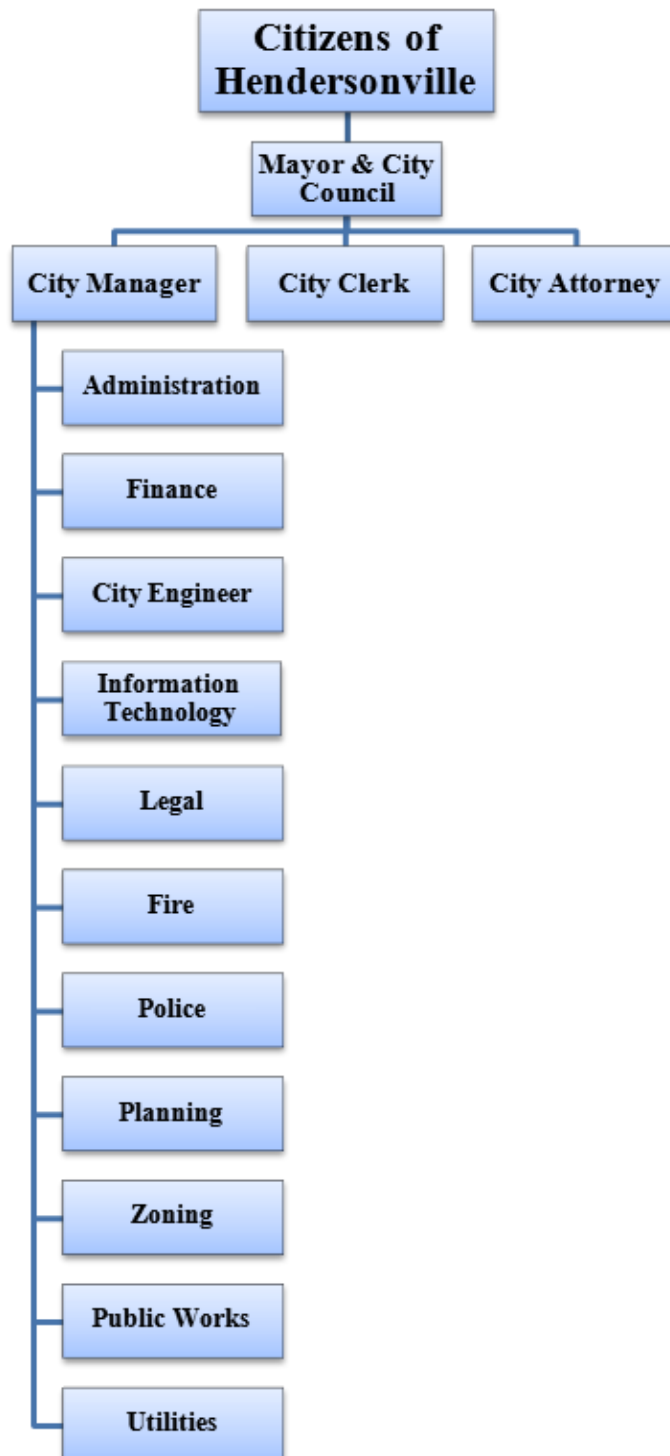
Government Structure

The City of Hendersonville operates under a council-manager form of government, whereby the City Council has the legal authority to confer powers on both the Mayor and Manager. The City Manager serves as a professional and assists the Council and Mayor in the efficient and effective execution of law and policy. The City Manager also abides by a code of ethics, originally developed by the International City County Management Association (ICMA) in 1924. The Mayor is elected every two years and each Councilmember serves four-year terms. The Mayor is the presiding officer of the City Council. A Mayor Pro-tem is selected by the five council members 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. The City of Hendersonville provides full services to its citizens including fire and police protection, recreation, public works, and water and sewer.



Community & Organizational Profile – FY 2015

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





City Priorities, Goals, & Objectives

The City of Hendersonville has created a strategic plan for fiscal year 2015, detailing a variety of priorities goals and objectives to be achieved.

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.

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





Priority : Economic Vitality

Focus Areas

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

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

Priority : Strong Partnerships

Focus Areas

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

Goals & Objectives

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



Priority : Sound Infrastructure

Focus Areas

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

Goals & Objectives

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

Priority : Numerous Amenities

Focus Areas

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

Goals & Objectives

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



Priority : Great Public Services

Focus Areas

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

Goals & Objectives

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

Priority : Financial Sustainability

Focus Areas

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

Goals & Objectives

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



Customer Service Excellence Program

The City of Hendersonville has embarked on the Customer Service Excellence program in order to establish a culture of service excellence and teamwork throughout the organization. The goals of this process are too:

- ✓ Set Hendersonville Apart
- ✓ Deliver Outstanding Service in Every Customer Contact
- ✓ Create a Unifying Vision & Goal for All Employees
- ✓ Employee Commitment to Delivering Service Excellence
- ✓ Fully Integrate Service Excellence into the Culture of Hendersonville

The process of this program involves the development of a vision strategy and goals, creating leadership support, securing employee ownership of the program, attaining customer input, developing an improvement process, creating and conducting awareness workshops, establishing reinforcement processes, custom tailoring this process for each department, communicating the service excellence process to the public and establishing feedback channels, fully integrating service excellence into the City's culture, and reevaluating the process and making improvements.

The program requires that the City create a Design Team to serve as the primary leading body of the process. The Design Team is made up of employees from each department that were nominated by their respective department heads. Three Wednesday's a month the Design Team will meet and discuss, develop, and execute the various processes of the Service Excellence program.

The City Council and City Manager, along with department heads, have made a commitment to the Service Excellence program, and are eager to engage in this process.



Financial Structure

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

Basis of Preparation

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

Governmental Funds

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

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

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

Capital Project Funds. Various Capital Project Funds are used to account for financial resources to be used for major acquisitions or construction. These funds include the Sidewalk Construction Project Fund, Main Street Infrastructure Improvement Project Fund, Fire Station



Construction Project Fund, Academy Road Fund, Jackson Park Sewer Interceptor Project Fund, Wolfpen Sewer Interceptor Project Fund, Shepherd/Atkinson Sewer Interceptor Project Fund, and the Britton Creek Grant Fund.

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

Basis of Accounting & Budgeting

In accordance with the North Carolina Budget and Fiscal Control Act (NCBFCA), the budget is developed and adopted under the modified accrual basis of accounting, whereby revenues are recognized in the period they become available and measurable, 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 proprietary funds' prior year actuals using the modified accrual basis.



Community & Organizational Profile – FY 2015

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

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

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



Community & Organizational Profile – FY 2015

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

Function/Fund Relationship		
<i>Function</i>	<i>Fund</i>	<i>Type</i>
General Government	General Fund	General Fund
Public Safety	General Fund	General Fund
Transporation	General Fund	General Fund
Park Maintenance, Drainage, & Lot Clearing	General Fund	General Fund
Culture & Recreation	General Fund	General Fund
Debt Service	General Fund	General Fund
Downtown Tax District	Downtown District Fund	Special Revenue Fund
Bearfootin' Public Art	Downtown District Fund	Special Revenue Fund
Rhythm & Brews	Downtown District Fund	Special Revenue Fund
Sidewalk Antique Festival	Downtown District Fund	Special Revenue Fund
Trick Or Treat Downtown	Downtown District Fund	Special Revenue Fund
Holiday Events	Downtown District Fund	Special Revenue Fund
Seventh Avenue Expenditures	Seventh Avenue Tax District Fund	Special Revenue Fund
W&S IT	Water & Sewer Fund	Enterprise Fund
W&S Admin.	Water & Sewer Fund	Enterprise Fund
W&S Finance	Water & Sewer Fund	Enterprise Fund
W&S Engineering	Water & Sewer Fund	Enterprise Fund
Facilities Maintenance	Water & Sewer Fund	Enterprise Fund
Water Treatment Plant	Water & Sewer Fund	Enterprise Fund
Shop Operations Center	Water & Sewer Fund	Enterprise Fund
Water Maint. & Construction	Water & Sewer Fund	Enterprise Fund
Water & Sewer Construction	Water & Sewer Fund	Enterprise Fund
Wastewater Treatment Plant	Water & Sewer Fund	Enterprise Fund
Sewer Maint. & Construction	Water & Sewer Fund	Enterprise Fund
Non-Departmental	Water & Sewer Fund	Enterprise Fund
Special Appropriations	Water & Sewer Fund	Enterprise Fund
Debt Service	Water & Sewer Fund	Enterprise Fund
Transfers	Water & Sewer Fund	Enterprise Fund
Contingencies	Water & Sewer Fund	Enterprise Fund
Environmental Services Admin.	Environmental Services Fund	Enterprise Fund
Stormwater	Environmental Services Fund	Enterprise Fund
Non-Departmental	Environmental Services Fund	Enterprise Fund
Debt Service	Environmental Services Fund	Enterprise Fund



Financial Policies

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

General Policy

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

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

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

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

Budget Amendment Policy

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

1. modifications may be made without changing the ordinance,
2. expenditures may be made from contingency appropriations and,
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. All revenue in excess of expenditures realized at the end of any given fiscal year will be credited to unassigned fund balance until a minimum goal of forty-five percent (45%) is realized. The City will adjust this minimum as appropriate based upon recommendation from the LGC and the current financial outlook. Once the forty-five percent (45%) goal is realized, all revenue in excess of expenditures realized at the end of any given fiscal year may be assigned to capital reserves.



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 until a minimum goal is realized. Council is currently revising fund balance goal levels. The City will adjust this minimum as appropriate based upon recommendation from the LGC and the current financial outlook. Once the goal is realized, all revenue in excess of expenditures realized at the end of any given fiscal year may be assigned to capital reserves.

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

Investment Policy

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

Operating Budget Policies

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

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

Revenue Policy

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



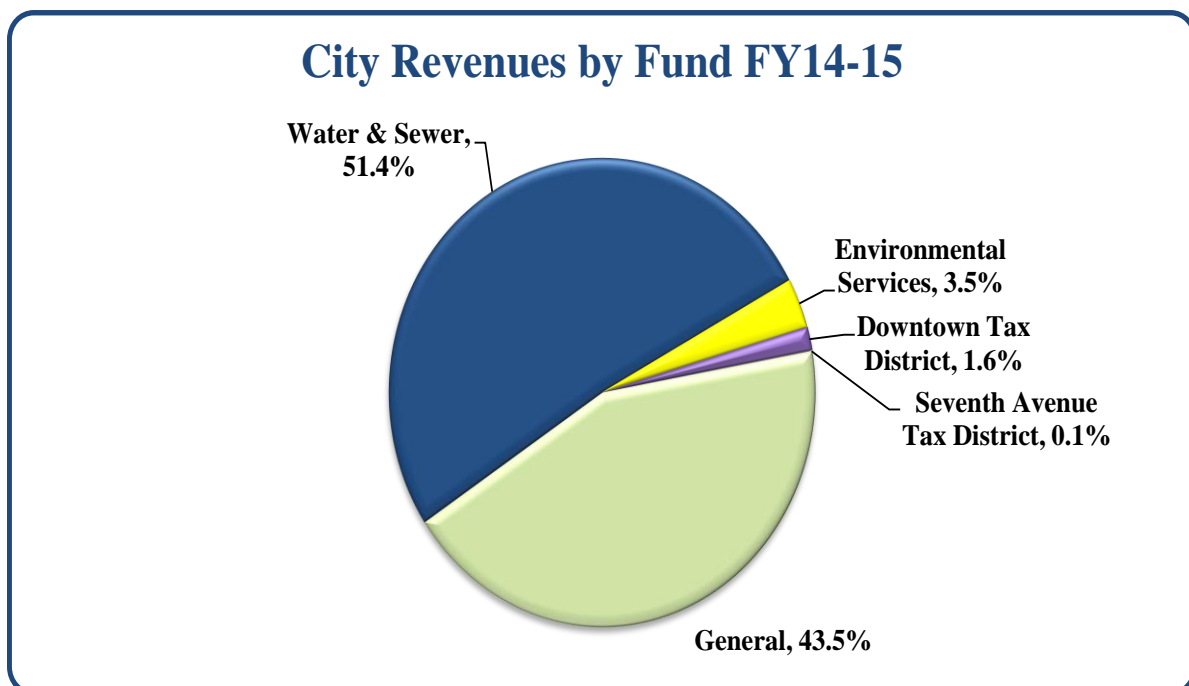
Revenue & Expenditure Summaries

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

Revenues

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

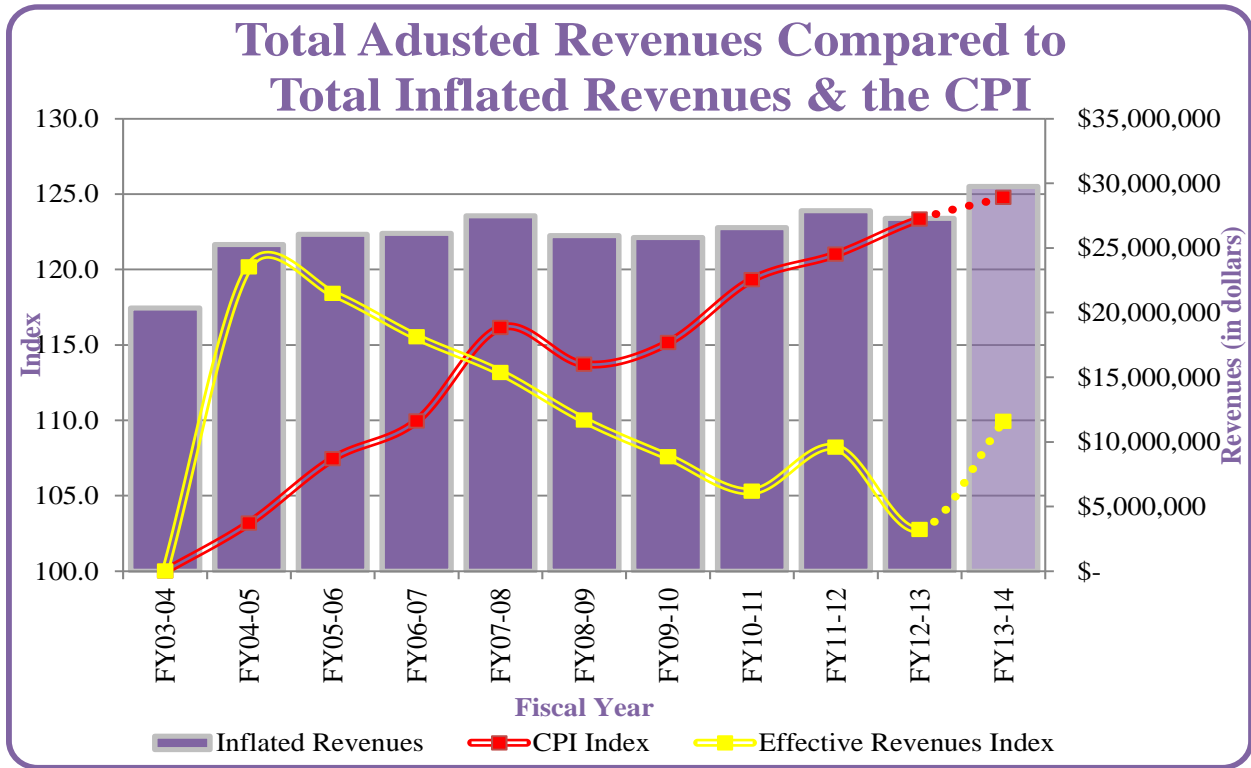
City Revenues by Fund					
Fund	Actual FY12-13	Budget FY13-14	Estimate FY13-14	Budget FY14-15	Percent Change
General	\$ 12,799,264	\$12,876,464	\$ 12,173,240	\$ 13,906,346	8.00%
Water & Sewer	\$ 14,077,031	\$16,167,732	\$ 15,852,963	\$ 16,440,550	1.69%
Environmental Services	\$ 1,202,394	\$ 1,507,400	\$ 868,883	\$ 1,121,064	-25.63%
Downtown Tax District	\$ 359,774	\$ 537,095	\$ 483,559	\$ 513,475	-4.40%
Seventh Avenue Tax District	\$ 53,413	\$ 69,191	\$ 178,683	\$ 18,460	-73.32%
Total	\$ 28,491,876	\$31,157,882	\$ 29,557,328	\$ 31,999,895	2.70%



It is estimated that the City of Hendersonville will generate its largest portion of revenue from the Water & Sewer Fund for FY14-15, 51.4% of all revenues. The next largest fund is the General Fund, producing 43.5% of all revenues.



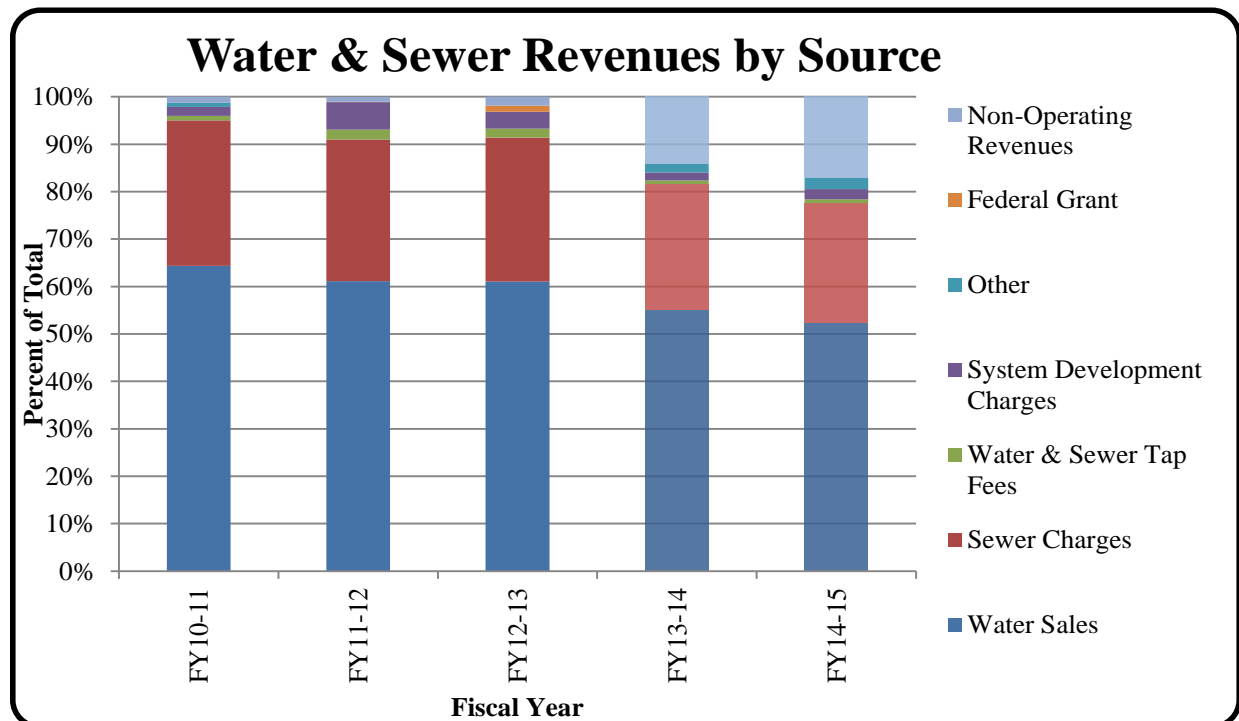
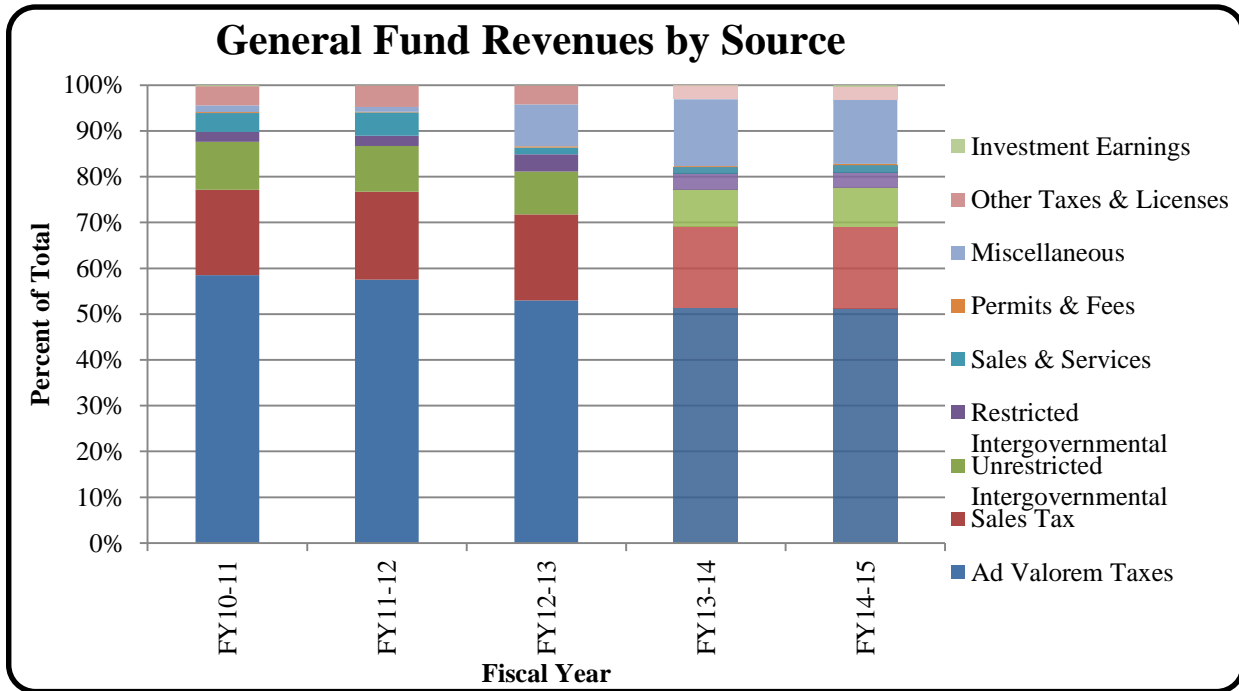
The following chart details the City of Hendersonville’s historical total revenues, adjusted for inflation:



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 have not maintained levels equal to that of market inflation.



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





Financial Summaries – FY 2015

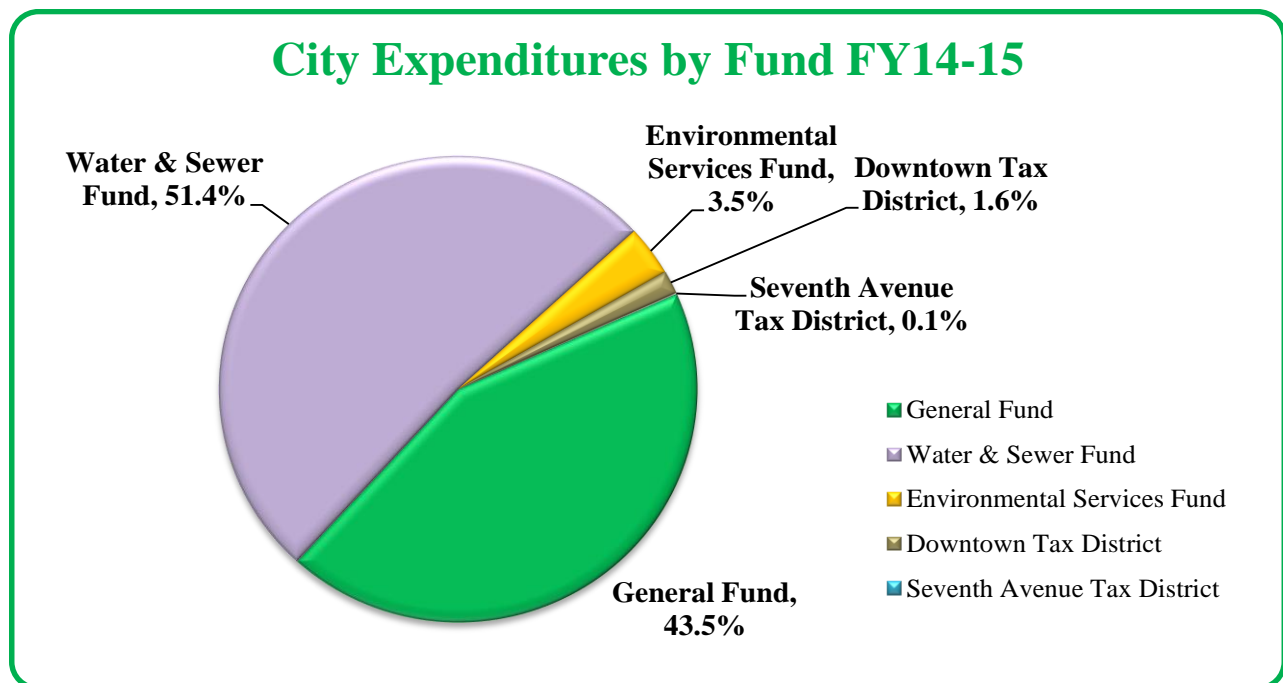
The charts highlight important contributing sources of revenue for the City of Hendersonville. Ad valorem taxes are the largest contributor to the general fund, at 58.6% of all revenues. The Water and Sewer fund receives 44.8% of its revenues from water sales. It is important to note that the “Non-Operating Revenues” source is skewed in FY14-15 because of a \$5,616,000 contribution from the fund balance.



Expenditures

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

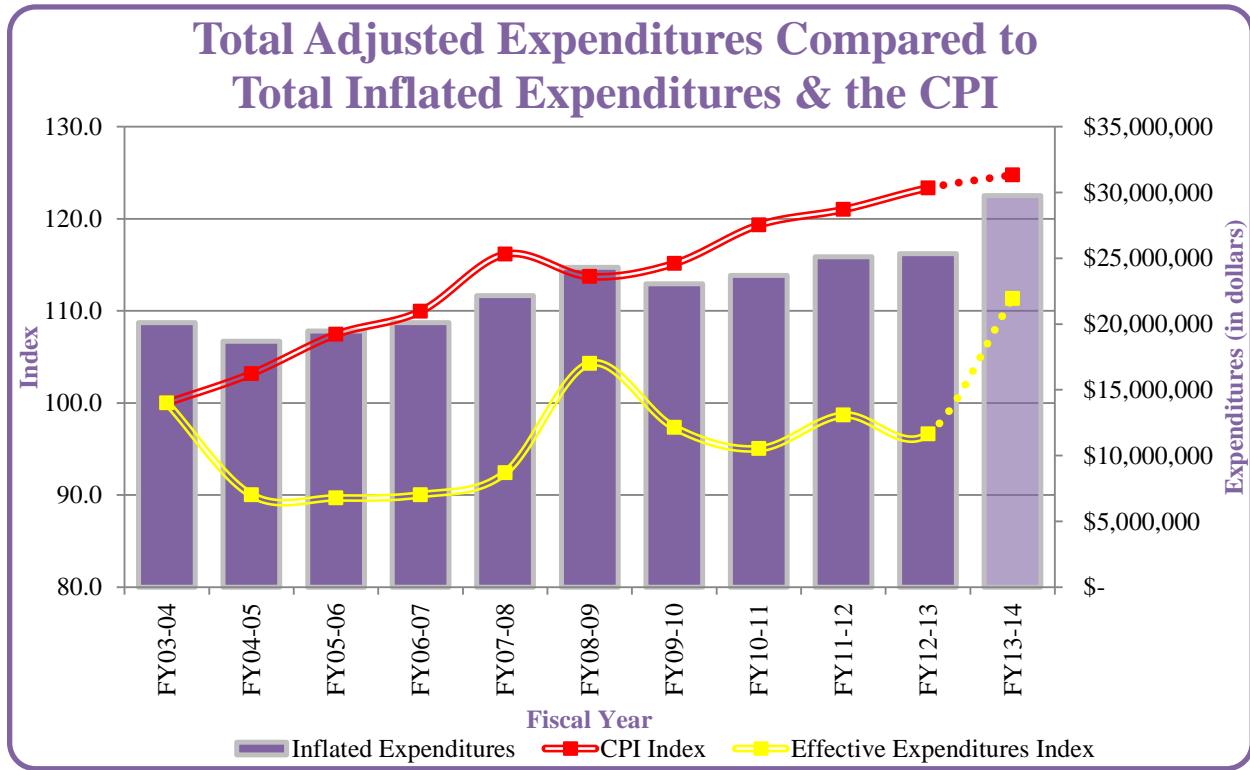
Total City Expenditures by Fund					
Fund	Actual	Budget	Estimate	Budget	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
General	\$ 11,366,825	\$12,876,464	\$ 12,596,437	\$ 13,906,346	8.00%
Water & Sewer	\$ 12,144,710	\$16,172,732	\$ 14,825,258	\$ 16,440,550	1.66%
Environmental Services	\$ 1,003,143	\$ 1,507,400	\$ 1,138,403	\$ 1,121,064	-25.63%
Downtown Tax District	\$ 349,597	\$ 537,095	\$ 366,709	\$ 513,475	-4.40%
Seventh Avenue Tax District	\$ 54,063	\$ 69,191	\$ 67,188	\$ 18,460	-73.32%
Total	\$ 24,918,338	\$31,162,882	\$ 28,993,995	\$ 31,999,895	2.69%



It is estimated that the City of Hendersonville will appropriate its largest portion of expenditures to the Water & Sewer Fund for FY14-15, 51.4% of all expenditures. The next largest fund is the General Fund, appropriating 43.5% of all expenditures.



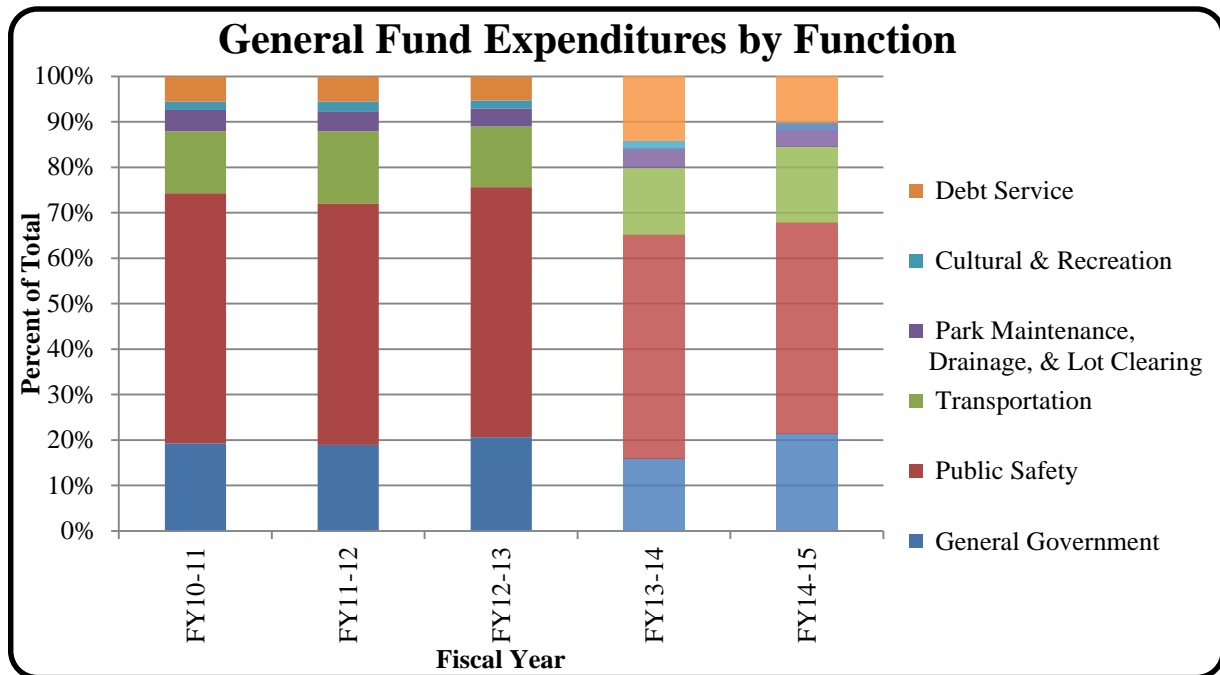
The following chart details the City of Hendersonville’s historical total expenditures, adjusted for inflation:



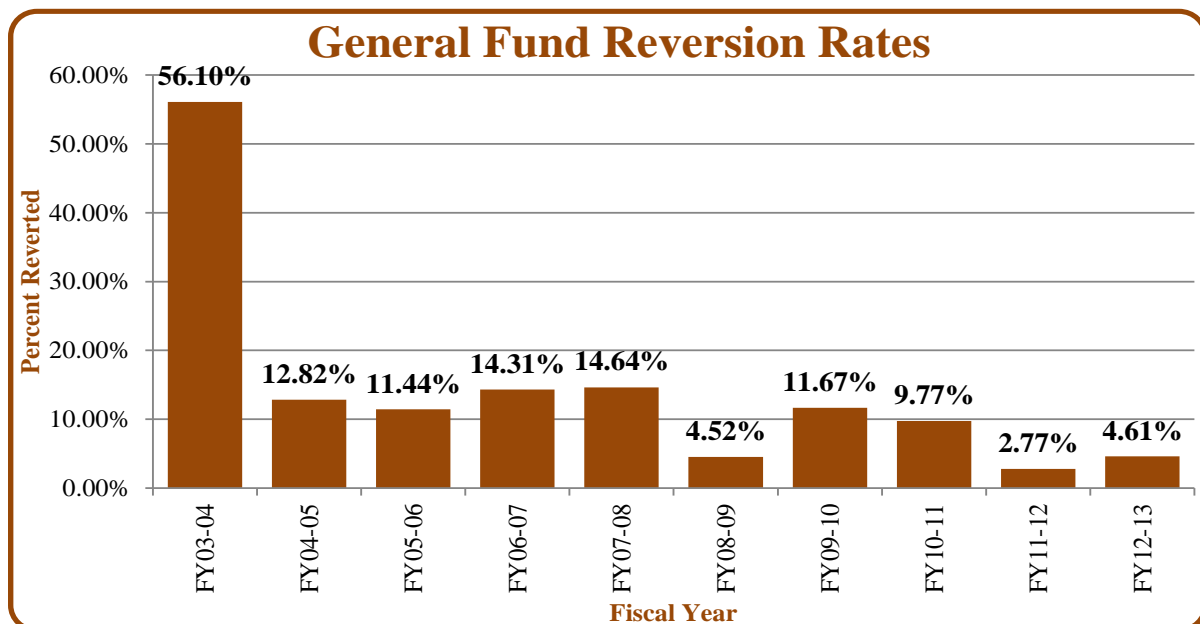
Similar to the “Revenues” section, the chart above displays the City’s total expenditures which include a calculation adjusting expenditures for inflation. Again, the Consumer Price Index (CPI) provides the effects inflation has on the market overtime. By adjusting the City’s expenditures accordingly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



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



This chart highlights important functions of expenditures for the City of Hendersonville. Public Safety is the largest function for the general fund, at 48.6% of all expenditures.

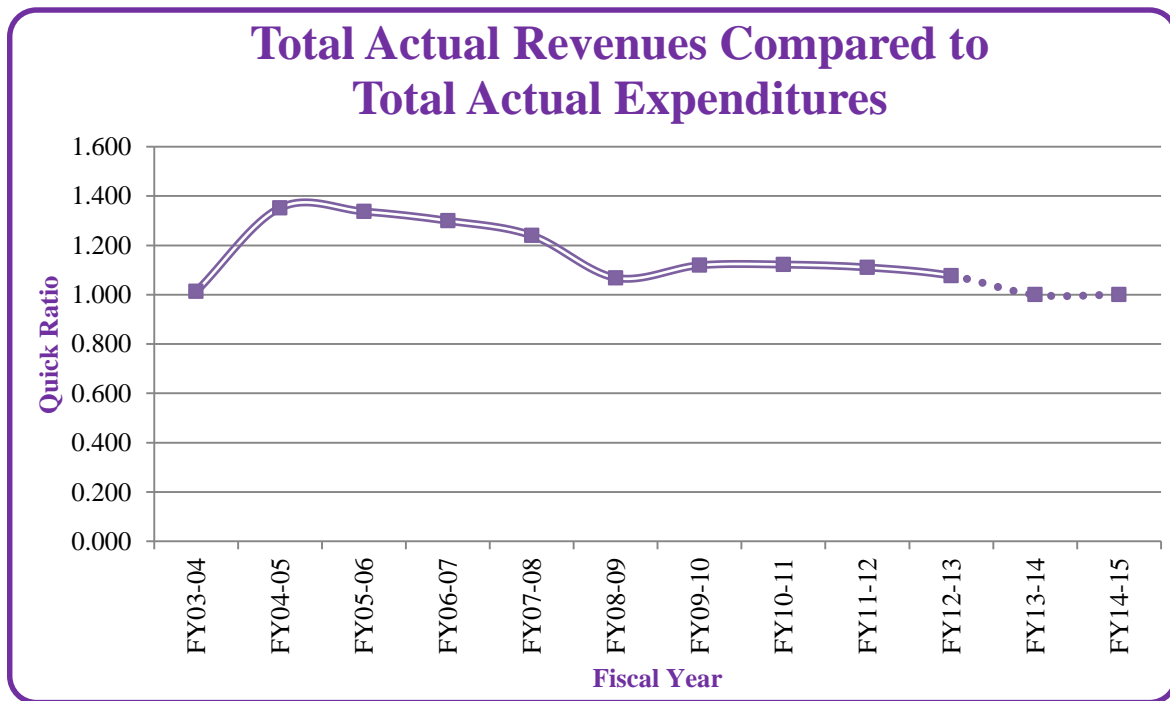
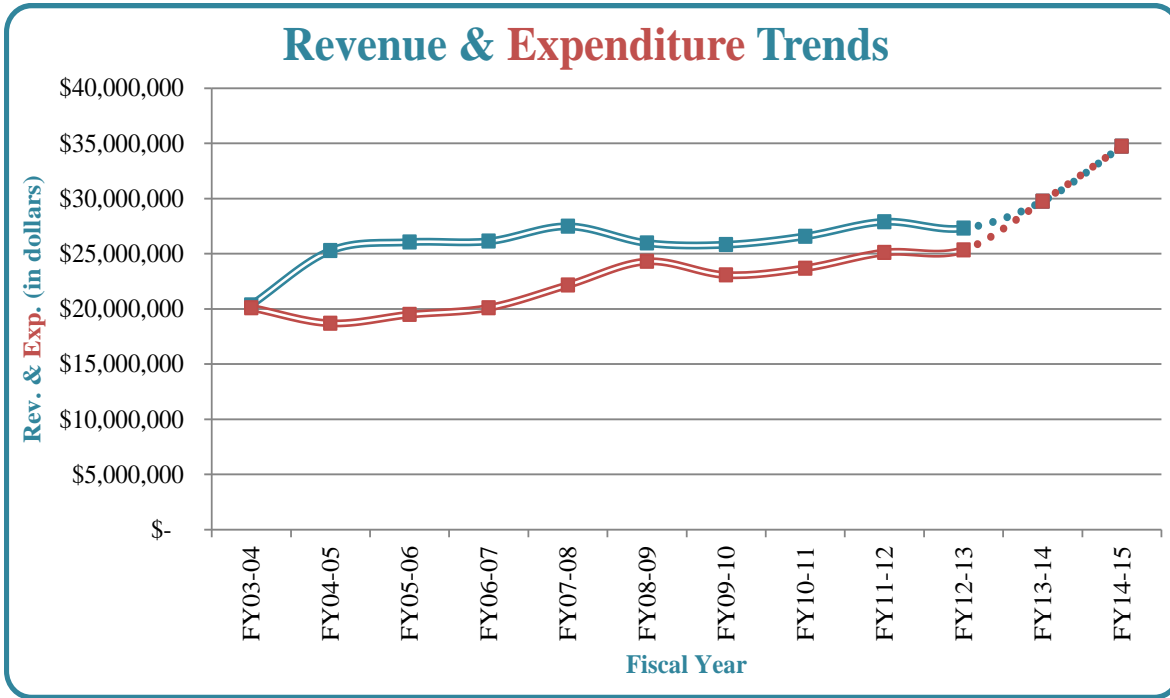


A reversion rate is the percent of funds reverted to the fund balance each year, expressed as a percent. It is calculated by dividing the budgeted expenditures by the actual expenditures each fiscal year. The rate is a measure of financial accuracy in budgeting.



Trends & Comparisons

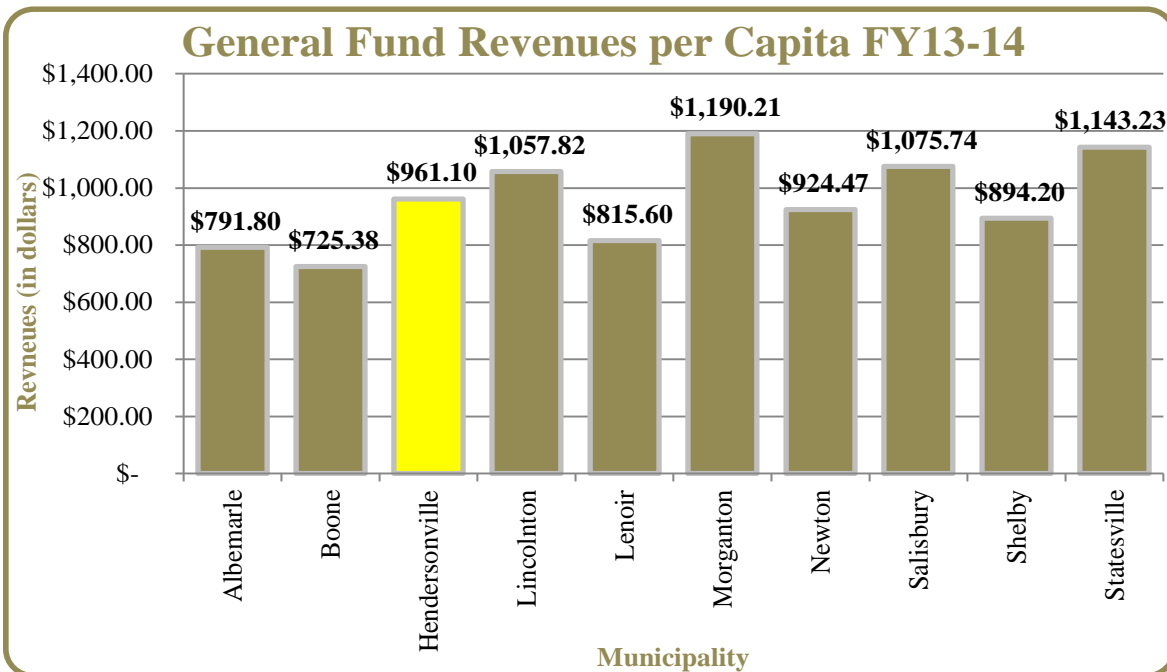
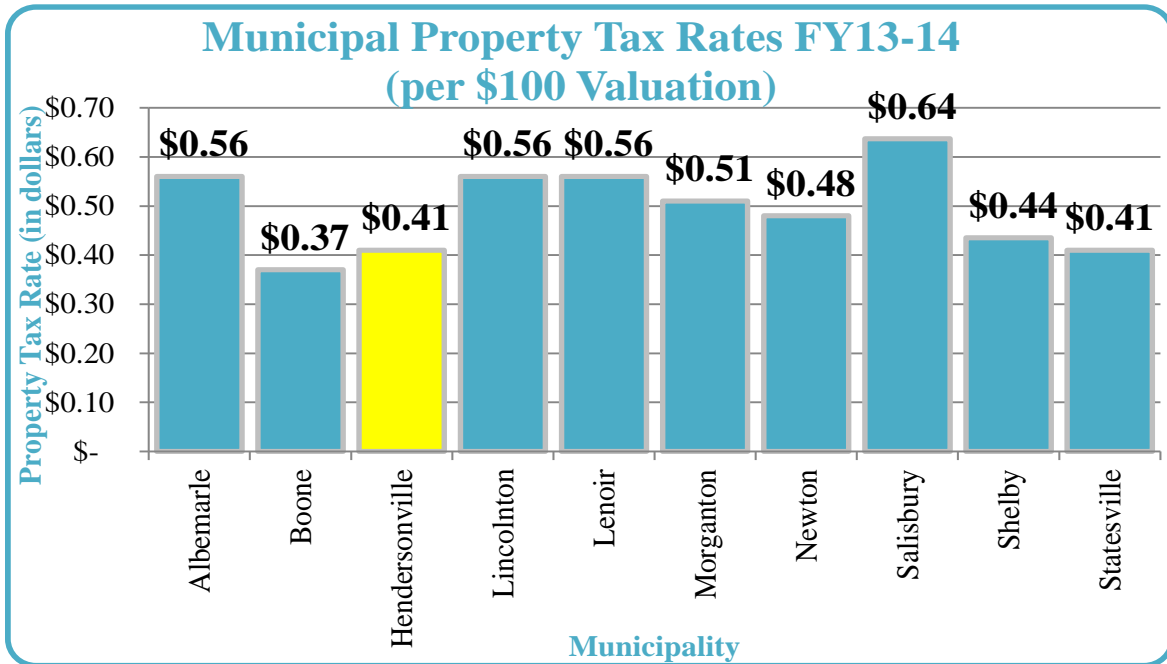
The following charts display revenue and expenditure trends for the past 10 fiscal years:



The chart above presents the comparison of actual revenues to actual expenditures as a quick ratio. It is calculated by dividing actual revenues by actual expenditures for a fiscal year.



Furthermore, the following charts display the City of Hendersonville’s financial condition in comparison to other North Carolina municipalities:



The City of Hendersonville produces \$961.10 in revenues per capita at a \$0.41 property tax rate per \$100 valuation.



Financial Forecasts

A financial forecast is an estimate of future financial outcomes, revenues and expenditures, for the City of Hendersonville. Using historical data, in addition to market and economic indicators, an organization can estimate financial condition for a future period of time (typically future fiscal years). Predicting revenues is the most difficult aspect of financial forecasting.

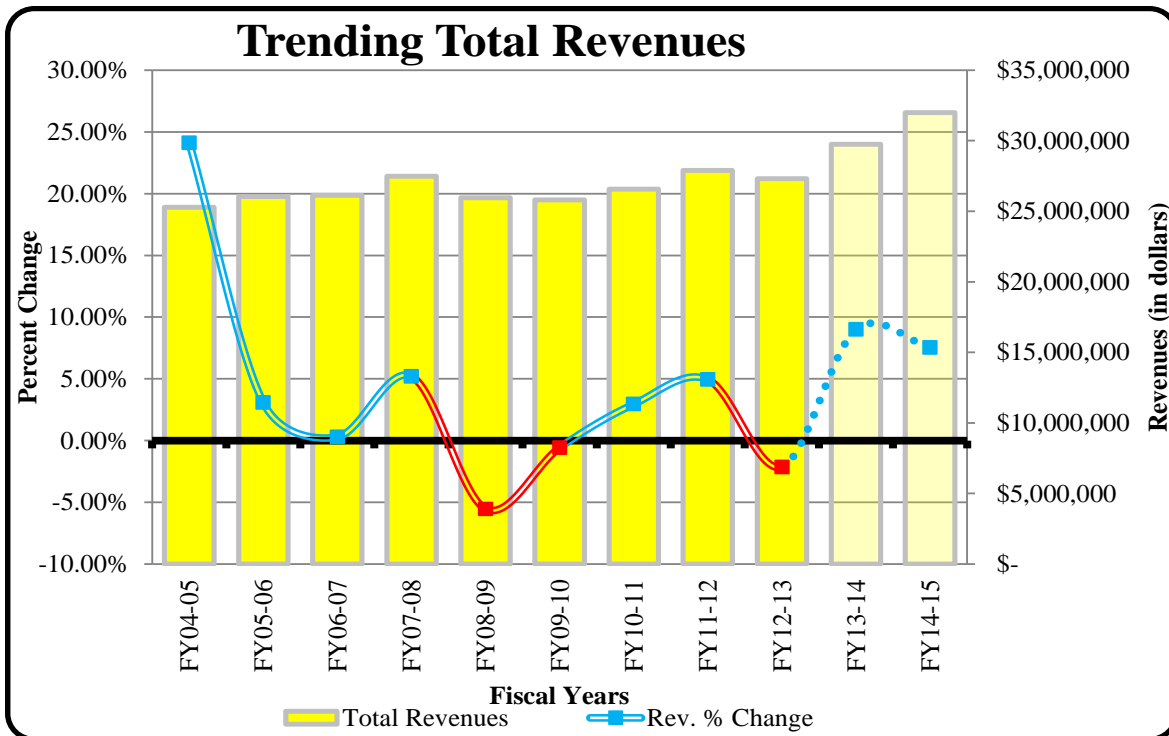
Some basic guidelines in forming effective revenue projections include:

- ✓ The method must be straightforward and uncomplicated so that local officials untrained in mathematics, statistics, or economics can use it during the budget process.
- ✓ It must require only information or data that are easily obtainable on a timely basis from local government administrative records or from the state government.
- ✓ Finally, it must be possible for the required calculations to be performed manually rather than by computer, since many local governments do not have computers.

One of the most reliable methods that fits the aforementioned criteria is a time-series analysis. This method is easily understood and requires only simple calculation.

Revenues

To start, the following chart presents the City’s historical data on total actual City revenues and the percent change from the prior year (the red lines represent percent decreases in total revenues from the previous fiscal year):

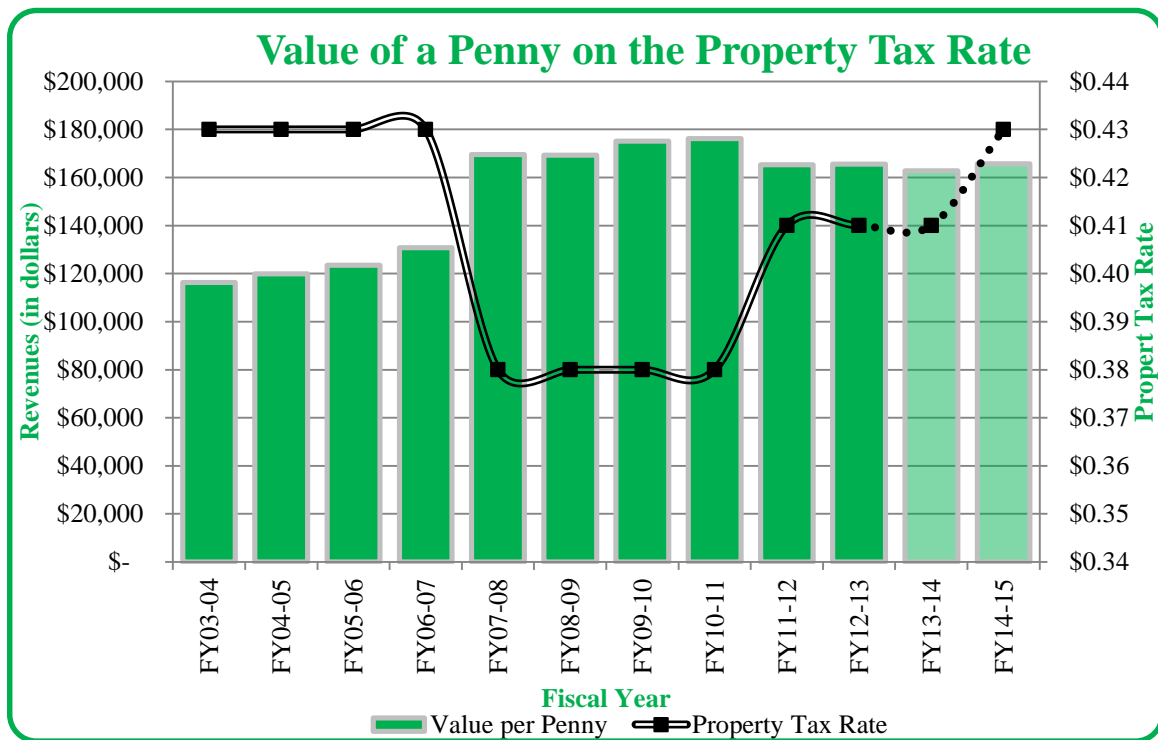




There has not been a steady trend in revenues over the past ten years. This increases the difficulty of forecasting future trends. Total revenues experienced growth through FY07-08, increasing from \$20,362,604 to \$27,484,136 (a 35% increase). However, the years during and immediately following the recession, FY08-09 and FY09-10 respectively, experienced stunted growth. Total revenues decreased from \$27,484,136 to \$25,816,203 (a 6% decrease). The City’s total revenues saw some growth following the recession however, in FY12-13 total revenues decreased by 2.13%. This change is attributable to loss of grant funding. The total percent change in total revenues from FY03-04 to FY12-13 is a 34.1% increase.

Another factor influencing the City’s total revenues is population growth, property revaluation, and effects on the value of each penny on the property tax rate.

The following chart displays the historical data regarding the value of a penny and the property tax rate:



The property tax rate has historically changed based on the value of a penny on the tax rate. The chart displays during tax rate reductions, the value per penny tends to be higher. However, in FY11-12 the value of a penny for the City was decreasing and required a large increase in the property tax rate. The value per penny is expected to increase in FY14-15. This may be attributable to population or commercial growth. It is important to note that there are other contributing factors in the value of each penny on the property tax rate like, assessed valuation of all real property (which is affected by county-wide revaluations).



Another factor contributing to revenue growth is the property tax rate. As previously mentioned this budget recommends a property tax rate of \$0.44 per \$100 valuation, a \$0.03 increase from the prior fiscal year. This increase will lessen the gap between actual total revenue levels and the inflated total revenue levels, discussed and presented earlier in the *Financial Summaries* section.

The City takes all of this information into consideration when generating revenue forecasts along with a basic methodology. This methodology involves the averaging of total revenue collections for the past three years. The Finance Officer conducts averaging for each revenue line item and then accounts for a wide variety of externalities before rendering a revenue estimate. Some other revenue forecasts are provided by the North Carolina League of Municipalities (NCLM). It is important to note that these are state-wide forecasts and local economic conditions may dictate deviations from these projections.

The table below details a summary of NCLM revenue projections:

NCLM Revenue Projections		
Revenue Source	Projected Change from FY12-13 to FY13-14	Projected Change from FY13-14 to FY14-15
Local Sales Tax	4.50%	3.75%
Powell Bill	N/A	<1%
Electricity Sales Tax	1.50%	3.00%
Telecommunications Sales Tax	-6.50%	-4.00%
Sales Tax on Piped Natural Gas	8.00%	0.00%
Transitional Hold Harmless	N/A	N/A
Solid Waste Disposal Tax	5.00%	2.00%
Local Video Programming Revenues	-1.00%	-1.00%
Beer & Wine Taxes	2.20%	1.75%



Financial Condition

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

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

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

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

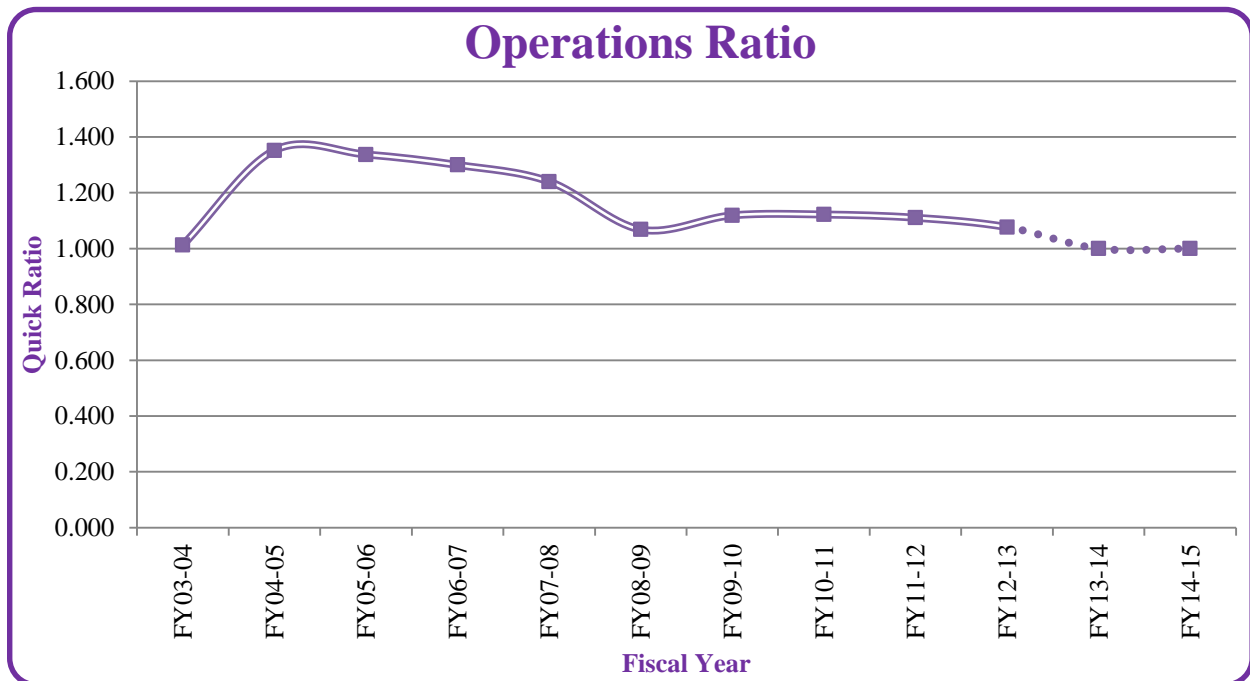
Hendersonville General Fund Fiscal Indicators						
Financial Dimension	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13
<i>Service Obligation</i>	1.06	1.03	1.03	1.07	1.04	1.03
<i>Dependency</i>	36.4%	35.9%	34.1%	33.2%	34.2%	34.8%
<i>Financing Obligation</i>	4.6%	4.9%	5.7%	5.6%	5.5%	5.3%
<i>Solvency</i>	53.6%	56.9%	56.2%	65.9%	51.6%	55.6%
<i>Leverage</i>	0.030%	0.031%	0.035%	0.034%	0.038%	0.037%



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:



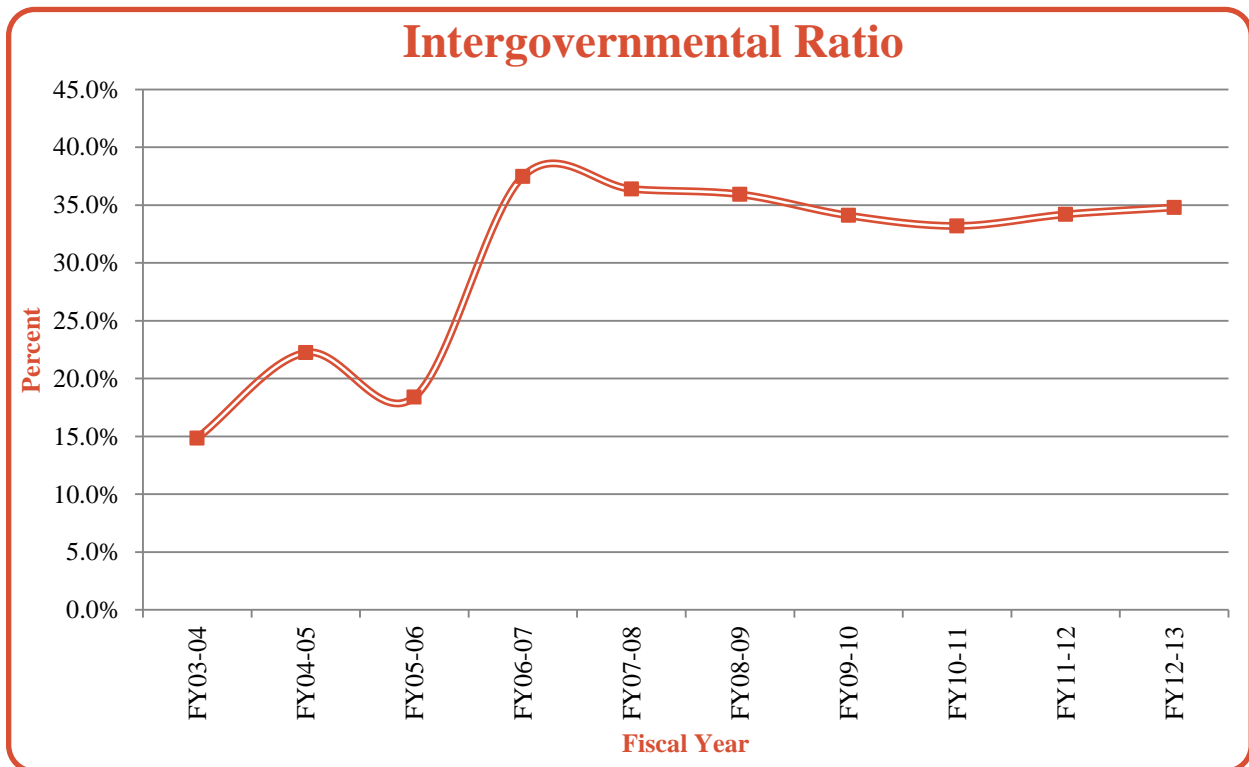
Over the past ten years the City of Hendersonville has utilized sound budget practices. A ratio of above 1.0 represents a surplus in actual revenues for the fiscal year. The City has maintained a ratio above 1.0 for the past ten years, even during the recession (FY08-09 = 1.03).



Dependency

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

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



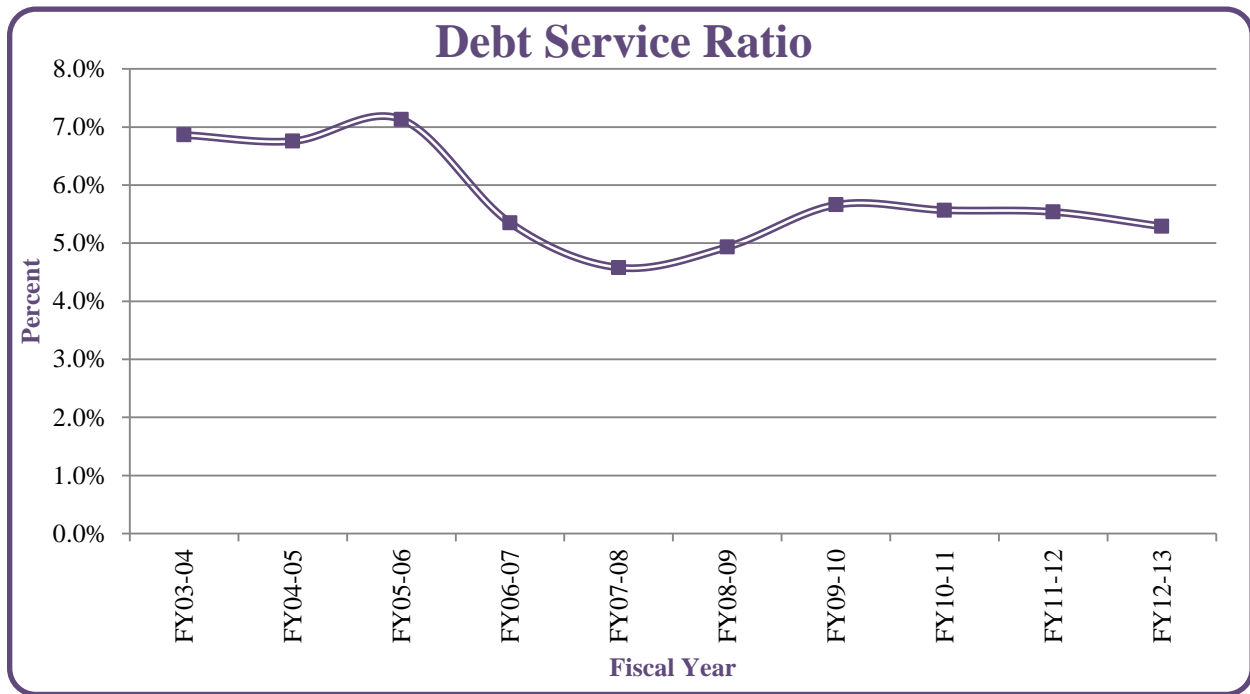
The City of Hendersonville’s intergovernmental ratio has seen increases in the past ten fiscal years. The dependency on intergovernmental revenue spiked in FY06-07 and has remained fairly steady since that fiscal year. It is important for the City to monitor this ratio in order to ensure the City is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



Financing Obligation

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

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



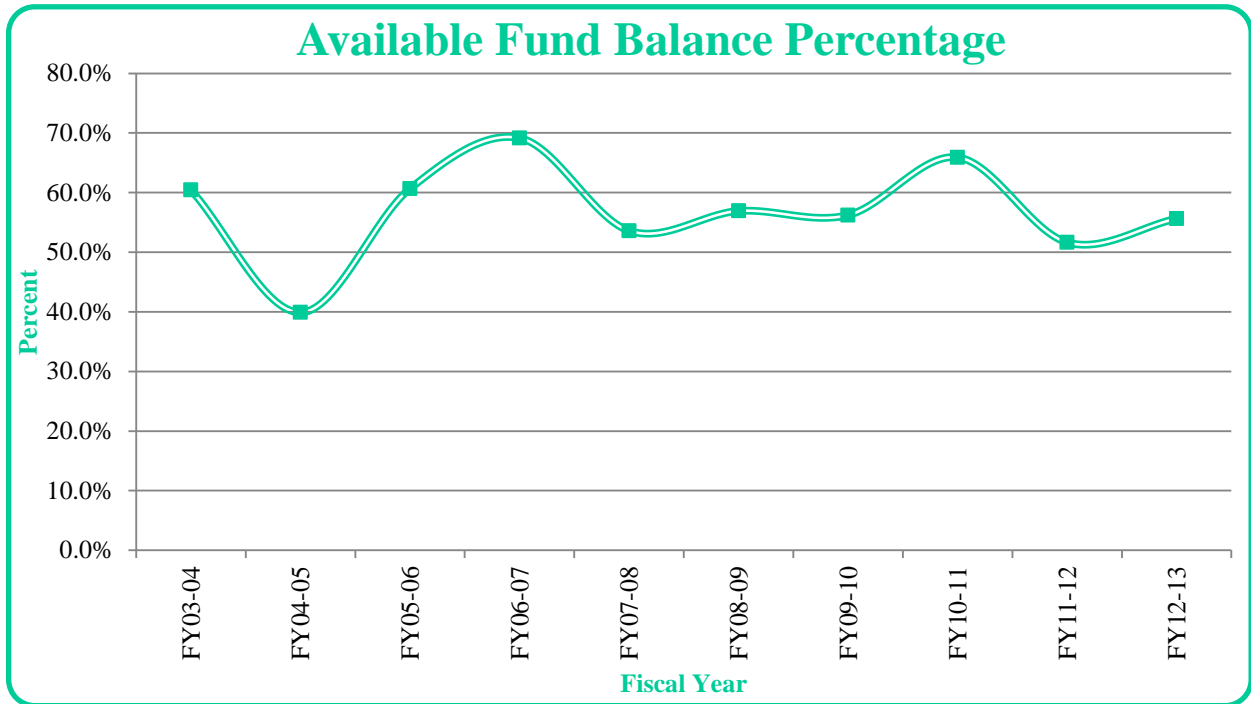
The City has maintained healthy debt service practices in the past ten fiscal years. The chart depicts their debt capacity dipping below the five percent (5%) mark in FY07-08 signifying the capacity for more debt financing. The following years experienced a conservative and manageable increase, close to six percent (6%). Following agency recommendations, the City of Hendersonville has capacity for further debt financing, as long as it remains below the fifteen percent (15%) level.



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



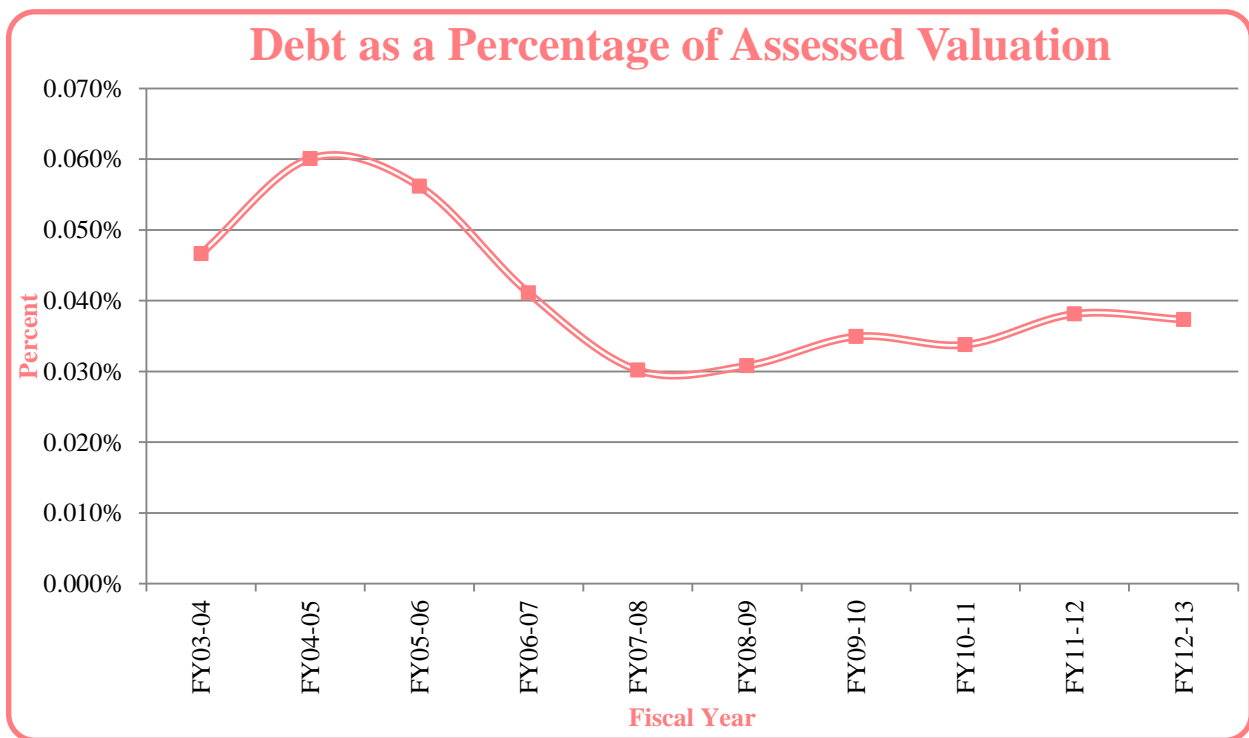
The City has maintained a steady stream of available fund balance (unassigned/unreserved). The City expects this percentage to drop in the coming years, but not too dramatically. Budget estimates expect an unassigned fund balance in anywhere from thirty-seven to forty-five percent for FY14-15.



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 has maintained a substantially low level of debt burden or debt as a percentage of assessed valuation. Just as the financing obligation dimension presented, the City has little strain from debt and maintains a comfortable level of debt financing.



The table below depicts the City of Hendersonville’s financial condition in comparison to municipal peers for FY12-13:

General Fund Financial Condition Comparison					
<i>Dimension</i>	Service Obligation	Dependency	Financing Obligation	Solvency	Leverage
<i>Indicator</i>	Operations Ratio	Intergovernmental Ratio	Debt Service Ratio	Available Fund Balance Percentage	Debt as a Percent of Assessed Value
Hendersonville	1.03	34.8%	5.3%	55.6%	0.037%
Peer 1	0.95	15.2%	8.6%	22.5%	0.092%
Peer 2	0.95	38.9%	3.5%	34.4%	0.043%
Peer 3	1.01	16.9%	3.6%	19.8%	0.036%

The table suggests that the City of Hendersonville’s financial practices are performing at an equivalent level or better than comparable municipalities. The City had the largest surplus in revenues for FY12-13. The City does rely on intergovernmental revenues more than the municipal average, 26.5%. Financing obligation remains equivalent to the municipal average at 5.3%. The City maintains a much higher reserve of available fund balance than its comparable municipalities. It also maintains one of the lowest debts as a percent of assessed value levels, bolstering the City’s ability to leverage debt financing.



Fund Balance

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

Purpose of Fund Balance

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

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

Issues Concerning Fund Balance

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

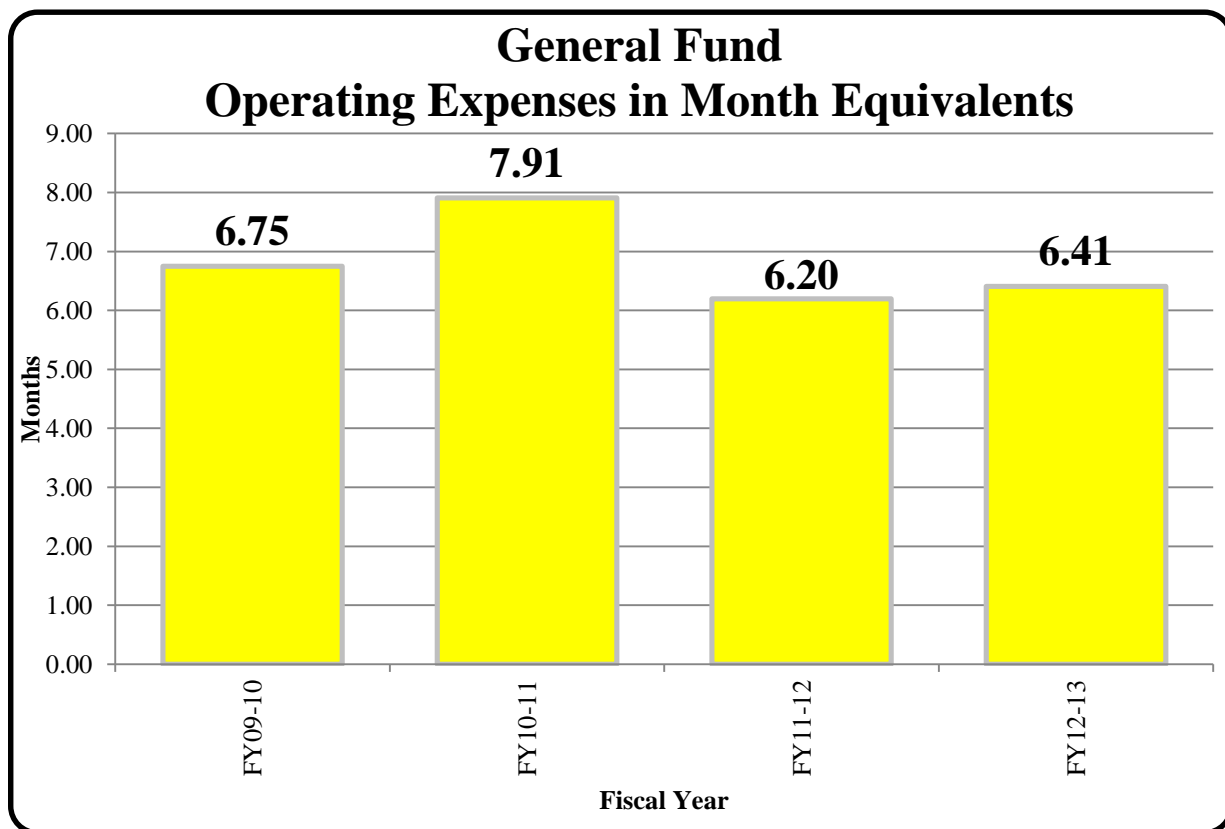
Amount of Fund Balance

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



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

General Fund				
	Actual FY09-10	Actual FY10-11	Actual FY11-12	Actual FY12-13
Unassigned Fund Balance	\$ 6,023,111	\$ 7,022,022	\$ 5,822,117	\$ 6,410,105
Percent Change	N/A	16.58%	-17.09%	10.10%
Percent Available	56.2%	65.9%	51.6%	53.4%
Months Equivalent	6.75	7.91	6.20	6.41

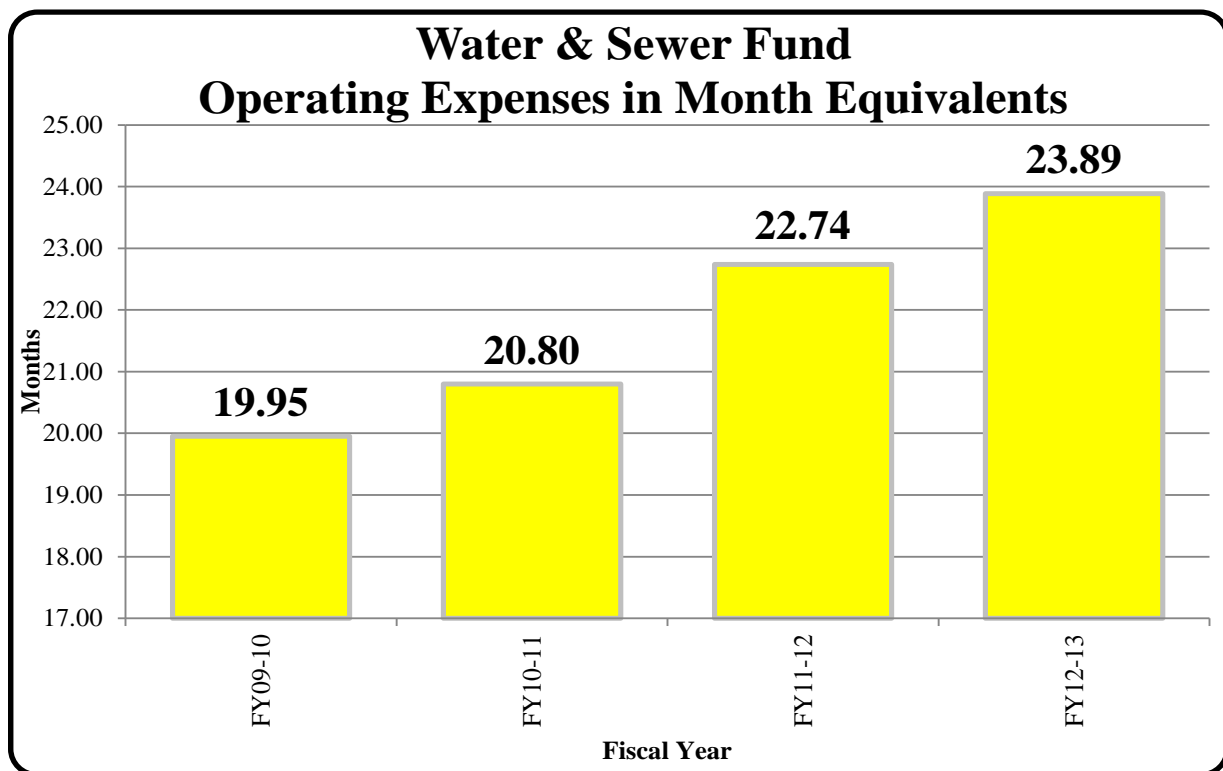


General Fund			
	Actual FY12-13	Estimated FY13-14	Recommended FY14-15
Beginning Fund Balance	\$ 8,369,120	\$ 8,921,295	\$ 8,721,295
Ending Fund Balance	\$ 8,921,295	\$ 8,721,295	\$ 7,598,995
Percent Change	6.60%	-2.24%	-12.87%



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

Water & Sewer Fund				
	Actual FY09-10	Actual FY10-11	Actual FY11-12	Actual FY12-13
Unassigned Fund Balance	\$ 18,110,681	\$ 19,127,968	\$ 21,813,206	\$ 23,563,047
Percent Change	N/A	5.62%	14.04%	8.02%
Percent Available	166.3%	173.3%	189.5%	199.0%
Months Equivalent	19.95	20.80	22.74	23.89

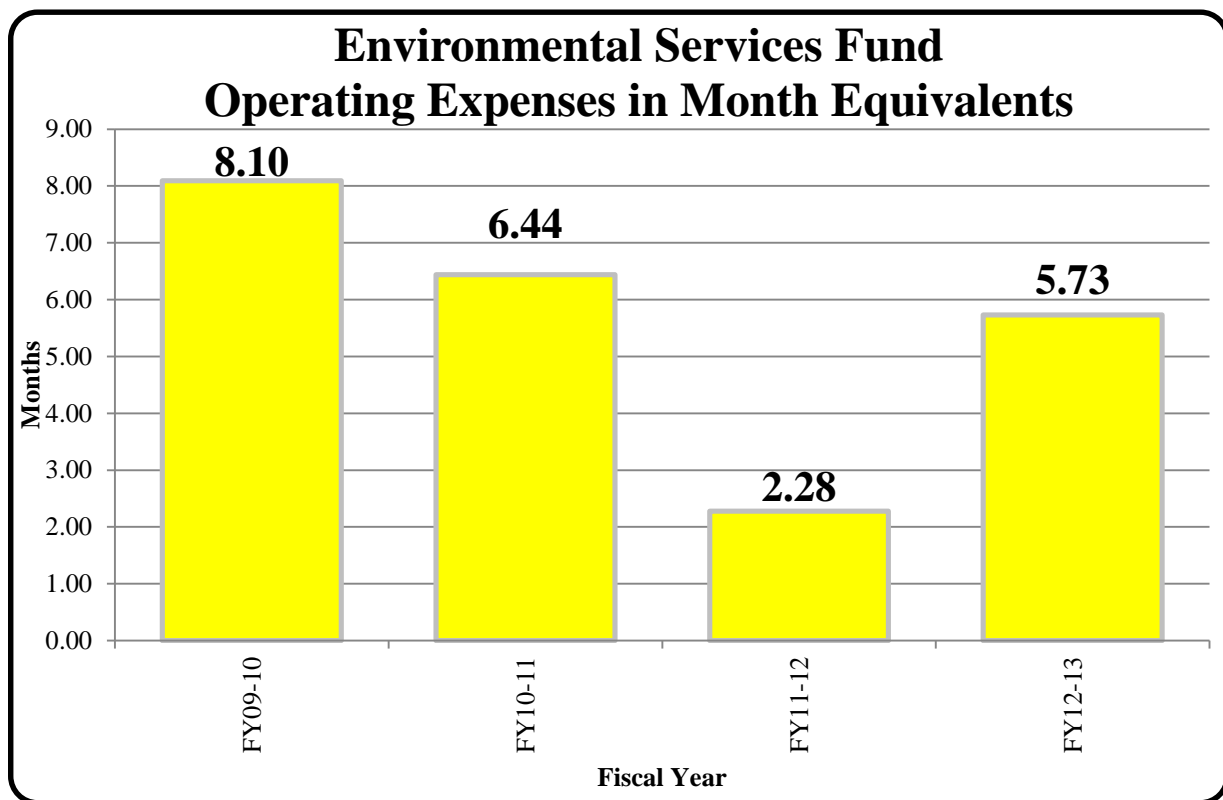


Water & Sewer Fund			
	Actual FY12-13	Estimated FY13-14	Recommended FY14-15
Beginning Fund Balance	\$ 21,813,206	\$ 23,563,047	\$ 23,328,079
Ending Fund Balance	\$ 23,563,047	\$ 23,328,079	\$ 20,520,079
Percent Change	8.02%	-1.00%	-12.04%



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

Environmental Services Fund				
	Actual FY09-10	Actual FY10-11	Actual FY11-12	Actual FY12-13
Unassigned Fund Balance	\$ 655,118	\$ 600,459	\$ 279,430	\$ 479,128
Percent Change	N/A	-8.34%	-53.46%	71.47%
Percent Available	67.5%	53.6%	19.0%	47.8%
Months Equivalent	8.10	6.44	2.28	5.73

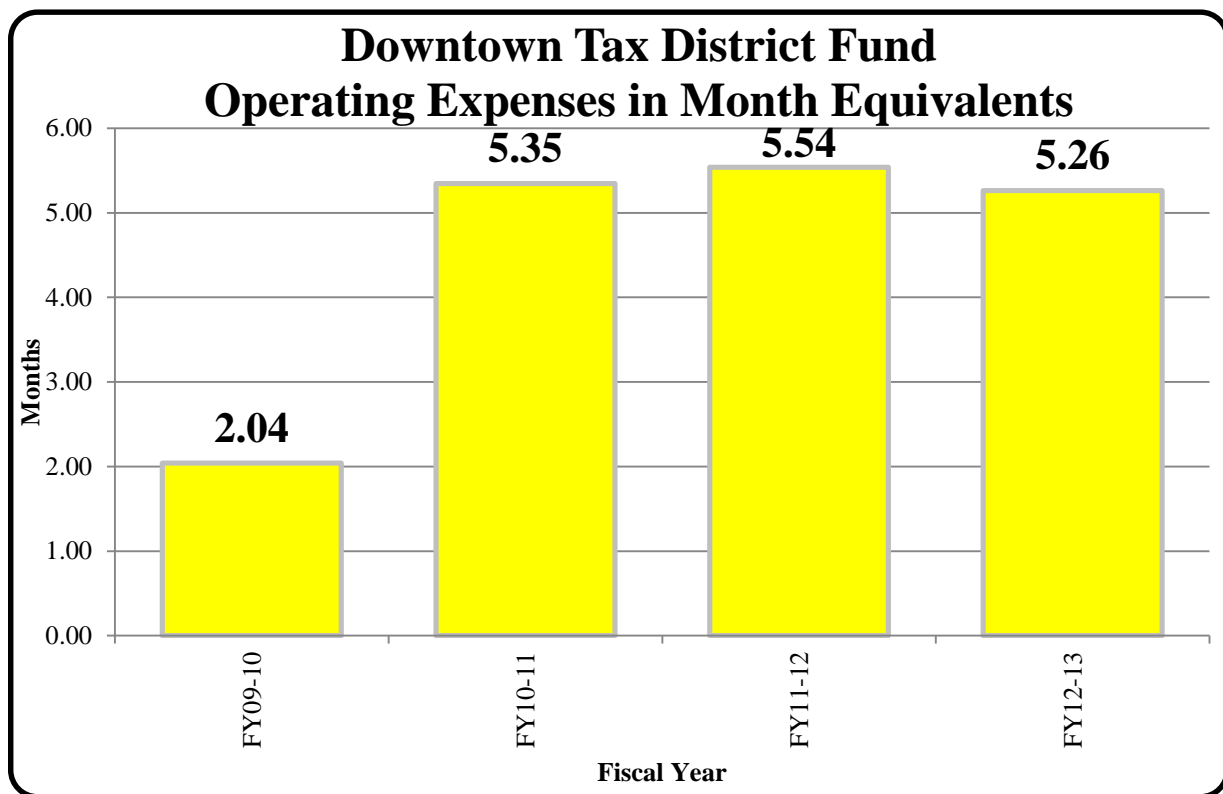


Environmental Services Fund			
	Actual FY12-13	Estimated FY13-14	Recommended FY14-15
Beginning Fund Balance	\$ 279,430	\$ 479,128	\$ 383,128
Ending Fund Balance	\$ 479,128	\$ 383,128	\$ 383,128
Percent Change	71.47%	-20.04%	0.00%



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

Downtown Tax District Fund				
	Actual FY09-10	Actual FY10-11	Actual FY11-12	Actual FY12-13
Unassigned Fund Balance	\$ 68,156	\$ 101,124	\$ 106,460	\$ 111,637
Percent Change	N/A	48.37%	5.28%	4.86%
Percent Available	17.0%	44.5%	46.2%	43.8%
Months Equivalent	2.04	5.35	5.54	5.26

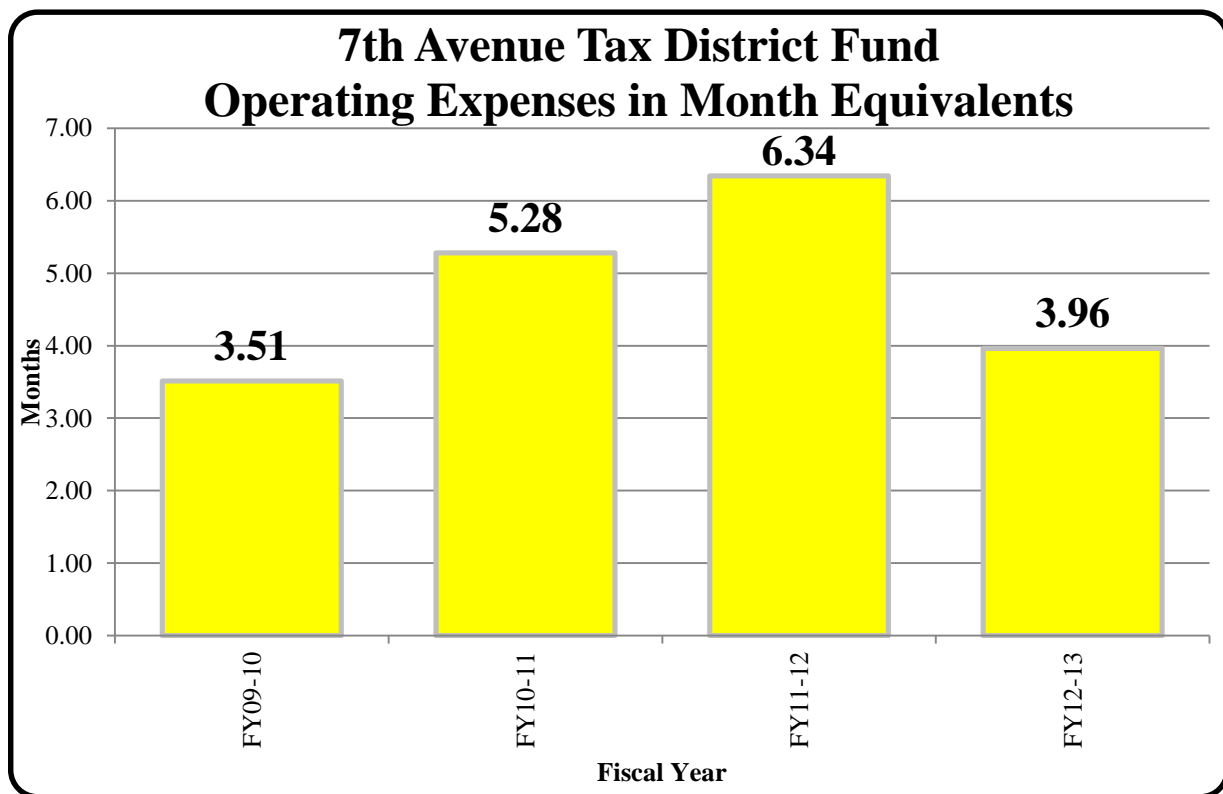


Downtown Tax District Fund			
	Actual FY12-13	Estimated FY13-14	Recommended FY14-15
Beginning Fund Balance	\$ 106,460	\$ 111,637	\$ 103,837
Ending Fund Balance	\$ 111,637	\$ 103,837	\$ 57,837
Percent Change	4.86%	-6.99%	-44.30%



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

7th Avenue Tax District Fund				
	Actual FY09-10	Actual FY10-11	Actual FY11-12	Actual FY12-13
Unassigned Fund Balance	\$ 15,376	\$ 15,740	\$ 18,382	\$ 17,860
Percent Change	N/A	2.37%	16.79%	-2.84%
Percent Available	29.3%	44.0%	52.9%	33.0%
Months Equivalent	3.51	5.28	6.34	3.96



7th Avenue Tax District Fund			
	Actual FY12-13	Estimated FY13-14	Recommended FY14-15
Beginning Fund Balance	\$ 18,382	\$ 17,860	\$ 6,420
Ending Fund Balance	\$ 17,860	\$ 6,420	\$ 6,420
Percent Change	-2.84%	-64.05%	0.00%



Fund Balance Highlights

Major changes in fund balance are expected to occur in the General Fund, Water and Sewer Fund, Environmental Services Fund, Downtown District Fund, and 7th Avenue Tax District Fund. Significant changes are any increases or decreases in beginning and ending fund balance greater than ten percent (10%). The General Fund's fund balance is projected to decrease by 12.87% from July 1st, 2014 to June 30th, 2015. This appropriation is expected to help pay for the Wingate University land purchase. The City, County, Pardee Memorial Hospital, Wingate University, and Blue Ridge Community College have partnered together to create an education, research, and office facility on land adjacent to the Pardee Memorial Hospital. The Water and Sewer Fund's fund balance is expected to decrease by 12.04% from July 1st, 2014 to June 30th, 2015. The fund balance for the Water and Sewer Fund has been substantially large and the City is making an active effort to utilize this surplus to pay for infrastructure improvements. The Environmental Services Fund has not been self-sustaining and has required appropriations from fund balance to balance its revenues and expenditures. An increase in service fees is expected to combat this trend. The fund balance for the Downtown Tax District fund is projected to decrease by 44.3% from July 1st, 2014 to June 30th, 2015. This decrease is attributable to new accounting methods. The Fund is expecting to account for functions that had been accounted for separately until this year. This large appropriation is precautionary and the large decrease is uncertain at this time. The Historic 7th Avenue Tax District's fund balance is estimated to have decrease by 64.05% in FY13-14. This decrease equate to approximately \$11,000 that was used to pay for a study completed by the University of North Carolina School of Government (UNC SOG). The study evaluated the 7th Avenue Tax District and presented findings in the June 2014 Council Meeting.



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 \$131,258,015 (1,640,725,190*0.08) for Hendersonville as of FY13-14.

Types of Debt Financing

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

General Obligation Bonds

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

Revenue Bonds

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

Installment Purchase Agreements

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

Certificates of Participation

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



local governments can use the revenue from the entire unit to pay off the debt and are not limited to using revenue only produced by the financed project. COPs are typically financed for ten- to twenty-year terms. This type of financing should be considered for revenue-generating projects.

Tax Increment Financing Bonds

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

Bond Anticipation Notes

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

Clean Water State Revolving Fund (CWSRF)

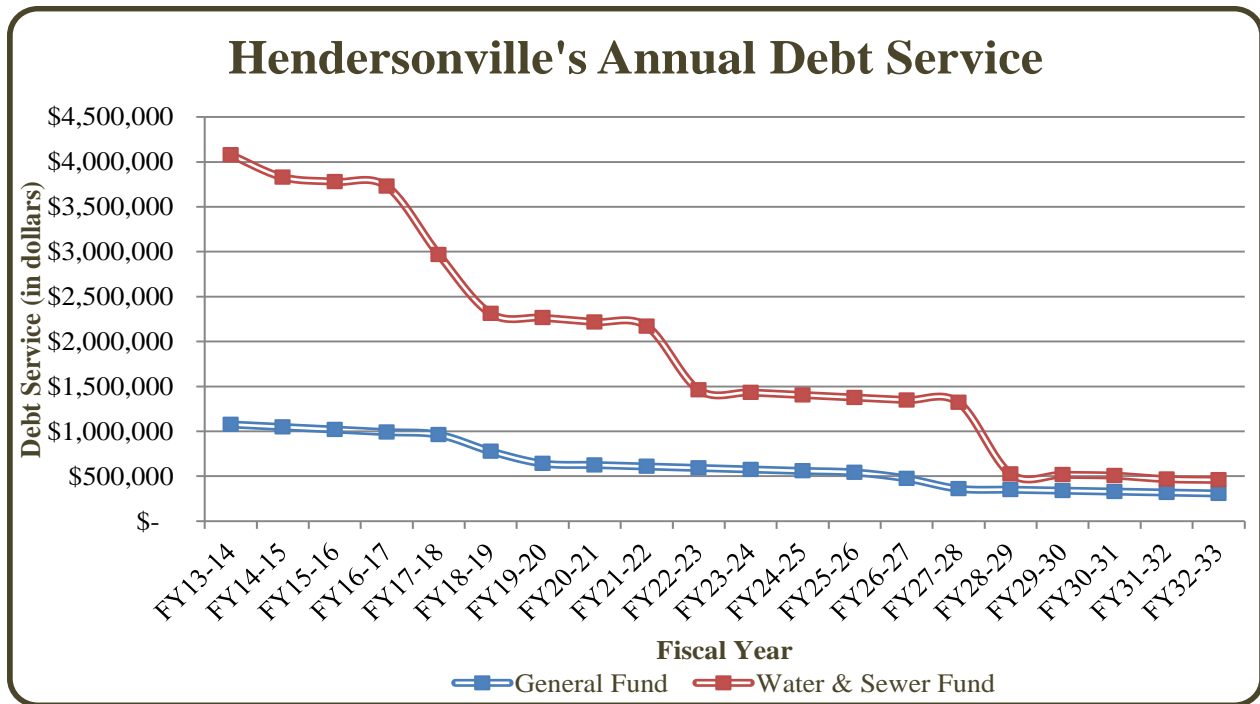
The 1987 amendments to the Federal Clean Water Act replaced the Construction Grants program with the Clean Water State Revolving Fund Program (CWSRF). Under the CWSRF, Congress provides the states with grant funds to establish revolving loan programs to assist in the funding of wastewater treatment facilities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

Hendersonville's Debt Obligation

As of June 30, 2013, the City of Hendersonville's total notes payable was \$30,786,986. Approximately \$7.2 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. FY14-15 includes a transfer from the General Fund of \$274,580 to pay for the principal and interest due on the 1995 City Hall Renovation project. The City is financing no new or additional debt projects for this coming fiscal year.



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



Hendersonville Debt Obligation

General Fund

<i>Project</i>	<i>Finance Type</i>	<i>Outstanding Principal</i>	<i>Interest</i>	<i>End Date</i>	<i>FY14-15 Debt Service</i>
1998 Sidewalk Bonds	General Obligation	\$ 450,000	4.75%	5/1/2018	108,000
City Hall Renovation	Bank Loan	\$ 1,283,417	4.10%	10/14/2018	274,580
2008 Sidewalk Bonds	General Obligation	\$ 1,800,000	4.30%	3/1/2027	169,100
Main St., Fire Station/Engine	Bank Loan	\$ 6,000,000	4.10%	4/1/2033	496,313

Water & Sewer Fund

<i>Project</i>	<i>Finance Type</i>	<i>Outstanding Principal</i>	<i>Interest</i>	<i>End Date</i>	<i>FY14-15 Debt Service</i>
WTP Renovation	Bank Loan	\$ 4,979,578	4.75%	9/19/2017	1,217,241
Sewer Lines	State Revolving Loan	\$ 403,520	3.43%	5/1/2017	114,721
WWTP Project	State Revolving Loan	\$ 5,962,500	2.91%	10/31/2022	835,588
Bright Water Project	State Revolving Loan	\$ 514,602	2.91%	6/1/2031	41,351
AMR Project	Bank Loan	\$ 11,643,450	2.58%	7/1/2027	1,239,977
Jackson Park Sewer	State Revolving Loan	\$ 4,340,600	2.00%	10/14/2033	303,842
Wolfpen	State Revolving Loan	\$ 3,000,000	2.00%	10/14/2033	210,000
Shephard/Atkinson	State Revolving Loan	\$ 1,650,000	2.00%	10/14/2033	115,500



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General Fund Summary

The General Fund is the largest and most important of the governmental funds. It is the primary operating fund and the most important in terms of the operating budget. It is “general” because any transaction that cannot be accounted for in another fund must be recorded in the General Fund. In most cases, governments will refer to the general fund in their budget and financial reports, although there are some exceptions. Other governmental funds are special revenue funds, debt service funds, capital project funds, and permanent funds.

Ad valorem taxes encompass the largest portion of the General Fund revenues. These are the most controllable revenues in the City budget. This year City Council approved a \$0.03 increase on the tax rate, bringing the total property tax rate to \$0.44. This increase is expected to be 7.84% higher than last year’s, FY13-14, budgeted ad valorem tax revenues. The City expects other revenue sources to rise, totaling close to an 8% increase in total General Fund revenues, or \$13,906,346.

Trends in General Fund revenues have been steady. However, when evaluating a fund it is best practice to be aware of inflation and its effects on that particular fund. The Consumer Price Index (CPI) is a system, presented as an index, which provides the effects of inflation on the market overtime. This budget took the CPI index and converted their index to 100 or 0% inflation for the first year of the intended comparison. Then, the City’s revenues were adjusted for inflation and converted to an index, beginning respectively at 100 or 0%. The results, presented in charts throughout this document, demonstrate that the City’s General Fund revenues have not kept pace with market inflation.

General Fund expenditures have experienced some changes since FY13-14. The General Government and Transportation functions have seen significant growth, 45.72% and 24.49% respectively. The Public Safety function still remains as the largest expenditure and City priority making up 46.5% of all General Fund expenditures. The line-items within the General Government function that saw growth were the *Administration*, \$740,895 or 324%, *Finance*, \$121,293 or 35%, and *Public Works-Building Maintenance*, \$86,645 or 20%, line items. The increase in the *Administration* line item is attributable to the collaborative funding of the Wingate project and the movement of a part-time 7th Avenue employee to a part-time Public Information Officer (PIO) position in the Administration Department. The increase in the *Finance* line item is attributable to the reallocation of salaries to the Water and Sewer Fund. The increase in the *Public Works-Building Maintenance* line item is attributable to capital projects like the Sullivan Park improvements. The Transportation function also saw increases totaling \$457,589. This increase is attributable to contributions to street repairs and line items that were not presented accurately in previous years.



This section of the document also details the type of expenditures in the General Fund. Type refers to personnel and benefits, operating and materials, capital, and debt service. Each line item falls into one of the aforementioned categories. For example, *Board Member Wages* and *Worker's Comp* fall under the Personnel/Benefits category, *Office Supplies* and *Contracted Services* fall under the Operating/Materials category, all capital purchases fall under Capital, and all line items financed by debt fall under Debt Service. Personnel/Benefits encompass the largest portion of the General Fund budget at 58%. This is an 8.25% decrease from FY13-14. Operating/Materials and Capital types have both increased, \$878,658 and \$919,324 respectively.

General Fund expenditure trends have been similar to revenue trends. Again, the Consumer Price Index (CPI) was utilized to realize effective expenditures for the General Fund. The graphs depict a similar situation as the General Fund revenues, however not as severe. The City is effectively spending a level equivalent to its FY06-07 spending levels.



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

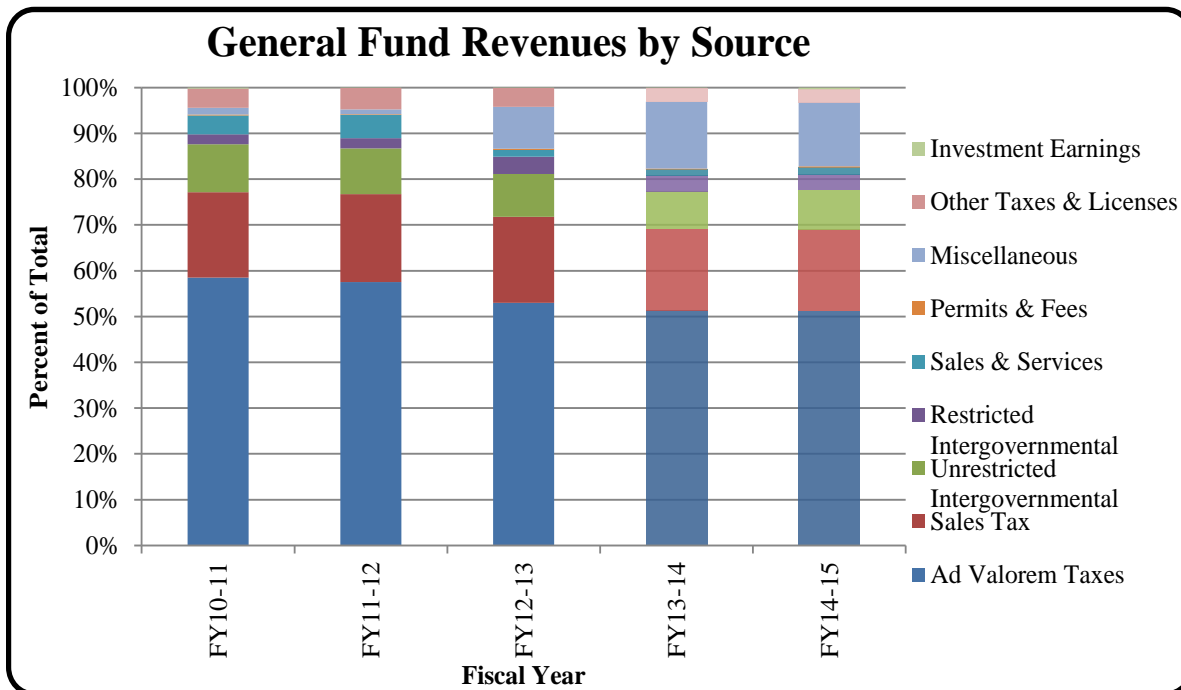
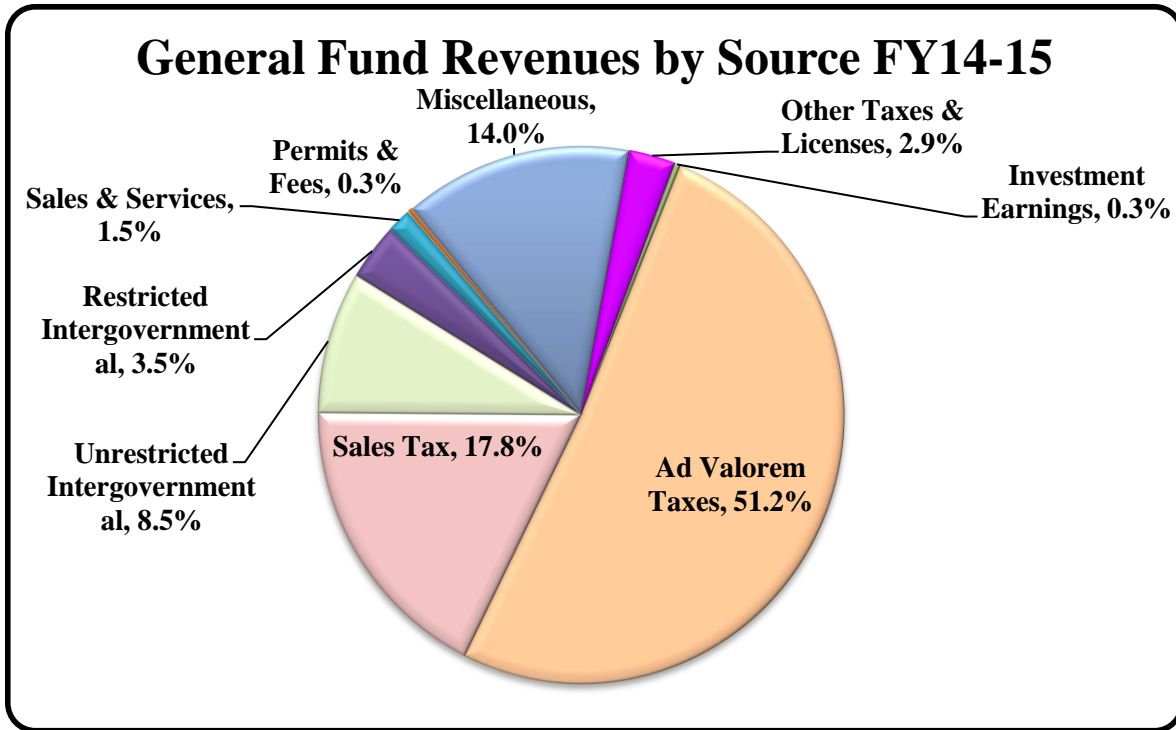
The following tables and chart detail the General Fund revenues by source:

General Fund Revenues by Source					
Source	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Ad Valorem Taxes</i>	\$ 6,786,121	\$ 6,604,000	\$ 6,875,152	\$ 7,121,600	7.84%
<i>Sales Tax</i>	\$ 2,404,610	\$ 2,300,000	\$ 2,300,000	\$ 2,476,000	7.65%
<i>Unrestricted Intergovernmental</i>	\$ 1,195,777	\$ 1,043,000	\$ 1,057,943	\$ 1,188,576	13.96%
<i>Restricted Intergovernmental</i>	\$ 476,781	\$ 452,040	\$ 462,490	\$ 481,119	6.43%
<i>Sales & Services</i>	\$ 191,403	\$ 171,050	\$ 223,629	\$ 204,692	19.67%
<i>Permits & Fees</i>	\$ 37,481	\$ 32,350	\$ 32,767	\$ 38,790	19.91%
<i>Miscellaneous</i>	\$ 1,165,504	\$ 1,876,324	\$ 691,870	\$ 1,951,166	3.99%
<i>Other Taxes & Licenses</i>	\$ 531,600	\$ 388,700	\$ 520,389	\$ 397,680	2.31%
<i>Investment Earnings</i>	\$ 9,987	\$ 9,000	\$ 9,000	\$ 46,722	419.14%
Total	\$ 12,799,264	\$ 12,876,464	\$ 12,173,240	\$ 13,906,346	8.00%

Ad valorem taxes are paid on real and personal property located within the Hendersonville city limits. Taxes for real and personal property are levied based upon the preceding January 1st valuations of the property and the tax rate established by the City Council. Henderson County reevaluates real and personal property every eight years, the last one occurring in 2006. The City of Hendersonville collects its own taxes, with an average collection rate of 97.42% over the past ten fiscal years. Ad valorem taxes typically comprise approximately one-third of all General Fund revenues with an estimated \$7,121,600 in FY14-15 at a tax rate of \$0.44.



The following charts detail General Fund revenues by source:





Revenues by Line Item

General Fund Revenues by Line Item						
	Actual FY12-13	Budgeted FY13-14	Estimated FY13-14	Recommended FY14-15	Dollar Change	Percent Change
General Fund						
<i>Ad Valorem Taxes</i>						
Tax - Interest	\$ 26,592	\$ 10,000	\$ 36,070	\$ 24,000	\$ 14,000	140.00%
Ad Val Tax - Mtr Vehs	\$ 321,716	\$ 325,000	\$ 510,933	\$ 375,000	\$ 50,000	15.38%
Prior Years Ad Val Tax	\$ 181,839	\$ 39,000	\$ 46	\$ 107,200	\$ 68,200	-98.28%
Current Year Ad Val Tax	\$ 6,255,974	\$ 6,230,000	\$ 6,328,102	\$ 6,615,400	\$ 385,400	0.17%
Sub-Total Ad Valorem Taxes	\$ 6,786,121	\$ 6,604,000	\$ 6,875,152	\$ 7,121,600	\$ 517,600	7.84%
<i>Sales Tax</i>						
Local Sales & Use Tax	\$ 2,404,610	\$ 2,300,000	\$ 2,300,000	\$ 2,476,000	\$ 176,000	7.65%
Sub-Total Sales Tax	\$ 2,404,610	\$ 2,300,000	\$ 2,300,000	\$ 2,476,000	\$ 176,000	7.65%
<i>Unrestricted Intergovernmental</i>						
Pay In Lieu Of TX-HHA	\$ 13,303	\$ 13,000	\$ 13,303	\$ 14,276	\$ 1,276	9.82%
Beer & Wine Excise Tax	\$ 53,610	\$ 50,000	\$ 58,152	\$ 53,500	\$ 3,500	7.00%
Utility Franchise Tax	\$ 622,803	\$ 550,000	\$ 550,000	\$ 625,000	\$ 75,000	13.64%
Telecom Sales Tax	\$ 307,441	\$ 250,000	\$ 250,000	\$ 295,000	\$ 45,000	18.00%
Video Program Fees	\$ 117,791	\$ 100,000	\$ 100,000	\$ 120,000	\$ 20,000	20.00%
ABC Revenues	\$ 75,000	\$ 75,000	\$ 80,000	\$ 75,000	\$ -	0.00%
Court Fees - Police	\$ 5,829	\$ 5,000	\$ 6,488	\$ 5,800	\$ 800	16.00%
Sub-Total Unrestricted Intergovernmental	\$ 1,195,777	\$ 1,043,000	\$ 1,057,943	\$ 1,188,576	\$ 145,576	13.96%
<i>Restricted Intergovernmental</i>						
Powell Bill Revenue	\$ 377,115	\$ 366,200	\$ 381,650	\$ 383,280	\$ 17,080	4.66%
Drug Forfeitures	\$ 21,828	\$ 5,000	\$ -	\$ 20,000	\$ 15,000	300.00%
ABC Law Enforcement	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ -	0.00%
SRO Reimbursement	\$ 37,838	\$ 40,840	\$ 40,840	\$ 37,839	\$ (3,001)	-7.35%
Sub-Total Restricted Intergovernmental	\$ 476,781	\$ 452,040	\$ 462,490	\$ 481,119	\$ 29,079	6.43%
<i>Sales & Services</i>						
Resale Items	\$ 59	\$ 100	\$ 8	\$ 42	\$ (58)	-57.60%
Monthly Parking Revenue	\$ 33,142	\$ 34,000	\$ 38,658	\$ 34,000	\$ -	0.00%
Parking Meter Revenue	\$ 41,900	\$ 40,000	\$ 65,000	\$ 55,000	\$ 15,000	37.50%
Cemetery Lot Revenue	\$ 5,500	\$ 9,000	\$ 16,000	\$ 5,700	\$ (3,300)	-36.67%
Alarm Fees	\$ 2,225	\$ 1,950	\$ 1,250	\$ 1,950	\$ -	0.00%
Patton Park Pool	\$ 84,691	\$ 70,000	\$ 77,391	\$ 84,000	\$ 14,000	20.00%
Patton Pool Concessions	\$ 23,886	\$ 16,000	\$ 25,322	\$ 24,000	\$ 8,000	50.00%
Sub-Total Sales & Services	\$ 191,403	\$ 171,050	\$ 223,629	\$ 204,692	\$ 33,642	19.67%
<i>Permits & Fees</i>						
Parking Permits	\$ 735	\$ 250	\$ 995	\$ 700	\$ 450	180.00%
Special Permits Precious Metals	\$ 2,257	\$ 1,000	\$ 1,748	\$ 2,000	\$ 1,000	100.00%
Stormwater Permits	\$ 2,067	\$ 1,000	\$ 849	\$ 1,150	\$ 150	15.00%
Fire Permits	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	
Zoning Permits	\$ 15,740	\$ 14,000	\$ 14,050	\$ 13,500	\$ (500)	-3.57%
Vendor Permits	\$ 16,385	\$ 16,000	\$ 15,125	\$ 16,390	\$ 390	2.44%
Zoning Citations	\$ 297	\$ 100	\$ -	\$ 50	\$ (50)	-50.00%
Sub-Total Permits & Fees	\$ 37,481	\$ 32,350	\$ 32,767	\$ 38,790	\$ 6,440	19.91%



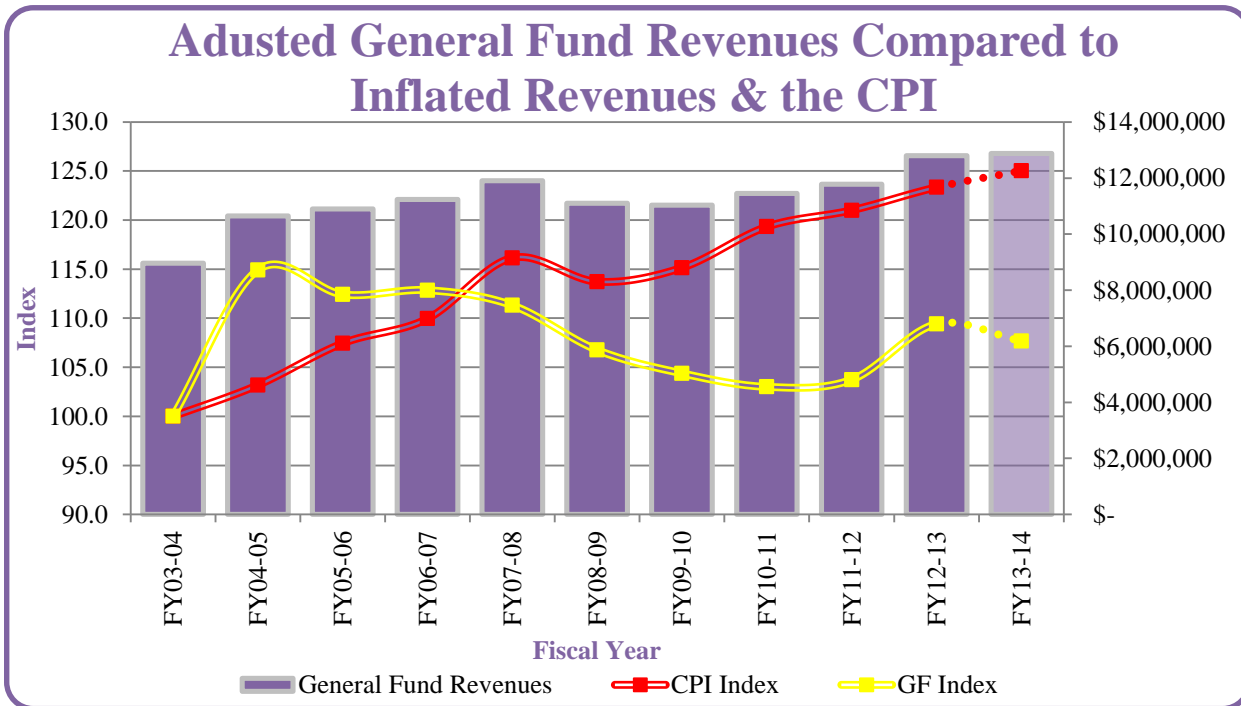
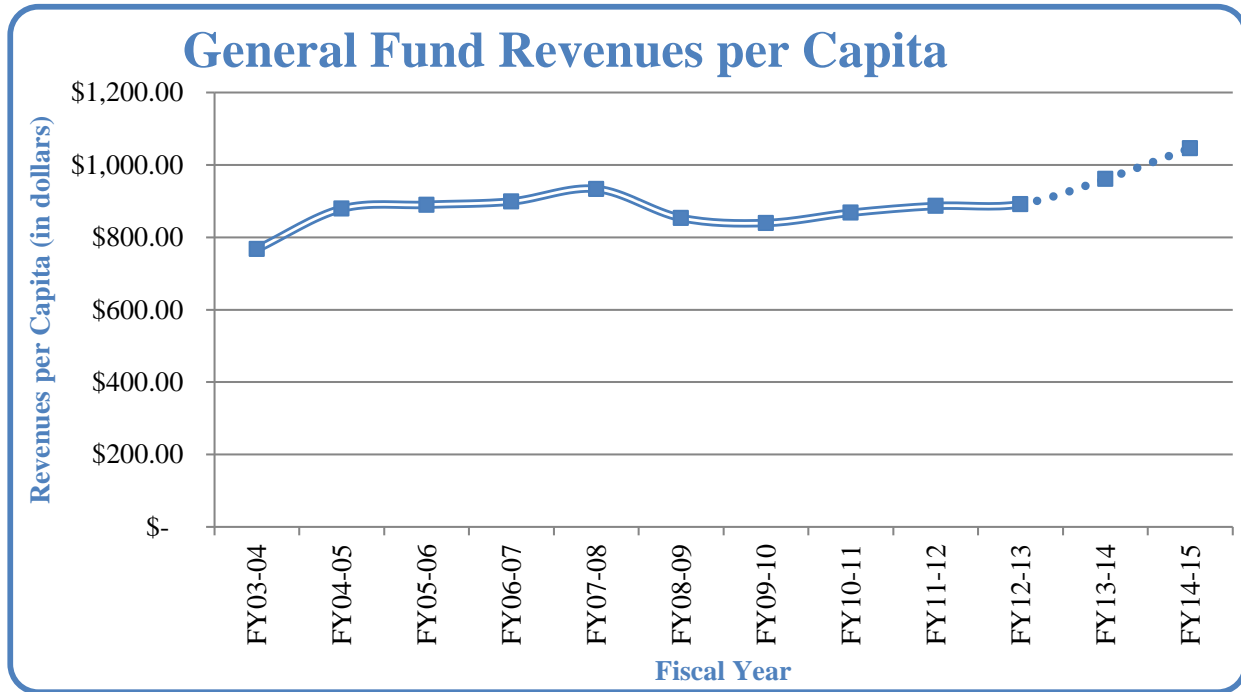
General Fund – FY 2015

General Fund Revenues by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
<i>Miscellaneous</i>					\$ -	
Police 911 Secondary	\$ -	\$ -	\$ -	\$ 44,625	\$ 44,625	
DEA Bullet Proof Vest	\$ -	\$ -	\$ 4,260	\$ 3,841	\$ 3,841	
Pay In Lieu Of - S/WLKS	\$ -	\$ -	\$ 5,770	\$ -	\$ -	
Spec Proj Fees - Plan	\$ 13,212	\$ 8,000	\$ 16,542	\$ 12,000	\$ 4,000	50.00%
Cond Use Fees - Zone	\$ 1,870	\$ 500	\$ 1,515	\$ 700	\$ 200	40.00%
Street Sidewalk Encroa	\$ -	\$ -	\$ 190	\$ -	\$ -	
Boyd PK Golf Revenue	\$ 16,543	\$ 11,000	\$ 18,552	\$ 15,000	\$ 4,000	36.36%
Boyd PK Concessions	\$ 992	\$ 1,000	\$ 1,278	\$ 1,000	\$ -	0.00%
Facility Rent Income	\$ 33,680	\$ 26,000	\$ 39,980	\$ 33,000	\$ 7,000	26.92%
Int Income - Powell Bill	\$ 202	\$ 100	\$ 21	\$ 20	\$ (80)	-80.00%
Misc Revenue - Public Works	\$ -	\$ -	\$ 14,519	\$ -	\$ -	
Parking Violations	\$ 47,771	\$ 25,000	\$ 43,654	\$ 42,000	\$ 17,000	68.00%
Parking Violations - Pen	\$ 14,037	\$ 6,000	\$ 15,920	\$ 14,000	\$ 8,000	133.33%
Special Activities	\$ 1,556	\$ 1,000	\$ 525	\$ 1,500	\$ 500	50.00%
Sale Of Fixed Assets	\$ 15,540	\$ 500	\$ 13,993	\$ 10,000	\$ 9,500	1900.00%
Rental Income	\$ 2,800	\$ 1,000	\$ -	\$ -	\$ (1,000)	-100.00%
Discounts Earned	\$ 929	\$ 500	\$ 25,000	\$ 10,900	\$ 10,400	2080.00%
Miscellaneous Income	\$ 5,735	\$ 500	\$ 1,840	\$ 8,200	\$ 7,700	1540.00%
Insurance Settlements	\$ 16,668	\$ 15,000	\$ 38,897	\$ 15,000	\$ -	0.00%
Oper Tran FR D/T Fund	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	0.00%
Proceeds Of Debt	\$ 600,000	\$ -	\$ -	\$ 242,500	\$ 242,500	
Fund Balance Approp	\$ -	\$ 1,395,964	\$ 200,000	\$ 1,122,300	\$ (273,664)	-19.60%
Oper Tran FR C/R Fund	\$ 293,970	\$ 284,260	\$ 284,260	\$ 274,580	\$ (9,680)	-3.41%
Prior Period Adjustment	\$ -	\$ -	\$ 65,155	\$ -	\$ -	
Sub-Total Miscellaneous	\$ 1,165,504	\$ 1,876,324	\$ 891,870	\$ 1,951,166	\$ 74,842	3.99%
<i>Other Taxes & Licenses</i>					\$ -	
Rental Vehicle Tax	\$ 9,825	\$ 9,000	\$ 12,998	\$ 10,500	\$ 1,500	16.67%
Beer & Wine Licenses	\$ 2,480	\$ 2,000	\$ 2,535	\$ 2,180	\$ 180	9.00%
Priv Lics - Gross Rec	\$ 519,295	\$ 377,700	\$ 504,856	\$ 385,000	\$ 7,300	1.93%
Sub-Total Other Taxes & Licenses	\$ 531,600	\$ 388,700	\$ 520,389	\$ 397,680	\$ 8,980	2.31%
<i>Investment Earnings</i>					\$ -	
Interest Income	\$ 9,987	\$ 9,000	\$ 9,000	\$ 46,722	\$ 37,722	419.14%
Sub-Total Investment Earnings	\$ 9,987	\$ 9,000	\$ 9,000	\$ 46,722	\$ 37,722	419.14%
Total Revenues	\$ 12,799,264	\$ 12,876,464	\$ 12,373,240	\$ 13,906,346	\$ 1,029,882	8.00%



Revenue Trends

The following charts display General Fund revenue trends:



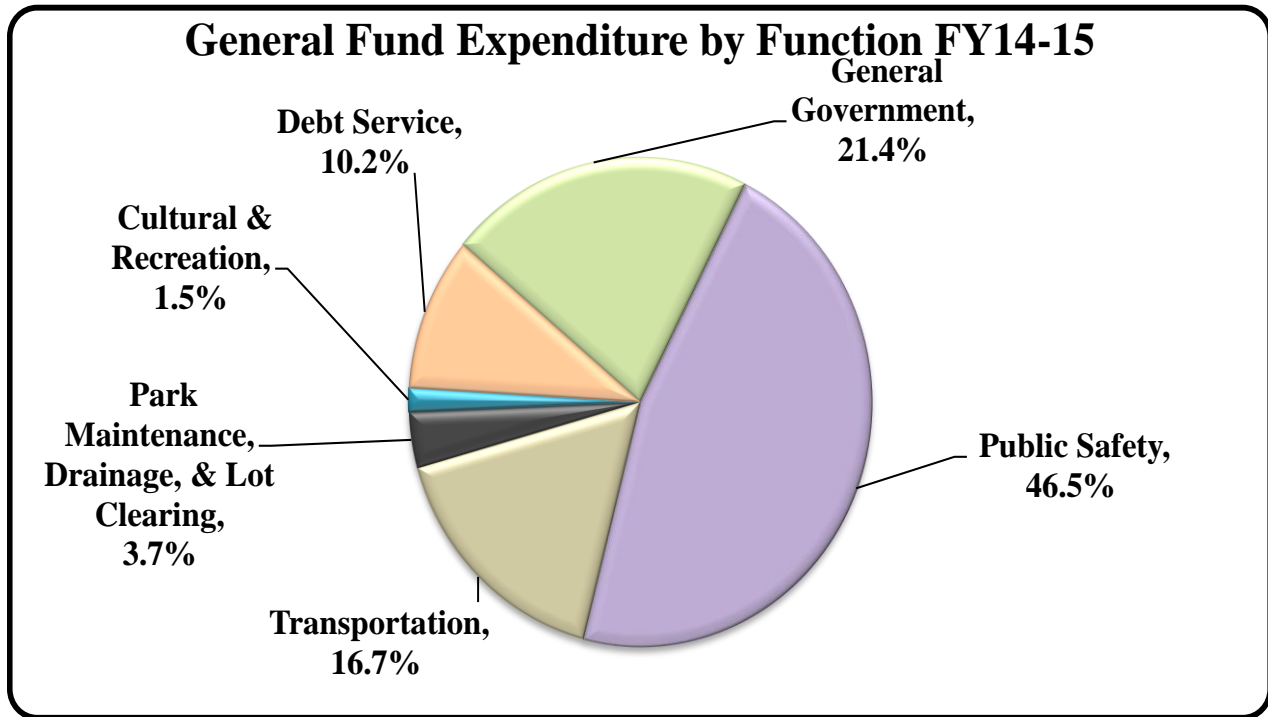


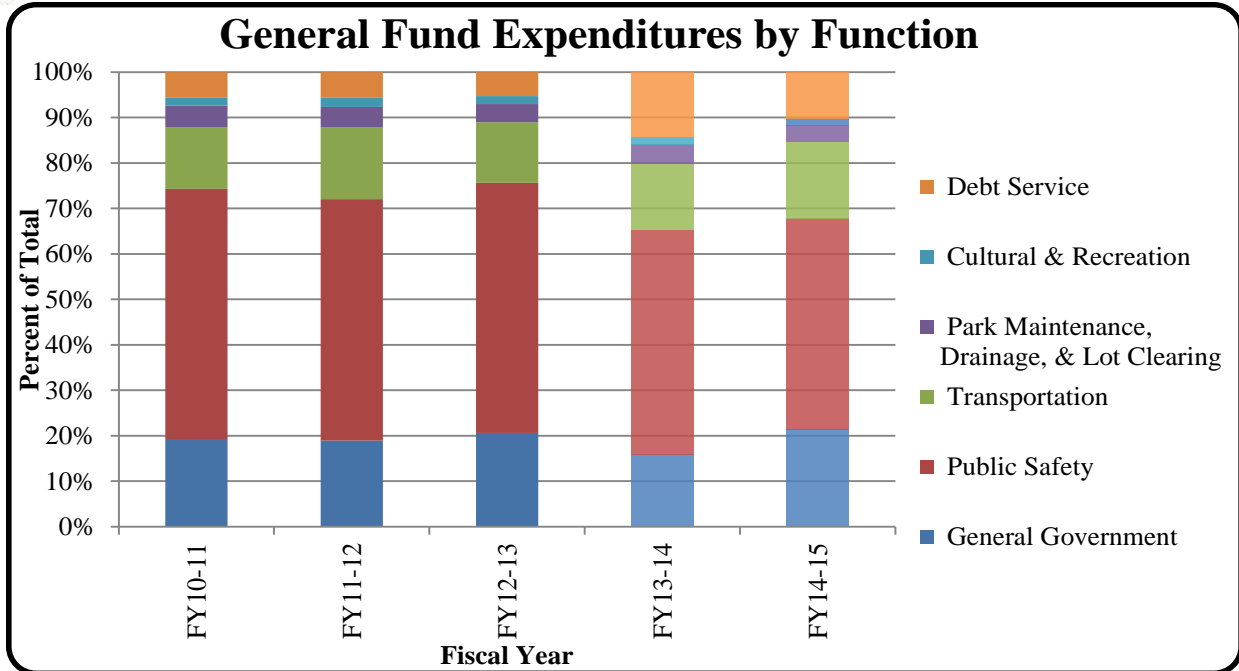
Expenditures

Expenditures by Function

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

General Fund Expenditures by Function					
Source	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>General Government</i>	\$ 2,374,229	\$ 2,041,727	\$ 1,905,682	\$ 2,975,153	45.72%
<i>Public Safety</i>	\$ 6,341,368	\$ 6,372,750	\$ 6,051,878	\$ 6,460,812	1.38%
<i>Transportation</i>	\$ 1,529,982	\$ 1,868,189	\$ 2,109,568	\$ 2,325,778	24.49%
<i>Park Maintenance, Drainage, & Lot Clearing</i>	\$ 463,889	\$ 536,110	\$ 536,880	\$ 512,547	-4.40%
<i>Cultural & Recreation</i>	\$ 200,928	\$ 221,980	\$ 186,849	\$ 215,188	-3.06%
<i>Debt Service</i>	\$ 609,202	\$ 1,835,708	\$ 1,805,580	\$ 1,416,868	-22.82%
Total	\$ 11,519,598	\$ 12,876,464	\$ 12,596,437	\$ 13,906,346	8.00%







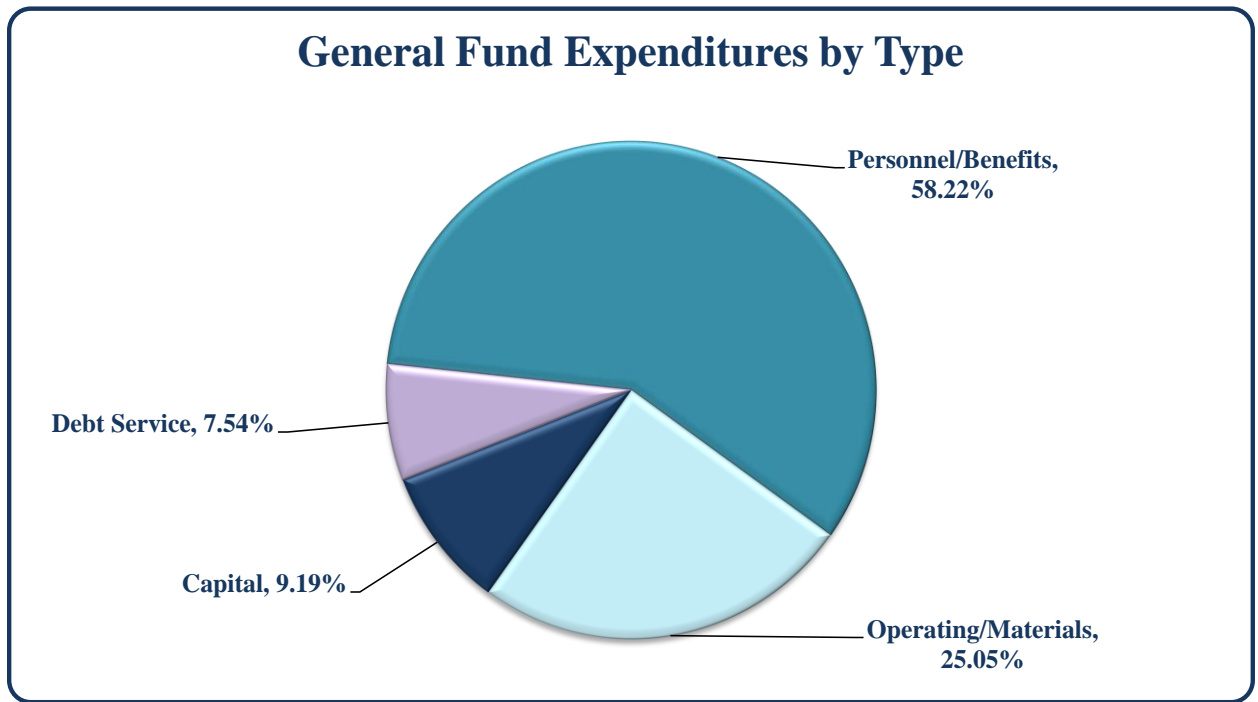
Expenditures by Line Item

General Fund Expenditures by Line Item						
	Actual FY12-13	Budgeted FY13-14	Estimated FY13-14	Recommended FY14-15	Dollar Change	Percent Change
General Fund						
<i>General Government</i>						
Governing Body	\$ 55,592	\$ 84,072	\$ 80,960	\$ 77,999	\$ (6,073)	-7.22%
Administration	\$ 218,695	\$ 228,660	\$ 229,692	\$ 969,555	\$ 740,895	324.02%
Finance	\$ 320,370	\$ 346,310	\$ 327,812	\$ 467,603	\$ 121,293	35.02%
City Engineer	\$ 195,431	\$ 214,340	\$ 183,818	\$ 171,331	\$ (43,009)	-20.07%
IT	\$ 352,925	\$ 281,180	\$ 257,527	\$ 346,554	\$ 65,374	23.25%
Legal	\$ 114,495	\$ 119,310	\$ 116,785	\$ 99,349	\$ (19,961)	-16.73%
Public Works Fleet Maint.	\$ 284,515	\$ 347,050	\$ 305,348	\$ 335,312	\$ (11,738)	-3.38%
Public Works Building Maint.	\$ 425,368	\$ 420,805	\$ 403,742	\$ 507,450	\$ 86,645	20.59%
Sub-Total General Government	\$ 1,967,393	\$ 2,041,727	\$ 1,905,682	\$ 2,975,153	\$ 933,426	45.72%
<i>Public Safety</i>						
Police	\$ 3,716,603	\$ 3,901,010	\$ 3,840,266	\$ 4,131,102	\$ 230,092	5.90%
Fire	\$ 2,376,364	\$ 2,087,500	\$ 1,883,416	\$ 1,943,977	\$ (143,523)	-6.88%
Zoning	\$ 158,116	\$ 175,700	\$ 159,331	\$ 202,876	\$ 27,176	15.47%
Planning	\$ 164,647	\$ 208,540	\$ 168,865	\$ 182,856	\$ (25,684)	-12.32%
Sub-Total Public Safety	\$ 6,415,730	\$ 6,372,750	\$ 6,051,878	\$ 6,460,812	\$ 88,062	1.38%
<i>Transportation</i>						
Public Works Admin.	\$ 333,837	\$ 335,485	\$ 319,492	\$ 382,872	\$ 47,387	14.13%
Public Works Streets & Highways	\$ 465,032	\$ 828,099	\$ 761,119	\$ 1,006,943	\$ 178,844	21.60%
Powell Bill	\$ 349,978	\$ 360,000	\$ 679,128	\$ 533,280	\$ 173,280	48.13%
Public Works Traffic Engineer	\$ 381,136	\$ 344,605	\$ 349,829	\$ 402,682	\$ 58,077	16.85%
Sub-Total Transportation	\$ 1,529,983	\$ 1,868,189	\$ 2,109,568	\$ 2,325,778	\$ 457,589	24.49%
<i>Park Maintenance, Drainage, & Lot Clearing</i>						
Public Works Grounds Maint.	\$ 463,889	\$ 536,110	\$ 536,880	\$ 512,547	\$ (23,563)	-4.40%
Sub-Total Park Maintenance, Drainage, & Lot Clearing	\$ 463,889	\$ 536,110	\$ 536,880	\$ 512,547	\$ (23,563)	-4.40%
<i>Culture & Recreation</i>						
Public Works Patton Pool	\$ 200,927	\$ 221,980	\$ 186,849	\$ 215,188	\$ (6,792)	-3.06%
Sub-Total Culture & Recreation	\$ 200,927	\$ 221,980	\$ 186,849	\$ 215,188	\$ (6,792)	-3.06%
<i>Debt Service</i>						
Debt Service	\$ 609,202	\$ 1,106,340	\$ 1,097,453	\$ 1,062,993	\$ (43,347)	-3.92%
Non-Departmental	\$ 444,371	\$ 522,540	\$ 516,455	\$ 140,675	\$ (381,865)	-73.08%
Special Appropriations	\$ 275,330	\$ 94,200	\$ 94,200	\$ 113,200	\$ 19,000	20.17%
Contingencies	\$ -	\$ 112,628	\$ 97,471	\$ 100,000	\$ (12,628)	-11.21%
Sub-Total Debt Service	\$ 1,328,903	\$ 1,835,708	\$ 1,805,580	\$ 1,416,868	\$ (418,840)	-22.82%
Total General Fund	\$ 11,906,824	\$ 12,876,464	\$ 12,596,437	\$ 13,906,346	\$ 1,029,882	8.00%



Expenditures by Type

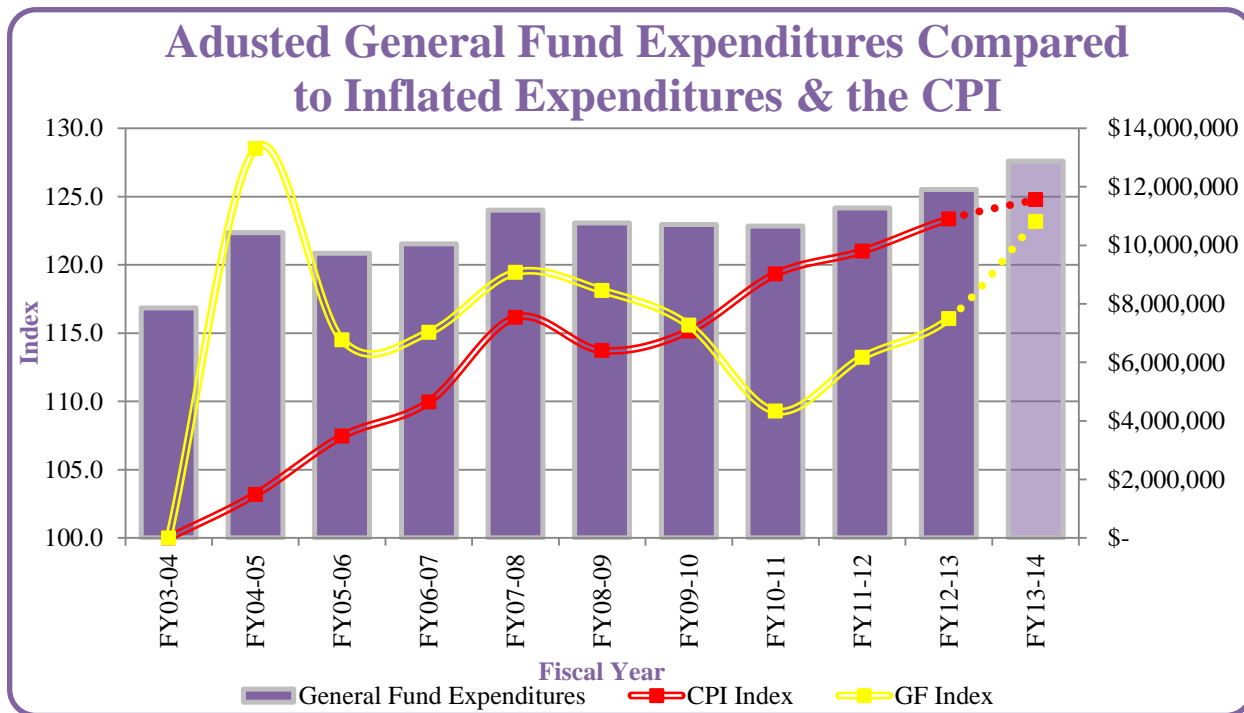
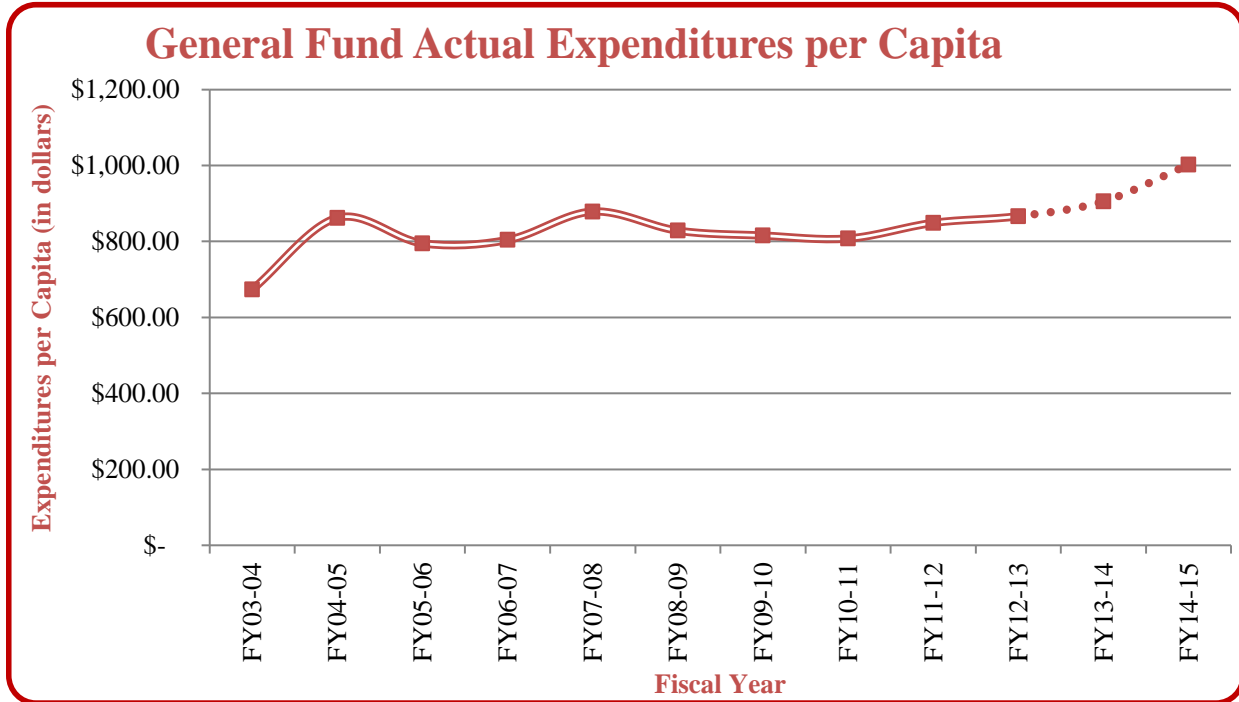
General Fund Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
Personnel/Benefits	\$ 8,223,366	\$ 8,823,408	\$ 8,281,834	\$ 8,095,755	\$ (727,653)	-8.25%
Operating/Materials	\$ 2,332,914	\$ 2,605,440	\$ 2,197,858	\$ 3,484,098	\$ 878,658	33.72%
Capital	\$ 748,162	\$ 359,176	\$ 320,977	\$ 1,278,500	\$ 919,324	255.95%
Debt Service	\$ 602,382	\$ 1,088,440	\$ 1,088,405	\$ 1,047,993	\$ (40,447)	-3.72%
Total	\$ 11,906,824	\$ 12,876,464	\$ 11,889,074	\$ 13,906,346	\$ 1,029,882	8.00%





Expenditure Trends

The following charts detail General Fund expenditure trends:





Governing Body

Description

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

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

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

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

Meetings of the City Council

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

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



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

City Council members may receive written correspondence at:

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

City Council Contact Information:

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



FY13-14 Accomplishments

- ✓ Promoted Phase III of the Main Street Revitalization Project
- ✓ Approved construction of Fire Station 2
- ✓ Promoted renovation the warehouse facility on Sugarloaf Road
- ✓ Initiated an enhanced curbside recycling program
- ✓ Promoted the resurfacing of over five miles of city streets
- ✓ Installed new sidewalks along Valley Street and 5th Avenue
- ✓ Began playground and restroom improvements at Sullivan Park
- ✓ Began construction of the Jackson Park, Wolfpen and Shepherds Creek /Atkinson Elementary sewer projects
- ✓ Approved the replacement of the water line on Osceola Drive
- ✓ Promoted permits and funding for the Academy Road water line project

FY14-15 Action Items & 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
- ✓ Embark on a customer service excellence program and promote enhancing the service quality in Hendersonville
- ✓ Promote sound financial practices enhancing financial sustainability



Governing Body Expenditures by Line Item

Governing Body Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Governing Body</i>						
Board Member Wages	\$ 36,000	\$ 36,000	\$ 36,000	\$ 18,000	\$ (18,000)	-50.00%
Cellphone Stipend	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ -	0.00%
FICA Tax Expense	\$ 2,643	\$ 2,800	\$ 2,633	\$ 1,377	\$ (1,423)	-50.82%
Group Med & Life Ins	\$ 6,802	\$ 10,300	\$ 5,835	\$ 5,046	\$ (5,254)	-51.01%
Worker's Comp Ins	\$ 109	\$ 250	\$ 123	\$ 101	\$ (149)	-59.70%
Office Supplies	\$ 2,918	\$ 900	\$ 546	\$ 1,000	\$ 100	11.11%
Telephone	\$ 782	\$ 400	\$ 629	\$ 755	\$ 355	88.75%
Travel	\$ 3,763	\$ 4,000	\$ 1,879	\$ 3,500	\$ (500)	-12.50%
Training	\$ 2,118	\$ 3,000	\$ 2,970	\$ 2,900	\$ (100)	-3.33%
Liab & Prop Ins & Bon	\$ -	\$ -	\$ -	\$ 13,634	\$ 13,634	0.00%
Dues & Subscriptions	\$ 19,609	\$ 22,750	\$ 25,684	\$ 23,686	\$ 936	4.11%
Mayor's Discretionary	\$ -	\$ 500	\$ 250	\$ 400	\$ (100)	-20.00%
Misc BD Expense	\$ 1,231	\$ 1,200	\$ 2,602	\$ 2,000	\$ 800	66.67%
Capital Outlay-Equip	\$ -	\$ 2,000	\$ 1,836	\$ -	\$ (2,000)	-100.00%
Contracted Services	\$ -	\$ 22,872	\$ 22,872	\$ 2,000	\$ (20,872)	-91.26%
Departmental CHGS-W/S	\$ (23,983)	\$ (26,500)	\$ (26,500)	\$ -	\$ 26,500	-100.00%
Total Governing Body	\$ 55,592	\$ 84,072	\$ 80,960	\$ 77,999	\$ (6,073)	-7.22%

FY14-15 Budget Highlights

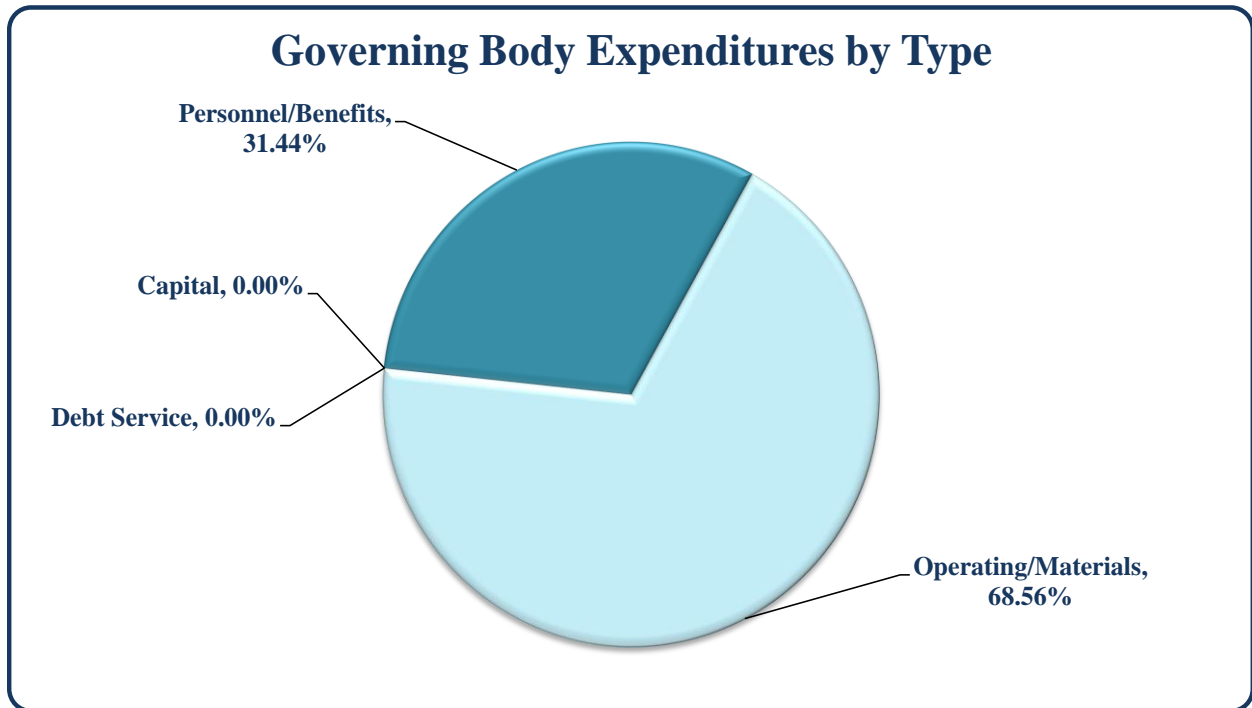
The Governing Body FY14-15 budget is 7.22% less than FY13-14. At \$77,999, the Governing Body budget accounts for 0.56% of the General Fund budget and is equivalent to \$0.006 on the tax rate. The City plans to spend \$5.87 per capita for the Governing Body in FY14-15. The primary decreases are in wages, capital outlay, and contracted services.



Budget Summary

Governing Body Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Governing Body</i>						
Personnel/Benefits	\$ 45,554	\$ 49,350	\$ 44,592	\$ 24,524	\$ (24,826)	-50.31%
Operating/Materials	\$ 10,037	\$ 32,722	\$ 34,533	\$ 53,475	\$ 20,753	63.42%
Capital	\$ -	\$ 2,000	\$ 1,836	\$ -	\$ (2,000)	-100.00%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	

Personnel					
	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Type</i>					
Full-Time	0.00	0.00	0.00	0.00	
Part-Time	5.00	5.00	5.00	5.00	0.00%





Administration

Description

The administrative office of the City of Hendersonville consists of the City Manager, City Clerk, City Attorney, and an Administrative Intern. The City Council appoints the City Manager as the chief executive officer of the City, in charge of overseeing City organization and operations.

The City Manager coordinates the work of department heads and other employees to help ensure efficient delivery of services. The Clerk maintains the official records of the City, all ordinances, resolutions, policies, etc. adopted by the City Council. In conjunction with the City Manager, the Clerk prepares the Council agendas and the minutes of City Council meetings. The Clerk also maintains the information on all the boards and commissions appointed by the City Council. The City of Hendersonville administrative offices are located on the third floor of the City Hall building located at 145 Fifth Avenue East, Hendersonville, NC, 28792. For more information about the City's administrative offices contact the City Clerk at 828-697-3000.

Administration Organization Chart





FY13-14 Accomplishments

- ✓ Implemented new System Development Charge fee structure
- ✓ Conducted Community Parking Forum
- ✓ Implemented Phase I of Parking Forum recommendations
- ✓ Conducted citywide employee meetings to open lines of communication
- ✓ Outsourced Information Technology
- ✓ Established Summer Internship Program
- ✓ Engaged UNC School of Government to conduct Historic Seventh Avenue Economic Structuring Study
- ✓ Established Public Information Officer position
- ✓ Updated Emergency Operations Plan

FY14-15 Action Items & Initiatives

- ✓ Improve way-finding signage to move people around the City of Hendersonville
- ✓ Focus on Sugarloaf Economic Development
- ✓ Invest in the beautification of areas outside downtown center
- ✓ Complete the Service Excellence Program
- ✓ Create a Public Information Officer position
- ✓ Partner with private businesses to construct playground equipment
- ✓ Focus on Main Street and 7th Avenue infrastructure improvements
- ✓ Establish an enhanced relationship with HCPED
- ✓ Enhance intergovernmental relations with Henderson County and other neighbor governments



Administration Expenditures by Line Item

Administration Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Administration</i>						
Salaries & Wages-Reg	\$ 255,522	\$ 254,190	\$ 248,644	\$ 180,441	\$ (73,749)	-29.01%
Salaries & Wages-P/T	\$ -	\$ -	\$ 2,304	\$ 17,200	\$ 17,200	
Salaries & Wages-Auto	\$ 2,131	\$ 4,800	\$ 7,961	\$ 1,200	\$ (3,600)	-75.00%
FICA Tax Expense	\$ 19,195	\$ 19,800	\$ 19,571	\$ 15,211	\$ (4,589)	-23.18%
Retirement Expense	\$ 13,880	\$ 18,000	\$ 17,579	\$ 12,883	\$ (5,117)	-28.43%
Group Med & Life Ins	\$ 14,896	\$ 16,200	\$ 14,917	\$ 12,110	\$ (4,090)	-25.24%
Worker's Comp Ins	\$ 1,629	\$ 2,530	\$ 1,849	\$ 614	\$ (1,916)	-75.71%
Professionnal Services	\$ 32,563	\$ 16,000	\$ 19,289	\$ 1,420	\$ (14,580)	-91.13%
Office Supplies	\$ 2,646	\$ 5,500	\$ 3,192	\$ 4,225	\$ (1,275)	-23.18%
Telephone	\$ 3,641	\$ 4,000	\$ 4,650	\$ 5,610	\$ 1,610	40.25%
Postage	\$ 371	\$ 556	\$ 369	\$ 420	\$ (136)	-24.46%
R&M - Equipment	\$ 2,524	\$ 4,000	\$ 3,401	\$ 3,365	\$ (635)	-15.88%
Advertising	\$ 528	\$ 1,200	\$ 401	\$ 425	\$ (775)	-64.58%
Travel	\$ 9,517	\$ 4,800	\$ 4,301	\$ 5,320	\$ 520	10.83%
Training	\$ 3,930	\$ 5,400	\$ 4,694	\$ 4,355	\$ (1,045)	-19.35%
Liaison Expense	\$ 32	\$ 200	\$ 94	\$ 200	\$ -	0.00%
Liab/Prob Ins & Bonds	\$ 2,075	\$ 2,100	\$ 1,998	\$ 1,100	\$ (1,000)	-47.62%
Dues & Subscriptions	\$ 2,688	\$ 3,600	\$ 3,223	\$ 2,130	\$ (1,470)	-40.83%
Flowers/Memorials	\$ 998	\$ 1,000	\$ 877	\$ 900	\$ (100)	-10.00%
Miscellaneous	\$ 585	\$ 500	\$ 679	\$ 425	\$ (75)	-15.00%
Capital Outlay-Equip	\$ -	\$ 344	\$ 334	\$ -	\$ (344)	-100.00%
Capital Outlay-Buildings	\$ -	\$ 5,000	\$ 10,925	\$ 700,000	\$ 695,000	13900.00%
Contracted Services	\$ -	\$ 500	\$ -	\$ -	\$ (500)	-100.00%
Departmental CHGS-W/S	\$ (165,895)	\$ (157,760)	\$ (157,760)	\$ -	\$ 157,760	-100.00%
Reimbursement Plan Dept	\$ 15,240	\$ 16,200	\$ 16,200	\$ -	\$ (16,200)	-100.00%
Total Administration	\$ 218,695	\$ 228,660	\$ 229,692	\$ 969,555	\$ 740,895	324.02%

FY14-15 Budget Highlights

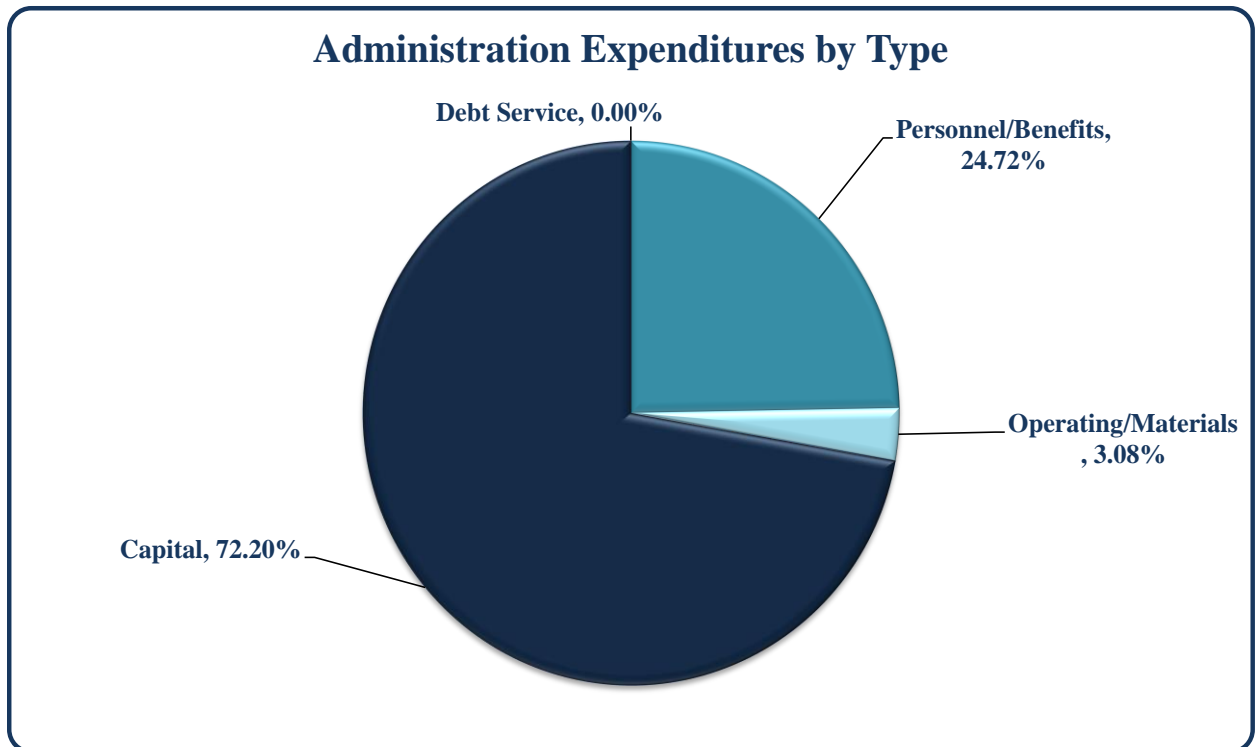
The above table details a large increase in the Administration department expenditures by line item. The largest increase is in the *Capital Outlay-Buildings* line item, increasing by \$695,000 or 13,900%. The table also shows decreases in personnel related expenditures like salaries, benefits, and insurance.



Budget Summary

Administration Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Administration</i>						
Personnel/Benefits	\$ 307,253	\$ 315,520	\$ 312,826	\$ 239,660	\$ (75,860)	-24.04%
Operating/Materials	\$ (88,558)	\$ (92,204)	\$ (94,393)	\$ 29,895	\$ 122,099	-132.42%
Capital	\$ -	\$ 5,344	\$ 11,259	\$ 700,000	\$ 694,656	12998.80%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	

Personnel					
	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Type</i>					
Full-Time	3.00	3.00	3.00	3.00	0.00%
Part-Time	0.00	0.00	1.00	2.00	





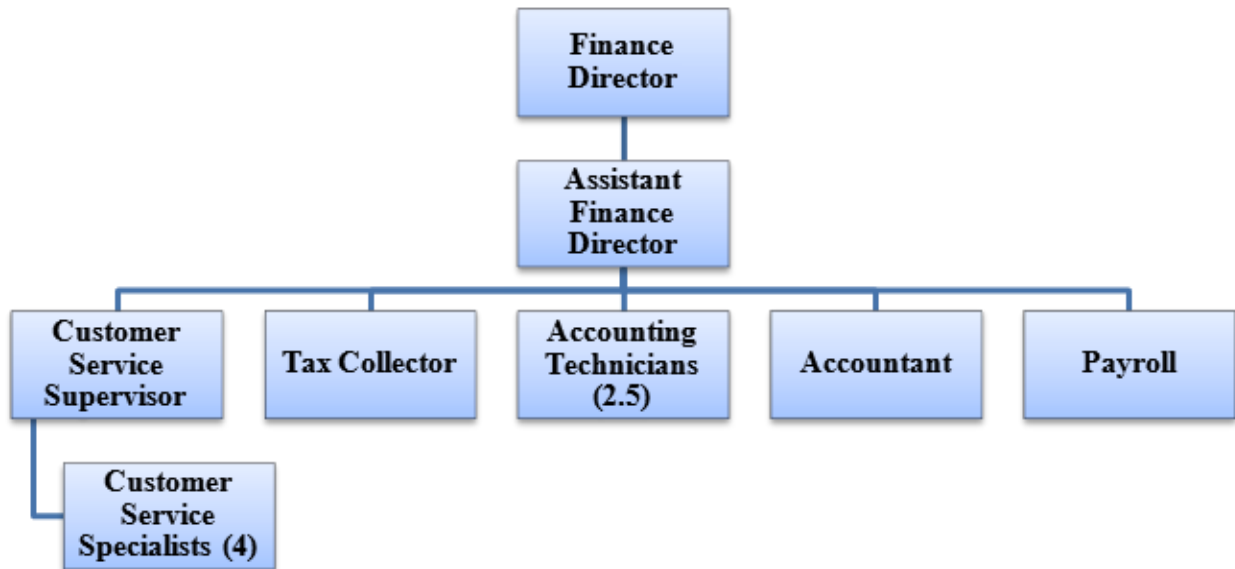
Finance

Description

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

Finance Organization Chart





FY13-14 Accomplishments

- ✓ Made interfund charges for salaries more transparent
- ✓ Revised the budget request methodology, providing more substantiated requests
- ✓ Received the Governmental Finance Officers Association (GFOA) award for Excellence in Financial Reporting for the 25th year in a row (FY12-13)
- ✓ Reevaluated the accounting process, improving a variety of practices
- ✓ Established internal controls over processing of payroll
- ✓ Received the North Carolina Tax Collectors Association certificate for the Tax Collector and Deputy Tax Collector
- ✓ Hired new Finance Director after the retirement of the previous Director who served for 28 years
- ✓ Developed and received Council approval for a Cash Management and Investment policy improving revenues and interest by more than \$100,000

FY14-15 Action Items & Initiatives

- ✓ Develop a purchasing policy
- ✓ Update the Employee Travel Expense policy
- ✓ Send out a Request for Proposals (RFP) for banking services (including a lock box for water and sewer)
- ✓ Exploring position reorganization to accommodate purchasing and budget analyst
- ✓ Apply for Governmental Finance Officers Association (GFOA) Distinguished Budget Presentation award
- ✓ Revising and enhancing internal control practices



Finance Expenditures by Line Item

Finance Department Expenditures by Line Item						
	Actual FY12-13	Budgeted FY13-14	Estimated FY13-14	Recommended FY14-15	Dollar Change	Percent Change
General Fund						
<i>Finance Department</i>						
Salaries & Wages - Reg	\$ 540,154	\$ 567,940	\$ 566,718	\$ 277,816	\$ (290,124)	-51.08%
Salaries & Wages - P/T	\$ 23,549	\$ 24,780	\$ 24,528	\$ 25,629	\$ 849	3.43%
Cellphone Stipend	\$ -	\$ 650	\$ 260	\$ -	\$ (650)	-100.00%
FICA Tax Expense	\$ 40,884	\$ 43,450	\$ 41,797	\$ 23,223	\$ (20,227)	-46.55%
Retirement Expense	\$ 37,952	\$ 38,740	\$ 40,557	\$ 22,210	\$ (16,530)	-42.67%
Group Med & Life Ins	\$ 63,675	\$ 66,300	\$ 53,040	\$ 27,753	\$ (38,547)	-58.14%
Worker's Comp Ins	\$ 7,211	\$ 9,900	\$ 7,398	\$ 1,114	\$ (8,786)	-88.74%
Professional Services	\$ 56	\$ 2,906	\$ 2,457	\$ 3,000	\$ 94	3.23%
Prof Services - Audit	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ -	0.00%
Office Supplies	\$ 10,322	\$ 10,500	\$ 10,374	\$ 10,745	\$ 245	2.33%
Telephone	\$ 5,261	\$ 7,000	\$ 7,000	\$ 8,340	\$ 1,340	19.14%
Postage	\$ 3,447	\$ 5,000	\$ 5,751	\$ 4,800	\$ (200)	-4.00%
R&M - Equipment	\$ 80	\$ 500	\$ -	\$ 200	\$ (300)	-60.00%
Advetising	\$ 1,626	\$ 2,000	\$ 1,460	\$ 1,650	\$ (350)	-17.50%
Tax Scroll & Billing	\$ 10,971	\$ 12,000	\$ 17,029	\$ 18,950	\$ 6,950	57.92%
Travel	\$ 1,785	\$ 3,100	\$ 4,289	\$ 3,728	\$ 628	20.26%
Training	\$ 3,918	\$ 8,600	\$ 4,082	\$ 5,820	\$ (2,780)	-32.33%
Liab/Prop Ins & Bonds	\$ 2,170	\$ 2,800	\$ 2,418	\$ 2,054	\$ (746)	-26.64%
Dues & Subscriptions	\$ 1,469	\$ 900	\$ 1,411	\$ 935	\$ 35	3.89%
Cash Short/Over	\$ (38)	\$ 100	\$ (113)	\$ 100	\$ -	0.00%
Miscellaneous	\$ 1,015	\$ 1,100	\$ 372	\$ 1,000	\$ (100)	-9.09%
Capital Outlay-Equip	\$ -	\$ 344	\$ 334	\$ -	\$ (344)	-100.00%
Non-Capital Equipment	\$ 635	\$ 2,000	\$ 1,000	\$ 100	\$ (1,900)	-95.00%
Contracted Services	\$ 1,530	\$ 1,900	\$ 1,851	\$ 7,435	\$ 5,535	291.32%
Departmental CHGS-W/S	\$ (458,301)	\$ (487,200)	\$ (487,200)	\$ -	\$ 487,200	-100.00%
Total Finance Department	\$ 320,370	\$ 346,310	\$ 327,812	\$ 467,603	\$ 121,293	35.02%

FY14-15 Budget Highlights

The Finance department budget will increase by 35% from FY13-14 to FY14-15. The biggest change has to do with the revaluation of accounting processes, eliminating the *Departmental CHGS-W/S* line item. This line item had previously accounted for moneys shifting between the General Fund and Water and Sewer Fund. Similar to the Administration department, the Finance department has seen decreases in salary, benefits, and insurance costs.

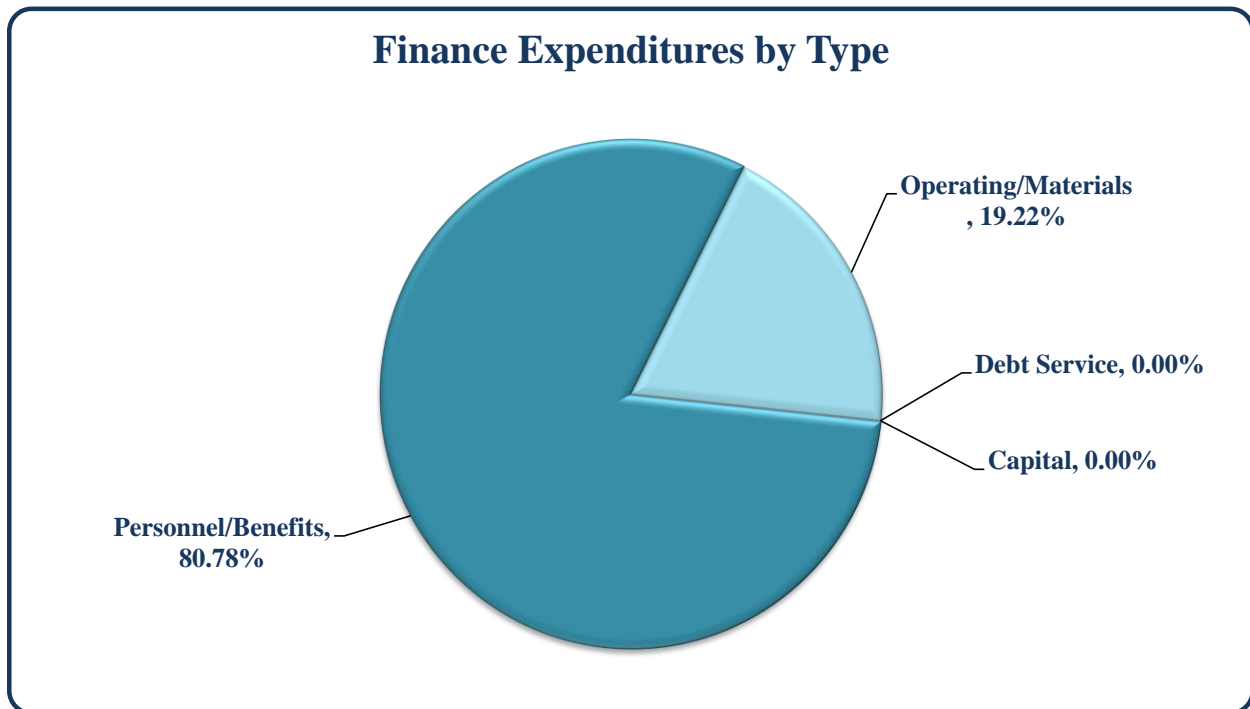


Budget Summary

Finance Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Finance</i>						
Personnel/Benefits	\$ 713,425	\$ 751,110	\$ 734,037	\$ 377,746	\$ (373,364)	-49.71%
Operating/Materials	\$ (393,055)	\$ (405,144)	\$ (406,559)	\$ 89,857	\$ 495,001	-122.18%
Capital	\$ -	\$ 344	\$ 334	\$ -	\$ (344)	-100.00%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	

Personnel					
	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Type</i>					
Full-Time	7.00	7.00	7.00	7.00	0.00%
Part-Time	1.00	1.00	1.00	1.00	0.00%

Note: 5 personnel are accounted for in W&S Finance





City Engineer

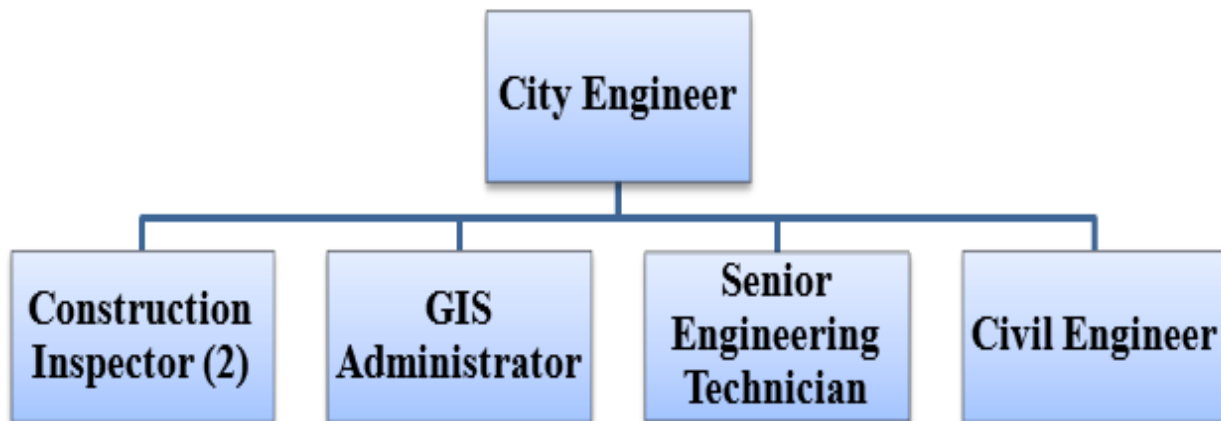
Mission

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.

Description

The City of Hendersonville Engineering Department is dedicated to serving the citizens of Hendersonville by providing design and construction management services for City water, sewer, stormwater and sidewalk projects. The Engineering Department also provides GIS services and other staff support to water/sewer, public works, planning and zoning. The department includes the City Engineer, Civil Engineer, GIS Administrator, two Construction Inspectors and an Engineering Technician. The Engineering Department is located at 305 Williams Street, Hendersonville, NC 28792. For more information about the Engineering Department, please contact Brent Detwiler at (828) 697-3000.

City Engineer Organizational Chart





FY13-14 Accomplishments

- ✓ Completed Construction of the Main Street Infrastructure Improvements – Phase 3 Project
- ✓ Designed and Bid the Jackson Park Sewer Interceptor Project
- ✓ Designed and Bid the Wolfpen Sewer Interceptor Project
- ✓ Designed and Bid the Shepherd Creek/Atkinson Elementary Sanitary Sewer Improvements Project

FY14-15 Action Items & Initiatives

- ✓ Complete Construction of the Jackson Park Sewer Interceptor Project
- ✓ Complete Construction of the Wolfpen Sewer Interceptor Project
- ✓ Complete Construction of the Shepherd Creek/Atkinson Elementary Sanitary Sewer Improvements Project
- ✓ Design and Bid the Oklawaha Greenway – Phase 3 Project
- ✓ Design, Bid and Complete Construction of the US64 Sidewalk Infill Project



City Engineer Expenditures by Line Item

City Engineer Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>City Engineer</i>						
Salaries & Wages-Reg	\$ 280,503	\$ 335,670	\$ 315,551	\$ 119,070	\$ (216,600)	-64.53%
FICA Tax Expense	\$ 20,275	\$ 25,460	\$ 23,839	\$ 9,109	\$ (16,351)	-64.22%
Retirement Expense	\$ 18,893	\$ 23,530	\$ 22,309	\$ 8,502	\$ (15,028)	-63.87%
Group Med & Life Ins	\$ 29,088	\$ 29,160	\$ 27,895	\$ 9,083	\$ (20,077)	-68.85%
Worker's Comp Ins	\$ 7,604	\$ 10,000	\$ 8,631	\$ 557	\$ (9,443)	-94.43%
Professional Services	\$ 860	\$ 1,000	\$ 996	\$ 860	\$ (140)	-14.00%
Gasoline & Diesel	\$ 396	\$ 1,200	\$ 692	\$ 700	\$ (500)	-41.67%
Tires	\$ -	\$ -	\$ 403	\$ 400	\$ 400	
Vehicle Parts	\$ 227	\$ 250	\$ 46	\$ 250	\$ -	0.00%
Oil, Lubrication, Etc	\$ -	\$ 100	\$ -	\$ 100	\$ -	0.00%
Office Supplies	\$ 3,952	\$ 3,156	\$ 3,317	\$ 4,000	\$ 844	26.74%
Telephone	\$ 4,128	\$ 5,000	\$ 5,000	\$ 4,440	\$ (560)	-11.20%
R&M - Equipment	\$ -	\$ 750	\$ 49	\$ 1,125	\$ 375	50.00%
R&M - Auto/Trucks	\$ -	\$ 150	\$ 410	\$ 150	\$ -	0.00%
Advertising	\$ -	\$ 1,000	\$ 609	\$ 190	\$ (810)	-81.00%
Travel	\$ 1,020	\$ 2,180	\$ 888	\$ 3,000	\$ 820	37.61%
Training	\$ 3,132	\$ 3,200	\$ 1,412	\$ 3,980	\$ 780	24.38%
Liab/Prop Ins & Bonds	\$ 943	\$ 1,200	\$ 1,051	\$ 1,715	\$ 515	42.92%
Dues & Subscriptions	\$ 653	\$ 750	\$ 646	\$ 800	\$ 50	6.67%
Capital Outlay - Equip	\$ -	\$ 344	\$ 334	\$ -	\$ (344)	-100.00%
Non-Capital Equipment	\$ -	\$ -	\$ -	\$ 3,300	\$ 3,300	
Contracted Services	\$ -	\$ 2,120	\$ 1,620	\$ -	\$ (2,120)	-100.00%
Departmental CHGS-W/S	\$ (176,243)	\$ (231,880)	\$ (231,880)	\$ -	\$ 231,880	-100.00%
Total City Engineer	\$ 195,431	\$ 214,340	\$ 183,818	\$ 171,331	\$ (43,009)	-20.07%

FY14-15 Budget Highlights

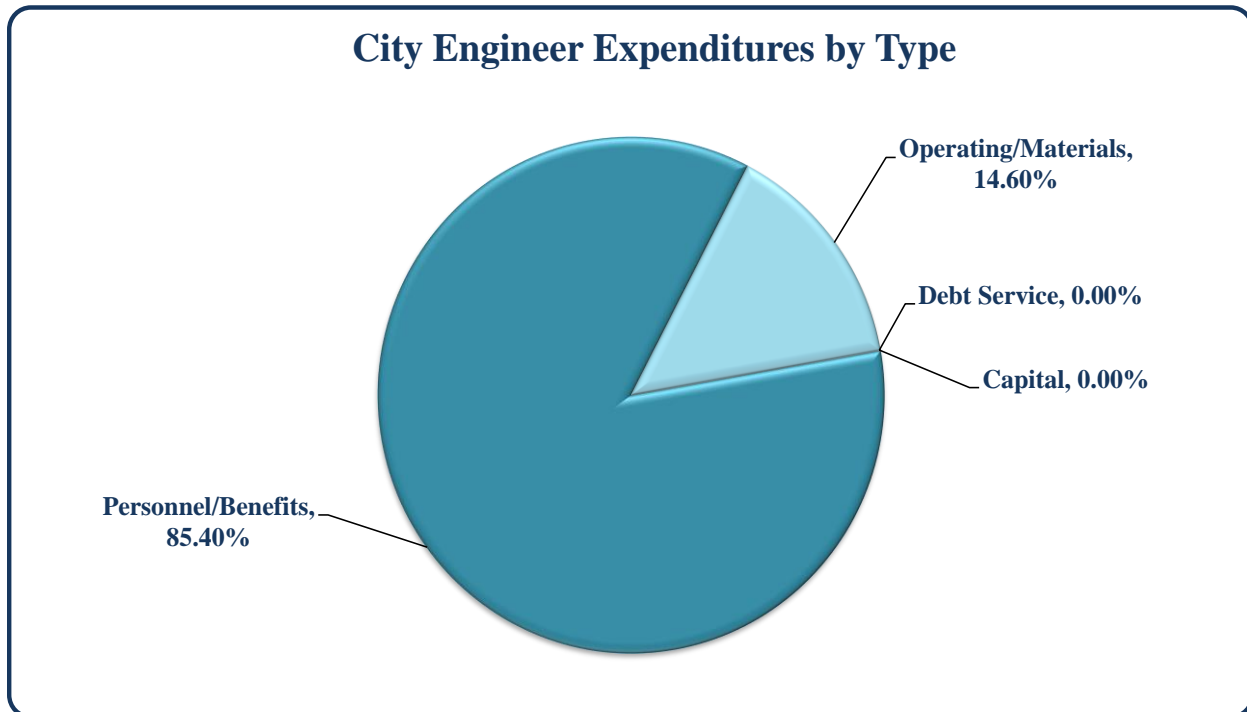
The City Engineer department budget will decrease by 20% from FY13-14 to FY14-15. This decrease is attributable to the *Salaries & Wages-Reg* line item, which dropped by \$216,600. Insurance and benefits saw a similar percent of decreases, approximately 65% for each line item. There will be no budgeted contracted services for the City Engineer department in FY14-15.



Budget Summary

City Engineer Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>City Engineer</i>						
Personnel/Benefits	\$ 356,363	\$ 423,820	\$ 398,225	\$ 146,321	\$ (277,499)	-65.48%
Operating/Materials	\$ (160,932)	\$ (209,824)	\$ (214,741)	\$ 25,010	\$ 234,834	-111.92%
Capital	\$ -	\$ 344	\$ 334	\$ -	\$ (344)	-100.00%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	

Personnel					
	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Type</i>					
Full-Time	6.00	6.00	6.00	6.00	0.00%
Part-Time	0.00	0.00	0.00	0.00	





Performance Measures

Engineering			
	Actual	Estimated	Goal
	FY12-13	FY13-14	FY14-15
General Fund			
<i>Engineering</i>			
Percentage of projects completed by requested due date	100%	100%	100%
Percentage of plan reviews completed by requested due date	100%	100%	100%



Information Technology

Description

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

Information Technology Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Information Technology</i>						
Salaries & Wages-Reg	\$ 83,491	\$ 88,830	\$ 84,958	\$ 59,072	\$ (29,758)	-33.50%
FICA Tax Expense	\$ 6,327	\$ 6,800	\$ 6,444	\$ 4,519	\$ (2,281)	-33.54%
Retirement Expense	\$ 5,623	\$ 6,280	\$ 6,007	\$ 4,218	\$ (2,062)	-32.84%
Group Med & Life Ins	\$ 5,858	\$ 5,200	\$ 4,977	\$ 3,280	\$ (1,920)	-36.93%
Worker's Comp Ins	\$ 1,086	\$ 1,233	\$ 1,233	\$ 93	\$ (1,140)	-92.47%
Office Supplies	\$ 1,043	\$ 2,000	\$ 1,888	\$ 2,000	\$ -	0.00%
Telephone	\$ 3,024	\$ 3,000	\$ 3,100	\$ 3,020	\$ 20	0.67%
Postage	\$ -	\$ -	\$ -	\$ -	\$ -	
R&M - Equipment	\$ 155,453	\$ 181,199	\$ 188,539	\$ 122,505	\$ (58,694)	-32.39%
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	
Training	\$ -	\$ -	\$ -	\$ 500	\$ 500	
Liab/Prop Ins & Bonds	\$ 377	\$ 421	\$ 421	\$ 297	\$ (124)	-29.39%
Dues & Subscriptions	\$ 45	\$ 50	\$ -	\$ 50	\$ -	0.00%
Capital Outlay - Equip	\$ 24,820	\$ 26,000	\$ -	\$ 75,000	\$ 49,000	188.46%
Non-Capital Equipment	\$ 140,117	\$ 80,000	\$ 76,711	\$ 72,000	\$ (8,000)	-10.00%
Contracted Services	\$ 6,715	\$ 6,047	\$ 9,130	\$ -	\$ (6,047)	-100.00%
Departmental Charges-W/S	\$ (81,053)	\$ (125,880)	\$ (125,880)	\$ -	\$ 125,880	-100.00%
Total Information Technology	\$ 352,925	\$ 281,180	\$ 257,527	\$ 346,554	\$ 65,374	23.25%

FY14-15 Budget Highlights

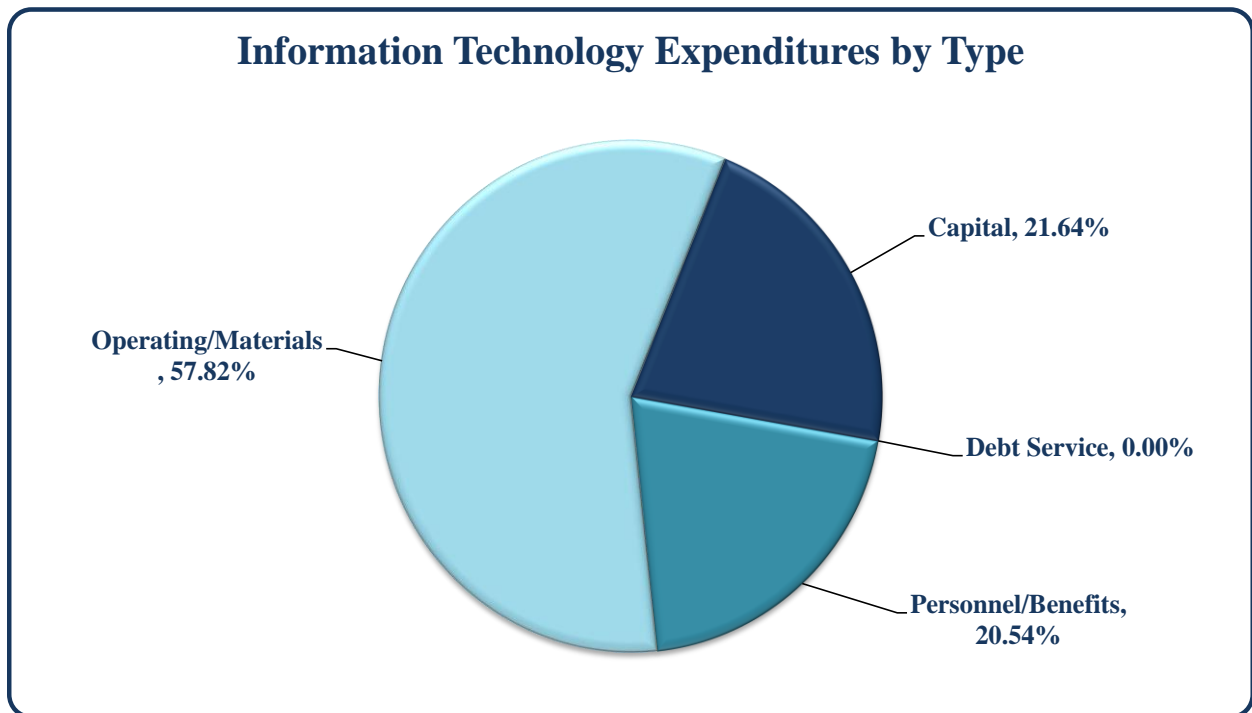
The Information Technology department budget will increase by 23% from FY13-14 to FY14-15. The largest increase, *Departmental Charges-W/S*, is attributable to the new method of accounting being implemented by the Finance department. The personnel items such as, salaries, benefits, and insurance will see decreases between thirty and forty percent. There will be \$500 budgeted for *Training* which was not accounted for in previous years.



Budget Summary

Information Technology Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Information Technology</i>						
Personnel/Benefits	\$ 102,385	\$ 108,343	\$ 103,619	\$ 71,182	\$ (37,161)	-34.30%
Operating/Materials	\$ 225,721	\$ 146,837	\$ 153,908	\$ 200,372	\$ 53,535	36.46%
Capital	\$ 24,820	\$ 26,000	\$ -	\$ 75,000	\$ 49,000	188.46%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	

Personnel					
	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Type</i>					
Full-Time	1.00	1.00	1.00	1.00	0.00%
Part-Time	0.00	0.00	0.00	0.00	



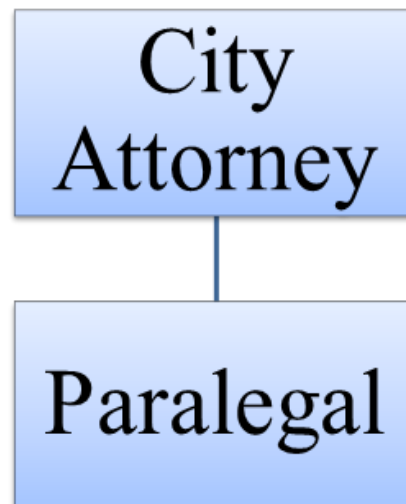


Legal

Description

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.

Legal Organization Chart



FY13-14 Accomplishments

- ✓ Acquired all real property for each of three sewer projects including Jackson, Atkinson, and Wolfpen
- ✓ Acquired easements for Academy Road Water Project
- ✓ Developed acquisition for 6th Avenue Wingate Project
- ✓ 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
- ✓ Assisted in the new fire station contract
- ✓ Paul Morgan defense case
- ✓ Continuous review and management of contracts and lawsuits



Legal Expenditures by Line Item

Legal Department Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Legal Department</i>						
Salaries & Wages - Reg	\$ 112,333	\$ 112,320	\$ 114,221	\$ 59,425	\$ (52,895)	-47.09%
Salaries & Wages - P/T	\$ 35,569	\$ 37,980	\$ 38,681	\$ 11,121	\$ (26,859)	-70.72%
FICA Tax Expense	\$ 10,780	\$ 11,500	\$ 11,160	\$ 5,397	\$ (6,103)	-53.07%
Retirement Expense	\$ 9,791	\$ 7,950	\$ 10,810	\$ 4,243	\$ (3,707)	-46.63%
Group Med & Life Ins	\$ 6,148	\$ 5,200	\$ 5,229	\$ 2,523	\$ (2,677)	-51.48%
Worker's Comp Ins	\$ 1,086	\$ 1,320	\$ 1,233	\$ 114	\$ (1,206)	-91.36%
Litigation Expense	\$ 20	\$ 500	\$ 467	\$ 100	\$ (400)	-80.00%
Office Supplies	\$ 563	\$ 1,000	\$ 683	\$ 600	\$ (400)	-40.00%
Supplies & Materials	\$ 100	\$ 1,000	\$ 124	\$ 150	\$ (850)	-85.00%
Telephone	\$ 626	\$ 800	\$ 950	\$ 800	\$ -	0.00%
Postage	\$ 103	\$ 300	\$ 120	\$ 230	\$ (70)	-23.33%
R&M - Equipment	\$ 667	\$ 100	\$ -	\$ 100	\$ -	0.00%
Travel	\$ 4,039	\$ 5,500	\$ 3,471	\$ 4,850	\$ (650)	-11.82%
Training	\$ 2,453	\$ 3,000	\$ 1,160	\$ 2,310	\$ (690)	-23.00%
Liab/Prop Ins & Bonds	\$ 330	\$ 450	\$ 421	\$ 171	\$ (279)	-62.00%
Dues & Subscriptions	\$ 947	\$ 1,500	\$ 896	\$ 915	\$ (585)	-39.00%
Contracted Services	\$ 6,045	\$ 6,290	\$ 5,200	\$ 6,300	\$ 10	0.16%
Departmental CHGS-W/S	\$ (87,267)	\$ (88,200)	\$ (88,200)	\$ -	\$ 88,200	-100.00%
Reimbursement Plan Debt	\$ 10,160	\$ 10,800	\$ 10,160	\$ -	\$ (10,800)	-100.00%
Total Legal Department	\$ 114,495	\$ 119,310	\$ 116,785	\$ 99,349	\$ (19,961)	-16.73%

FY14-15 Budget Highlights

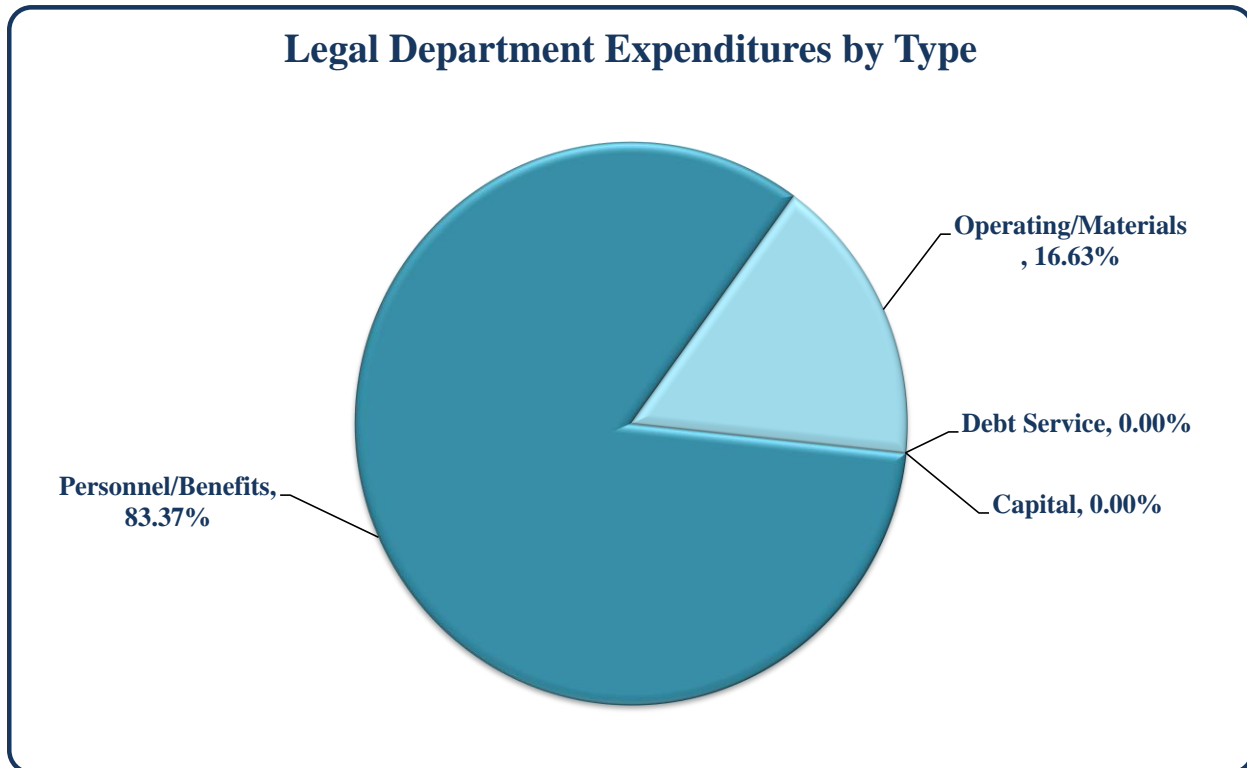
The Legal Department General Fund Expenditures have decreased by \$19,961 or 16.73% since FY13-14. A large part of this decrease was in personnel and benefit line items. The reallocation method of charges previously made to water and sewer are making up for this large decrease in salaries and wages.



Budget Summary

Legal Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Legal</i>						
Personnel/Benefits	\$ 175,708	\$ 176,270	\$ 181,334	\$ 82,823	\$ (93,447)	-53.01%
Operating/Materials	\$ (61,213)	\$ (56,960)	\$ (64,550)	\$ 16,526	\$ 73,486	-129.01%
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	

Personnel					
	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Type</i>					
Full-Time	2.00	2.00	2.00	2.00	0.00%
Part-Time	0.00	0.00	0.00	0.00	



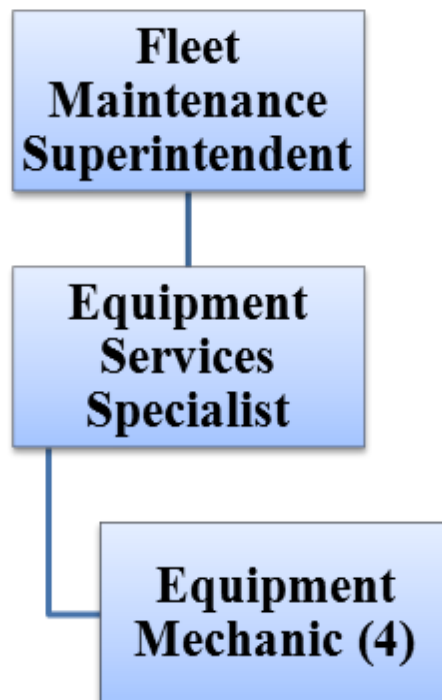


Public Works-Fleet Maintenance

Description

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

Public Works-Fleet Maintenance Organization Chart





FY13-14 Accomplishments

- ✓ Began purchasing oil in bulk quantities to improve efficiency
- ✓ Installed a new 20 ton vehicle/equipment lift to allow us to work on our heavy fleet equipment “in-house” rather than contracting with outside vendors to improve efficiency and quality of work
- ✓ Improved our parts warehouse and began tracking inventory using Cityworks

FY14-15 Action Items & Initiatives

- ✓ Plan to replace the lighting within our facility in order to improve the quantity of light and reduce our utility expenses



Public Works-Fleet Maintenance Expenditures by Line Item

Public Works-Fleet Maintenance Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Public Works-Fleet Maintenance</i>						
Salaries & Wages - Reg	\$ 216,298	\$ 231,410	\$ 226,219	\$ 237,708	\$ 6,298	2.72%
Salaries & Wages - O/T	\$ 2,488	\$ 4,040	\$ 4,100	\$ 2,700	\$ (1,340)	-33.17%
Holiday Pay	\$ -	\$ -	\$ -	\$ 1,816	\$ 1,816	
FICA Tax Expense	\$ 16,735	\$ 17,700	\$ 17,619	\$ 18,530	\$ 830	4.69%
Retirement Expense	\$ 14,740	\$ 16,400	\$ 16,284	\$ 17,295	\$ 895	5.46%
Group Med & Life Ins	\$ 33,690	\$ 30,900	\$ 29,022	\$ 30,276	\$ (624)	-2.02%
Worker's Comp Ins	\$ 3,315	\$ 4,400	\$ 3,699	\$ 7,627	\$ 3,227	73.34%
Retiree Insurance	\$ 8,617	\$ 7,200	\$ 6,911	\$ -	\$ (7,200)	-100.00%
Professional Services	\$ 160	\$ 400	\$ -	\$ 410	\$ 10	2.50%
Uniforms	\$ 3,102	\$ 4,300	\$ 2,336	\$ 4,302	\$ 2	0.05%
Medical Supplies	\$ -	\$ 400	\$ 105	\$ 400	\$ -	0.00%
Gasoline & Diesel	\$ 3,042	\$ 2,100	\$ 3,150	\$ 3,500	\$ 1,400	66.67%
Tires	\$ 13,796	\$ 20,000	\$ 16,093	\$ 18,000	\$ (2,000)	-10.00%
Vehicle Parts	\$ 53,556	\$ 60,000	\$ 49,906	\$ 55,000	\$ (5,000)	-8.33%
Oil, Lubrication, Etc	\$ 7,679	\$ 8,000	\$ 10,136	\$ 8,000	\$ -	0.00%
Office Supplies	\$ 1,090	\$ 1,000	\$ 841	\$ 1,000	\$ -	0.00%
Supplies & Materials	\$ 7,474	\$ 10,100	\$ 12,084	\$ 11,200	\$ 1,100	10.89%
Telephone	\$ 427	\$ 800	\$ 500	\$ 450	\$ (350)	-43.75%
Utilities	\$ 20,844	\$ 16,500	\$ 21,500	\$ 21,300	\$ 4,800	29.09%
R&M - Buildings	\$ 5,387	\$ 5,000	\$ 1,334	\$ 6,000	\$ 1,000	20.00%
R&M - Equipment	\$ 4	\$ 1,300	\$ 283	\$ 5,500	\$ 4,200	323.08%
R&M - Auto/Trucks	\$ 966	\$ 800	\$ 65	\$ 800	\$ -	0.00%
Liab/Prop Ins & Bonds	\$ 3,867	\$ 4,300	\$ 4,206	\$ 2,298	\$ (2,002)	-46.56%
Capital Outlay-Other Impr	\$ -	\$ -	\$ -	\$ -	\$ -	
Contracted Services	\$ 12	\$ -	\$ -	\$ 1,200	\$ 1,200	
Dept CHGS-FLT MAINT W	\$ (38,894)	\$ (30,000)	\$ (38,621)	\$ (30,000)	\$ -	0.00%
Dept CHGS-FLT MAINT W	\$ (11,704)	\$ (10,000)	\$ (9,259)	\$ (10,000)	\$ -	0.00%
Dept CHGS-Operating	\$ (82,176)	\$ (60,000)	\$ (73,164)	\$ (80,000)	\$ (20,000)	33.33%
Total Public Works-Fleet Maint	\$ 284,515	\$ 347,050	\$ 305,348	\$ 335,312	\$ (11,738)	-3.38%

FY14-15 Budget Highlights

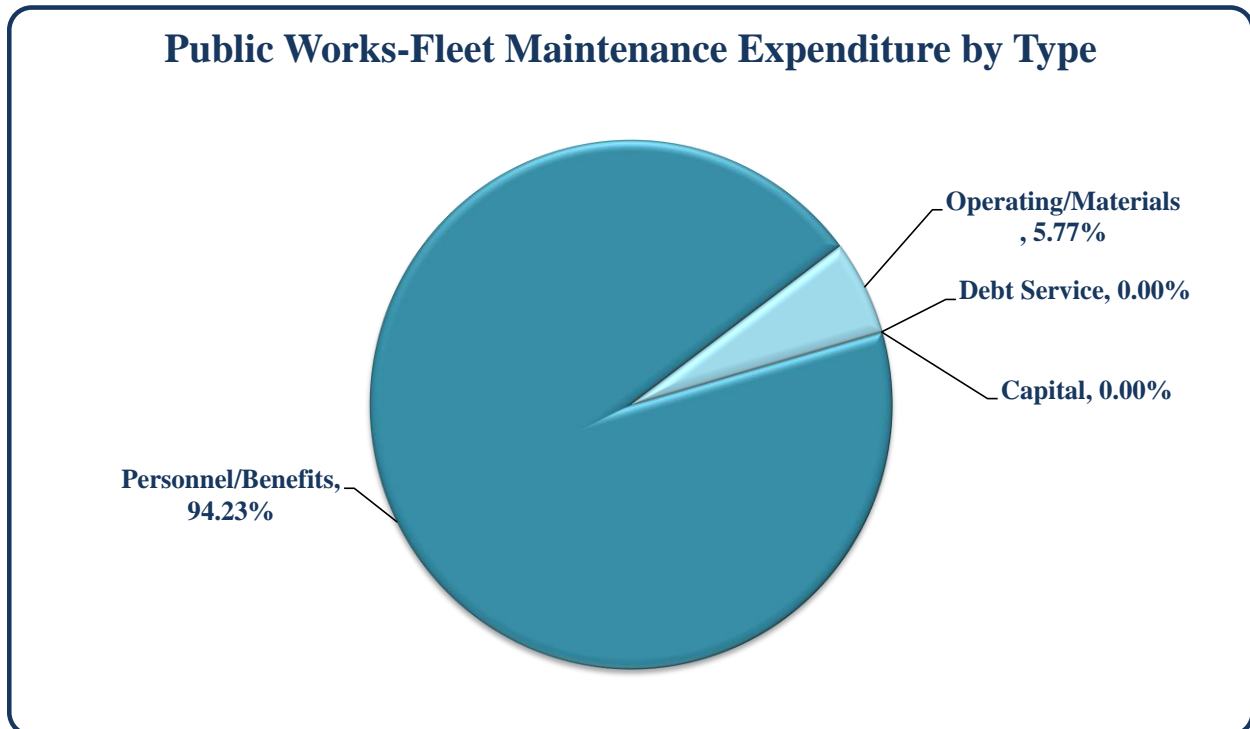
The Public Works-Fleet Maintenance section of the General Fund is experiencing an \$11,738 or 3.38% decrease in expenditures compared to FY13-14. This is attributable to a decrease in *Tires* and *Vehicle Parts* line items, as well as, the decrease in departmental operating charges.



Budget Summary

Public Works-Fleet Maintenance Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Public Works-Fleet Maintenance</i>						
Personnel/Benefits	\$ 295,883	\$ 312,050	\$ 303,855	\$ 315,952	\$ 3,902	1.25%
Operating/Materials	\$ (11,368)	\$ 35,000	\$ 1,493	\$ 19,360	\$ (15,640)	-44.69%
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	

Personnel					
	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Type</i>					
Full-Time	6.00	6.00	6.00	6.00	0.00%
Part-Time	0.00	0.00	0.00	0.00	





Performance Measures

Public Works-Fleet Maintenance Measures			
	Actual	Estimated	Goal
	FY12-13	FY13-14	FY14-15
General Fund			
<i>Fleet Maintenance</i>			
# of Preventative Maintenance's (PM) Completed per mechanic	72	70	74
Preventative Maintenances (PM's) as a percentage of all work orders	26%	23%	25%
Fleet Maintenance Cost per Work Order	\$275.34	\$319.95	\$285.00

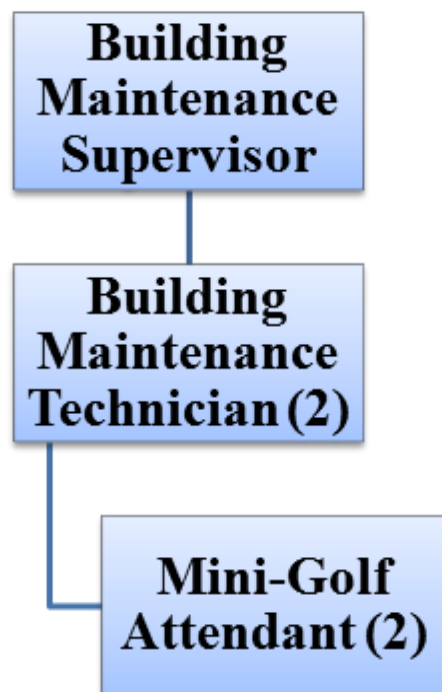


Public Works-Building Maintenance

Description

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

Public Works-Building Maintenance Organization Chart





FY13-14 Accomplishments

- ✓ Began using CityWorks as our work order management system
- ✓ Identified and repaired exhaust problem with the boiler at City Hall
- ✓ Assisted with Sullivan Park bathroom renovations and improvements
- ✓ Assisted with improvements at Berkeley Mills Park (batting cage and field improvements)

FY14-15 Action Items & Initiatives

- ✓ Complete roof repairs at Patton Park
- ✓ Improve storage facility at Sugarloaf Property (shelving)
- ✓ Continue improvements at Berkeley Mills Park, Sullivan Park, and Patton Park



Public Works-Building Maintenance Expenditures by Line Item

Public Works-Building Maintenance Expenditures by Line Item						
	Actual FY12-13	Budgeted FY13-14	Estimated FY13-14	Recommended FY14-15	Dollar Change	Percent Change
General Fund						
<i>Public Works-Building Maint</i>						
Salaries & Wages - Reg	\$ 113,699	\$ 118,410	\$ 117,768	\$ 121,263	\$ 2,853	2.41%
Salaries & Wages - O/T	\$ 5,811	\$ 7,070	\$ 8,198	\$ 5,400	\$ (1,670)	-23.62%
Holiday Pay	\$ -	\$ -	\$ -	\$ 920	\$ 920	
Salaries & Wages-Temp	\$ 8,654	\$ 11,000	\$ 8,117	\$ 18,000	\$ 7,000	63.64%
FICA Tax Expense	\$ 9,750	\$ 9,900	\$ 10,202	\$ 10,273	\$ 373	3.76%
Retirement Expense	\$ 8,045	\$ 8,400	\$ 8,906	\$ 9,202	\$ 802	9.55%
Group Med & Life Ins	\$ 17,545	\$ 15,500	\$ 14,906	\$ 15,138	\$ (362)	-2.34%
Worker's Comp Ins	\$ 3,140	\$ 3,700	\$ 3,329	\$ 5,566	\$ 1,866	50.44%
Professional Services	\$ 148	\$ 300	\$ -	\$ -	\$ (300)	-100.00%
Janitorial Supplies	\$ 6,278	\$ 10,000	\$ 5,906	\$ 8,000	\$ (2,000)	-20.00%
Uniforms	\$ 1,625	\$ 1,700	\$ 1,058	\$ 2,151	\$ 451	26.53%
Gasonline & Diesel	\$ 5,613	\$ 5,025	\$ 5,775	\$ 5,000	\$ (25)	-0.50%
Tires	\$ 915	\$ 750	\$ 631	\$ 500	\$ (250)	-33.33%
Vehicle Parts	\$ 1,208	\$ 2,000	\$ 1,001	\$ 2,000	\$ -	0.00%
Oil, Lubrication, Etc	\$ 61	\$ 200	\$ 63	\$ 200	\$ -	0.00%
Resale Items-Boyd PK	\$ 266	\$ 1,200	\$ 430	\$ 1,200	\$ -	0.00%
Supplies & Materials	\$ 8,495	\$ 11,000	\$ 9,531	\$ 11,000	\$ -	0.00%
Telephone	\$ 2,139	\$ 2,000	\$ 2,800	\$ 2,495	\$ 495	24.74%
Utilities	\$ 72,516	\$ 70,000	\$ 73,938	\$ 74,900	\$ 4,900	7.00%
R&M - Buildings	\$ 23,001	\$ 25,650	\$ 26,242	\$ 44,001	\$ 18,351	71.54%
R&M - Equipment	\$ 3,321	\$ 5,000	\$ 1,033	\$ 8,000	\$ 3,000	60.00%
R&M - Auto/Trucks	\$ 809	\$ 800	\$ 556	\$ 800	\$ -	0.00%
Lease - Building	\$ -	\$ -	\$ -	\$ 11,000	\$ 11,000	
Liab/Prop Ins & Bonds	\$ 2,720	\$ 3,200	\$ 3,126	\$ 1,985	\$ (1,215)	-37.97%
Capital Outlay-Other Impr	\$ 56,836	\$ 12,000	\$ 11,110	\$ 66,500	\$ 54,500	454.17%
Contracted Services	\$ 72,772	\$ 96,000	\$ 89,114	\$ 81,956	\$ (14,044)	-14.63%
Intercompany Debt CHR	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Public Works-Building Maint	\$ 425,368	\$ 420,805	\$ 403,742	\$ 507,450	\$ 86,645	20.59%

FY14-15 Budget Highlights

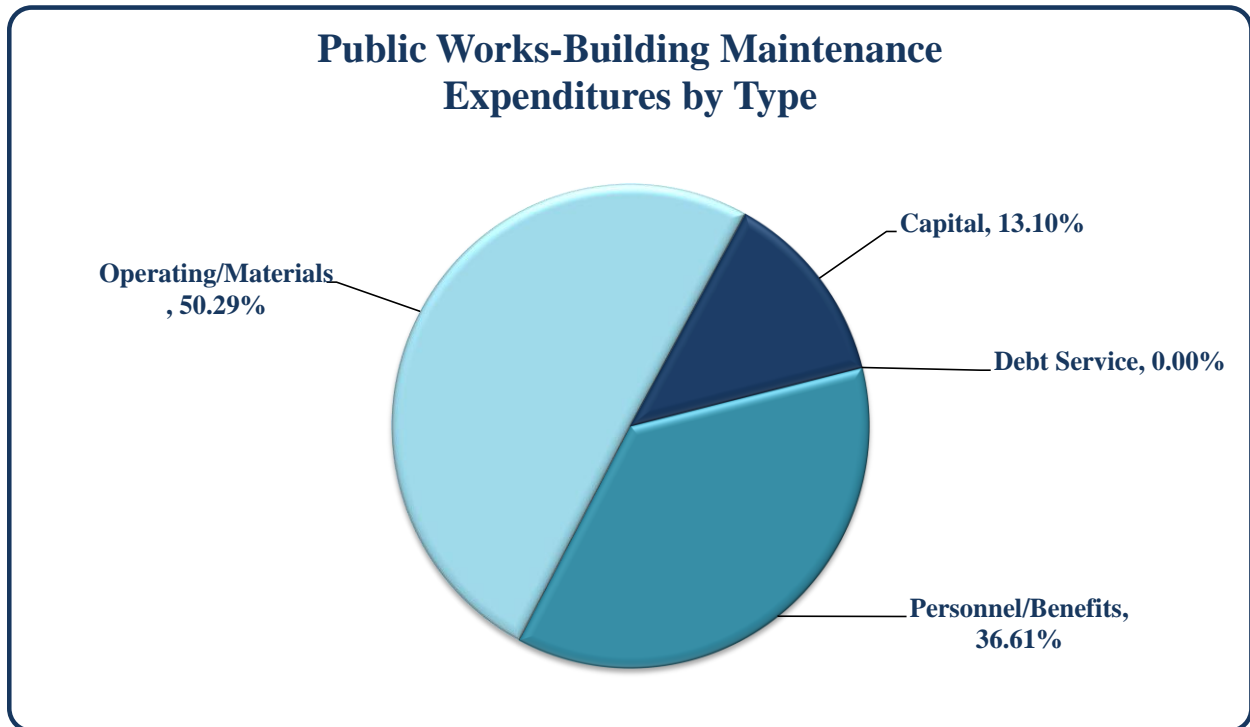
The Public Works-Building Maintenance expenditures section of the General Fund is increasing by \$86,645 or 20.59%. This increase is mostly attributable to an increase in capital project expenses. Other factors include building maintenance, building leases, and temporary employees.



Budget Summary

Public Works-Building Maintenance Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Public Works-Building Maintenance</i>						
Personnel/Benefits	\$ 166,645	\$ 173,980	\$ 171,427	\$ 185,763	\$ 11,783	6.77%
Operating/Materials	\$ 201,887	\$ 234,825	\$ 221,205	\$ 255,188	\$ 20,363	8.67%
Capital	\$ 56,836	\$ 12,000	\$ 11,110	\$ 66,500	\$ 54,500	454.17%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	

Personnel					
	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Type</i>					
Full-Time	3.00	3.00	3.00	3.00	0.00%
Part-Time	0.00	0.00	2.00	2.00	





Performance Measures

Public Works-Building Maintenance Measures			
	Actual	Estimated	Goal
	FY12-13	FY13-14	FY14-15
General Fund			
<i>Building Maintenance</i>			
Work orders completed per building maintenance tech FTE	333	226	200
Building maintenance costs per work order	\$316.14	\$341.45	\$300.00
Building maintenance costs per capita	\$23.81	\$17.53	\$17.00



Police

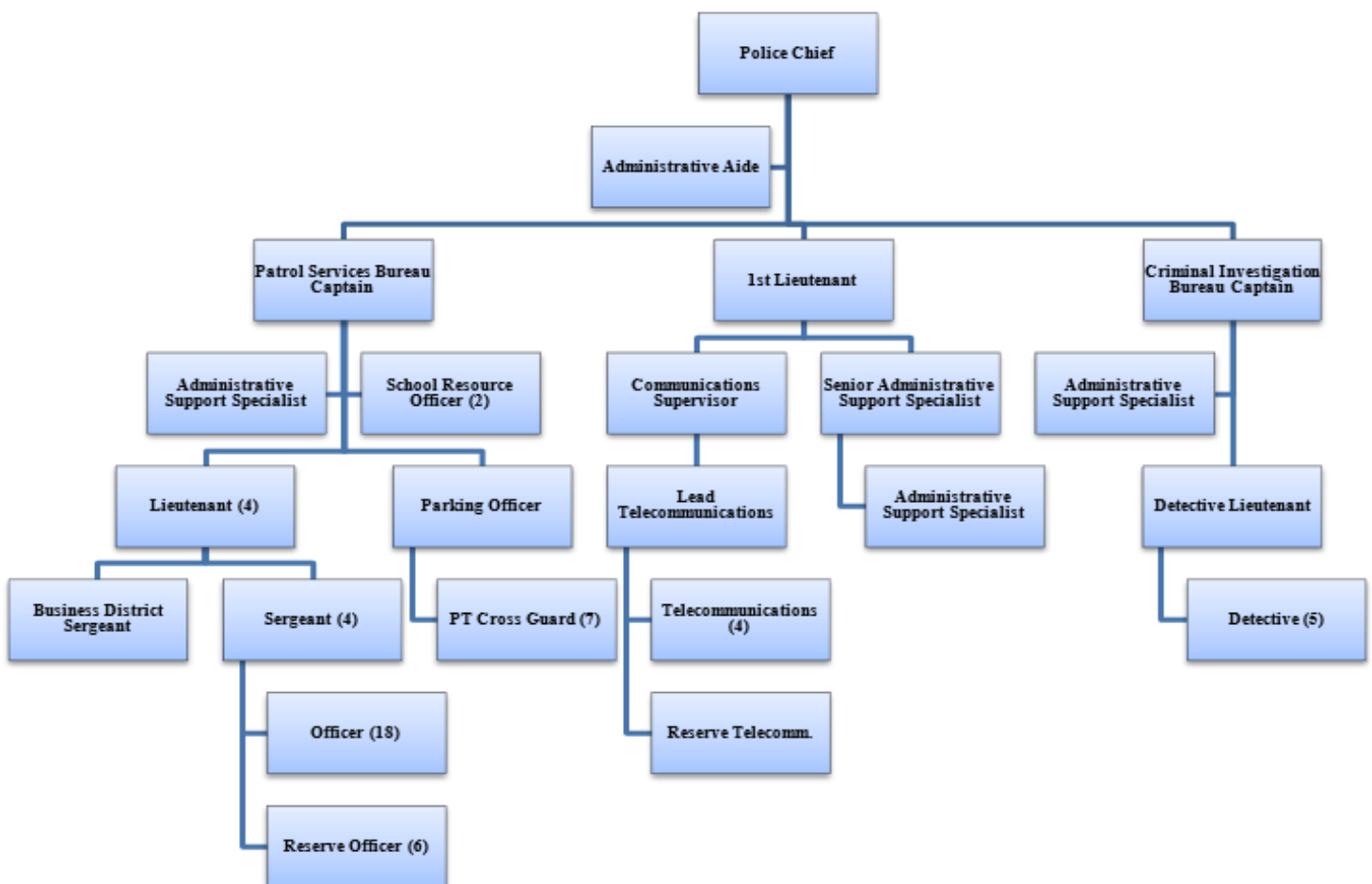
Mission

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.

Description

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

Police Organization Chart





FY13-14 Accomplishments

- ✓ Implementation of the Tracs Accident reporting system
- ✓ Recorded 264 community outreach events including: RAD classes, child safety and fingerprinting, Bike Safe classes, Community Watch meetings, and Badges for Baseball
- ✓ Command and supervisor level officers completed and continue to complete elite management training
- ✓ Addition of two polygraph examiners
- ✓ Reduction in traffic accidents due to increased enforcement and presence
- ✓ Implementation of a Business District Sergeant

FY14-15 Action Items & Initiatives

- ✓ Maintain a high level of service to citizens
- ✓ Conduct ongoing evaluations of department employees and resources
- ✓ Maintain an atmosphere of safety for citizens, both for themselves and their property
- ✓ Provide exceptional evidence collection, storage, and retention services



Police Expenditures by Line Item

Police Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Police Department</i>						
Salaries & Wages - Reg	\$ 1,998,743	\$ 2,036,620	\$ 2,109,542	\$ 2,233,075	\$ 196,455	9.65%
Salaries & Wages - O/T	\$ 79,041	\$ 78,530	\$ 66,654	\$ 76,814	\$ (1,716)	-2.19%
Holiday Pay	\$ -	\$ -	\$ 0	\$ 70,345	\$ 70,345	
Salaries & Wages - Standby	\$ 13,923	\$ 17,820	\$ 14,302	\$ 14,778	\$ (3,042)	-17.07%
Salaries & Wages - Court Pay	\$ 14,222	\$ 16,000	\$ 7,223	\$ 11,842	\$ (4,158)	-25.99%
Salaries & Wages - Cross GDS	\$ 23,146	\$ 27,570	\$ 23,815	\$ 23,007	\$ (4,563)	-16.55%
Salaries & Wages - Sep Allow	\$ 77,602	\$ 81,670	\$ 81,655	\$ 83,260	\$ 1,590	1.95%
Salaries & Wages - Drug Enforcement	\$ 9,819	\$ 12,000	\$ 558	\$ 10,828	\$ (1,172)	-9.76%
Salaries & Wages - SRO Grant	\$ 33,249	\$ 41,250	\$ 30,373	\$ -	\$ (41,250)	-100.00%
Salaries & Wages - Aux Offs	\$ 46,958	\$ 83,260	\$ 59,723	\$ 83,260	\$ -	0.00%
Salaries & Wages - SRO City	\$ -	\$ -	\$ -	\$ -	\$ -	
FICA Tax Expense	\$ 172,485	\$ 177,890	\$ 180,426	\$ 193,947	\$ 16,057	9.03%
Retirement Expense	\$ 231,056	\$ 244,750	\$ 250,015	\$ 274,213	\$ 29,463	12.04%
Group Med & Life Ins	\$ 290,371	\$ 269,300	\$ 250,953	\$ 257,346	\$ (11,954)	-4.44%
Worker's Comp Ins	\$ 39,584	\$ 40,700	\$ 33,275	\$ 77,622	\$ 36,922	90.72%
Retiree Insurance	\$ 32,873	\$ 28,800	\$ 24,817	\$ -	\$ (28,800)	-100.00%
Professional Services	\$ 1,969	\$ 2,500	\$ 2,224	\$ 5,200	\$ 2,700	108.00%
Professional Services - Medical	\$ 5,381	\$ 6,450	\$ 4,552	\$ 4,000	\$ (2,450)	-37.98%
Uniforms	\$ 35,035	\$ 36,070	\$ 27,822	\$ 39,480	\$ 3,410	9.45%
Gasoline & Diesel	\$ 134,181	\$ 139,000	\$ 132,500	\$ 130,000	\$ (9,000)	-6.47%
Tires	\$ 7,584	\$ 15,500	\$ 16,105	\$ 10,200	\$ (5,300)	-34.19%
Vehicle Parts	\$ 26,223	\$ 27,000	\$ 32,730	\$ 27,000	\$ -	0.00%
Oil, Lubrication, Etc	\$ 2,157	\$ 2,500	\$ 2,359	\$ 2,500	\$ -	0.00%
Office Supplies	\$ 13,196	\$ 15,000	\$ 10,224	\$ 13,800	\$ (1,200)	-8.00%
Supplies & Materials	\$ 74,065	\$ 81,612	\$ 73,688	\$ 64,783	\$ (16,829)	-20.62%
Telephone	\$ 39,246	\$ 49,450	\$ 49,450	\$ 47,580	\$ (1,870)	-3.78%
Postage	\$ 1,862	\$ 2,300	\$ 1,485	\$ 1,900	\$ (400)	-17.39%
R&M - Equipment	\$ 26,021	\$ 25,550	\$ 20,500	\$ 24,300	\$ (1,250)	-4.89%
R&M - Auto/Trucks	\$ 29,457	\$ 43,000	\$ 41,664	\$ 33,700	\$ (9,300)	-21.63%
Advertising	\$ 956	\$ 656	\$ 456	\$ 1,800	\$ 1,144	174.39%
Travel	\$ 22,915	\$ 28,150	\$ 25,955	\$ 22,357	\$ (5,793)	-20.58%
Training	\$ 14,838	\$ 16,390	\$ 14,741	\$ 17,955	\$ 1,565	9.55%
Spec Drug Enforcement	\$ 3,985	\$ -	\$ -	\$ 4,000	\$ 4,000	
Liab/Prop Ins & Bonds	\$ 66,660	\$ 66,700	\$ 65,950	\$ 47,709	\$ (18,991)	-28.47%
DARE Program	\$ 4,349	\$ 5,700	\$ 5,700	\$ 4,500	\$ (1,200)	-21.05%
Outreach Program	\$ 1,298	\$ 2,700	\$ 2,493	\$ 2,200	\$ (500)	-18.52%
Dues & Subscriptions	\$ 6,304	\$ 8,510	\$ 7,617	\$ 10,300	\$ 1,790	21.03%
Capital Outlay-Other	\$ -	\$ 344	\$ -	\$ -	\$ (344)	-100.00%
Non-Capital Equipment	\$ 83,999	\$ 38,000	\$ 37,954	\$ 2,500	\$ (35,500)	-93.42%
Capital Outlay-Motor Vehicles	\$ 51,258	\$ 130,768	\$ 130,768	\$ 202,000	\$ 71,232	54.47%
Contracted Services	\$ 596	\$ 1,000	\$ -	\$ 1,000	\$ -	0.00%
Total Police Department	\$ 3,716,604	\$ 3,901,010	\$ 3,840,266	\$ 4,131,102	\$ 230,092	5.90%



FY14-15 Budget Highlights

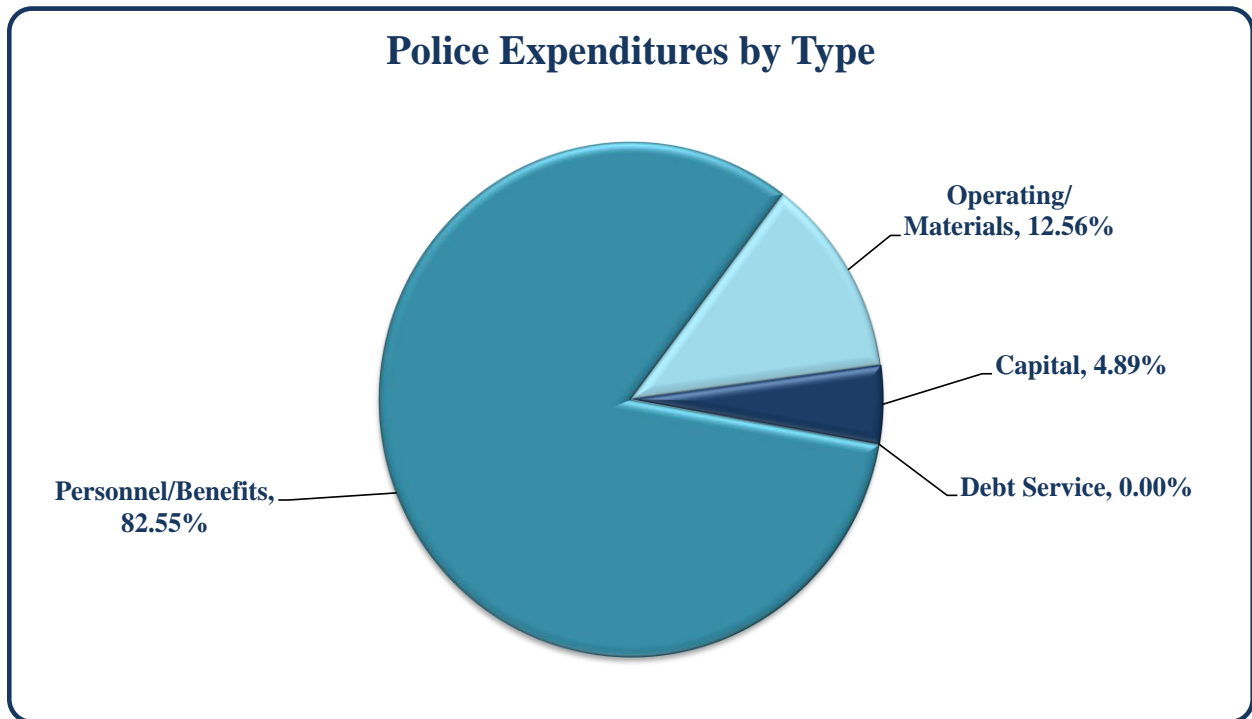
The Police Department expenditures in the General Fund will increase by \$230,092 or 5.9% in FY14-15. A primary factor affecting this increase is the *Salaries & Wages-Reg* line item, which is increasing by \$196,455 in FY14-15. Funding will be provided for drug enforcement, previously not funded in FY13-14, and funding will be removed from other forms of capital outlay.



Budget Summary

Police Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Police</i>						
Personnel/Benefits	\$ 3,063,071	\$ 3,156,160	\$ 3,133,330	\$ 3,410,338	\$ 254,178	8.05%
Operating/Materials	\$ 602,275	\$ 613,738	\$ 576,167	\$ 518,764	\$ (94,974)	-15.47%
Capital	\$ 51,258	\$ 131,112	\$ 130,768	\$ 202,000	\$ 70,888	54.07%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	

Personnel					
	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Type</i>					
Full-Time	51.00	51.00	51.00	51.00	0.00%
Part-Time	16.00	16.00	16.00	14.00	-12.50%





Fire

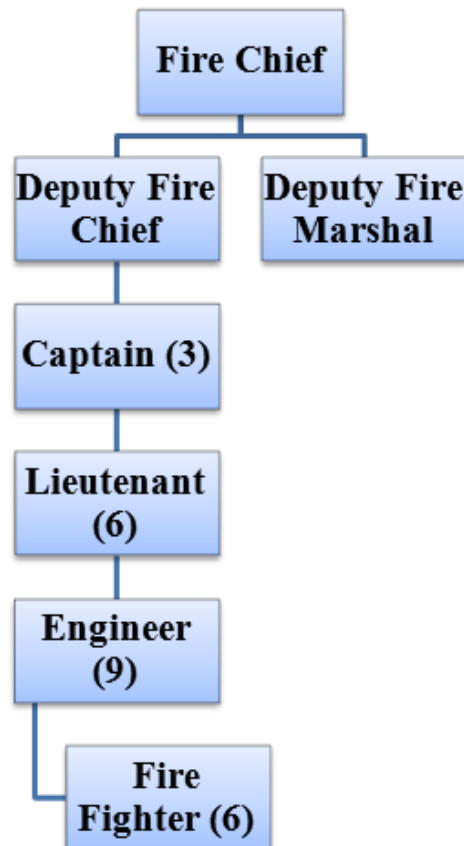
Mission

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.

Description

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

Fire Organization Chart





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.



FY13-14 Accomplishments

- ✓ Implemented a mandatory physical fitness program for our department
- ✓ Started an internal Health and Wellness Committee
- ✓ Started a seat belt initiative for all personnel (Signed International first responder seatbelt pledge)
- ✓ Implemented a Smoke Detector Program and received grant from the NC Dept. of Insurance, Office of State Fire Marshal
- ✓ Revised the mission statement for our organization
- ✓ Created a vision statement and established core values
- ✓ Arrival of new Fire Engine (E-1)
- ✓ Planning, Coordination, and Construction of Fire Station 2 (Station is now in-service)
- ✓ Became a Delivery Agency through the Office of State Fire Marshal
- ✓ Conducted an extensive process for the Deputy Fire Chief Position and Hired new DFC.
- ✓ All employees in the fire department became Child Passenger Safety Seat Certified

FY14-15 Action Items & Initiatives

- ✓ Evolve as an organization to continually meet the needs and demands of our community, citizens and visitors.
- ✓ Develop a Community-Driven Strategic Plan
- ✓ Develop, revise and implement new Standard Operating Guidelines
- ✓ Implement an apparatus replacement program
- ✓ Improve Data Entry procedures to ensure accurate data
- ✓ Implement a Fee Schedule for business inspections
- ✓ Establish and strengthen partnerships with neighboring jurisdictions
- ✓ Implement automatic and mutual aid agreements with neighboring departments
- ✓ Conduct periodic community surveys to ensure the HFD priorities match the needs of the community
- ✓ Develop and implement a Citizens Fire Academy



- ✓ Enhance internal communications tools to facilitate the sharing of information; solicitation of member input, and continued open communications for Fire Company planning.
- ✓ Develop a truly progressive website with improved access to public information and services

Future Action Items & Initiatives

- ✓ Replace Engine-4
- ✓ Hire an additional person for the life safety division
- ✓ Hire an administrative assistant for the fire department
- ✓ Staff additional personnel for the operations division
- ✓ Develop a Department Yearbook or history book for the 125 Anniversary coming up in 2017
- ✓ Acquire land, build and staff for Station 3
- ✓ Staff Battalion Chiefs (3 total – 1 for each shift)
- ✓ Renovate Station 1 to include weight room, storage, increase bedrooms, and offices.
- ✓ Begin the Accreditation Process through the Center for public safety excellence
- ✓ Perform a cost analysis for a City owned training facility



Fire Expenditures by Line Item

Fire Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Fire Department</i>						
Salaries & Wages - Reg	\$ 1,013,783	\$ 1,185,000	\$ 1,125,440	\$ 1,152,805	\$ (32,195)	-2.72%
Salaries & Wages - O/T	\$ 21,063	\$ 40,000	\$ 12,768	\$ 30,000	\$ (10,000)	-25.00%
Holiday Pay	\$ -	\$ -	\$ -	\$ 43,991	\$ 43,991	
Salaries & Wages - Temp	\$ 31,175	\$ 40,000	\$ 8,075	\$ 24,872	\$ (15,128)	-37.82%
FICA Tax Expense	\$ 79,635	\$ 90,700	\$ 85,363	\$ 95,753	\$ 5,053	5.57%
Retirement Expense	\$ 69,666	\$ 83,800	\$ 79,594	\$ 87,593	\$ 3,793	4.53%
Group Med & Life Ins	\$ 144,007	\$ 138,800	\$ 129,090	\$ 136,242	\$ (2,558)	-1.84%
Worker's Comp Ins	\$ 36,830	\$ 50,600	\$ 43,413	\$ 39,411	\$ (11,189)	-22.11%
Retiree Insurance	\$ 70,107	\$ 57,600	\$ 49,594	\$ -	\$ (57,600)	-100.00%
Professional Services	\$ 54,837	\$ 18,000	\$ 14,041	\$ 12,500	\$ (5,500)	-30.56%
Uniforms	\$ 12,428	\$ 16,000	\$ 10,186	\$ 11,675	\$ (4,325)	-27.03%
Protective Clothing	\$ 19,632	\$ 29,000	\$ 28,372	\$ 25,000	\$ (4,000)	-13.79%
Gasolina & Diesel	\$ 33,239	\$ 35,000	\$ 35,000	\$ 36,500	\$ 1,500	4.29%
Tires	\$ 5,650	\$ 8,400	\$ 9,547	\$ 7,600	\$ (800)	-9.52%
Vehicle Parts	\$ 23,581	\$ 21,000	\$ 16,654	\$ 15,000	\$ (6,000)	-28.57%
Oil, Lubrication, Etc	\$ 494	\$ 2,500	\$ 1,485	\$ 2,500	\$ -	0.00%
Office Supplies	\$ 2,060	\$ 4,000	\$ 3,152	\$ 5,050	\$ 1,050	26.25%
Educational Supplies	\$ 4,489	\$ 7,000	\$ 7,999	\$ 10,000	\$ 3,000	42.86%
Supplies & Materials	\$ 19,663	\$ 26,856	\$ 17,334	\$ 22,000	\$ (4,856)	-18.08%
Telephone	\$ 8,439	\$ 10,000	\$ 10,000	\$ 20,034	\$ 10,034	100.34%
Postage	\$ 92	\$ 200	\$ 52	\$ 100	\$ (100)	-50.00%
Utilities	\$ 11,800	\$ 17,000	\$ 17,000	\$ 28,000	\$ 11,000	64.71%
R&M - Buildings	\$ 15,564	\$ 15,000	\$ 9,221	\$ 10,000	\$ (5,000)	-33.33%
R&M - Equipment	\$ 12,433	\$ 14,000	\$ 10,902	\$ 15,000	\$ 1,000	7.14%
R&M - Auto/Trucks	\$ 13,489	\$ 25,000	\$ 22,965	\$ 20,000	\$ (5,000)	-20.00%
Advertising	\$ -	\$ 2,500	\$ 2,500	\$ 2,500	\$ -	0.00%
Laundry	\$ 174	\$ 700	\$ -	\$ 700	\$ -	0.00%
Travel	\$ 12,867	\$ 16,000	\$ 17,708	\$ 14,500	\$ (1,500)	-9.38%
Training	\$ 8,967	\$ 12,000	\$ 5,297	\$ 15,170	\$ 3,170	26.42%
Liab/Prop Ins & Bonds	\$ 13,206	\$ 15,000	\$ 14,966	\$ 8,836	\$ (6,164)	-41.09%
Dues & Subscriptions	\$ 5,994	\$ 5,500	\$ 5,196	\$ 10,645	\$ 5,145	93.55%
Capital Outlay Equipment	\$ -	\$ 344	\$ 334	\$ -	\$ (344)	-100.00%
Non-Capital Equipment	\$ 52,829	\$ 50,000	\$ 45,603	\$ 10,000	\$ (40,000)	-80.00%
Capital Outlay-Motor Vehicles	\$ 578,171	\$ -	\$ -	\$ 30,000	\$ 30,000	
Capital Outlay-Buildings	\$ -	\$ 50,000	\$ 44,567	\$ -	\$ (50,000)	-100.00%
Total Fire Department	\$ 2,376,364	\$ 2,087,500	\$ 1,883,416	\$ 1,943,977	\$ (143,523)	-6.88%



FY14-15 Budget Highlights

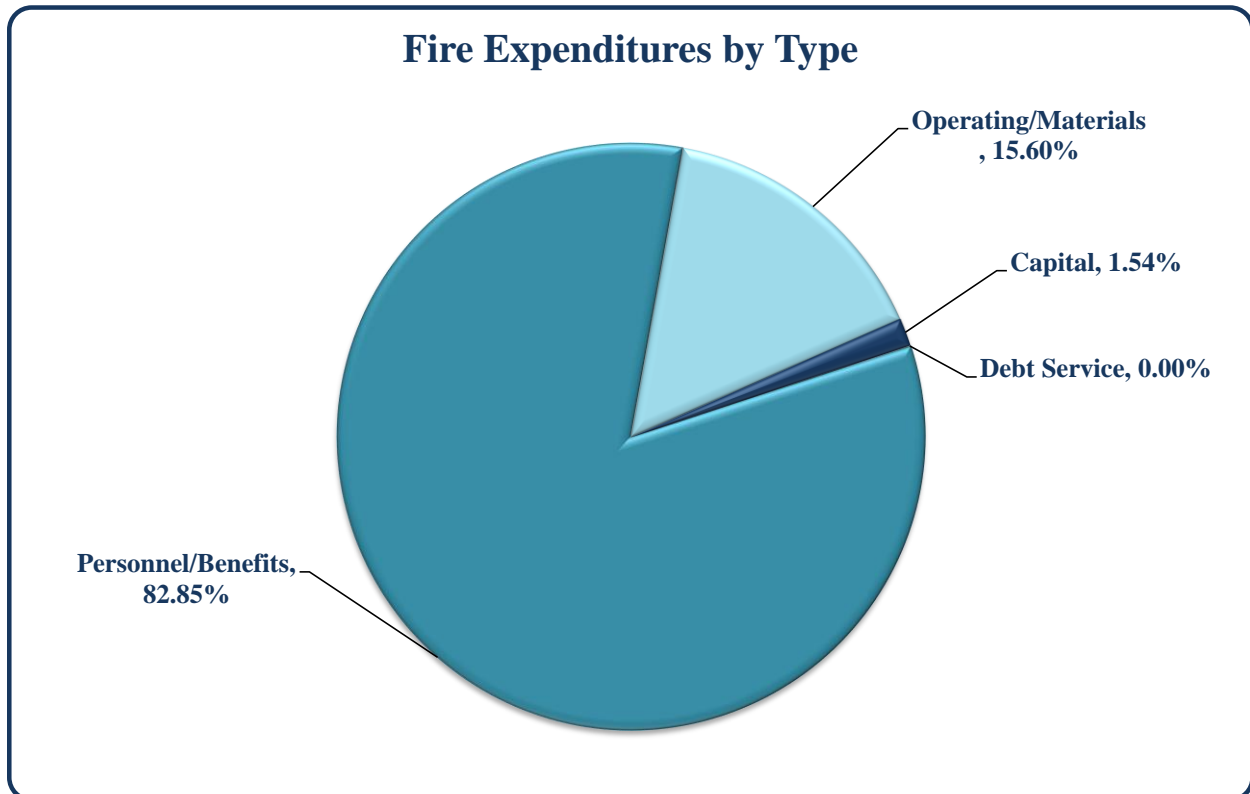
The Fire Department expenditures will experience a \$143,523 or 6.88% decrease in FY14-15. Almost every line item will experience some sort of decrease. However, \$30,000 will be budgeted in the *Capital Outlay-Motor Vehicles* line item.



Budget Summary

Fire Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Fire</i>						
Personnel/Benefits	\$ 1,466,265	\$ 1,686,500	\$ 1,311,240	\$ 1,610,667	\$ (75,833)	-4.50%
Operating/Materials	\$ 331,928	\$ 350,656	\$ 527,277	\$ 303,310	\$ (47,346)	-13.50%
Capital	\$ 578,171	\$ 50,344	\$ 44,900	\$ 30,000	\$ (20,344)	-40.41%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	

Personnel					
	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Type</i>					
Full-Time	27.00	27.00	27.00	27.00	0.00%
Part-Time	15.00	15.00	15.00	15.00	0.00%



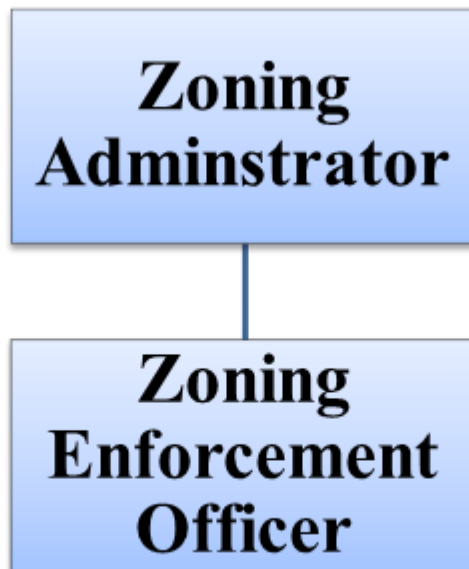


Zoning

Description

The City of Hendersonville Zoning Department is responsible for 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 Zoning Department provides staff support to the Board of Adjustment. The department includes the Zoning Administrator and Zoning Enforcement Officer. The Zoning Department is located at 100 N. King Street. For more information about the Zoning Department please contact (828) 697-3010.

Zoning Organization Chart



FY13-14 Accomplishments

- ✓ Revised and implemented the nuisance abatement ordinance.
- ✓ Trained the Board of Adjustment members on changes to NCGS 160A-393 and revised the zoning ordinance to reflect these changes.

FY14-15 Action Items & Initiatives

- ✓ Revise the Sidewalk Dining ordinance to add material standards for enclosures and begin enforcement.
- ✓ Continue to work toward voluntary compliance with codes and ordinances rather than enforcement action being necessary.



Zoning Expenditures by Line Item

Zoning Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Zoning Department</i>						
Salaries & Wages - Reg	\$ 101,018	\$ 104,750	\$ 104,623	\$ 108,105	\$ 3,355	3.20%
FICA Tax Expense	\$ 7,581	\$ 8,020	\$ 7,859	\$ 8,270	\$ 250	3.12%
Retirement Expense	\$ 6,747	\$ 7,410	\$ 7,397	\$ 7,719	\$ 309	4.17%
Group Med & Life Ins	\$ 11,710	\$ 10,300	\$ 9,950	\$ 10,092	\$ (208)	-2.02%
Worker's Comp Ins	\$ 1,086	\$ 1,320	\$ 1,233	\$ 186	\$ (1,134)	-85.93%
Professional Services - Legal	\$ 2,010	\$ 2,000	\$ 630	\$ 3,500	\$ 1,500	75.00%
Uniforms	\$ 591	\$ 700	\$ 356	\$ 510	\$ (190)	-27.14%
Gasoline & Diesel	\$ 2,371	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	0.00%
Tires	\$ -	\$ 400	\$ -	\$ 100	\$ (300)	-75.00%
Vehicle Parts	\$ 219	\$ 1,000	\$ 296	\$ 250	\$ (750)	-75.00%
Oil, Lubrication, Etc	\$ 40	\$ 200	\$ 29	\$ 150	\$ (50)	-25.00%
Office Supplies	\$ 2,860	\$ 3,000	\$ 1,346	\$ 2,900	\$ (100)	-3.33%
Telephone	\$ 2,777	\$ 3,500	\$ 3,500	\$ 3,188	\$ (312)	-8.91%
Postage	\$ 2,900	\$ 4,500	\$ 836	\$ 3,500	\$ (1,000)	-22.22%
R&M - Equipment	\$ -	\$ 100	\$ -	\$ -	\$ (100)	-100.00%
R&M - Auto/Trucks	\$ 86	\$ 500	\$ 97	\$ 150	\$ (350)	-70.00%
Advertising	\$ -	\$ 400	\$ -	\$ 150	\$ (250)	-62.50%
Travel	\$ 3,289	\$ 6,000	\$ 4,217	\$ 4,000	\$ (2,000)	-33.33%
Training	\$ 1,245	\$ 1,500	\$ 1,255	\$ 1,585	\$ 85	5.67%
Liab/Prop Ins & Bonds	\$ 1,415	\$ 1,600	\$ 1,472	\$ 1,027	\$ (573)	-35.81%
Dues & Subscriptions	\$ 430	\$ 500	\$ 325	\$ 495	\$ (5)	-1.00%
Capital Outlay - Motor Vehicles	\$ -	\$ -	\$ -	\$ 29,000	\$ 29,000	
Continued Service - Condemned BLDGS	\$ 9,741	\$ 15,000	\$ 10,911	\$ 15,000	\$ -	0.00%
Total Zoning Department	\$ 158,116	\$ 175,700	\$ 159,331	\$ 202,876	\$ 27,176	15.47%

FY14-15 Budget Highlights

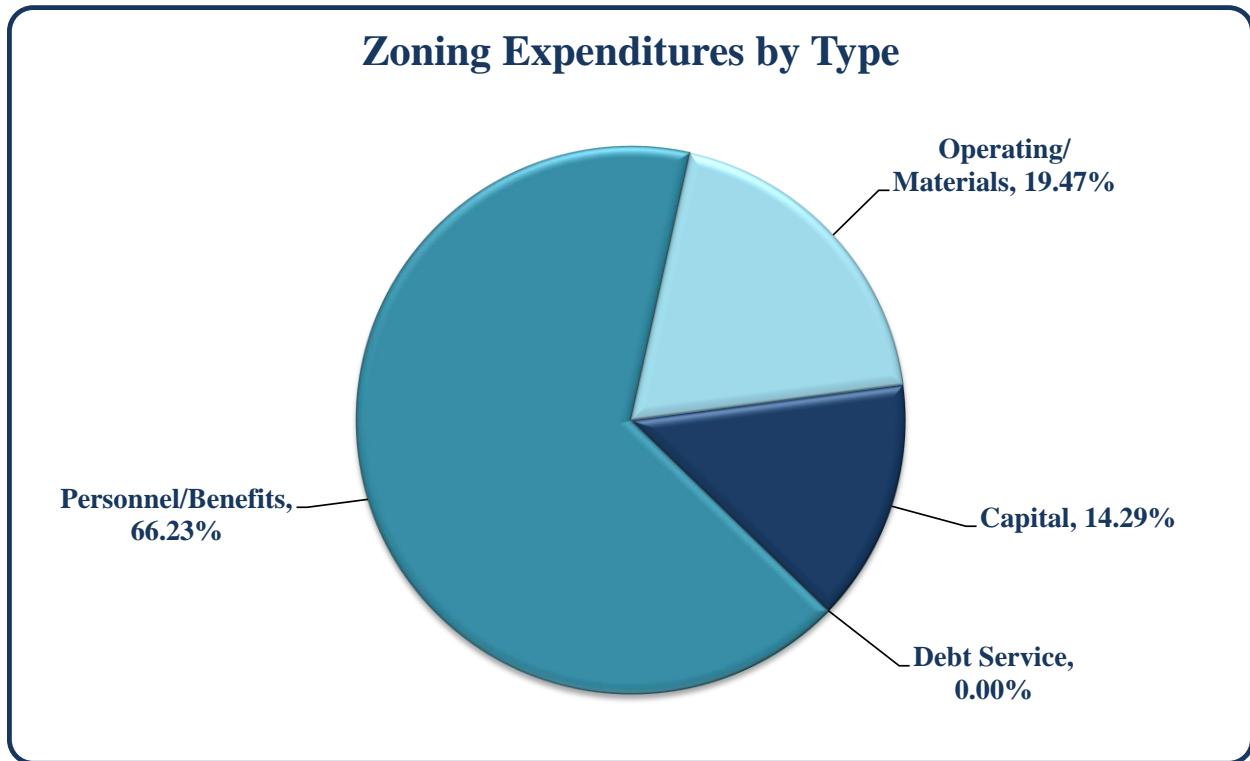
The Zoning Department General Fund expenditures have increased by \$27,176 or 15.47% since FY13-14. The largest line item increase is in *Capital Outlay-Motor Vehicle*, increasing by \$29,000.



Budget Summary

Zoning Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Zoning</i>						
Personnel/Benefits	\$ 128,141	\$ 131,800	\$ 129,829	\$ 134,371	\$ 2,571	1.95%
Operating/Materials	\$ 29,975	\$ 43,900	\$ 29,502	\$ 39,505	\$ (4,395)	-10.01%
Capital	\$ -	\$ -	\$ -	\$ 29,000	\$ 29,000	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	

Personnel					
	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Type</i>					
Full-Time	2.00	2.00	2.00	2.00	0.00%
Part-Time	0.00	0.00	0.00	0.00	





Performance Measurements

Zoning Performance Measures			
	Actual	Estimated	Goal
	FY12-13	FY13-14	FY14-15
General Fund			
<i>Zoning</i>			
<i># of Conditional Use Applications</i>	1	3	3
<i># of Flood Permits</i>	5	5	5
<i># of Board of Adjustment Cases</i>	9	8	5
<i>% of Violations Resolved Through Voluntary Compliance within 15 Days</i>	55%	81%	100%
<i>% of Violations Resulting in Court Action</i>	0.01%	0.00%	0.00%
<i># of Minimum Housing Code Inspections Completed</i>	12	14	20
<i>Average # of Violations Cited per Housing Code Inspection</i>	12	6	5
<i>Average Time to Resolve Complaints Involving Outside Agency Participation</i>	15	15	10
<i>Average Time to Resolve Complaints Requiring No Outside Agency Participation</i>	45	45	30
<i># of Courtesy Letter or Written Educaiton Contacts Issued</i>	97	136	100



Planning

Description

The Planning Department is charged with the review of the physical development of land within the City and the Extraterritorial Jurisdiction along with other functions. Through current planning functions, the Planning Department 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. Through long range planning, the Planning Department 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. The Planning Department provides staff support to the Mayor, City Council, Planning Board, Historic Preservation Commission, Downtown Advisory Committee and City Manager.

The Historic Preservation Commission designates and regulates historic districts and landmarks within the planning jurisdiction of the City. The Planning Department provides staff support to the Commission, processes individual certificate of appropriate applications and façade grants, plans special events, researches properties for historic designation, applies for and administers grants, maintains a newsletter and hosts a website.

The Planning Department also includes the Main Street Program. The City of Hendersonville's Main Street Program is a downtown economic development and education program that uses the National Main Street Center's four point approach to downtown revitalization. The Planning Department provides staff support to the Downtown Advisory Committee and sub-committees, organizes special events, processes applications for façade grants, markets downtown Hendersonville and hosts a website.

The Planning Department consists of a full time Planning Director, full time Downtown Economic Development Director, full time Administrative Aide and part time Special Events and Promotion Assistant.

The Planning Department is located at 145 5th Avenue East in City Hall. The Planning Department can be reached at (828) 697-3088 or by contacting the Planning Director at sanderson@cityofhendersonville.org.



Planning Organization Chart





FY13-14 Accomplishments

- ✓ Recipient of the 2013 N. C. Main Street Program Award of Merit for Best Downtown Special Event or Event Series - Rhythm & Brews Concert Series
- ✓ Recipient of the 2014 APA-NC's Great Places in North Carolina Award for Main Street
- ✓ Processed 51 land use applications
- ✓ Processed 10 code revision applications
- ✓ Processed 83 Historic Preservation Certificate of Appropriateness permits
- ✓ Designation of Brookland as a Local Historic Landmark
- ✓ Designation of Oakland Cemetery as a National Register District
- ✓ Received grant for the designation of Oakland Cemetery
- ✓ Spring Tour of Historic Homes in Hyman Heights raised \$4,300
- ✓ 20 Historic District banners added to Hyman Heights and Lenox Spring Park
- ✓ Provided façade grants for the McClintock clock restoration and Higgins Building
- ✓ Awarded three Historic Preservation Awards
- ✓ Hired part time Special Events and Promotion Assistant
- ✓ Organize 9 downtown special events
- ✓ Developed a Special Event Policy Manual
- ✓ Developed and implemented on-line volunteer database
- ✓ Developed organizational policies for the Downtown Advisory Committee and its sub-committees

FY14-15 Action Items & Initiatives

- ✓ Continue overall Planning Department functions with limited staff
- ✓ Complete PARTF grant application for Berkeley Mills Park
- ✓ Pursue Historic Preservation grant opportunities
- ✓ Research background information for Downtown Master Plan
- ✓ Organize Historic Preservation Loft tour
- ✓ Organize Historic Preservation Holiday Tour of Inns
- ✓ Coordinate improvements in Lennox Spring and Oakdale Cemetery
- ✓ Add 20 Historic District banners in Druid Hills and Cold Spring Park
- ✓ Explore local and national historic registration designations
- ✓ Organize and host Historic Preservation workshop
- ✓ Incorporate 7th Avenue into Main Street Program
- ✓ Increase Main Street Program special events from 9 events to 12 events
- ✓ Provide support for development of Wayfinding Master Plan with consultant
- ✓ Design upgrade of webpage
- ✓ Develop Business Training opportunity
- ✓ Develop "Designer Loft," fundraiser targeted towards raising dollars for Façade Grants
- ✓ Fill vacant City Planner position



Planning Expenditures by Line Item

Planning Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Planning Department</i>						
Salaries & Wages - Reg	\$ 111,047	\$ 139,120	\$ 115,614	\$ 106,961	\$ (32,159)	-23.12%
FICA Tax Expense	\$ 7,892	\$ 10,580	\$ 8,469	\$ 8,183	\$ (2,397)	-22.66%
Retirement Expense	\$ 7,499	\$ 9,790	\$ 8,174	\$ 7,637	\$ (2,153)	-21.99%
Group Med & Life Ins	\$ 12,611	\$ 15,400	\$ 10,198	\$ 8,074	\$ (7,326)	-47.57%
Worker's Comp Ins	\$ 3,802	\$ 4,200	\$ 4,069	\$ 186	\$ (4,014)	-95.58%
Professional Services	\$ 16,781	\$ 25,000	\$ 24,224	\$ 23,000	\$ (2,000)	-8.00%
Office Supplies	\$ 7,139	\$ 7,000	5330.21	\$ 7,000	\$ -	0.00%
Telephone	\$ 1,499	\$ 2,000	\$ 2,300	\$ 2,124	\$ 124	6.20%
Postage	\$ 1,113	\$ 1,656	\$ 831	\$ 2,000	\$ 344	20.77%
Advertising	\$ 1,583	\$ 3,000	\$ 1,523	\$ 3,000	\$ -	0.00%
Travel	\$ 5,599	\$ 2,300	\$ 1,612	\$ 2,300	\$ -	0.00%
Training	\$ 2,064	\$ 2,300	\$ 1,415	\$ 2,300	\$ -	0.00%
Liab/Prop Ins & Bonds	\$ 1,887	\$ 2,100	\$ 1,998	\$ 342	\$ (1,758)	-83.71%
Dues & Subscriptions	\$ 370	\$ 750	\$ 77	\$ 750	\$ -	0.00%
Historic Preservation	\$ 9,160	\$ 10,000	\$ 9,699	\$ 9,000	\$ (1,000)	-10.00%
Capital Outlay-Equipment	\$ -	\$ 344	\$ 334	\$ -	\$ (344)	-100.00%
Departmental CHGS-G/F	\$ (25,400)	\$ (27,000)	\$ (27,000)	\$ -	\$ 27,000	-100.00%
Intercompany Debt Charges	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Planning Department	\$ 164,647	\$ 208,540	\$ 168,865	\$ 182,856	\$ (25,684)	-12.32%

FY14-15 Budget Highlights

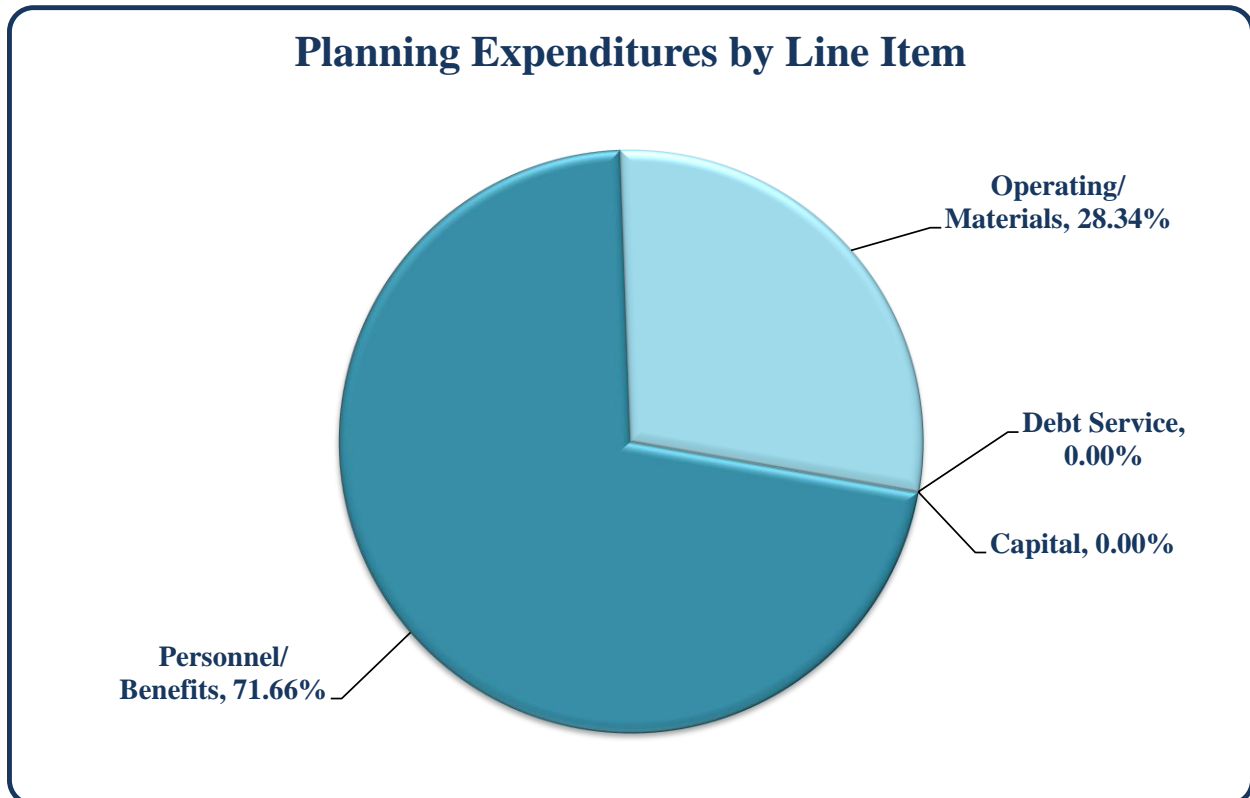
The Planning Department General Fund expenditures have decreased by \$25,684 or 12.32% since FY13-14. The largest decrease is seen in the *Salaries & Wages-Reg* line item, \$32,159 or 23.12%. These decreases are due to mandatory budget cuts across all departments.



Budget Summary

Planning Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Planning</i>						
Personnel/Benefits	\$ 142,851	\$ 179,090	\$ 142,454	\$ 131,040	\$ (48,050)	-26.83%
Operating/Materials	\$ 21,795	\$ 29,106	\$ 26,077	\$ 51,816	\$ 22,710	78.03%
Capital	\$ -	\$ 344	\$ 334	\$ -	\$ (344)	-100.00%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	

Personnel					
	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Type</i>					
Full-Time	2.00	2.00	2.00	2.00	0.00%
Part-Time	0.00	0.00	0.00	0.00	



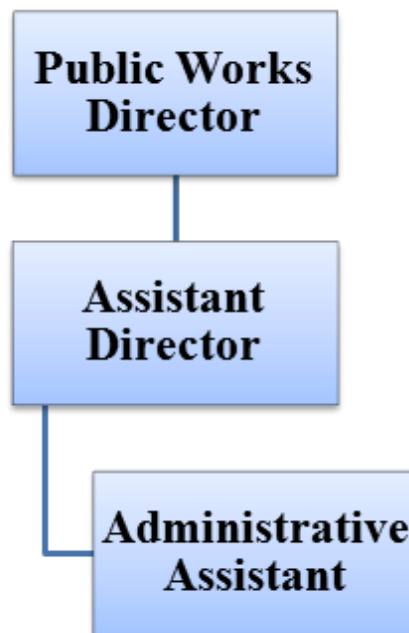


Public Works-Administration

Description

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

Public Works-Administration Organization Chart





FY13-14 Accomplishments

- ✓ Whitmire Activity Center Rented Long Term to Bridge Club
- ✓ Revised our Downtown Landscape Contract to include additional maintenance area after the renovation project
- ✓ Implemented new maintenance items on some of the city streets (crack seal)
- ✓ Assisted the Tree Board with the Bruce Drysdale Tree Planting Project
- ✓ Assisted the Tree Board with tree maintenance along Martin Luther King Jr Blvd and at the Triangle area by Piggy's

FY14-15 Action Items & Initiatives

- ✓ Prep for the expansion of the Oklawaha Greenway Trail to Berkeley Park
- ✓ Assist the Tree Board with the Bearcat Loop Planting Project
- ✓ Plan of additional tree maintenance along MLK Blvd and at the Triangle by Piggy's
- ✓ Plan to hire an additional staff person in Building Maintenance (if we can find the funds)



Public Works-Administration Expenditures by Line Item

Public Works - Administration Expenditures by Line Item						
	Actual FY12-13	Budgeted FY13-14	Estimated FY13-14	Recommended FY14-15	Dollar Change	Percent Change
General Fund						
<i>Public Works - Administration</i>						
Salaries & Wages - Reg	\$ 189,963	\$ 199,755	\$ 197,733	\$ 216,402	\$ 16,647	8.33%
FICA Tax Expense	\$ 14,099	\$ 15,285	\$ 14,686	\$ 16,555	\$ 1,270	8.31%
Retirement Expense	\$ 12,793	\$ 14,125	\$ 13,980	\$ 15,451	\$ 1,326	9.39%
Group Med & Life Ins	\$ 17,827	\$ 15,500	\$ 15,183	\$ 16,400	\$ 900	5.80%
Worker's Comp Ins	\$ 5,480	\$ 6,600	\$ 6,190	\$ 279	\$ (6,321)	-95.78%
Professional Services	\$ 25	\$ 600	\$ 104	\$ 600	\$ -	0.00%
Uniforms	\$ 152	\$ 800	\$ 226	\$ 717	\$ (83)	-10.38%
Medical Supplies	\$ 827	\$ 1,300	\$ 413	\$ 1,300	\$ -	0.00%
Gasoline & Diesel	\$ 2,439	\$ 2,650	\$ 3,150	\$ 2,400	\$ (250)	-9.43%
Tires	\$ -	\$ 400	\$ -	\$ 400	\$ -	0.00%
Vehicle Parts	\$ 1,041	\$ 1,000	\$ 671	\$ 1,000	\$ -	0.00%
Oil, Lubrication, Etc	\$ 10	\$ 140	\$ 92	\$ 100	\$ (40)	-28.57%
Office Supplies	\$ 3,731	\$ 5,000	\$ 3,721	\$ 4,250	\$ (750)	-15.00%
Supplies & Materials	\$ 968	\$ 4,200	\$ 555	\$ 2,200	\$ (2,000)	-47.62%
Telephone	\$ 7,670	\$ 8,800	\$ 9,500	\$ 3,591	\$ (5,209)	-59.19%
Postage	\$ 214	\$ 500	\$ 221	\$ 200	\$ (300)	-60.00%
R&M - Equipment	\$ 18,514	\$ 23,076	\$ 17,520	\$ 24,200	\$ 1,124	4.87%
R&M - Auto/Trucks	\$ 821	\$ 800	\$ 895	\$ 600	\$ (200)	-25.00%
Advertising	\$ 1,092	\$ 70	\$ 46	\$ 1,000	\$ 930	1328.57%
Travel	\$ 463	\$ 2,600	\$ 2,571	\$ 4,000	\$ 1,400	53.85%
Training	\$ 1,972	\$ 2,300	\$ 2,254	\$ 4,000	\$ 1,700	73.91%
Liab/Prop Ins & Bonds	\$ 3,267	\$ 3,300	\$ 3,049	\$ 1,984	\$ (1,316)	-39.88%
Dues & Subscriptions	\$ 1,192	\$ 1,340	\$ 1,333	\$ 644	\$ (696)	-51.94%
Hendersonville Tree Board	\$ 4,848	\$ 10,700	\$ 10,122	\$ 12,000	\$ 1,300	12.15%
Capital Outlay-DP Equip	\$ -	\$ 344	\$ 334	\$ -	\$ (344)	-100.00%
Capital Outlay-Motor Vehicles	\$ 26,759	\$ -	\$ -	\$ 50,000	\$ 50,000	
Contracted Services	\$ 2,671	\$ 2,200	\$ 2,844	\$ 2,600	\$ 400	18.18%
Intercompany Debt Charges	\$ 15,000	\$ 12,100	\$ 12,100	\$ -	\$ (12,100)	-100.00%
Total Public Works - Administration	\$ 333,837	\$ 335,485	\$ 319,492	\$ 382,872	\$ 47,387	14.13%

FY14-15 Budget Highlights

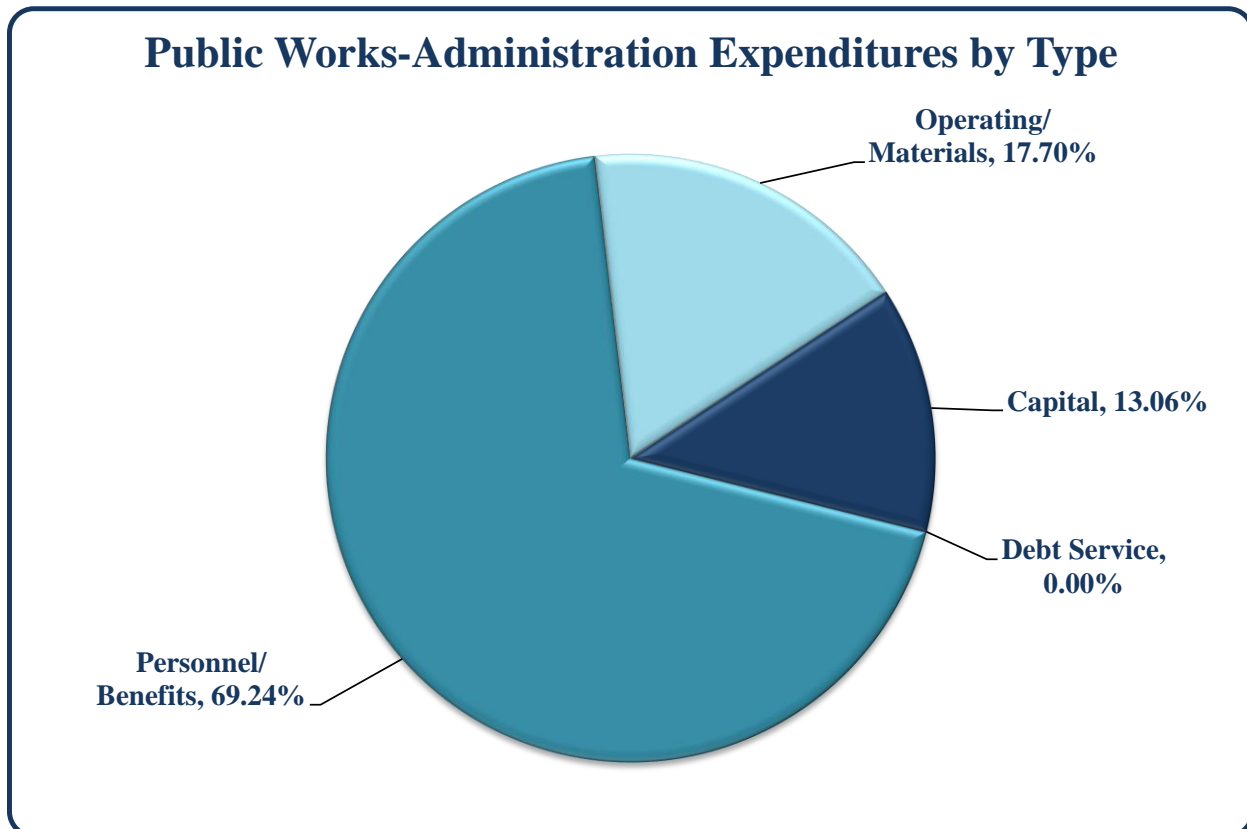
The Public Works-Administration section of the General Fund expenditures experienced a \$47,387 increase for FY14-15. The largest portion of this increase is attributable to the *Capital Outlay-Motor Vehicles* line item. Other notable line items are an increase in *Salaries & Wages-Reg* and a \$5,209 decrease in *Supplies & Materials*.



Budget Summary

Public Works-Administration Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Public Works-Administration</i>						
Personnel/Benefits	\$ 240,163	\$ 251,265	\$ 247,772	\$ 265,086	\$ 13,821	5.50%
Operating/Materials	\$ 51,916	\$ 71,776	\$ 59,287	\$ 67,786	\$ (3,990)	-5.56%
Capital	\$ 26,759	\$ 344	\$ 334	\$ 50,000	\$ 49,656	14434.88%
Debt Service	\$ 15,000	\$ 12,100	\$ 12,100	\$ -	\$ (12,100)	-100.00%

Personnel					
	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Type</i>					
Full-Time	3.00	3.00	3.00	3.00	0.00%
Part-Time	0.00	0.00	0.00	0.00	



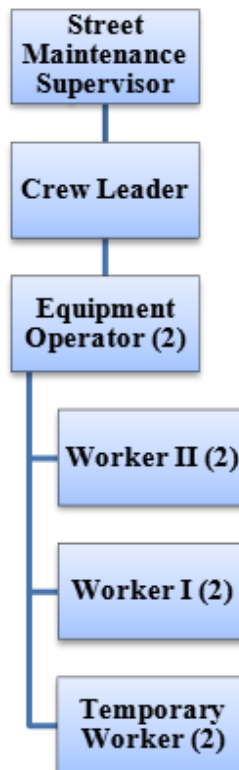


Public Works-Streets & Highways

Description

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

Public Works-Streets & Highways Organization Chart





FY13-14 Accomplishments

- ✓ Completed a Pavement Condition Survey in May 2013
- ✓ Resurfaced 3.09 miles of City streets and crack sealed 3.63 miles of City streets
- ✓ Completed 4,053 SF of Full Depth Patching to city streets
- ✓ Repaired 364 utility cuts (9508.5 SF)

FY14-15 Action Items & 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
- ✓ Continue to complete street repairs using staff to improve our Pavement Condition Rating



Public Works-Streets & Highways Expenditures by Line Item

Public Works - Streets & Highway Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Public Works - Streets & Highways</i>						
Salaries & Wages - Reg	\$ 258,801	\$ 271,200	\$ 262,454	\$ 281,789	\$ 10,589	3.90%
Salaries & Wages - O/T	\$ 5,469	\$ 14,140	\$ 11,570	\$ 6,400	\$ (7,740)	-54.74%
Holiday Pay	\$ -	\$ -	\$ -	\$ 2,140	\$ 2,140	
Salaries & Wages - P/T	\$ 22,861	\$ 34,650	\$ 22,002	\$ 23,667	\$ (10,983)	-31.70%
FICA Tax Expense	\$ 21,395	\$ 23,400	\$ 22,300	\$ 24,021	\$ 621	2.65%
Retirement Expense	\$ 17,791	\$ 19,200	\$ 19,275	\$ 20,729	\$ 1,529	7.97%
Group Med & Life Ins	\$ 47,051	\$ 36,470	\$ 38,572	\$ 40,368	\$ 3,898	10.69%
Worker's Comp Ins	\$ 7,715	\$ 8,500	\$ 8,234	\$ 15,990	\$ 7,490	88.11%
Professional Services	\$ 69	\$ 1,000	\$ 52	\$ 16,700	\$ 15,700	1570.00%
Uniforms	\$ 4,342	\$ 4,500	\$ 3,115	\$ 5,736	\$ 1,236	27.47%
Const & Repair Supplies	\$ 117,976	\$ 130,000	\$ 130,671	\$ 167,100	\$ 37,100	28.54%
Gasoline & Diesel	\$ 37,386	\$ 32,410	\$ 35,000	\$ 32,000	\$ (410)	-1.27%
Tires	\$ 4,968	\$ 7,000	\$ 6,763	\$ 7,000	\$ -	0.00%
Vehicle Parts	\$ 33,110	\$ 40,000	\$ 32,919	\$ 40,000	\$ -	0.00%
Oil, Lubrication, Etc	\$ 1,361	\$ 2,000	\$ 1,140	\$ 2,000	\$ -	0.00%
Supplies & Materials	\$ 19,006	\$ 34,000	\$ 32,413	\$ 25,000	\$ (9,000)	-26.47%
R&M - Equipment	\$ 221	\$ 8,000	\$ 1,134	\$ 8,000	\$ -	0.00%
R&M - Auto/Trucks	\$ 1,243	\$ 5,000	\$ 1,892	\$ 5,000	\$ -	0.00%
Liab/Prop Ins & Bonds	\$ 6,278	\$ 6,500	\$ 5,230	\$ 15,040	\$ 8,540	131.38%
Non-Capital Equipment	\$ -	\$ -	\$ -	\$ 7,000	\$ 7,000	
Capital Outlay-Other Equipment	\$ -	\$ 54,151	\$ 54,150	\$ 100,000	\$ 45,849	84.67%
Capital Outlay-Other IMPMTS	\$ -	\$ 7,849	\$ -	\$ -	\$ (7,849)	-100.00%
Contracted Services	\$ 40,135	\$ 132,754	\$ 131,373	\$ 53,100	\$ (79,654)	-60.00%
Contract - Public Transit	\$ -	\$ 98,675	\$ 98,675	\$ 108,164	\$ 9,489	9.62%
Departmental CHGS-W/S	\$ (132,349)	\$ (93,500)	\$ (108,015)	\$ -	\$ 93,500	-100.00%
Departmental CHGS-SOL	\$ (49,800)	\$ (49,800)	\$ (49,800)	\$ -	\$ 49,800	-100.00%
Total Pub Works - Streets & HWYS	\$ 465,032	\$ 828,099	\$ 761,119	\$ 1,006,943	\$ 178,844	21.60%

FY14-15 Budget Highlights

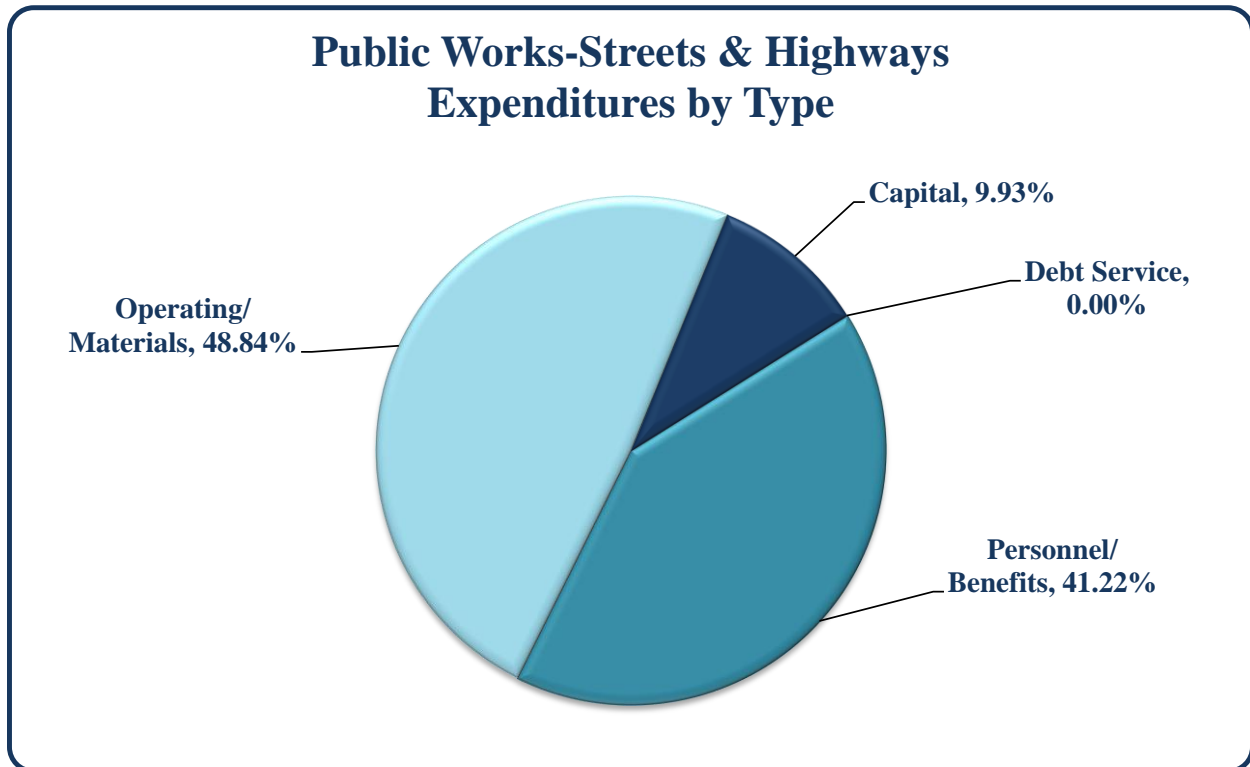
The Public Works-Streets & Highways section of the General Fund expenditures is expected to increase by \$178,844 or 21.6% in FY14-15. The City Council intends for one penny on the property tax rate, approximately \$150,000, to be spend on street resurfacing. These moneys are spread throughout this section of the budget and the Transportation function. Another notable line item is the \$79,654 decrease in *Contracted Services*.



Budget Summary

Public Works-Streets & Highways Expenditures by Type						
	Actual FY12-13	Budgeted FY13-14	Estimated FY13-14	Recommended FY14-15	Dollar Change	Percent Change
General Fund						
<i>Public Works-Streets & Highways</i>						
Personnel/Benefits	\$ 381,084	\$ 407,560	\$ 376,173	\$ 415,103	\$ 7,543	1.85%
Operating/Materials	\$ 83,948	\$ 358,539	\$ 330,795	\$ 491,840	\$ 133,301	37.18%
Capital	\$ -	\$ 62,000	\$ 54,150	\$ 100,000	\$ 38,000	61.29%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	

Personnel					
	Actual FY12-13	Budgeted FY13-14	Estimated FY13-14	Recommended FY14-15	Percent Change
<i>Type</i>					
Full-Time	8.00	8.00	8.00	8.00	0.00%
Part-Time	1.00	1.00	2.00	2.00	100.00%





Performance Measures

Public Works-Streets & Highways Measures			
	Actual	Estimated	Goal
	FY12-13	FY13-14	FY14-15
General Fund			
<i>Streets & Highways</i>			
Number of lane miles maintained per 1,000 population	10.368	10.368	10.368
Street Segments rated 85% or better	80%	69%	72%
Number of lane miles resurfaced per total line miles maintained	0.042	0.041	0.040
Cost per ton for contract resurfacing	\$90.00	\$75.00	\$90.00



Powell Bill

Description

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

Powell Bill Expenditures by Line Item

Powell Bill Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Powell Bill</i>						
R&M - Street Maintenance	\$ 349,978	\$ 360,000	\$ 679,128	\$ 533,280	\$ 173,280	48.13%
Total Powell Bill	\$ 349,978	\$ 360,000	\$ 679,128	\$ 533,280	\$ 173,280	48.13%

FY14-15 Budget Highlights

The expected Powell Bill expenditures for FY14-15 exceed FY13-14 by \$173,280, or 48%. The City’s Powell Bill expenditures are designated for street maintenance.



Public Works-Traffic Engineering

Description

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

Public Works-Traffic Engineering Organization Chart

**Traffic Control
Technician (2)**

FY13-14 Accomplishments

- ✓ Collected and deposited \$59,500 in parking lot revenue
- ✓ Completed the retroreflective inspection of our signs per MUTCD standards
- ✓ Installed new banners at the parking lots Downtown and in the Historic Districts

FY14-15 Action Items & Initiatives

- ✓ Install on-street parking along King Street between 2nd Avenue and 6th Avenue
- ✓ Help with the renovation of Maple Parking Lot (Smart Meters or a Kiosk)



Public Works-Traffic Engineering Expenditures by Line Item

Public Works - Traffic Engineering Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Public Works - Traffic Engineering</i>						
Salaries & Wages - Reg	\$ 70,578	\$ 74,340	\$ 73,395	\$ 76,948	\$ 2,608	3.51%
Salaries & Wages - O/T	\$ 267	\$ 4,000	\$ 170	\$ 145	\$ (3,855)	-96.38%
Holiday Pay	\$ -	\$ -	\$ -	\$ 586	\$ 586	
Salaries & Wages - Standby	\$ 12,262	\$ 12,160	\$ 12,906	\$ 12,131	\$ (29)	-0.24%
FICA Tax Expense	\$ 6,192	\$ 6,610	\$ 6,317	\$ 6,870	\$ 260	3.94%
Retirement Expense	\$ 5,597	\$ 6,110	\$ 6,113	\$ 6,412	\$ 302	4.95%
Group Med & Life Ins	\$ 11,818	\$ 10,300	\$ 10,170	\$ 10,092	\$ (208)	-2.02%
Worker's Comp Ins	\$ 1,738	\$ 2,530	\$ 2,029	\$ 15,934	\$ 13,404	529.82%
Retiree Insurance	\$ 8,763	\$ 7,200	\$ 6,198	\$ -	\$ (7,200)	-100.00%
Professional Services	\$ -	\$ 200	\$ 58	\$ -	\$ (200)	-100.00%
Uniforms	\$ 1,182	\$ 2,000	\$ 619	\$ 1,434	\$ (566)	-28.30%
Gasoline & Diesel	\$ 3,614	\$ 3,055	\$ 3,644	\$ 3,600	\$ 545	17.84%
Tires	\$ -	\$ 500	\$ -	\$ 500	\$ -	0.00%
Vehicle Parts	\$ 2,008	\$ 1,400	\$ 887	\$ 1,400	\$ -	0.00%
Oil, Lubrication, Etc	\$ 121	\$ 200	\$ 294	\$ 200	\$ -	0.00%
Supplies & Materials	\$ 35,852	\$ 36,500	\$ 29,305	\$ 41,725	\$ 5,225	14.32%
Street & Traffic Lights	\$ 198,280	\$ 175,000	\$ 195,597	\$ 211,052	\$ 36,052	20.60%
R&M - Equipment	\$ 202	\$ 400	\$ 300	\$ 400	\$ -	0.00%
R&M - Auto/Trucks	\$ 6	\$ 1,000	\$ 880	\$ 1,000	\$ -	0.00%
Liab/Prop Ins & Bonds	\$ 943	\$ 1,100	\$ 946	\$ 1,027	\$ (73)	-6.64%
Non-Capital Equipment	\$ 21,712	\$ -	\$ -	\$ 11,225	\$ 11,225	
Total Pub Works - Traffic Eng	\$ 381,136	\$ 344,605	\$ 349,829	\$ 402,682	\$ 58,077	16.85%

FY14-15 Budget Highlights

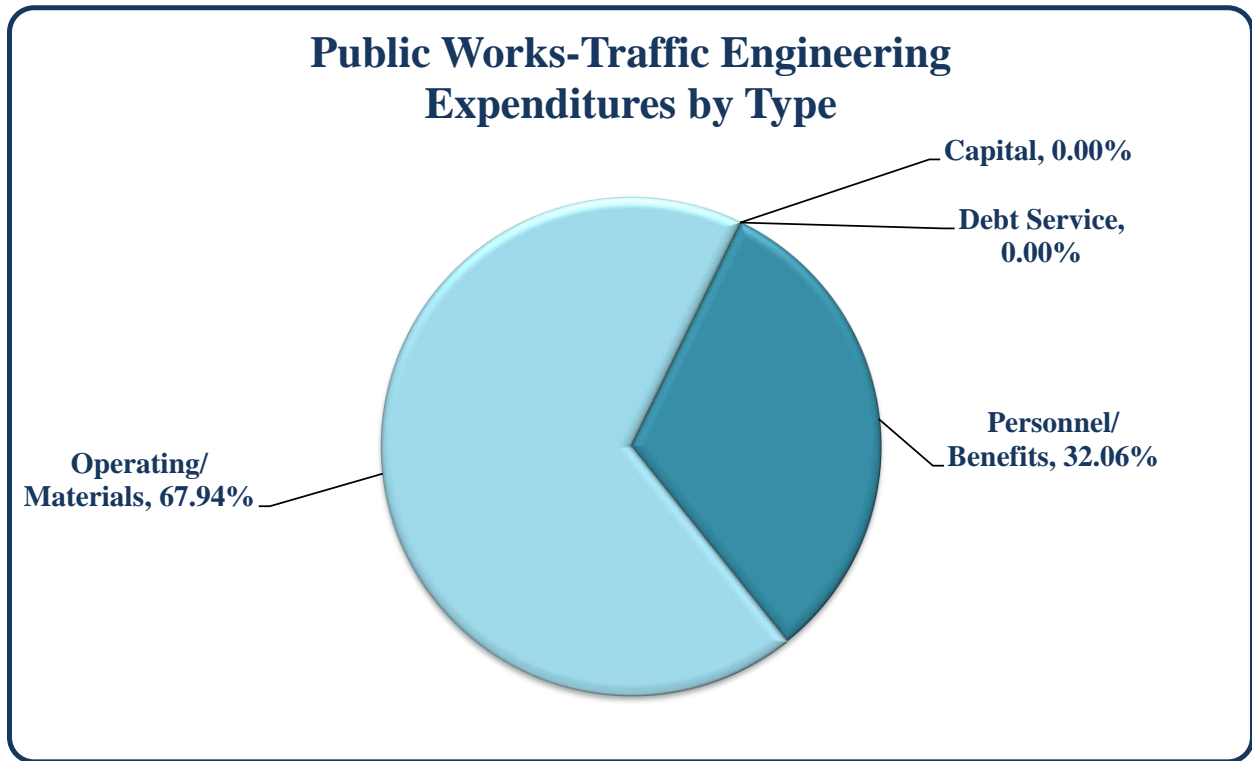
The Public Works-Traffic Engineering General Fund expenditures have increased by \$58,077 since FY13-14. Line items such as *Worker's Comp Ins*, *Street & Traffic Lights*, and *Non-Capital Equipment* account for the 16.85% increase in this expenditure function.



Budget Summary

Public Works-Traffic Engineering Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Public Works-Traffic Engineering</i>						
Personnel/Benefits	\$ 117,215	\$ 123,250	\$ 117,299	\$ 129,119	\$ 5,869	4.76%
Operating/Materials	\$ 263,921	\$ 221,355	\$ 232,530	\$ 273,563	\$ 52,208	23.59%
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	

Personnel					
	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Type</i>					
Full-Time	2.00	2.00	2.00	2.00	0.00%
Part-Time	0.00	0.00	0.00	0.00	





Performance Measures

Public Works-Traffic Engineering Measures			
	Actual	Estimated	Goal
	FY12-13	FY13-14	FY14-15
General Fund			
<i>Traffic Engineering</i>			
Street Signs replaced per year	357	365	370
Stop Signs replaced per year	204	123	150
Traffic Signals Repaired per year	53	129	50
Parking Spaces added	0	1	20

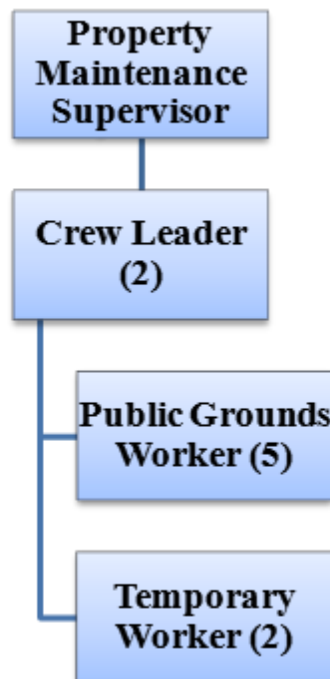


Public Works-Grounds Maintenance

Description

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

Public Works-Grounds Maintenance Organization Chart





FY13-14 Accomplishments

- ✓ Completed improvements to Berkeley Mills Park Baseball Field
- ✓ Completed improvements to Sullivan Park Playground
- ✓ Completed improvements to Patton Park Baseball Field

FY14-15 Action Items & Initiatives

- ✓ Reduce the amount of area that we mow
- ✓ Improve our gateway entrances through additional maintenance
- ✓ Continue to improve our parks, parking lots and downtown areas
- ✓ Purchase new equipment to improve our maintenance program



Public Works-Grounds Maintenance Expenditures by Line Item

Public Works - Grounds Maintenance Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Public Works - Grounds Maintenance</i>						
Salaries & Wages - Reg	\$ 279,551	\$ 264,400	\$ 272,468	\$ 278,397	\$ 13,997	5.29%
Salaries & Wages - O/T	\$ 6,464	\$ 14,140	\$ 12,501	\$ 6,434	\$ (7,706)	-54.50%
Holiday Pay	\$ -	\$ -	\$ -	\$ 2,115	\$ 2,115	
Salaries & Wages - P/T	\$ 11,383	\$ 46,200	\$ 34,689	\$ 23,667	\$ (22,533)	-48.77%
FICA Tax Expense	\$ 22,653	\$ 23,730	\$ 24,454	\$ 23,762	\$ 32	0.13%
Retirement Expense	\$ 18,028	\$ 18,650	\$ 19,983	\$ 20,488	\$ 1,838	9.85%
Group Med & Life Ins	\$ 46,600	\$ 31,740	\$ 39,955	\$ 40,368	\$ 8,628	27.18%
Worker's Comp Ins	\$ 3,072	\$ 3,500	\$ 5,503	\$ 11,742	\$ 8,242	235.47%
Professional Services	\$ 90	\$ 600	\$ -	\$ 200	\$ (400)	-66.67%
Uniforms	\$ 4,197	\$ 5,000	\$ 1,731	\$ 6,453	\$ 1,453	29.06%
Gasoline & Diesel	\$ 17,682	\$ 20,000	\$ 17,966	\$ 18,000	\$ (2,000)	-10.00%
Tires	\$ 3,313	\$ 1,800	\$ 3,000	\$ 2,600	\$ 800	44.44%
Vehicle Parts	\$ 18,591	\$ 8,000	\$ 9,281	\$ 14,000	\$ 6,000	75.00%
Oil, Lubrication, Etc	\$ 1,149	\$ 700	\$ 931	\$ 800	\$ 100	14.29%
Supplies & Materials	\$ 12,430	\$ 14,150	\$ 14,858	\$ 14,510	\$ 360	2.54%
R&M - Equipment	\$ 2,920	\$ 8,000	\$ 2,948	\$ 5,000	\$ (3,000)	-37.50%
R&M - Auto/Trucks	\$ 1,617	\$ 1,000	\$ 2,908	\$ 1,000	\$ -	0.00%
Liab/Prop Ins & Bonds	\$ 4,749	\$ 5,500	\$ 6,288	\$ 6,513	\$ 1,013	18.42%
Non-Capital Equipment	\$ 1,688	\$ -	\$ -	\$ 9,000	\$ 9,000	
Capital Outlay-Other Equipment	\$ -	\$ 69,000	\$ 65,619	\$ 26,000	\$ (43,000)	-62.32%
Capital Outlay-Other IMPMTS	\$ 10,320	\$ -	\$ -	\$ -	\$ -	
Contracted Services	\$ 5,409	\$ 1,500	\$ 1,938	\$ 1,500	\$ -	0.00%
Reimbursement Public Works Dept	\$ (8,017)	\$ (1,500)	\$ (140)	\$ -	\$ 1,500	-100.00%
Intercompany Dept Charges	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Pub Works - Grounds Maint	\$ 463,889	\$ 536,110	\$ 536,880	\$ 512,547	\$ (23,563)	-4.40%

FY14-15 Budget Highlights

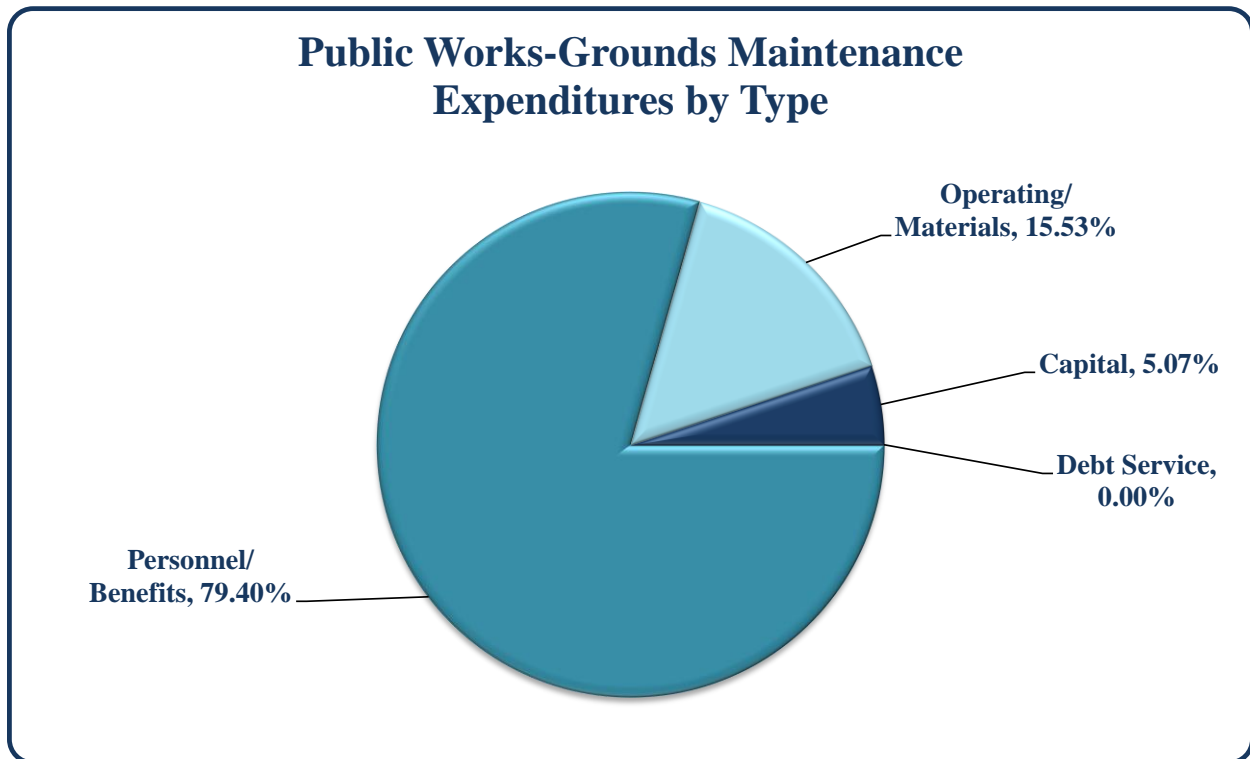
The Public Works-Grounds Maintenance General Fund expenditures have decreased by \$23,563 or 4.4% for FY14-15. The largest decreases were seen in the *Capital Outlay-Other Equipment* and *Salaries & Wages P/T* line items, \$43,000 and \$22,533 respectively. Notable increases were seen in the *Salaries & Wages-Reg* and *Non Capital Equipment* line items, \$13,997 and \$9,000 respectively.



Budget Summary

Public Works-Grounds Maintenance Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Public Works-Grounds Maintenance</i>						
Personnel/Benefits	\$ 387,751	\$ 402,360	\$ 409,553	\$ 406,971	\$ 4,611	1.15%
Operating/Materials	\$ 65,818	\$ 64,750	\$ 61,708	\$ 79,576	\$ 14,826	22.90%
Capital	\$ 10,320	\$ 69,000	\$ 65,619	\$ 26,000	\$ (43,000)	-62.32%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	

Personnel					
	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Type</i>					
Full-Time	8.00	8.00	8.00	8.00	0.00%
Part-Time	2.00	2.00	2.00	2.00	0.00%





Performance Measures

Public Works-Grounds Maintenance Measures			
	Actual	Estimated	Goal
	FY12-13	FY13-14	FY14-15
General Fund			
<i>Grounds Maintenance</i>			
Acres maintained by FTE (developed parks)	9.545	12.543	12.5
Acres maintained by FTE (undeveloped parks and other property)	0.885	9.86	8
Nuisances Abatements completed per year	29	40	30

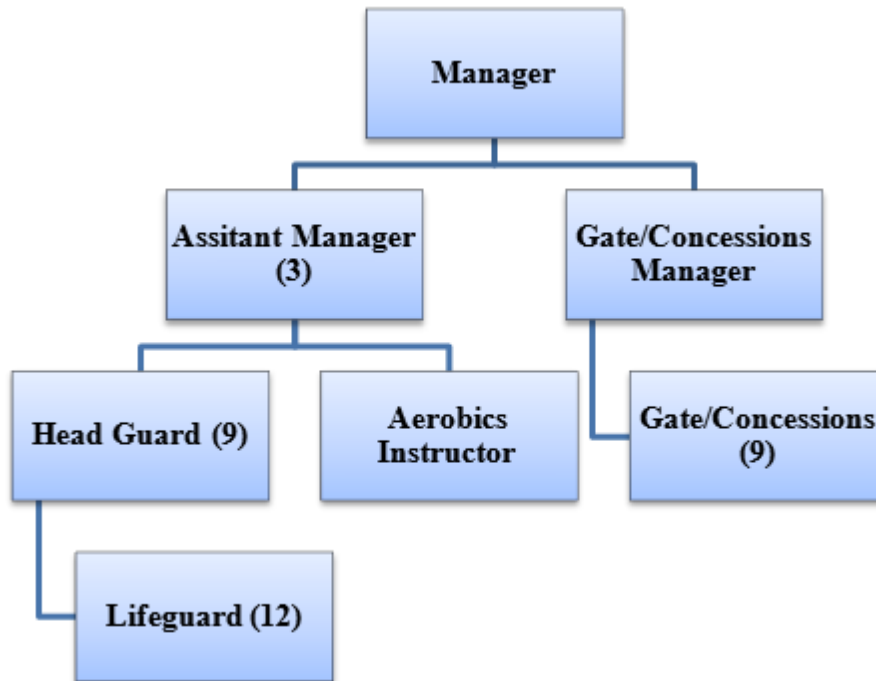


Public Works-Patton Pool

Description

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

Public Works-Patton Pool Organization Chart





FY13-14 Accomplishments

- ✓ Found and repaired a leak in the kiddy pool
- ✓ Installed new ladders and new stainless steel steps in the pool
- ✓ Removed the old wooden picnic table and replaced it with two new picnic tables (kiddy pool area)
- ✓ Replaced some of the old plastic lounge chairs with new chairs
- ✓ Hired a live band to attract new customers (once)
- ✓ Hired a nine year old disk jockey to attract new customers (twice)
- ✓ Hosted a movie night after the disk jockey finished playing music (once)

FY14-15 Action Items & Initiatives

- ✓ Plan to host two additional movie nights this season



Public Works-Patton Pool Expenditures by Line Item

Public Works - Patton Pool Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Public Works - Patton Pool</i>						
Salaries & Wages - Reg	\$ -	\$ -	\$ -	\$ 109,325	\$ 109,325	
Salaries & Wages - P/T	\$ 107,393	\$ 114,520	\$ 106,671	\$ -	\$ (114,520)	-100.00%
FICA Tax Expense	\$ 8,278	\$ 8,760	\$ 8,160	\$ 8,363	\$ (397)	-4.53%
Worker's Comp Ins	\$ -	\$ 1,200	\$ 616	\$ -	\$ (1,200)	-100.00%
Professional Services	\$ 356	\$ 1,000	\$ -	\$ 1,000	\$ -	0.00%
Uniforms	\$ 1,280	\$ 2,400	\$ 2,252	\$ 2,400	\$ -	0.00%
Purch For Resale - Pool	\$ 13,247	\$ 16,000	\$ 9,914	\$ 15,000	\$ (1,000)	-6.25%
Supplies & Materials	\$ 32,317	\$ 27,500	\$ 23,331	\$ 31,900	\$ 4,400	16.00%
Telephone	\$ 583	\$ 1,200	\$ 700	\$ 800	\$ (400)	-33.33%
Utilities	\$ 22,094	\$ 24,600	\$ 21,162	\$ 24,600	\$ -	0.00%
R&M - Buildings	\$ 5,844	\$ 8,000	\$ 3,915	\$ 8,000	\$ -	0.00%
R&M - Equipment	\$ 4,411	\$ 4,000	\$ 4,015	\$ 4,000	\$ -	0.00%
Liab/Prop Ins & Bonds	\$ -	\$ 1,800	\$ -	\$ -	\$ (1,800)	-100.00%
Non-Capital Equipment	\$ -	\$ 9,000	\$ 2,950	\$ -	\$ (9,000)	-100.00%
Contracted Services	\$ 5,123	\$ 2,000	\$ 3,163	\$ 9,800	\$ 7,800	390.00%
Total Public Works - Patton Pool	\$ 200,927	\$ 221,980	\$ 186,849	\$ 215,188	\$ (6,792)	-3.06%

FY14-15 Budget Highlights

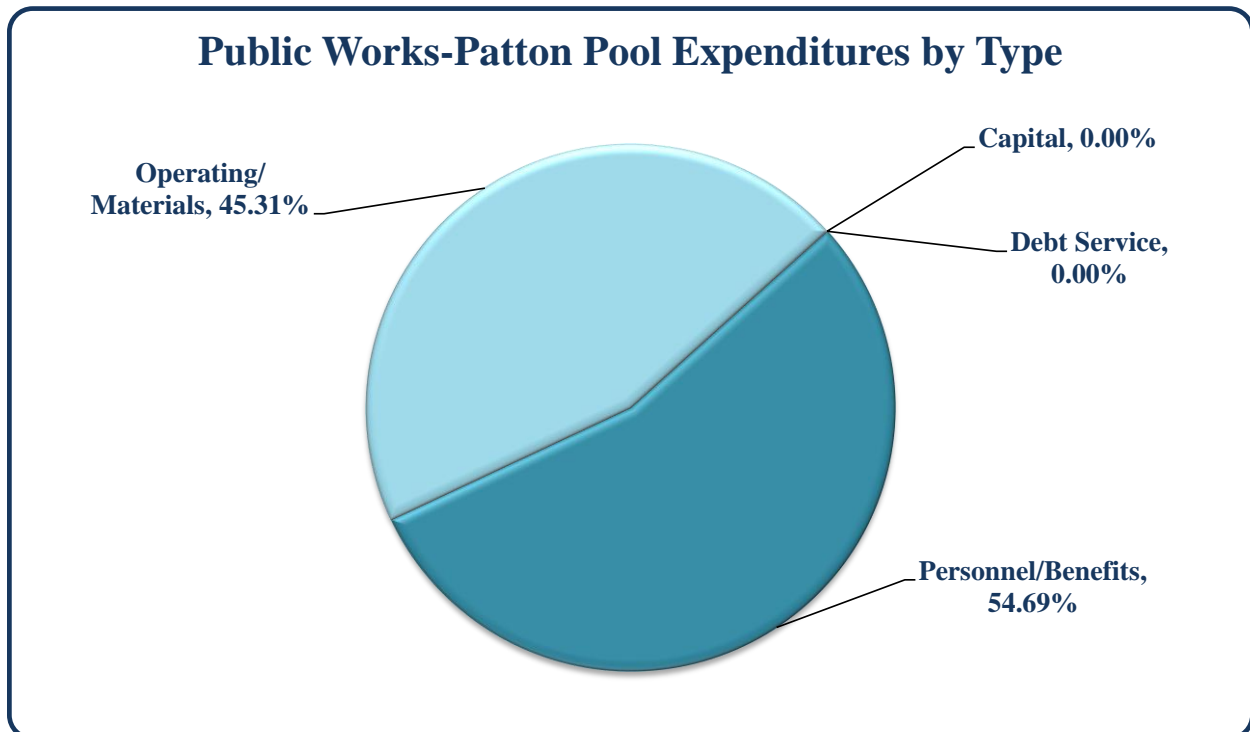
From FY13-14 to FY14-15, the Public Works-Patton Pool General Fund expenditures decreased by \$6,792 or 3.06%. The employees are seasonal and their salaries and wages had previously been accounted for in the part time (P/T) line item. However, this year that has changed and their salaries and wages are being accounted for in the regular line item (Reg). Otherwise, the largest decrease is seen in the *Non-Capital Equipment* line item, \$9,000.



Budget Summary

Public Works-Patton Pool Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Public Works-Patton Pool</i>						
Personnel/Benefits	\$ 115,671	\$ 124,480	\$ 115,448	\$ 117,688	\$ (6,792)	-5.46%
Operating/Materials	\$ 85,256	\$ 97,500	\$ 71,401	\$ 97,500	\$ -	0.00%
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	

Personnel					
	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Type</i>					
Full-Time	0.00	0.00	0.00	0.00	
Part-Time	36.00	36.00	36.00	36.00	0.00%





Performance Measures

Public Works-Patton Pool Measures			
	Actual	Estimated	Goal
	FY12-13	FY13-14	FY14-15
General Fund			
<i>Patton Pool</i>			
Average visits per day	155.1	221	250
Operational costs per visit	\$12.83	\$11.11	\$10.50
Costs per population	\$13.28	\$14.04	\$13.50
Percentage of annual subsidy from general fund	53.67%	40.87%	35.00%



Non-Departmental

Description

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

Non-Departmental Expenditures by Line Item

Non-Departmental Expenditures by Line Item						
	Actual FY12-13	Budgeted FY13-14	Estimated FY13-14	Recommended FY14-15	Dollar Change	Percent Change
General Fund						
<i>Non-Departmental</i>						
Safety Program	\$ -	\$ 1,500	\$ -	\$ 1,500	\$ -	0.00%
Drug Testing	\$ -	\$ 3,000	\$ -	\$ 1,500	\$ (1,500)	-50.00%
Employee Assitance Program	\$ 5,953	\$ 3,000	\$ 2,964	\$ 3,000	\$ -	0.00%
Wellness Committee	\$ 4,317	\$ 4,300	\$ 4,431	\$ -	\$ (4,300)	-100.00%
Tuition Reimbursement	\$ 2,080	\$ 2,250	\$ 1,001	\$ 3,000	\$ 750	33.33%
Employee Events	\$ 10,485	\$ 12,750	\$ 12,616	\$ 13,400	\$ 650	5.10%
State Unemployment Ins	\$ 5,370	\$ 20,500	\$ 20,204	\$ 10,000	\$ (10,500)	-51.22%
Employee Death Benefits	\$ -	\$ 15,000	\$ 15,000	\$ 5,000	\$ (10,000)	-66.67%
Professional Services	\$ 7,265	\$ 31,000	\$ 31,000	\$ 48,275	\$ 17,275	55.73%
Liaison/Public Relations	\$ -	\$ 500	\$ 500	\$ 1,000	\$ 500	100.00%
Contribution To ESF	\$ 269,940	\$ 127,840	\$ 127,840	\$ -	\$ (127,840)	-100.00%
Contribution To WSF	\$ 100,880	\$ 100,880	\$ 100,880	\$ -	\$ (100,880)	-100.00%
Contribution To 7th	\$ 38,080	\$ 37,470	\$ 37,470	\$ -	\$ (37,470)	-100.00%
Contribution To H&W Fund	\$ -	\$ 162,550	\$ 162,550	\$ 54,000	\$ (108,550)	-66.78%
Total Non-Departmental	\$ 444,371	\$ 522,540	\$ 516,455	\$ 140,675	\$ (381,865)	-73.08%

FY14-15 Budget Highlights

The largest line item in Non-Departmental expenditures in FY14-15 is the contribution to the Health and Wellness Fund (*Contribution To H&W Fund*). This contribution is based on total number of employees in the respective fund (i.e. the General Fund). This contribution has dropped by nearly \$108,550 compared to budgeted FY13-14. The second largest expenditure is the *Professional Services* line item, at \$48,275. There are no contributions to any other funds for FY14-15.



Special Appropriations

Description

A special appropriation is a provision within an expenditure line item that provides authority to spend money for particular purposes, for example, to finance a particular project or to make payments to other funds. Special appropriations account for around one percent of all government expenditures each year. Some special appropriations state a maximum amount that is appropriated for the particular purpose, while others do not state a maximum amount.

Special Appropriations Expenditures by Line Item

Special Appropriation Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Special Appropriations</i>						
Legal SVC-Domestic VI	\$ -	\$ -	\$ -	\$ 1,500	\$ 1,500	
Children & Family Res	\$ -	\$ -	\$ -	\$ 4,000	\$ 4,000	
Mountain Community School	\$ -	\$ -	\$ -	\$ -	\$ -	
Chamber of Commerce	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0.00%
Flat Rock Playhouse	\$ 100,000	\$ 10,000	\$ 10,000	\$ 30,000	\$ 20,000	200.00%
Mayors ADV Council	\$ 500	\$ 500	\$ 500	\$ 500	\$ -	0.00%
Hands On Gallery	\$ 5,000	\$ 5,000	\$ 5,000	\$ 2,000	\$ (3,000)	-60.00%
Henderson County Rescue Squad	\$ 8,000	\$ -	\$ -	\$ -	\$ -	
Heritage Museum	\$ 5,000	\$ 2,000	\$ 2,000	\$ 5,000	\$ 3,000	150.00%
Henderson County Dispute Center	\$ 500	\$ 500	\$ 500	\$ 500	\$ -	0.00%
Contribution to Public Transit	\$ 92,630	\$ -	\$ -	\$ -	\$ -	
The Healing Place	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ -	0.00%
Sister Cities Program	\$ -	\$ 500	\$ 500	\$ 500	\$ -	0.00%
Medical Loan Closet	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0.00%
Hendersonville Symphony	\$ 4,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ -	0.00%
Team Ecco	\$ 5,000	\$ 5,000	\$ 5,000	\$ 4,000	\$ (1,000)	-20.00%
Boys & Girls Club	\$ 10,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	0.00%
Arts Council	\$ -	\$ 1,500	\$ 1,500	\$ 1,500	\$ -	0.00%
Mainstay Program	\$ 5,000	\$ 7,500	\$ 7,500	\$ -	\$ (7,500)	-100.00%
Shuffleboard Club	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ -	0.00%
Mineral & Lap Museum	\$ 5,000	\$ 5,000	\$ 5,000	\$ 3,000	\$ (2,000)	-40.00%
Partnership Economic Development	\$ 11,000	\$ 11,000	\$ 11,000	\$ 15,000	\$ 4,000	36.36%
Henderson County Agri-Business	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	0.00%
Comm Partnership For Pets	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0.00%
Total Special Appropriations	\$ 275,330	\$ 94,200	\$ 94,200	\$ 113,200	\$ 19,000	20.17%

FY14-15 Budget Highlights

The *Special Appropriations* line item has seen growth around 20% for FY14-15.



Debt Service

Description

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

Debt Service Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Debt Service</i>						
Principal - 2008 Sidewalk Bonds	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	0.00%
Principal - 1998 Sidewalk Bonds	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	0.00%
Principal - City Hall Renovation	\$ 233,333	\$ 233,350	\$ 233,333	\$ 233,350	\$ -	0.00%
Principal - Fire & Main Street	\$ -	\$ 300,000	\$ 300,000	\$ 300,000	\$ -	0.00%
Interest - 2008 Sidewalk Bonds	\$ 76,600	\$ 72,850	\$ 72,850	\$ 69,100	\$ (3,750)	-5.15%
Interest - 1998 Sidewalk Bonds	\$ 26,820	\$ 22,410	\$ 22,410	\$ 18,000	\$ (4,410)	-19.68%
Interest - City Hall Renovation	\$ 60,629	\$ 50,930	\$ 50,929	\$ 41,230	\$ (9,700)	-19.05%
Interest - Fire & Main Street	\$ -	\$ 206,800	\$ 206,783	\$ 196,313	\$ (10,487)	-5.07%
Bank Service Charges	\$ 21,820	\$ 30,000	\$ 21,148	\$ 15,000	\$ (15,000)	-50.00%
Total Debt Service	\$ 609,202	\$ 1,106,340	\$ 1,097,453	\$ 1,062,993	\$ (43,347)	-3.92%

FY14-15 Budget Highlights

As discussed in the *Financial Summaries* section of this budget document the City of Hendersonville has taken on a variety of projects requiring loans and bonds. The table above details these obligations and displays how much the City pays towards each of them. The largest payment is the principal on the *Principal – Fire & Main Street* line item, totaling \$300,000 for FY14-15.



Transfers

Description

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						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Transfers</i>						
Transfer To Major Unit	\$ -	\$ -	\$ 2,766	\$ -	\$ -	
Total Transfers	\$ -	\$ -	\$ 2,766	\$ -	\$ -	

FY14-15 Budget Highlights

There is an expected transfer amount of \$2,766 for the 2013-2014 fiscal year.



Contingencies

Description

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

Contingencies Expenditures by Line Item

Contingency Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
General Fund						
<i>Contingencies</i>						
Contingencies	\$ -	\$ 112,628	\$ 97,471	\$ 100,000	\$ (12,628)	-11.21%
Total Contingencies	\$ -	\$ 112,628	\$ 97,471	\$ 100,000	\$ (12,628)	-11.21%

FY14-15 Budget Highlights

The contingency expenditures for FY14-15 total \$100,000, an 11% drop from FY13-14.



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Water & Sewer Fund Summary

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

The Water and Sewer Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Water and Sewer fund is the largest part of the City of Hendersonville's operating budget, making up 51.4% or \$16,440,550.

There are seven sources of revenue for the Water and Sewer Fund which include, water sales, sewer charges, water and sewer tap fees, system development charges, federal grants, other, and non-operating revenues. Sewer charges and water sales make up over 50% of all sources of revenue totaling \$4,150,000 and \$8,601,000 respectively. Another new significant source of revenue comes from the *Non-Operating Revenues* source. This source increased by 22.95% since FY13-14. *Water & Sewer Tap Fees* and *System Development Charges* also saw increases at 22.73% and 25% respectively. The revenue trends for the Water and Sewer Fund display growth, depending on forecast accuracy. The City's revenues per capita are expected to surpass the \$1,200 mark. Also, the City's revenues controlling for inflation are expected to increase by a substantial amount.

There are a variety of functions by which the Water and Sewer Fund appropriates expenses. Some of the largest include the *Facilities Maintenance*, *Water Treatment Plant*, *Water Maintenance & Construction*, *Wastewater Treatment Plant*, *Sewer Maintenance & Construction*, and *Debt Service* functions. The largest of which are the *Debt Service* and *Water Maintenance & Construction* functions, 23.26% and 21.5% respectively. The Water and Sewer Fund's largest expenditure by type is *Operating/Materials* at 36.98%. This type is also experiencing a 20.5% decrease, or \$1,567,441 less than FY13-14. The type *Capital* expects to increase by 71.21%, or \$990,731 more than FY13-14. Expenditure trends are similar to revenues, the per capita and inflation analysis both indicate increases in spending.



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.

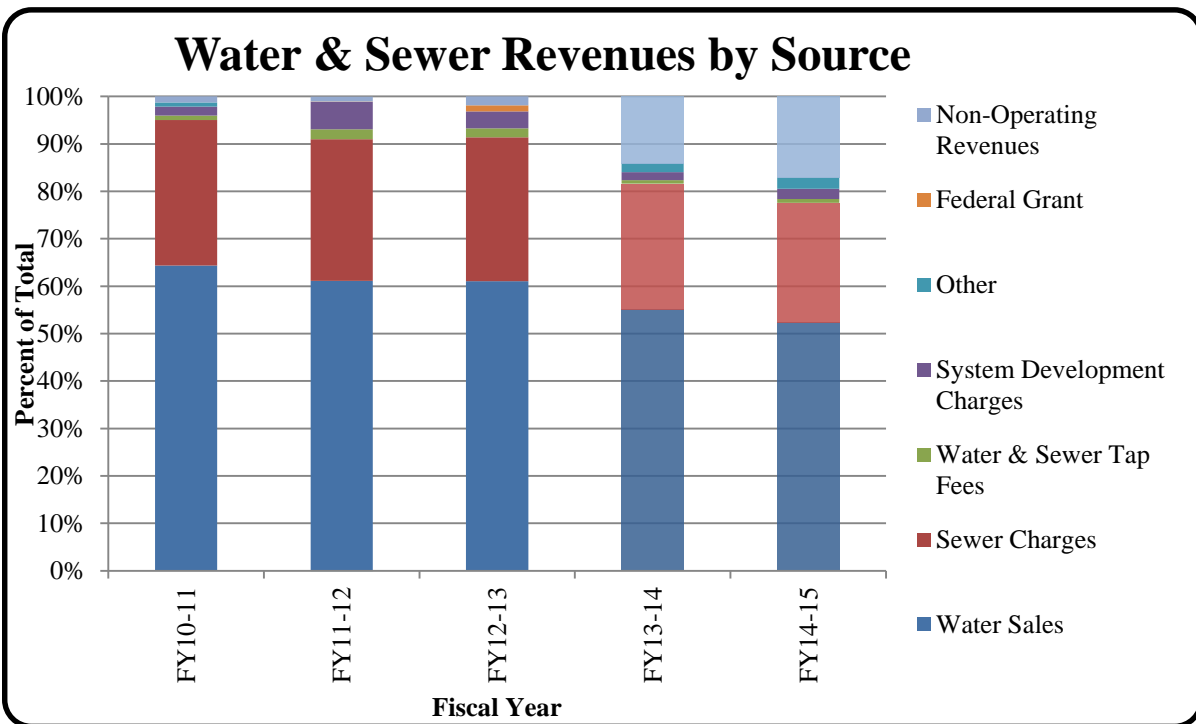
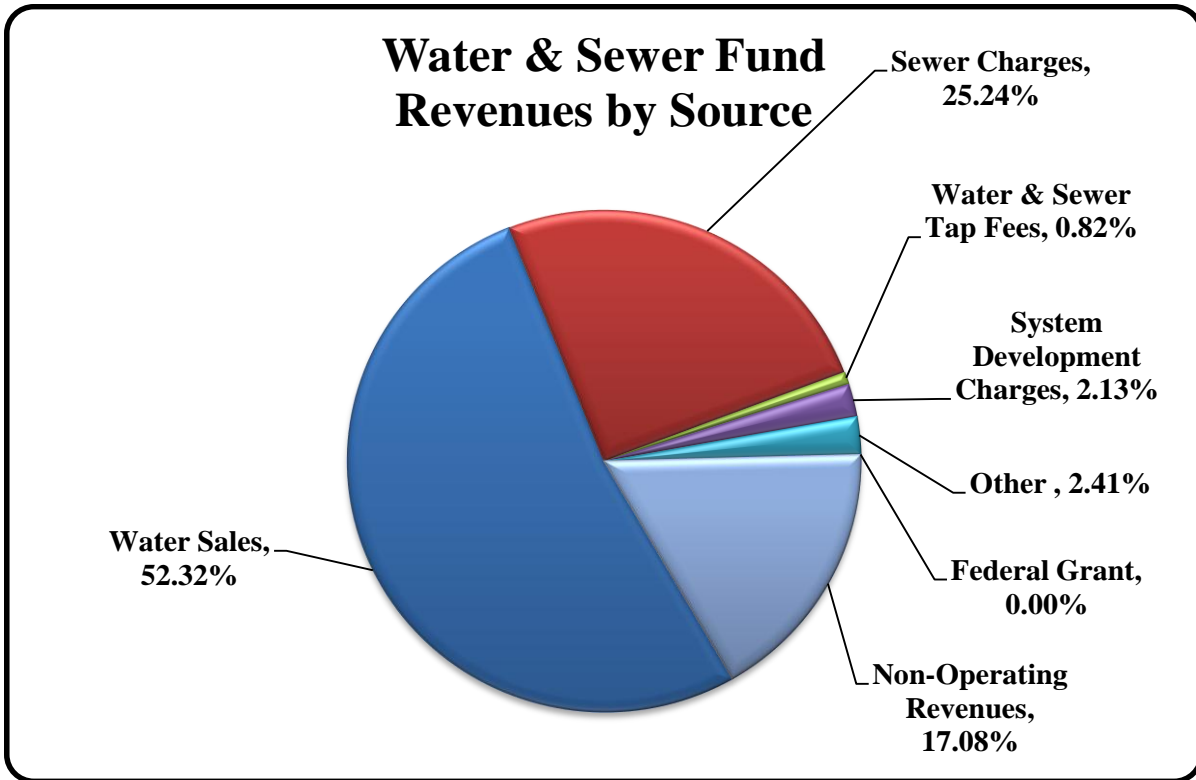
Some advantages of service charges are:

- ✓ 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:

Water & Sewer Fund Revenues by Source					
Source	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
Water Sales	\$ 8,601,596	\$ 8,900,500	\$ 8,830,500	\$ 8,601,000	-3.36%
Sewer Charges	\$ 4,149,304	\$ 4,300,000	\$ 4,417,909	\$ 4,150,000	-3.49%
Water & Sewer Tap Fees	\$ 270,523	\$ 110,000	\$ 283,699	\$ 135,000	22.73%
System Development Charges	\$ 606,065	\$ 280,000	\$ 552,087	\$ 350,000	25.00%
Other	\$ 449,544	\$ 293,380	\$ 455,423	\$ 396,550	35.17%
Federal Grant	\$ -	\$ -	\$ -	\$ -	
Non-Operating Revenues	\$ -	\$ 2,283,852	\$ 234,968	\$ 2,808,000	22.95%
Total	\$ 14,077,031	\$ 16,167,732	\$ 14,774,586	\$ 16,440,550	1.69%





Water & Sewer Fund – FY 2015

Revenues by Line Item

Water & Sewer Fund Revenues by Line Item						
	Actual FY12-13	Budgeted FY13-14	Estimated FY13-14	Recommended FY14-15	Dollar Change	Percent Change
Water & Sewer Fund						
<i>Water Sales</i>						
Water Sales-General	\$ 8,601,596	\$ 8,900,000	\$ 8,830,000	\$ 8,601,000	\$ (299,000)	-3.36%
Water Sales-Miscellaneous	\$ -	\$ 500	\$ 500	\$ -	\$ (500)	-100.00%
Sub-Total Water Sales	\$ 8,601,596	\$ 8,900,500	\$ 8,830,500	\$ 8,601,000	\$(299,500)	-3.36%
<i>Sewer Charges</i>						
Sewer Charges	\$ 4,149,304	\$ 4,300,000	\$ 4,417,909	\$ 4,150,000	\$ (150,000)	-3.49%
Sub-Total Sewer Charges	\$ 4,149,304	\$ 4,300,000	\$ 4,417,909	\$ 4,150,000	\$(150,000)	-3.49%
<i>Water & Sewer Tap Fees</i>						
Water Tap Fees	\$ 256,923	\$ 100,000	\$ 263,159	\$ 125,000	\$ 25,000	25.00%
Sewer Tap Fees	\$ 13,600	\$ 10,000	\$ 20,540	\$ 10,000	\$ -	0.00%
Sub-Total Water & Sewer Tap Fees	\$ 270,523	\$ 110,000	\$ 283,699	\$ 135,000	\$ 25,000	22.73%
<i>System Development Charges</i>						
Septic Tank Disposal	\$ 107,867	\$ 80,000	\$ 80,000	\$ 100,000	\$ 20,000	25.00%
Water System Development Charges	\$ 240,527	\$ 120,000	\$ 289,588	\$ 150,000	\$ 30,000	25.00%
Sewer System Development Charges	\$ 257,671	\$ 80,000	\$ 182,499	\$ 100,000	\$ 20,000	25.00%
Sub-Total System Development Charges	\$ 606,065	\$ 280,000	\$ 552,087	\$ 350,000	\$ 70,000	25.00%
<i>Other</i>						
Henderson County Fire Dept Contribution	\$ -	\$ -	\$ -	\$ 65,000	\$ 65,000	
Water Permits & Fees	\$ 400	\$ 3,000	\$ 3,000	\$ 2,000	\$ (1,000)	-33.33%
Water Customer Part	\$ 1,600	\$ 2,000	\$ 3,777	\$ 2,000	\$ -	0.00%
Reconnect Service Charge	\$ 52,565	\$ 50,000	\$ 53,475	\$ 50,000	\$ -	0.00%
Turn On Service Charge	\$ 45,005	\$ 40,000	\$ 48,565	\$ 40,000	\$ -	0.00%
Brightwater Fees	\$ 53,914	\$ 42,000	\$ 42,000	\$ 45,000	\$ 3,000	7.14%
Sewer Permits & Fees	\$ 3,035	\$ 2,000	\$ 950	\$ 1,350	\$ (650)	-32.50%
Sewer Customer Part	\$ 2,400	\$ -	\$ 1,500	\$ 1,500	\$ 1,500	
Sewer Billing Service	\$ 10,368	\$ 10,000	\$ 12,545	\$ 10,500	\$ 500	5.00%
Sewer Surcharges	\$ 9,258	\$ 6,000	\$ 11,987	\$ 10,500	\$ 4,500	75.00%
Sewer Pretreat Cost Rec	\$ 5,205	\$ 5,000	\$ 1,735	\$ 2,500	\$ (2,500)	-50.00%
Interest Income	\$ 9,084	\$ 10,000	\$ 15,500	\$ 113,500	\$ 103,500	1035.00%
Sale Of Fixed Assets-W/S	\$ 12,780	\$ 5,000	\$ 95,740	\$ 5,000	\$ -	0.00%
Warranty Fees Util SR	\$ 11,565	\$ 11,000	\$ 11,199	\$ 11,200	\$ 200	1.82%
Discounts Earned	\$ 928	\$ 500	\$ 25,000	\$ 25,000	\$ 24,500	4900.00%
Miscellaneous Income	\$ 9,625	\$ 5,000	\$ 22,044	\$ 9,000	\$ 4,000	80.00%
Insurance Settlements	\$ 118,933	\$ -	\$ 1,779	\$ 500	\$ 500	
Rental Income	\$ 2,000	\$ 1,000	\$ 3,747	\$ 2,000	\$ 1,000	100.00%
Operating Transfers From-G/F	\$ 100,880	\$ 100,880	\$ 100,880	\$ -	\$ (100,880)	-100.00%
Proceeds of Debt	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating Transfers From-CR Fund	\$ -	\$ -	\$ -	\$ -	\$ -	
Sub-Total Other	\$ 449,544	\$ 293,380	\$ 455,423	\$ 396,550	\$ 103,170	35.17%
<i>Federal Grant</i>						
EPA Grants	\$ -	\$ -	\$ -	\$ -	\$ -	
Sub-Total Federal Grant	\$ -	\$ -	\$ -	\$ -	\$ -	
<i>Non-Operating Revenues</i>						
Fund Balance Appropriated	\$ -	\$ 2,283,852	\$ 234,968	\$ 2,808,000	\$ 524,148	22.95%
Sub-Total Non-Operating Revenues	\$ -	\$ 2,283,852	\$ 234,968	\$ 2,808,000	\$ 524,148	22.95%
Total Water & Sewer Revenues	\$ 14,077,031	\$ 16,167,732	\$ 14,774,586	\$ 16,440,550	\$ 272,818	1.69%



Expenditures

Description

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

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

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

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

(828) 697-3052

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

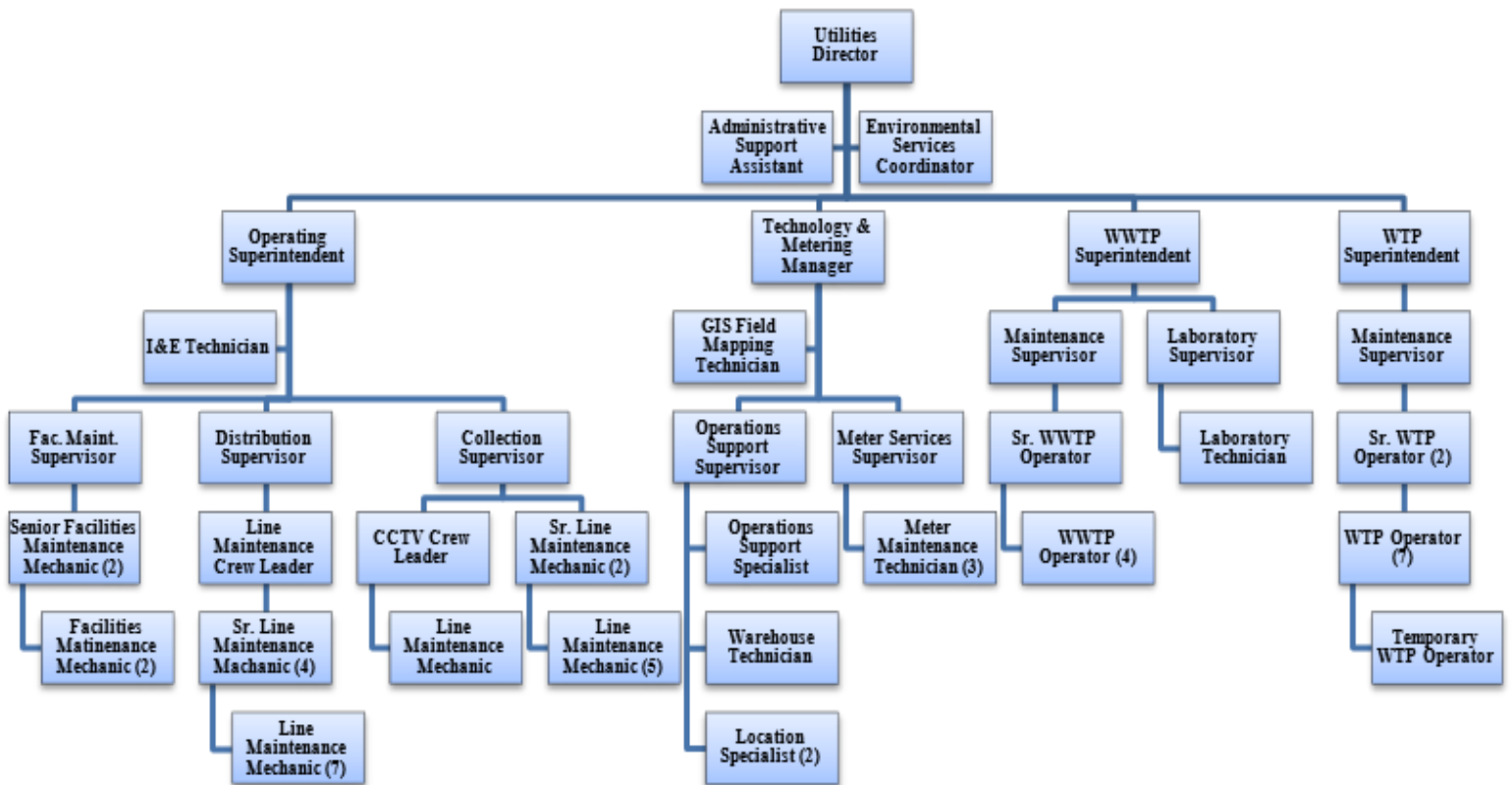
City Operation Center, 305 Williams St., Hendersonville, NC 28792.

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

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



Organization Chart





FY13-14 Accomplishments

- ✓ Implementation of an AMR(Automated Meter Reading) system
- ✓ Responded to increased leak detection capabilities with the AMR system
- ✓ Mobilized Academy Road Project providing city water to those previously on contained wells
- ✓ Identified Somersby Park Sewer opportunity as an area for improvements
- ✓ Identified Glenbrook Sewer as a possible recipient of City services
- ✓ Created a replacement and repair construction crew
- ✓ Identified over 25 miles of water line in need of repair or replacement via GIS software analysis
- ✓ Identified over 6 miles of sub-standard sewer lines in need of repair or replacement via GIS software analysis

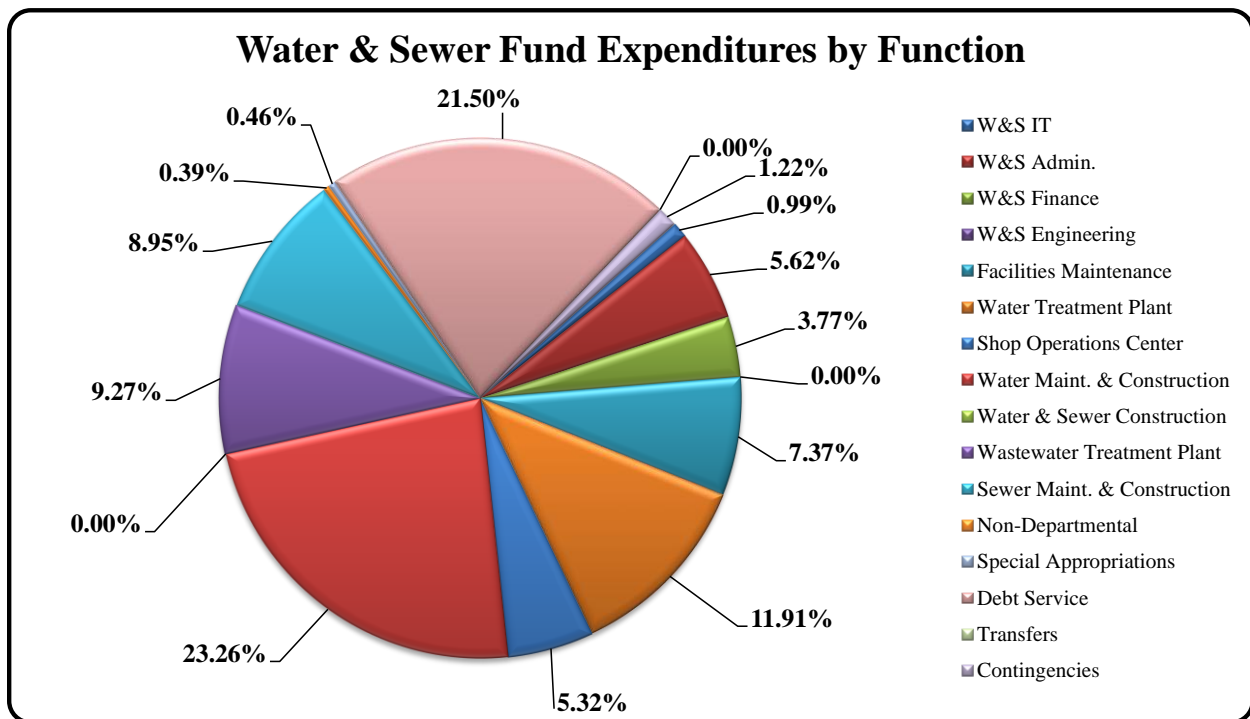
FY14-15 Action Items & Initiatives

- ✓ Complete the Academy Road Project
- ✓ Complete Somersby Park Sewer Project
- ✓ Complete Glenbrook Sewer Project
- ✓ Train, outfit, and develop replacement and repair construction crew
- ✓ Complete Etowah water system improvements
- ✓ Design upgrade for high service pump station
- ✓ Engage Water Distribution System Hydraulic Modeling



Expenditures by Function

Water & Sewer Expenditures by Function						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
W&S IT	\$ -	\$ -	\$ -	\$ 162,262	\$ 162,262	
W&S Admin.	\$ 382,338	\$ 363,900	\$ 304,903	\$ 923,180	\$ 559,280	153.69%
W&S Finance	\$ 797,195	\$ 891,090	\$ 777,638	\$ 619,091	\$ (271,999)	-30.52%
W&S Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	
Facilities Maintenance	\$ 907,177	\$ 1,750,945	\$ 1,060,334	\$ 1,211,544	\$ (539,401)	-30.81%
Water Treatment Plant	\$ 1,550,596	\$ 1,759,200	\$ 1,585,918	\$ 1,957,447	\$ 198,247	11.27%
Shop Operations Center	\$ 832,284	\$ 834,800	\$ 665,320	\$ 874,775	\$ 39,975	4.79%
Water Maint. & Construction	\$ 1,454,260	\$ 2,062,800	\$ 1,590,410	\$ 3,823,449	\$ 1,760,649	85.35%
Water & Sewer Construction	\$ -	\$ -	\$ -	\$ -	\$ -	
Wastewater Treatment Plant	\$ 1,401,196	\$ 1,441,100	\$ 1,323,993	\$ 1,524,051	\$ 82,951	5.76%
Sewer Maint. & Construction	\$ 1,398,416	\$ 1,009,700	\$ 927,854	\$ 1,471,412	\$ 461,712	45.73%
Non-Departmental	\$ 1,089,554	\$ 1,313,650	\$ 1,239,198	\$ 63,300	\$ (1,250,350)	-95.18%
Special Appropriations	\$ -	\$ 76,130	\$ 76,125	\$ 76,130	\$ -	0.00%
Debt Service	\$ 2,331,693	\$ 3,498,910	\$ 3,548,672	\$ 3,533,910	\$ 35,000	1.00%
Transfers	\$ -	\$ 970,507	\$ 1,524,893	\$ -	\$ (970,507)	-100.00%
Contingencies	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	0.00%
Total Water & Sewer Fund	\$ 12,144,710	\$ 16,172,732	\$ 14,825,258	\$ 16,440,550	\$ 267,818	1.66%

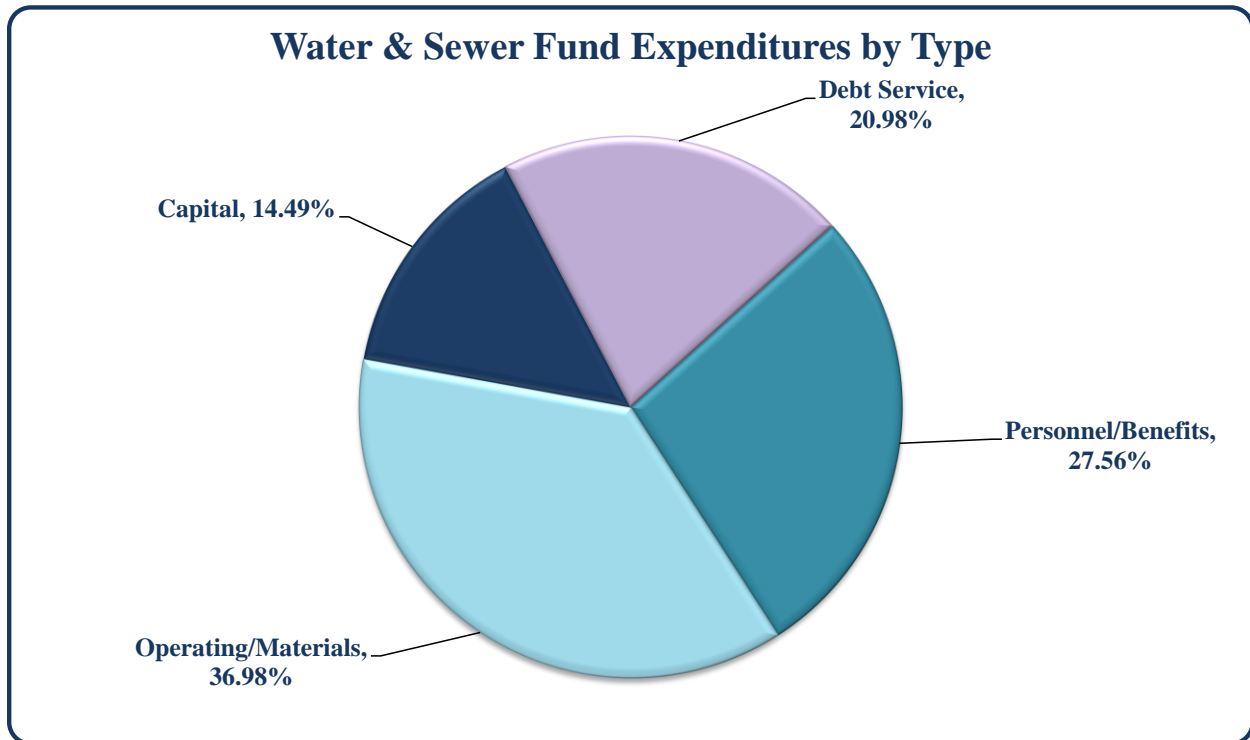




Expenditures by Type

Water & Sewer Fund Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
Personnel/Benefits	\$ 3,549,245	\$ 3,636,057	\$ 3,394,869	\$ 4,530,585	\$ 894,528	24.60%
Operating/Materials	\$ 5,413,436	\$ 7,646,496	\$ 7,346,565	\$ 6,079,055	\$ (1,567,441)	-20.50%
Capital	\$ 905,525	\$ 1,391,269	\$ 586,654	\$ 2,382,000	\$ 990,731	71.21%
Debt Service	\$ 2,276,504	\$ 3,498,910	\$ 3,497,170	\$ 3,448,910	\$ (50,000)	-1.43%
Total	\$ 12,144,710	\$ 16,172,732	\$ 14,825,259	\$ 16,440,550	\$ 267,818	1.66%

Personnel					
	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Type</i>					
Full-Time	73.00	70.00	70.00	70.00	0.00%
Part-Time	1.00	1.00	1.00	1.00	0.00%





Water & Sewer IT Expenditures by Line Item & Type

Water & Sewer IT Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Water & Sewer IT</i>						
Salaries & Wages-Reg	\$ -	\$ -	\$ -	\$ 31,620	\$ 31,620	
FICA Tax Expense	\$ -	\$ -	\$ -	\$ 2,419	\$ 2,419	
Retirement Expense	\$ -	\$ -	\$ -	\$ 2,325	\$ 2,325	
Group Med & Life Ins	\$ -	\$ -	\$ -	\$ 1,766	\$ 1,766	
Worker's Comp Ins	\$ -	\$ -	\$ -	\$ -	\$ -	
Office Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	
Telephone	\$ -	\$ -	\$ -	\$ -	\$ -	
Postage	\$ -	\$ -	\$ -	\$ -	\$ -	
R&M-Equipment	\$ -	\$ -	\$ -	\$ 61,555	\$ 61,555	
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	
Trianing	\$ -	\$ -	\$ -	\$ -	\$ -	
Liab/Prop Ins & Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	
Dues & Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital Outlay-Equipment	\$ -	\$ -	\$ -	\$ 49,000	\$ 49,000	
Non-Capital Equipment	\$ -	\$ -	\$ -	\$ 13,577	\$ 13,577	
Contracted Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Departmental CHGS-W/S	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Water & Sewer IT	\$ -	\$ -	\$ -	\$ 162,262	\$ 162,262	

Water & Sewer IT Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Water & Sewer IT</i>						
Personnel/Benefits	\$ -	\$ -	\$ -	\$ 38,130	\$ 38,130	
Operating/Materials	\$ -	\$ -	\$ -	\$ (47,978)	\$ (47,978)	
Capital	\$ -	\$ -	\$ -	\$ 49,000	\$ 49,000	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Water & Sewer Admin. Expenditures by Line Item & Type

Water & Sewer Admin. Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Water & Sewer Admin.</i>						
Salaries & Wages-Reg	\$ 198,261	\$ 145,000	\$ 147,360	\$ 595,914	\$ 450,914	310.98%
Salaries & Wages-Temp	\$ 8,890	\$ -	\$ -	\$ -	\$ -	
Salaries & Wages-P/T	\$ -	\$ -	\$ -	\$ 17,012	\$ 17,012	
Salaries & Wages-AU	\$ -	\$ -	\$ -	\$ -	\$ -	
FICA Tax Expense	\$ 15,802	\$ 10,800	\$ 11,213	\$ 46,981	\$ 36,181	335.01%
Retirement Expense	\$ 13,408	\$ 10,000	\$ 10,418	\$ 43,793	\$ 33,793	337.93%
Group Med & Life Ins	\$ 22,907	\$ 16,000	\$ 9,759	\$ 41,377	\$ 25,377	158.61%
Worker's Comp Ins	\$ 2,820	\$ 5,200	\$ 3,232	\$ 7,243	\$ 2,043	39.29%
Professional Services	\$ 46,470	\$ 371	\$ 473	\$ 41,850	\$ 41,479	11180.32%
Professional Services Engineering	\$ -	\$ 92,932	\$ 37,784	\$ 10,000	\$ (82,932)	-89.24%
Janitorial Supplies	\$ 6,063	\$ 6,489	\$ 5,275	\$ 6,200	\$ (289)	-4.45%
Uniforms	\$ 80	\$ 208	\$ 208	\$ 100	\$ (108)	-51.92%
Gasoline & Diesel	\$ 740	\$ 900	\$ 487	\$ 750	\$ (150)	-16.67%
Office Supplies	\$ 2,580	\$ 1,931	\$ 1,250	\$ 2,000	\$ 69	3.57%
Supplies & Materials	\$ 124	\$ 869	\$ 407	\$ 500	\$ (369)	-42.46%
Telephone	\$ 1,186	\$ 1,692	\$ 1,580	\$ 2,000	\$ 308	18.20%
Postage	\$ 187	\$ 200	\$ 220	\$ 200	\$ -	0.00%
Utilities	\$ 36,221	\$ 36,500	\$ 35,313	\$ 37,400	\$ 900	2.47%
R&M-Buildings	\$ 217	\$ 2,608	\$ 1,178	\$ 2,300	\$ (308)	-11.81%
R&M-Equipment	\$ 213	\$ 2,114	\$ -	\$ 4,000	\$ 1,886	89.21%
R&M-Auto/Trucks	\$ 185	\$ 500	\$ 29	\$ 500	\$ -	0.00%
Advertising	\$ 1,089	\$ 1,000	\$ 386	\$ 1,000	\$ -	0.00%
Travel	\$ 2,533	\$ 2,500	\$ -	\$ 2,600	\$ 100	4.00%
Training	\$ 1,420	\$ 1,200	\$ 250	\$ 1,200	\$ -	0.00%
Liab/Prop Ins & Bonds	\$ 1,201	\$ 1,400	\$ 1,355	\$ 1,745	\$ 345	24.64%
Dues & Subscriptions	\$ 523	\$ 600	\$ 423	\$ 1,714	\$ 1,114	185.67%
Non-Capital Equipment	\$ 5,577	\$ -	\$ -	\$ -	\$ -	
Contracted Services	\$ 28,642	\$ 37,886	\$ 36,303	\$ 54,800	\$ 16,914	44.64%
Departmental CHGS-G/F	\$ (15,000)	\$ (15,000)	\$ -	\$ -	\$ 15,000	-100.00%
Total Water & Sewer Admin.	\$ 382,338	\$ 363,900	\$ 304,903	\$ 923,180	\$ 559,280	153.69%

Water & Sewer Admin. Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Water & Sewer Admin.</i>						
Personnel/Benefits	\$ 262,088	\$ 187,000	\$ 181,983	\$ 752,321	\$ 565,321	302.31%
Operating/Materials	\$ (81,812)	\$ (131,128)	\$ (50,314)	\$ (61,259)	\$ 69,869	-53.28%
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Water & Sewer Finance Expenditures by Line Item & Type

Water & Sewer Finance Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Water & Sewer Finance</i>						
Salaries & Wages-Reg	\$ -	\$ -	\$ -	\$ 211,966	\$ 211,966	
Salaries & Wages-P/T	\$ -	\$ -	\$ -	\$ 25,648	\$ 25,648	
FICA Tax Expense	\$ -	\$ -	\$ -	\$ 18,177	\$ 18,177	
Retirement Expense	\$ -	\$ -	\$ -	\$ 16,966	\$ 16,966	
Group Med & Life Ins	\$ -	\$ -	\$ -	\$ 36,584	\$ 36,584	
Professional Services	\$ 78,044	\$ 39,000	\$ 36,013	\$ 50,000	\$ 11,000	28.21%
Professional Services-Audit	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ -	0.00%
Office Supplies	\$ 56,800	\$ 99,828	\$ 53,868	\$ 61,050	\$ (38,778)	-38.84%
Telephone	\$ 211	\$ 2,000	\$ 355	\$ 210	\$ (1,790)	-89.50%
Postage	\$ 98,816	\$ 145,000	\$ 120,174	\$ 118,800	\$ (26,200)	-18.07%
R&M-Equipment	\$ 396	\$ 1,500	\$ -	\$ 2,500	\$ 1,000	66.67%
Travel	\$ -	\$ 200	\$ 38	\$ 660	\$ 460	230.00%
Training	\$ 340	\$ 8,000	\$ 6,132	\$ 3,350	\$ (4,650)	-58.13%
Liab/Prop Ins & Bonds	\$ 2,230	\$ 3,000	\$ 2,516	\$ -	\$ (3,000)	-100.00%
Uncollectible Account	\$ 37,068	\$ 25,000	\$ 34,188	\$ 50,000	\$ 25,000	100.00%
Cash Short/Over	\$ (173)	\$ 500	\$ 23	\$ 500	\$ -	0.00%
Capital Outlay-Equipment	\$ -	\$ 4,172	\$ 4,172	\$ -	\$ (4,172)	-100.00%
Non-Capital Equipment	\$ -	\$ 1,000	\$ 651	\$ 1,280	\$ 280	28.00%
Contracted Services	\$ 428	\$ 2,000	\$ 1,175	\$ 400	\$ (1,600)	-80.00%
Draft Incentive	\$ -	\$ -	\$ 8,000	\$ -	\$ -	
Intercompany Debt Charges	\$ 458,301	\$ 488,890	\$ 441,461	\$ -	\$ (488,890)	-100.00%
Dept Charges-Operating	\$ 43,735	\$ 50,000	\$ 47,871	\$ -	\$ (50,000)	-100.00%
Total Water & Sewer Finance	\$ 797,195	\$ 891,090	\$ 777,638	\$ 619,091	\$ (271,999)	-30.52%

Water & Sewer Finance Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Water & Sewer Finance</i>						
Personnel/Benefits	\$ -	\$ -	\$ -	\$ 309,341	\$ 309,341	
Operating/Materials	\$ 163,997	\$ 146,862	\$ 176,979	\$ (306,390)	\$ (453,252)	-308.62%
Capital	\$ -	\$ 4,172	\$ 4,172	\$ -	\$ (4,172)	-100.00%
Debt Service	\$ 43,735	\$ 50,000	\$ 47,871	\$ -	\$ (50,000)	-100.00%



Facilities Expenditures by Line Item & Type

Facilities Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Facilities</i>						
Salaries & Wages-Reg	\$ 286,736	\$ 307,200	\$ 287,638	\$ 289,682	\$ (17,518)	-5.70%
Salaries & Wages-O/T	\$ 10,256	\$ 10,800	\$ 8,437	\$ 8,067	\$ (2,733)	-25.31%
Salaries & Wages-ST	\$ -	\$ -	\$ -	\$ 15,434	\$ 15,434	
FICA Tax Expense	\$ 22,297	\$ 21,800	\$ 22,210	\$ 23,958	\$ 2,158	9.90%
Retirement Expense	\$ 19,841	\$ 20,200	\$ 20,932	\$ 22,361	\$ 2,161	10.70%
Group Med & Life Ins	\$ 40,142	\$ 30,900	\$ 28,914	\$ 30,276	\$ (624)	-2.02%
Worker's Comp Ins	\$ 9,401	\$ 12,500	\$ 11,303	\$ 557	\$ (11,943)	-95.54%
Retiree Insurance	\$ 1,200	\$ 14,400	\$ 6,802	\$ 10,000	\$ (4,400)	-30.56%
Professional Services	\$ 69	\$ 500	\$ -	\$ 200	\$ (300)	-60.00%
Uniforms	\$ 2,091	\$ 4,400	\$ 4,438	\$ 3,200	\$ (1,200)	-27.27%
Gasoline & Diesel	\$ 19,763	\$ 22,178	\$ 20,743	\$ 22,000	\$ (178)	-0.80%
Supplies & Materials	\$ 22,141	\$ 40,000	\$ 34,304	\$ 22,000	\$ (18,000)	-45.00%
Telephone	\$ 1,561	\$ 80	\$ 80	\$ 151	\$ 71	88.75%
Utilities	\$ 235,905	\$ 250,000	\$ 242,577	\$ 251,000	\$ 1,000	0.40%
R&M-Buildings	\$ 1,941	\$ 5,500	\$ 750	\$ 3,500	\$ (2,000)	-36.36%
R&M-Equipment	\$ 41,473	\$ 44,000	\$ 38,915	\$ 38,000	\$ (6,000)	-13.64%
R&M-Auto/Trucks	\$ 9,942	\$ 14,000	\$ 11,850	\$ 8,000	\$ (6,000)	-42.86%
Travel	\$ -	\$ 500	\$ 20	\$ 500	\$ -	0.00%
Training	\$ -	\$ 1,000	\$ 150	\$ 1,000	\$ -	0.00%
Rent-Equipment	\$ 1,800	\$ 4,000	\$ 1,800	\$ 3,000	\$ (1,000)	-25.00%
Liab/Prop Ins & Bonds	\$ 9,604	\$ 10,677	\$ 10,677	\$ 6,657	\$ (4,020)	-37.65%
Dues & Subscriptions	\$ 370	\$ 1,000	\$ 670	\$ 500	\$ (500)	-50.00%
Non-Capital Equipment	\$ 2,947	\$ 5,000	\$ 12,854	\$ 1,500	\$ (3,500)	-70.00%
Capital Outlay-Motor Vehicles	\$ 63,783	\$ -	\$ -	\$ -	\$ -	
Capital Outlay-Other Equipment	\$ -	\$ 162,000	\$ -	\$ 150,000	\$ (12,000)	-7.41%
Capital Outlay-Other Impr	\$ 12,900	\$ 313,345	\$ 68,950	\$ -	\$ (313,345)	-100.00%
Contracted Services	\$ 73,501	\$ 165,000	\$ 144,183	\$ 100,000	\$ (65,000)	-39.39%
Issues From Inventory	\$ 17,513	\$ 269,965	\$ 81,138	\$ 200,000	\$ (69,965)	-25.92%
Customer Participate	\$ -	\$ 20,000	\$ -	\$ -	\$ (20,000)	-100.00%
Intercompany Dept Chr	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Water & Sewer Engineering	\$ 907,177	\$ 1,750,945	\$ 1,060,334	\$ 1,211,544	\$ (539,401)	-30.81%

Facilities Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Facilities</i>						
Personnel/Benefits	\$ 389,873	\$ 417,800	\$ 386,236	\$ 400,336	\$ (17,464)	-4.18%
Operating/Materials	\$ 440,620	\$ 857,800	\$ 605,149	\$ 661,208	\$ (196,592)	-22.92%
Capital	\$ 76,683	\$ 475,345	\$ 68,950	\$ 150,000	\$ (325,345)	-68.44%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Water Treatment Plant Expenditures by Line Item & Type

Water Treatment Plant Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Water Treatment Plant</i>						
Salaries & Wages-Reg	\$ 429,942	\$ 444,000	\$ 416,691	\$ 431,317	\$ (12,683)	-2.86%
Salaries & Wages-O/T	\$ 9,581	\$ 12,000	\$ 12,359	\$ 7,118	\$ (4,882)	-40.68%
Holiday Pay	\$ -	\$ -	\$ -	\$ 18,045	\$ 18,045	
FICA Tax Expense	\$ 32,801	\$ 33,000	\$ 32,416	\$ 34,921	\$ 1,921	5.82%
Retirement Expense	\$ 29,670	\$ 30,500	\$ 30,024	\$ 32,593	\$ 2,093	6.86%
Gourp Med & Life Ins	\$ 74,079	\$ 56,600	\$ 50,348	\$ 55,506	\$ (1,094)	-1.93%
Worker's Comp Ins	\$ 15,383	\$ 18,000	\$ 17,393	\$ 34,328	\$ 16,328	90.71%
Professional Services	\$ 573	\$ -	\$ -	\$ 200	\$ 200	
Professional Services-Engineering	\$ 15,033	\$ 4,000	\$ 3,261	\$ 282,000	\$ 278,000	6950.00%
Janitorial Supplies	\$ 2,431	\$ 3,000	\$ 2,519	\$ 3,000	\$ -	0.00%
Uniforms	\$ 4,434	\$ 5,700	\$ 5,238	\$ 5,900	\$ 200	3.51%
Medical Supplies	\$ -	\$ 200	\$ -	\$ 200	\$ -	0.00%
Gasoline & Diesel	\$ 4,776	\$ 8,520	\$ 7,701	\$ 8,500	\$ (20)	-0.23%
Office Supplies	\$ 1,226	\$ 2,000	\$ 316	\$ 1,500	\$ (500)	-25.00%
Laboratory Supplies	\$ 28,543	\$ 34,000	\$ 25,840	\$ 28,000	\$ (6,000)	-17.65%
Chemicals	\$ 406,616	\$ 440,000	\$ 431,670	\$ 440,000	\$ -	0.00%
Supplies & Materials	\$ 20,014	\$ 30,000	\$ 7,112	\$ 20,000	\$ (10,000)	-33.33%
Telephone	\$ 5,513	\$ 6,213	\$ 6,274	\$ 4,300	\$ (1,913)	-30.79%
Postage	\$ 69	\$ 500	\$ 155	\$ 100	\$ (400)	-80.00%
Utilities	\$ 315,860	\$ 315,980	\$ 290,911	\$ 329,700	\$ 13,720	4.34%
R&M-Buildings	\$ 10,136	\$ 15,000	\$ 9,049	\$ 12,000	\$ (3,000)	-20.00%
R&M-Equipment	\$ 70,539	\$ 58,887	\$ 42,433	\$ 60,000	\$ 1,113	1.89%
R&M-Auto/Trucks	\$ 2,643	\$ 4,000	\$ 2,079	\$ 2,400	\$ (1,600)	-40.00%
Travel	\$ 2,272	\$ 2,500	\$ 2,463	\$ 2,500	\$ -	0.00%
Training	\$ 2,723	\$ 3,500	\$ 1,965	\$ 3,000	\$ (500)	-14.29%
Liab/Prop Ins & Bonds	\$ 11,319	\$ 14,200	\$ 14,149	\$ 18,320	\$ 4,120	29.01%
Dues & Subscriptions	\$ 6,409	\$ 20,000	\$ 11,918	\$ 12,000	\$ (8,000)	-40.00%
Non-Capital Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital Outlay-Motor Vehicles	\$ -	\$ -	\$ -	\$ 28,000	\$ 28,000	
Capital Outlay-Other Equipment	\$ -	\$ 16,000	\$ -	\$ -	\$ (16,000)	-100.00%
Capital Outlay-Other Impmts	\$ -	\$ 123,900	\$ 131,172	\$ 32,000	\$ (91,900)	-74.17%
Contracted Services	\$ 43,402	\$ 52,000	\$ 30,061	\$ 45,000	\$ (7,000)	-13.46%
Sludge Management	\$ 4,606	\$ 5,000	\$ 401	\$ 5,000	\$ -	0.00%
Total Water Treatment Plant	\$ 1,550,596	\$ 1,759,200	\$ 1,585,918	\$ 1,957,447	\$ 198,247	11.27%

Water Treatment Plant Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Water Treatment Plant</i>						
Personnel/Benefits	\$ 591,456	\$ 594,100	\$ 559,231	\$ 613,827	\$ 19,727	3.32%
Operating/Materials	\$ 959,139	\$ 1,025,200	\$ 895,515	\$ 1,283,620	\$ 258,420	25.21%
Capital	\$ -	\$ 139,900	\$ 131,172	\$ 60,000	\$ (79,900)	-57.11%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Shop Operations Center Expenditures by Line Item & Type

Shop Operations Center Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Shop Operations Center</i>						
Salaries & Wages-Reg	\$ 507,239	\$ 454,000	\$ 420,100	\$ 518,810	\$ 64,810	14.28%
Salaries & Wages-O/T	\$ 3,325	\$ 2,000	\$ 2,962	\$ 1,739	\$ (261)	-13.05%
FICA Tax Expense	\$ 38,832	\$ 34,800	\$ 32,023	\$ 39,822	\$ 5,022	14.43%
Retirement Expense	\$ 33,573	\$ 32,200	\$ 29,910	\$ 37,167	\$ 4,967	15.43%
Group Med & Life Ins	\$ 89,957	\$ 71,800	\$ 51,092	\$ 59,291	\$ (12,510)	-17.42%
Worker's Comp Ins	\$ 17,861	\$ 24,600	\$ 20,808	\$ 929	\$ (23,671)	-96.23%
Retiree Insurance	\$ 1,684	\$ 14,400	\$ 6,198	\$ 10,000	\$ (4,400)	-30.56%
Professional Services	\$ -	\$ 900	\$ -	\$ 200	\$ (700)	-77.78%
Uniforms	\$ 4,335	\$ 4,300	\$ 2,870	\$ 3,300	\$ (1,000)	-23.26%
Medical Supplies	\$ 583	\$ 58	\$ 58	\$ 570	\$ 512	882.76%
Gasoline & Diesel	\$ 32,837	\$ 20,000	\$ 19,452	\$ 22,000	\$ 2,000	10.00%
Tires	\$ 160	\$ -	\$ -	\$ 500	\$ 500	
Office Supplies	\$ 4,387	\$ 4,200	\$ 3,691	\$ 5,000	\$ 800	19.05%
Supplies & Materials	\$ 14,123	\$ 16,000	\$ 10,252	\$ 12,000	\$ (4,000)	-25.00%
Telephone	\$ 32,938	\$ 34,000	\$ 33,969	\$ 33,143	\$ (857)	-2.52%
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	
R&M-Buildings	\$ 11	\$ -	\$ -	\$ 500	\$ 500	
R&M-Equipment	\$ 3,996	\$ 5,000	\$ 1,795	\$ 4,500	\$ (500)	-10.00%
R&M-Auto/Trucks	\$ 19,009	\$ 12,000	\$ 10,523	\$ 12,000	\$ -	0.00%
Travel	\$ 1,477	\$ 7,500	\$ 2,370	\$ 2,750	\$ (4,750)	-63.33%
Training	\$ 1,844	\$ 4,000	\$ 2,157	\$ 3,000	\$ (1,000)	-25.00%
Liab/Prop Ins & Bonds	\$ 6,860	\$ 7,700	\$ 7,356	\$ 6,385	\$ (1,315)	-17.08%
Dues & Subscriptions	\$ 8,577	\$ 11,000	\$ 7,286	\$ 12,440	\$ 1,440	13.09%
Non-Capital Equipment	\$ 7,643	\$ -	\$ -	\$ 16,230	\$ 16,230	
Capital Outlay-Motor Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital Outlay-Other Equipment	\$ -	\$ 10,450	\$ 10,450	\$ 4,000	\$ (6,450)	-61.72%
Contracted Services	\$ 1,034	\$ 63,892	\$ 2,097	\$ 68,500	\$ 4,608	7.21%
Departmental CHGS-G/F	\$ -	\$ -	\$ (12,100)	\$ -	\$ -	
Intercompany Dept Charge	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Shop Operations Center	\$ 832,284	\$ 834,800	\$ 665,320	\$ 874,775	\$ 39,975	4.79%

Shop Operations Center Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Shop Operations Center</i>						
Personnel/Benefits	\$ 692,471	\$ 633,800	\$ 563,094	\$ 667,757	\$ 33,957	5.36%
Operating/Materials	\$ 139,813	\$ 190,550	\$ 91,776	\$ 203,018	\$ 12,468	6.54%
Capital	\$ -	\$ 10,450	\$ 10,450	\$ 4,000	\$ (6,450)	-61.72%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Water Maintenance & Construction Expenditures by Line Item & Type

Water Maintenance & Construction Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Water Maintenance & Construction</i>						
Salaries & Wages-Reg	\$ 412,301	\$ 496,500	\$ 432,457	\$ 467,032	\$ (29,468)	-5.94%
Salaries & Wages-O/T	\$ 32,119	\$ 59,157	\$ 52,473	\$ 32,128	\$ (27,029)	-45.69%
Salaries & Wages-ST	\$ -	\$ -	\$ -	\$ 6,646	\$ 6,646	
FICA Tax Expense	\$ 32,806	\$ 36,000	\$ 36,065	\$ 38,694	\$ 2,694	7.48%
Retirement Expense	\$ 29,924	\$ 33,000	\$ 34,285	\$ 36,115	\$ 3,115	9.44%
Group Med & Life Ins	\$ 81,353	\$ 66,800	\$ 60,948	\$ 70,644	\$ 3,844	5.75%
Worker's Comp Ins	\$ 17,861	\$ 22,000	\$ 20,910	\$ 1,207	\$ (20,793)	-94.51%
Professional Services	\$ 143	\$ 1,500	\$ -	\$ 126,500	\$ 125,000	8333.33%
Uniforms	\$ 4,170	\$ 8,300	\$ 7,397	\$ 7,400	\$ (900)	-10.84%
Gasoline & Diesel	\$ 39,047	\$ 50,882	\$ 40,715	\$ 42,000	\$ (8,882)	-17.46%
Supplies & Materials	\$ 71,404	\$ 127,000	\$ 98,749	\$ 85,000	\$ (42,000)	-33.07%
R&M-Equipment	\$ 22,503	\$ 22,000	\$ 20,191	\$ 422,000	\$ 400,000	1818.18%
R&M-Auto/Trucks	\$ 21,217	\$ 33,559	\$ 28,182	\$ 25,000	\$ (8,559)	-25.50%
Travel	\$ 40	\$ 1,000	\$ 90	\$ 1,000	\$ -	0.00%
Training	\$ 3,725	\$ 3,000	\$ 562	\$ 3,000	\$ -	0.00%
Liab/Prop Ins & Bonds	\$ 20,557	\$ 22,100	\$ 24,377	\$ 28,883	\$ 6,783	30.69%
Dues & Subscriptions	\$ 5,958	\$ 6,700	\$ 6,624	\$ 5,800	\$ (900)	-13.43%
Non-Capital Equipment	\$ 9,291	\$ -	\$ 137,380	\$ 5,400	\$ 5,400	
Capital Outlay-Motor Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital Outlay-Other Equipment	\$ 19,800	\$ 9,400	\$ 184	\$ 349,000	\$ 339,600	3612.77%
Capital Outlay-Motorized Equipment	\$ -	\$ -	\$ 3	\$ -	\$ -	
Capital Outlay-Line Upgrade	\$ 66,633	\$ 28,000	\$ 58,329	\$ -	\$ (28,000)	-100.00%
Capital Outlay-Oversize Line	\$ -	\$ 30,000	\$ 15,545	\$ 30,000	\$ -	0.00%
Capital Outlay-Other Impmts	\$ 20,491	\$ 496,443	\$ 123,796	\$ 1,530,000	\$ 1,033,557	208.19%
Contracted Services	\$ 21,014	\$ 35,000	\$ 26,837	\$ 35,000	\$ -	0.00%
Issues From Inventory	\$ 441,323	\$ 294,459	\$ 214,219	\$ 350,000	\$ 55,541	18.86%
Customer Portion	\$ -	\$ 5,000	\$ -	\$ -	\$ (5,000)	-100.00%
Paving Cut Repairs	\$ 80,580	\$ 175,000	\$ 150,093	\$ 125,000	\$ (50,000)	-28.57%
Intercompany Dept Charge	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Water Maintenance & Const.	\$ 1,454,260	\$ 2,062,800	\$ 1,590,410	\$ 3,823,449	\$ 1,760,649	85.35%

Water Maintenance & Construction Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Water Maintenance & Construction</i>						
Personnel/Benefits	\$ 606,365	\$ 713,457	\$ 637,137	\$ 652,466	\$ (60,991)	-8.55%
Operating/Materials	\$ 740,971	\$ 785,500	\$ 755,416	\$ 1,261,983	\$ 476,483	60.66%
Capital	\$ 106,924	\$ 563,843	\$ 197,856	\$ 1,909,000	\$ 1,345,157	238.57%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Wastewater Treatment Plant Expenditures by Line Item & Type

Wastewater Treatment Plant Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Wastewater Treatment Plant</i>						
Salaries & Wages-Reg	\$ 421,452	\$ 428,500	\$ 437,668	\$ 450,243	\$ 21,743	5.07%
Salaries & Wages-O/T	\$ 641	\$ 3,000	\$ 552	\$ 541	\$ (2,459)	-81.97%
FICA Tax Expense	\$ -	\$ -	\$ -	\$ 2,917	\$ 2,917	
Holiday Pay	\$ 31,558	\$ 32,300	\$ 32,851	\$ 34,708	\$ 2,408	7.46%
Retirement Expense	\$ 28,379	\$ 30,000	\$ 30,982	\$ 32,394	\$ 2,394	7.98%
Group Med & Life Ins	\$ 66,007	\$ 51,400	\$ 49,280	\$ 50,460	\$ (940)	-1.83%
Worker's Comp Ins	\$ 19,365	\$ 22,000	\$ 21,547	\$ 23,863	\$ 1,863	8.47%
Retiree Insurance	\$ 9,849	\$ 7,200	\$ 6,399	\$ 10,000	\$ 2,800	38.89%
Professional Services	\$ 252	\$ 1,500	\$ -	\$ 1,500	\$ -	0.00%
Uniforms	\$ 4,468	\$ 6,500	\$ 4,062	\$ 5,000	\$ (1,500)	-23.08%
Medical Supplies	\$ 131	\$ 300	\$ 79	\$ 300	\$ -	0.00%
Gasoline & Diesel	\$ 6,136	\$ 7,048	\$ 6,781	\$ 6,460	\$ (588)	-8.34%
Office Supplies	\$ 936	\$ 3,008	\$ 1,718	\$ 2,000	\$ (1,008)	-33.51%
Laboratory Supplies	\$ 10,385	\$ 18,500	\$ 9,641	\$ 20,000	\$ 1,500	8.11%
Chemicals	\$ 19,897	\$ 17,423	\$ 7,623	\$ 20,000	\$ 2,577	14.79%
Supplies & Materials	\$ 7,446	\$ 8,000	\$ 4,412	\$ 8,000	\$ -	0.00%
Telephone	\$ 3,619	\$ 4,029	\$ 3,783	\$ 3,678	\$ (351)	-8.71%
Postage	\$ 1,894	\$ 3,000	\$ 1,033	\$ 1,800	\$ (1,200)	-40.00%
Utilities	\$ 295,090	\$ 327,111	\$ 335,440	\$ 362,800	\$ 35,689	10.91%
R&M-Buildings	\$ 3,201	\$ 7,000	\$ 5,804	\$ 6,000	\$ (1,000)	-14.29%
R&M-Equipment	\$ 114,352	\$ 107,000	\$ 60,700	\$ 115,000	\$ 8,000	7.48%
R&M-Auto/Trucks	\$ 3,696	\$ 4,481	\$ 3,155	\$ 3,500	\$ (981)	-21.89%
Advertising	\$ -	\$ 500	\$ -	\$ 500	\$ -	0.00%
Travel	\$ 1,378	\$ 1,500	\$ 1,289	\$ 1,230	\$ (270)	-18.00%
Training	\$ 2,120	\$ 3,000	\$ 1,914	\$ 2,710	\$ (290)	-9.67%
Liab/Prop Ins & Bonds	\$ 10,552	\$ 11,500	\$ 11,033	\$ 13,777	\$ 2,277	19.80%
Dues & Subscriptions	\$ 8,952	\$ 11,500	\$ 9,050	\$ 9,870	\$ (1,630)	-14.17%
Pretreatment Program	\$ 858	\$ 5,200	\$ 380	\$ 7,000	\$ 1,800	34.62%
Capital Outlay-Motor Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital Outlay-Other Equipment	\$ -	\$ 18,600	\$ 7,807	\$ -	\$ (18,600)	-100.00%
Capital Outlay-Motorized Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	
Contracted Services	\$ 18,716	\$ 20,000	\$ 13,752	\$ 22,800	\$ 2,800	14.00%
Sludge Management	\$ 309,866	\$ 280,000	\$ 255,259	\$ 305,000	\$ 25,000	8.93%
Total Wastewater Treatment Plant	\$ 1,401,196	\$ 1,441,100	\$ 1,323,993	\$ 1,524,051	\$ 82,951	5.76%

Waste Water Treatment Plant Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Waste Water Treatment Plant</i>						
Personnel/Benefits	\$ 577,251	\$ 574,400	\$ 579,279	\$ 605,126	\$ 30,726	5.35%
Operating/Materials	\$ 823,945	\$ 848,100	\$ 736,907	\$ 918,925	\$ 70,825	8.35%
Capital	\$ -	\$ 18,600	\$ 7,807	\$ -	\$ (18,600)	-100.00%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Sewer Maintenance & Construction Expenditures by Line Item & Type

Sewer Maintenance & Construction Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Sewer Maintenance & Construction</i>						
Salaries & Wages-Reg	\$ 294,371	\$ 348,800	\$ 338,138	\$ 347,802	\$ (998)	-0.29%
Salaries & Wages-O/T	\$ 16,853	\$ 25,000	\$ 24,714	\$ 17,448	\$ (7,552)	-30.21%
Salaries & Wages-ST	\$ -	\$ -	\$ -	\$ 4,622	\$ 4,622	
FICA Tax Expense	\$ 22,695	\$ 25,600	\$ 26,918	\$ 27,942	\$ 2,342	9.15%
Retirement Expense	\$ 20,958	\$ 23,700	\$ 25,654	\$ 26,079	\$ 2,379	10.04%
Group Med & Life Ins	\$ 57,528	\$ 51,400	\$ 47,551	\$ 50,460	\$ (940)	-1.83%
Worker's Comp Ins	\$ 12,221	\$ 16,000	\$ 14,005	\$ 929	\$ (15,071)	-94.20%
Professional Services	\$ 123	\$ 1,500	\$ 122	\$ 2,500	\$ 1,000	66.67%
Uniforms	\$ 3,573	\$ 6,593	\$ 5,065	\$ 5,400	\$ (1,193)	-18.09%
Gasoline & Diesel	\$ 31,581	\$ 31,710	\$ 29,557	\$ 32,000	\$ 290	0.91%
Supplies & Materials	\$ 45,887	\$ 90,000	\$ 82,397	\$ 65,000	\$ (25,000)	-27.78%
R&M-Equipment	\$ 18,545	\$ 14,044	\$ 9,118	\$ 520,000	\$ 505,956	3602.65%
R&M-Auto/Trucks	\$ 29,174	\$ 46,000	\$ 38,283	\$ 28,000	\$ (18,000)	-39.13%
Travel	\$ 405	\$ 1,000	\$ -	\$ 1,000	\$ -	0.00%
Training	\$ 124	\$ 2,600	\$ 1,107	\$ 2,600	\$ -	0.00%
Rent-Equipment	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ -	0.00%
Liab/Prop Ins & Bonds	\$ 9,833	\$ 18,146	\$ 13,146	\$ 11,950	\$ (6,196)	-34.15%
Dues & Subscriptions	\$ 2,217	\$ 3,000	\$ 1,670	\$ 1,580	\$ (1,420)	-47.33%
Non-Capital Equipment	\$ 17,134	\$ -	\$ -	\$ 7,100	\$ 7,100	
Capital Outlay-Motor Vehicles	\$ 349,985	\$ -	\$ -	\$ 28,000	\$ 28,000	
Capital Outlay-Other Equipment	\$ 39,242	\$ 8,959	\$ 9,143	\$ -	\$ (8,959)	-100.00%
Capital Outlay-Motorized Equipment	\$ 62,792	\$ -	\$ -	\$ 82,000	\$ 82,000	
Capital Outlay-I/I Upgrade	\$ 65,719	\$ 170,000	\$ 154,719	\$ -	\$ (170,000)	-100.00%
Capital Outlay-Line Upgrade	\$ 204,180	\$ -	\$ -	\$ -	\$ -	
Capital Outlay-Other Impmts	\$ -	\$ -	\$ 2,385	\$ 100,000	\$ 100,000	
Contracted Services	\$ 7,418	\$ 31,573	\$ 24,530	\$ 23,000	\$ (8,573)	-27.15%
Issues From Inventory	\$ 33,734	\$ 16,000	\$ 24,864	\$ 30,000	\$ 14,000	87.50%
Paving Cut Repairs	\$ 58,308	\$ 82,000	\$ 54,767	\$ 55,000	\$ (27,000)	-32.93%
Reimbursement Sewer Dept	\$ (6,182)	\$ (5,000)	\$ -	\$ -	\$ 5,000	-100.00%
Intercompany Dept Charge	\$ -	\$ 75	\$ -	\$ -	\$ (75)	-100.00%
Total Sewer Maintenance & Const.	\$ 1,398,416	\$ 1,009,700	\$ 927,854	\$ 1,471,412	\$ 461,712	45.73%

Sewer Maintenance & Construction Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Sewer Maintenance & Construction</i>						
Personnel/Benefits	\$ 424,626	\$ 490,500	\$ 476,980	\$ 475,282	\$ (15,218)	-3.10%
Operating/Materials	\$ 251,873	\$ 340,241	\$ 284,627	\$ 786,130	\$ 445,889	131.05%
Capital	\$ 721,918	\$ 178,959	\$ 166,247	\$ 210,000	\$ 31,041	17.35%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Non-Departmental Expenditures by Line Item & Type

Non-Departmental Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Non-Departmental</i>						
Employee Assistance Program	\$ 2,124	\$ 3,000	\$ -	\$ 3,000	\$ -	0.00%
Tuition Reimbursement	\$ -	\$ 2,500	\$ 112	\$ 2,000	\$ (500)	-20.00%
State Unemployment Ins	\$ 2,990	\$ 14,500	\$ 10,818	\$ 11,000	\$ (3,500)	-24.14%
Retiree Insurance	\$ -	\$ 5,000	\$ -	\$ -	\$ (5,000)	-100.00%
Operating Transfer to CR Fund	\$ 550,000	\$ 550,000	\$ 550,000	\$ -	\$ (550,000)	-100.00%
Governing Body	\$ 23,983	\$ 26,500	\$ 22,103	\$ -	\$ (26,500)	-100.00%
Admin-City Hall	\$ 165,895	\$ 156,660	\$ 142,462	\$ 3,300	\$ (153,360)	-97.89%
City Engineer	\$ 176,243	\$ 210,180	\$ 179,818	\$ -	\$ (210,180)	-100.00%
IT Department	\$ 81,053	\$ 125,880	\$ 118,773	\$ -	\$ (125,880)	-100.00%
Legal Department	\$ 87,267	\$ 88,200	\$ 83,882	\$ -	\$ (88,200)	-100.00%
Contribution to H&W Fund	\$ -	\$ 131,230	\$ 131,230	\$ 44,000	\$ (87,230)	-66.47%
Total Non-Departmental	\$ 1,089,554	\$ 1,313,650	\$ 1,239,198	\$ 63,300	\$ (1,250,350)	-95.18%

Non-Departmental Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Non-Departmental</i>						
Personnel/Benefits	\$ 5,114	\$ 25,000	\$ 10,929	\$ 16,000	\$ (9,000)	-36.00%
Operating/Materials	\$ 1,084,440	\$ 1,288,650	\$ 1,228,269	\$ 47,300	\$ (1,241,350)	-96.33%
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Special Appropriations Expenditures by Line Item & Type

Special Appropriations Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Special Appropriations</i>						
Other Agencies	\$ -	\$ 76,130	\$ 76,125	\$ 76,130	\$ -	0.00%
Total Special Appropriations	\$ -	\$ 76,130	\$ 76,125	\$ 76,130	\$ -	0.00%

Special Appropriations Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Special Appropriations</i>						
Personnel/Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating/Materials	\$ -	\$ 76,130	\$ 76,125	\$ 76,130	\$ -	0.00%
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Debt Service Expenditures by Line Item & Type

Debt Service Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Debt Service</i>						
Principal-SRLF Sewer Lines	\$ 100,880	\$ 100,880	\$ 100,880	\$ 100,880	\$ -	0.00%
Principal-SRLF WWTP Project	\$ 662,500	\$ 662,500	\$ 662,500	\$ 662,500	\$ -	0.00%
Principal-Brightwater Project	\$ 28,589	\$ 28,590	\$ 28,589	\$ 28,590	\$ -	0.00%
Principal-AMR System	\$ -	\$ 776,230	\$ 791,485	\$ 776,230	\$ -	0.00%
Principal-WTP Upgrade	\$ 993,873	\$ 1,033,020	\$ 1,033,012	\$ 1,033,020	\$ -	0.00%
Interest-SRLF Sewer Lines	\$ 17,301	\$ 13,850	\$ 13,841	\$ 13,850	\$ -	0.00%
Interest-SRLF WWTP Project	\$ 192,788	\$ 173,090	\$ 173,509	\$ 173,090	\$ -	0.00%
Interest-Brightwater Project	\$ 13,471	\$ 12,770	\$ 12,762	\$ 12,770	\$ -	0.00%
Interest-AMR System	\$ -	\$ 463,750	\$ 448,493	\$ 463,750	\$ -	0.00%
Interest-WTP Upgrade	\$ 223,368	\$ 184,230	\$ 184,229	\$ 184,230	\$ -	0.00%
Bank Service Charges	\$ 98,924	\$ 50,000	\$ 99,373	\$ 85,000	\$ 35,000	70.00%
Total Debt Services	\$ 2,331,693	\$ 3,498,910	\$ 3,548,672	\$ 3,533,910	\$ 35,000	1.00%

Debt Service Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Debt Service</i>						
Personnel/Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating/Materials	\$ 98,924	\$ 50,000	\$ 99,373	\$ 85,000	\$ 35,000	70.00%
Capital	\$ -	\$ -	\$ -	\$ 16,840,550	\$ 16,840,550	#DIV/0!
Debt Service	\$ 2,232,769	\$ 3,448,910	\$ 3,449,299	\$ 3,448,910	\$ -	0.00%



Transfers Expenditures by Line Item & Type

Transfers Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Transfers</i>						
Transfer Out To H&W Fund	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer Out To Britt	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer To Academy Road	\$ -	\$ 36,338	\$ 36,338	\$ -	\$ (36,338)	-100.00%
Transfer To Wolfpen	\$ -	\$ 82,352	\$ 213,744	\$ -	\$ (82,352)	-100.00%
Transfer To Jackson Park	\$ -	\$ 851,817	\$ 1,065,739	\$ -	\$ (851,817)	-100.00%
Transfer to Shepherd	\$ -	\$ -	\$ 209,073	\$ -	\$ -	
Total Transfers	\$ -	\$ 970,507	\$ 1,524,893	\$ -	\$ (970,507)	-100.00%

Transfers Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Transfers</i>						
Personnel/Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating/Materials	\$ -	\$ 970,507	\$ 1,524,893	\$ -	\$ (970,507)	-100.00%
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



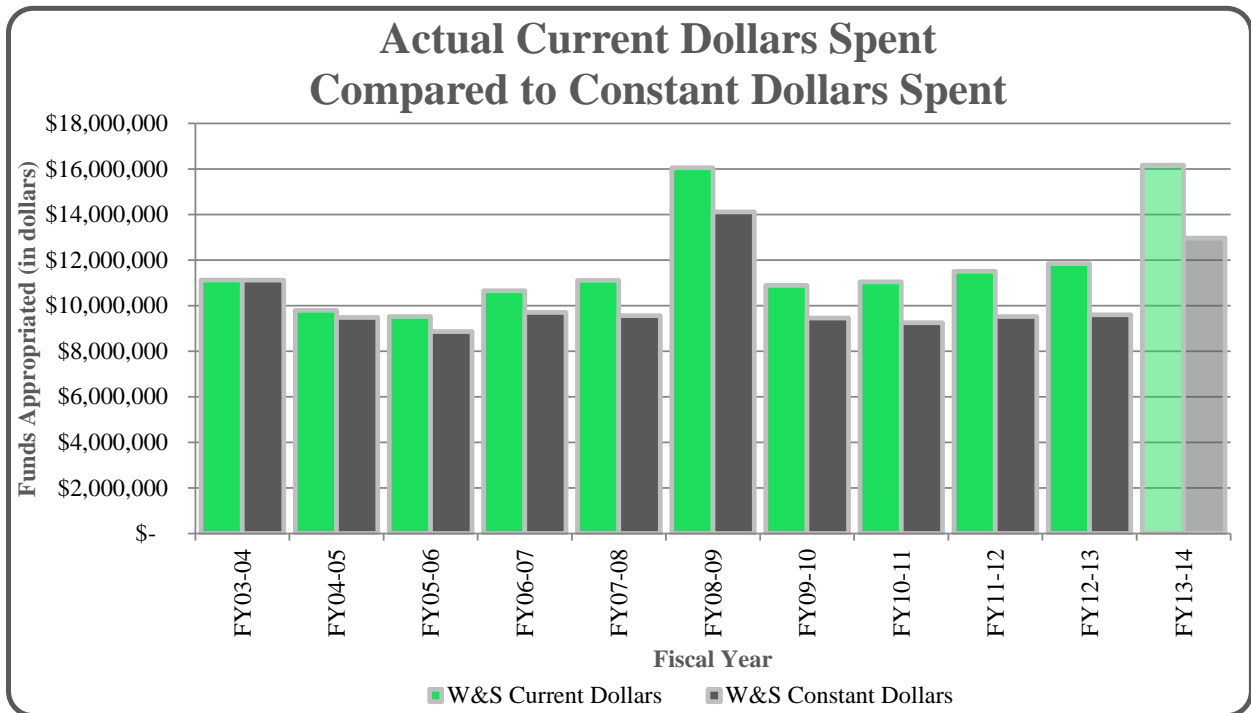
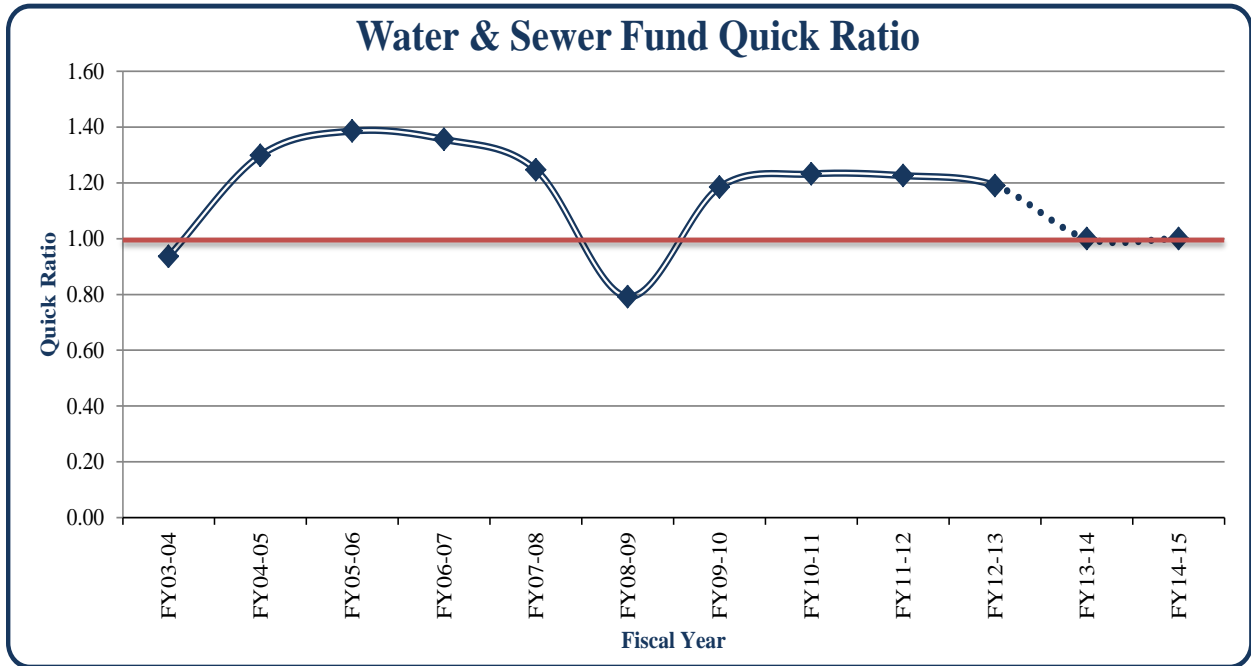
Contingencies Expenditures by Line Item & Type

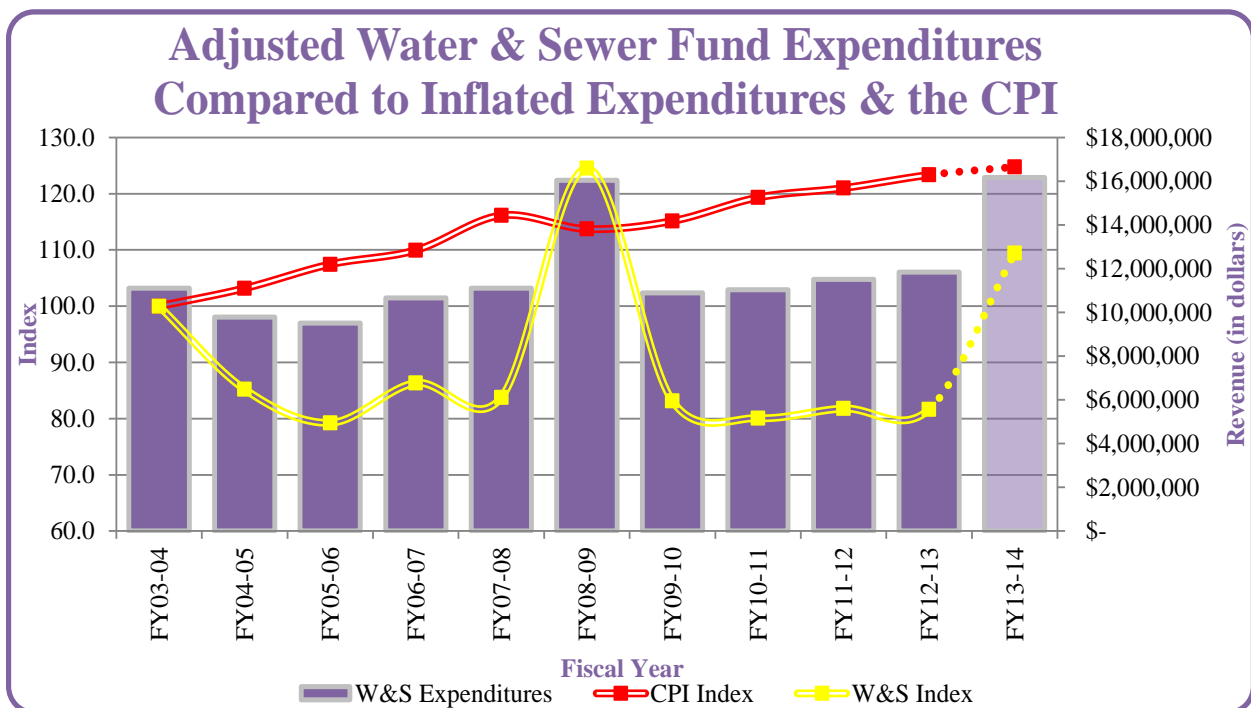
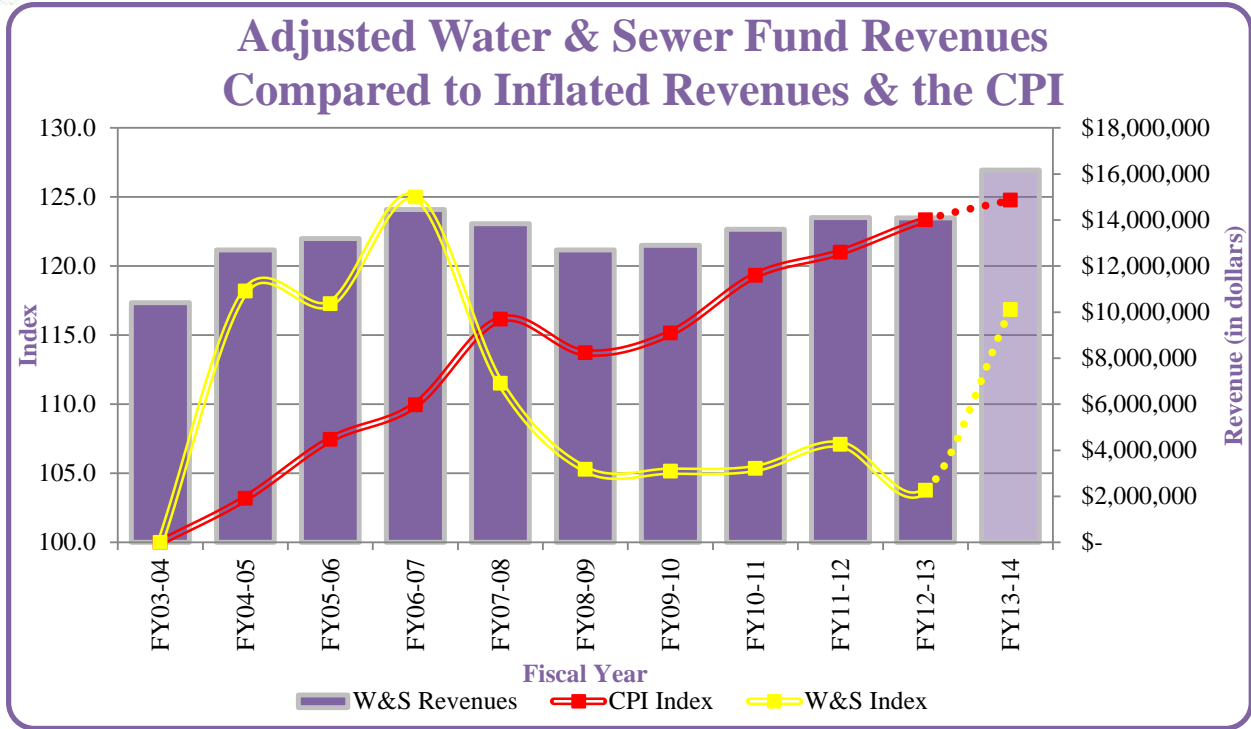
Contingencies Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Contingencies</i>						
Contingencies	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	100.00%
Total Contingencies	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	100.00%

Contingencies Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Water & Sewer Fund						
<i>Contingencies</i>						
Personnel/Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating/Materials	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	0.00%
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Water & Sewer Fund Trends







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Environmental Services Fund Summary

The Environmental Service Fund, formerly known as the Solid Waste Fund, operates as an enterprise fund and is housed within the Public Works Department. The Fund has five sources of revenue including, *Residential Fees*, *Commercial Fees*, *ESF Base Charge*, *Recycling*, and *Other* revenues. The largest of these sources are residential fees, comprising 85.41% of all revenues, or \$957,552. This \$957,552 is a 25.43% increase since FY13-14. Decreases were experienced in *Commercial Fees* and *Other* line items by 43.3% and 98.81% respectively. The large drop in other revenues is attributable to the elimination of General Fund transfers and fund balance appropriations.

There are four functions appropriated in the Environmental Services Fund including *Environmental Services Admin.*, *Stormwater*, *Non-Departmental*, and *Debt Service*. The administrative line item incurs the largest amount of appropriations at 94.95% of all funds. This line item also is expected to experience a 26.37% or \$381,086 drop from FY13-14 to FY14-15. This decrease makes up for the expected total decrease of 25.63% in the Environmental Services Fund. When categorizing the Fund's line items by type the *Personnel/Benefits* item accounts for the largest percent at 56.4%. Other categories *Operating/Materials* and *Capital* expect decreases from FY13-14 to FY14-15, 35.83% and 100% respectively.

General trends in the Environmental Service Fund have been steady. The quick ratio depicts the Funds actual revenues compared to actual expenditures. The Fund has consistently maintained levels above or near 1.00, which signifies that the Fund is self-sustaining. Other trends are seen in the constant dollar and inflation comparisons. It is apparent that the value of a dollar is not what it was worth ten years ago. The increases in revenues and expenditures over the years have maintained a pace close to that of the CPI, an indicator of market inflation. In order for enterprise funds to operate effectively and efficiently they must maintain a quality equal to the market. This result communicates a strong operating and fiscal condition in the Environmental Services Fund.

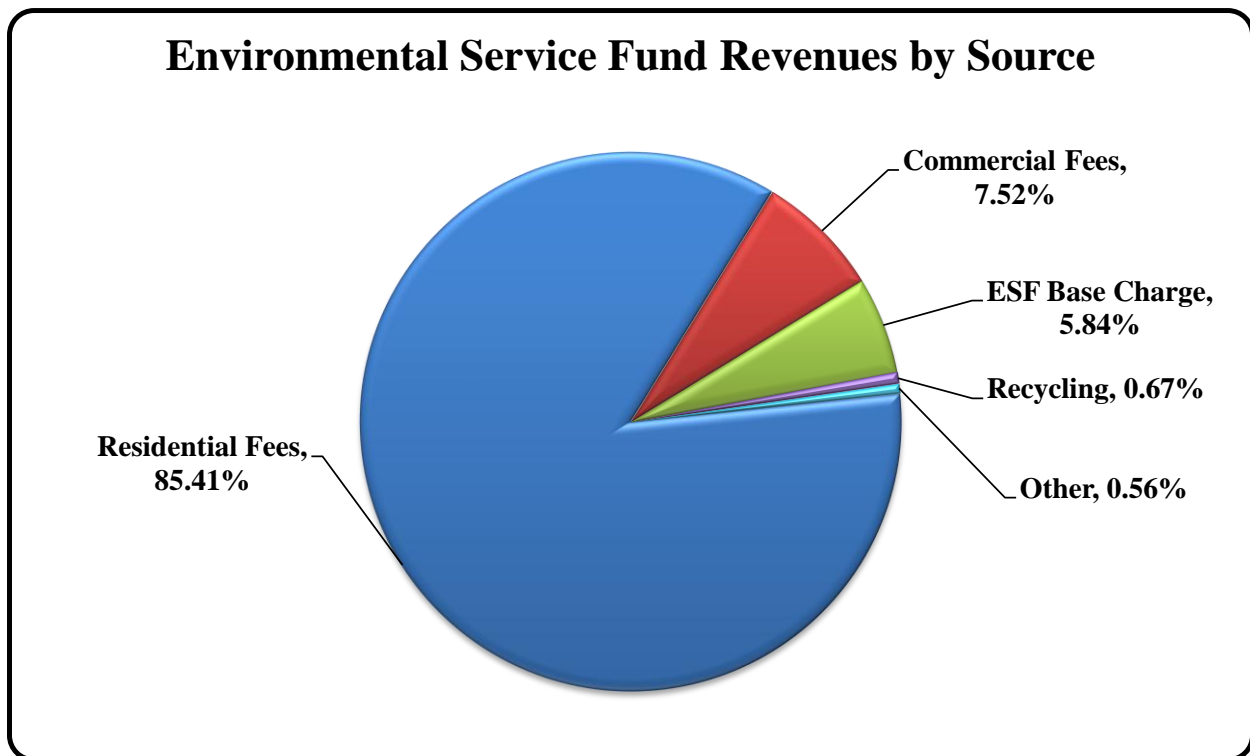


Revenues

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.

Revenues by Source

Environmental Services Fund Revenues by Source					
Source	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
Residential Fees	\$ 698,616	\$ 763,400	\$ 602,674	\$ 957,552	25.43%
Commercial Fees	\$ 143,086	\$ 148,600	\$ 113,143	\$ 84,252	-43.30%
ESF Base Charge	\$ 78,368	\$ 60,000	\$ 60,216	\$ 65,500	9.17%
Recycling	\$ 7,479	\$ 8,500	\$ 4,276	\$ 7,500	-11.76%
Other	\$ 274,845	\$ 526,900	\$ 184,574	\$ 6,260	-98.81%
Total	\$ 1,202,395	\$ 1,507,400	\$ 964,883	\$ 1,121,064	-25.63%





Environmental Services Fund – FY 2015

Revenues by Line Item

Environmental Services Fund Revenues by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Environmental Services Fund						
<i>Residential Fees</i>						
Waste Disposal Fees-Res	\$ 698,616	\$ 763,400	\$ 602,674	\$ 957,552	\$ 194,152	25.43%
Sub-Total Residential Fees	\$ 698,616	\$ 763,400	\$ 602,674	\$ 957,552	\$ 194,152	25.43%
<i>Commercial Fees</i>						
Waste Disposal Fees-Comm	\$ 143,086	\$ 148,600	\$ 113,143	\$ 84,252	\$ (64,348)	-43.30%
Sub-Total Commercial Fees	\$ 143,086	\$ 148,600	\$ 113,143	\$ 84,252	\$ (64,348)	-43.30%
<i>ESF Base Charge</i>						
ESF Base Charge	\$ 78,368	\$ 60,000	\$ 60,216	\$ 65,500	\$ 5,500	9.17%
Sub-Total ESF Base Charge	\$ 78,368	\$ 60,000	\$ 60,216	\$ 65,500	\$ 5,500	9.17%
<i>Recycling</i>						
Waste Disposal Fees-Rec	\$ 7,479	\$ 8,500	\$ 4,276	\$ 7,500	\$ (1,000)	-11.76%
Sub-Total Recycling	\$ 7,479	\$ 8,500	\$ 4,276	\$ 7,500	\$ (1,000)	-11.76%
<i>Other</i>						
Interest Income	\$ 10	\$ 10	\$ 2	\$ 200	\$ 190	1900.00%
Discounts Earned	\$ 2	\$ -	\$ 2,255	\$ 60	\$ 60	
Miscellaneous Income	\$ 4,893	\$ 135,000	\$ 22,067	\$ 6,000	\$ (129,000)	-95.56%
Mulch Sales	\$ -	\$ -	\$ 330	\$ -	\$ -	
Operating Transfers From-G/F	\$ 269,940	\$ 127,840	\$ 63,920	\$ -	\$ (127,840)	-100.00%
Fund Balance Appropriation	\$ -	\$ 264,050	\$ 96,000	\$ -	\$ (264,050)	-100.00%
Sub-Total Other	\$ 274,845	\$ 526,900	\$ 184,574	\$ 6,260	\$ (520,640)	-98.81%
Total Revenues	\$ 1,202,395	\$ 1,507,400	\$ 964,883	\$ 1,121,064	\$ (386,336)	-25.63%

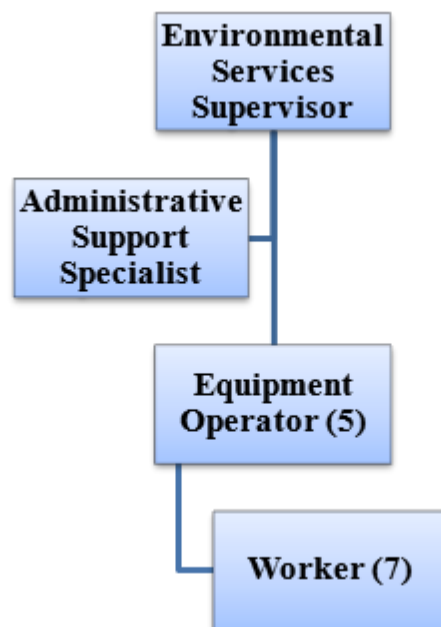


Expenditures

Description

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

Environmental Services Organizational Chart





FY13-14 Accomplishments

- ✓ Purchased a new two man low entry recycling truck
- ✓ Purchased and delivered 4500 new recycling carts
- ✓ Received two grants to assist with the purchase of the recycling truck and the 4500 recycling carts totaling \$105,000
- ✓ Increased our recycling volumes from 298 lbs. per home to 381 lbs. per home with our new program
- ✓ Began selling mulch rather than give it away for free

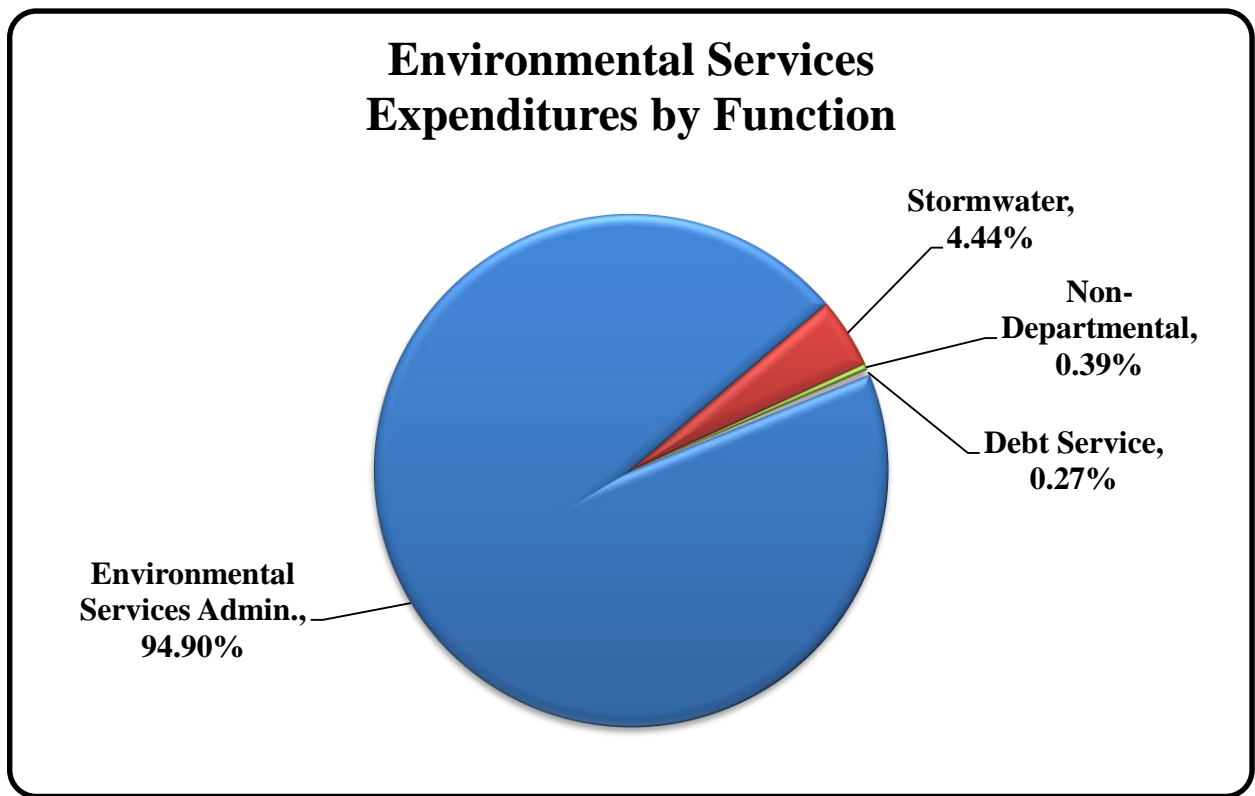
FY14-15 Action Items & Initiatives

- ✓ Continue to educate our residents and businesses about our recycling program
- ✓ Complete a route study to help with efficiency in our daily routes
- ✓ Increased our collection rates to help the Environmental Services Fund be more sustainable
- ✓ Consider selling leaf compost rather than give it away for free



Expenditures by Function

Environmental Services Fund Expenditures by Function						
	Actual FY12-13	Budgeted FY13-14	Estimated FY13-14	Recommended FY14-15	Dollar Change	Percent Change
Environmental Services Fund						
Environmental Services Admin.	\$ 953,343	\$ 1,444,950	\$ 1,104,754	\$ 1,063,864	\$ (381,086)	-26.37%
Stormwater	\$ 49,800	\$ 49,800	\$ 24,900	\$ 49,800	\$ -	0.00%
Non-Departmental	\$ -	\$ 12,650	\$ 6,494	\$ 4,400	\$ (8,250)	-65.22%
Debt Service	\$ -	\$ -	\$ 2,255	\$ 3,000	\$ 3,000	
Total Expenditures	\$ 1,003,143	\$ 1,507,400	\$ 1,138,403	\$ 1,121,064	\$ (386,336)	-25.63%

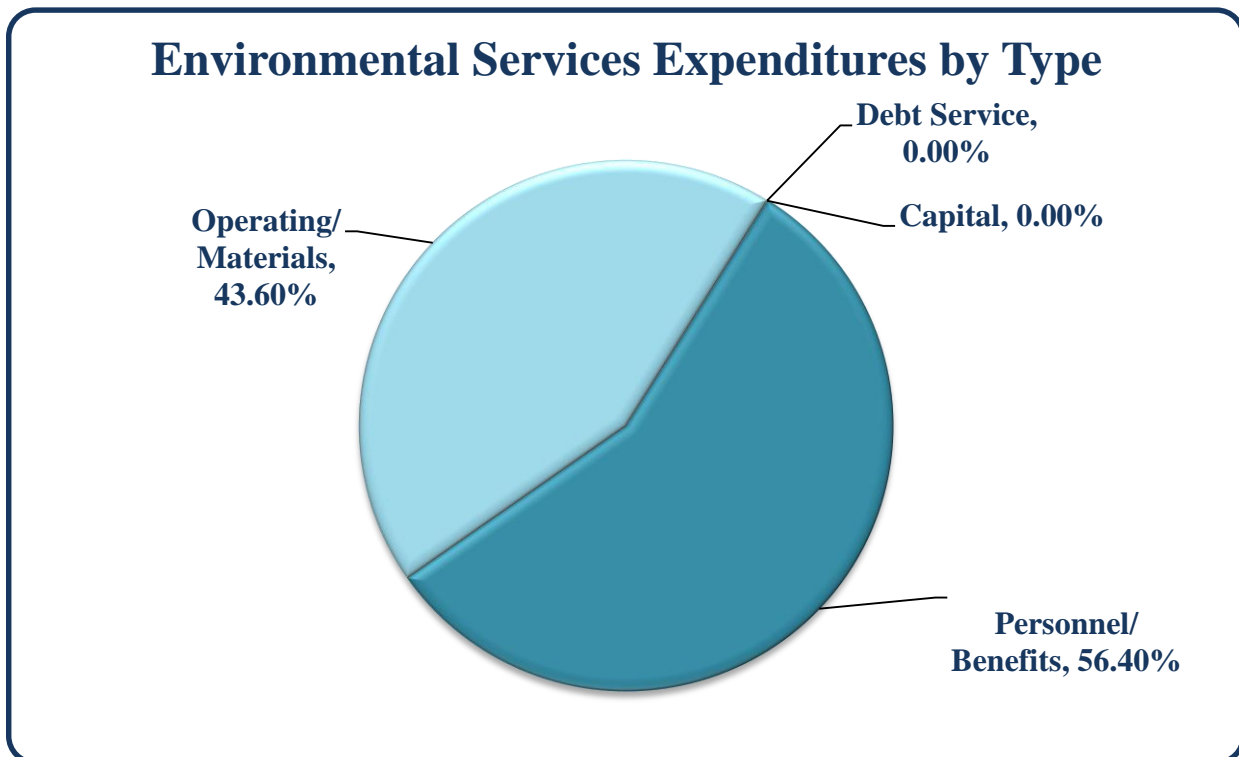




Expenditures by Type

Environmental Services Fund Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Environmental Services Fund						
<i>Environmental Services Fund</i>						
Personnel/Benefits	\$ 485,738	\$ 538,190	\$ 402,492	\$ 632,294	\$ 94,104	17.49%
Operating/Materials	\$ 402,903	\$ 760,489	\$ 527,189	\$ 488,770	\$ (271,719)	-35.73%
Capital	\$ 114,502	\$ 208,721	\$ 208,721	\$ -	\$ (208,721)	-100.00%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	

Personnel					
	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
<i>Type</i>					
Full-Time	14.00	14.00	14.00	14.00	0.00%
Part-Time	0.00	0.00	0.00	0.00	





Performance Measures

Public Works-Environmental Services Measures			
	Actual	Estimated	Goal
	FY12-13	FY13-14	FY14-15
Environmental Services Fund			
<i>Environmental Services</i>			
Tons of refuse collected per collection point	0.81	0.78	0.75
Number of Carts replaced per year per collection point			
Small	27	14	12
Large	93	57	55
Tons of Recycling collected per collection point	0.17	0.22	0.3
Tons recycled as a percentage of tons collected recycling and refuse	20%	21%	24%



Environmental Services Fund – FY 2015

Environmental Services Admin. Expenditures by Line Item & Type

Environmental Services Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Environmental Services Fund						
<i>Environmental Services Admin.</i>						
Salaries & Wages-Reg	\$ 346,155	\$ 380,410	\$ 289,281	\$ 428,456	\$ 48,046	12.63%
Salaries & Wages-O/T	\$ 5,593	\$ 14,140	\$ 5,666	\$ 11,650	\$ (2,490)	-17.61%
Holiday Pay	\$ -	\$ -	\$ -	\$ 16,363	\$ 16,363	
FICA Tax Expense	\$ 26,868	\$ 29,170	\$ 22,419	\$ 34,506	\$ 5,336	18.29%
Retirement Expense	\$ 23,671	\$ 26,970	\$ 20,472	\$ 32,206	\$ 5,236	19.41%
Group Med & Life Ins	\$ 61,223	\$ 63,900	\$ 44,736	\$ 70,644	\$ 6,744	10.55%
Worker's Comp Ins	\$ 6,615	\$ 9,200	\$ 8,795	\$ 22,970	\$ 13,770	149.67%
Retiree Insurance	\$ 15,613	\$ 14,400	\$ 11,124	\$ 15,500	\$ 1,100	7.64%
Professional Services	\$ 924	\$ 1,000	\$ 515	\$ 6,000	\$ 5,000	500.00%
Audit Fees	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0.00%
Uniforms	\$ 6,218	\$ 6,500	\$ 3,233	\$ 9,360	\$ 2,860	44.00%
Gasoline & Diesel	\$ 49,872	\$ 53,310	\$ 32,493	\$ 53,000	\$ (310)	-0.58%
Tires	\$ 5,688	\$ 16,000	\$ 6,877	\$ 12,000	\$ (4,000)	-25.00%
Vehicle Parts	\$ 17,542	\$ 30,000	\$ 14,322	\$ 30,000	\$ -	0.00%
Oil, Lubrication, Etc	\$ 2,716	\$ 3,000	\$ 1,490	\$ 3,000	\$ -	0.00%
Office Supplies	\$ 748	\$ 800	\$ 549	\$ 900	\$ 100	12.50%
Supplies & Materials	\$ 20,247	\$ 257,129	\$ 224,087	\$ 30,000	\$ (227,129)	-88.33%
Telephone	\$ 400	\$ 1,200	\$ 241	\$ 450	\$ (750)	-62.50%
Postage	\$ 200	\$ 2,000	\$ 118	\$ 240	\$ (1,760)	-88.00%
R&M-Equipment	\$ 5	\$ 5,000	\$ -	\$ 3,000	\$ (2,000)	-40.00%
R&M-Auto/Trucks	\$ 4,280	\$ 19,000	\$ 5,299	\$ 15,000	\$ (4,000)	-21.05%
Travel	\$ -	\$ 100	\$ 17	\$ 100	\$ -	0.00%
Training	\$ -	\$ -	\$ -	\$ 200	\$ 200	
Liab/Prop Ins & Bonds	\$ 9,157	\$ 9,500	\$ 9,178	\$ 5,820	\$ (3,680)	-38.74%
Uncollectible Account	\$ 161	\$ 5,000	\$ 666	\$ 5,000	\$ -	0.00%
Non-Capital Equipment	\$ -	\$ 32,000	\$ -	\$ -	\$ (32,000)	-100.00%
Capital Outlay-Motor Vehicles	\$ 114,502	\$ 208,721	\$ 208,721	\$ -	\$ (208,721)	-100.00%
Capital Outlay-Other	\$ -	\$ -	\$ -	\$ -	\$ -	
Contracted Services	\$ 35,000	\$ 45,500	42,480.00	\$ 46,500	\$ 1,000	2.20%
Tipping Fees	\$ 187,681	\$ 200,000	145,148.27	\$ 200,000	\$ -	0.00%
Reimbursement G/F Fleet Maintenance	\$ 11,264	\$ 10,000	\$ 5,828	\$ 10,000	\$ -	0.00%
Intercompany Departmental Charges	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Environmental Services	\$ 953,343	\$ 1,444,950	\$ 1,104,754	\$ 1,063,864	\$ (381,086)	-26.37%

Environmental Services Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Environmental Services Fund						
<i>Environmental Services Admin.</i>						
Personnel/Benefits	\$ 485,738	\$ 538,190	\$ 402,492	\$ 632,294	\$ 94,104	17.49%
Operating/Materials	\$ 353,103	\$ 698,039	\$ 493,541	\$ 431,570	\$ (266,469)	-38.17%
Capital	\$ 114,502	\$ 208,721	\$ 208,721	\$ -	\$ (208,721)	-100.00%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Environmental Services Fund – FY 2015

Stormwater Expenditures by Line Item & Type

Stormwater Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Environmental Services Fund						
<i>Stormwater</i>						
Capital Outlay-Motor Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	
Departmental Charges-G/F	\$ 49,800	\$ 49,800	\$ 24,900	\$ 49,800	\$ -	0.00%
Total Stormwater	\$ 49,800	\$ 49,800	\$ 24,900	\$ 49,800	\$ -	0.00%

Stormwater Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Environmental Services Fund						
<i>Stormwater</i>						
Personnel/Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating/Materials	\$ 49,800	\$ 49,800	\$ 24,900	\$ 49,800	\$ -	0.00%
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Environmental Services Fund – FY 2015

Non-Departmental Expenditures by Line Item & Type

Non-Departmental Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Environmental Services Fund						
<i>Non-Departmental</i>						
State Unemployment Ins	\$ -	\$ 2,500	\$ 344	\$ 2,400	\$ (100)	-4.00%
Contribution to H&W Fund	\$ -	\$ 10,150	\$ 6,150	\$ 2,000	\$ (8,150)	-80.30%
Total Non-Departmental	\$ -	\$ 12,650	\$ 6,494	\$ 4,400	\$ (8,250)	-65.22%

Non-Departmental Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Environmental Services Fund						
<i>Non-Departmental</i>						
Personnel/Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating/Materials	\$ -	\$ 12,650	\$ 6,494	\$ 4,400	\$ (8,250)	-65.22%
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



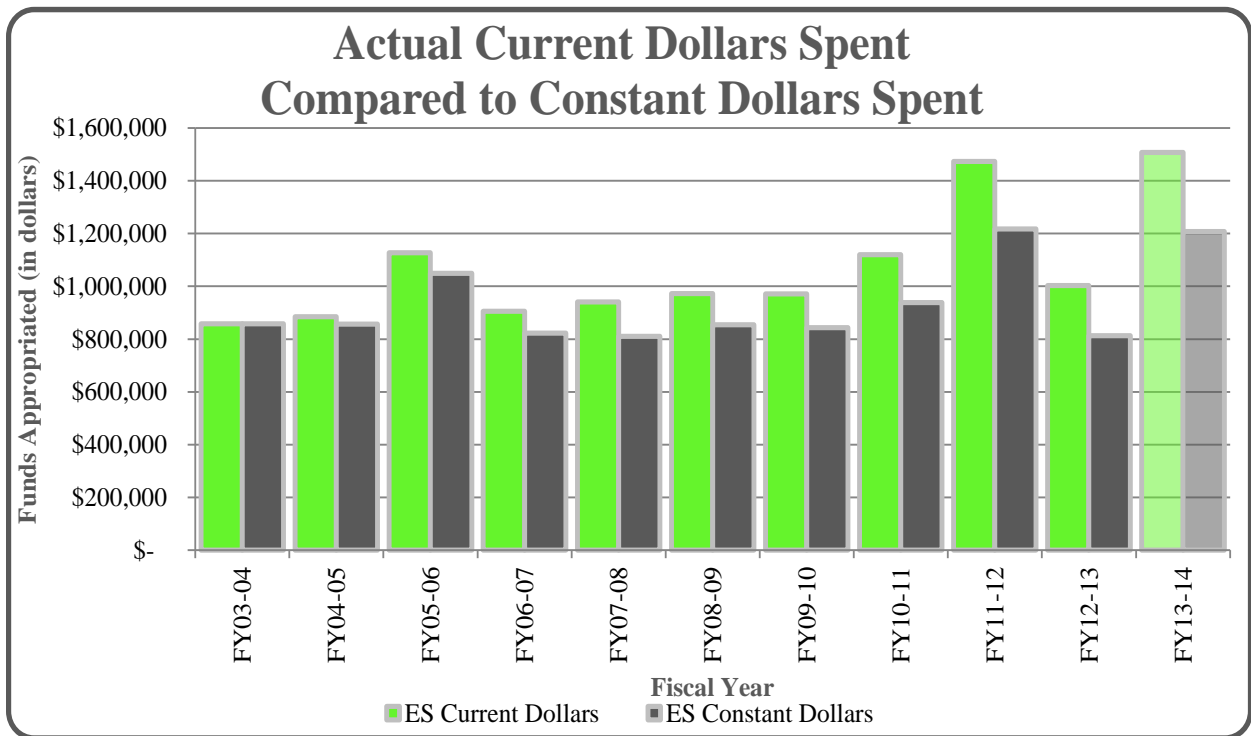
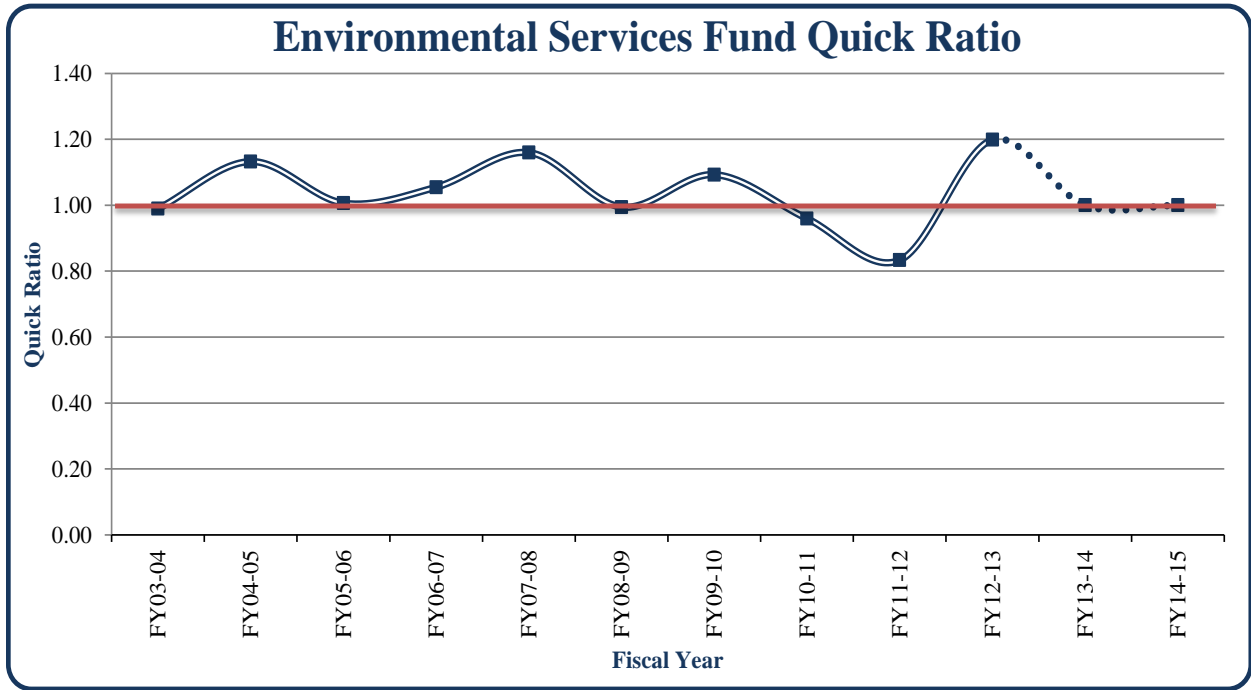
Debt Service Expenditures by Line Item & Type

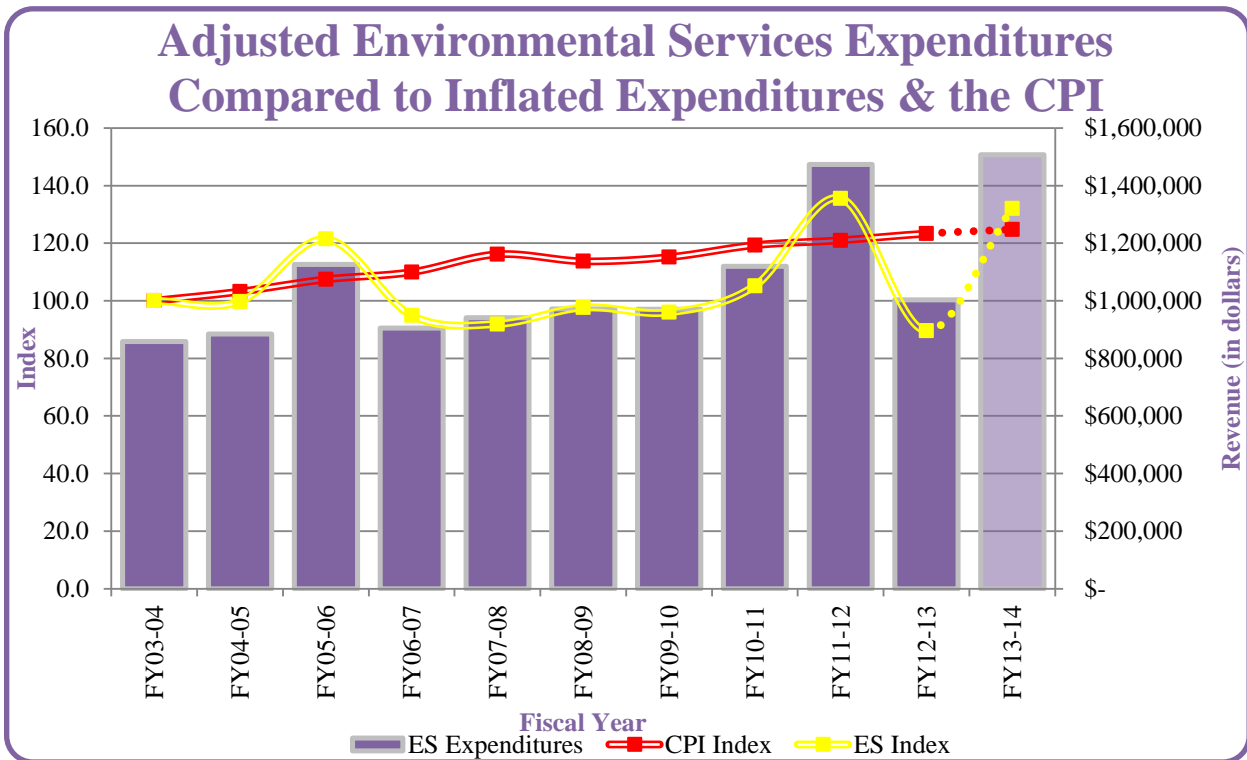
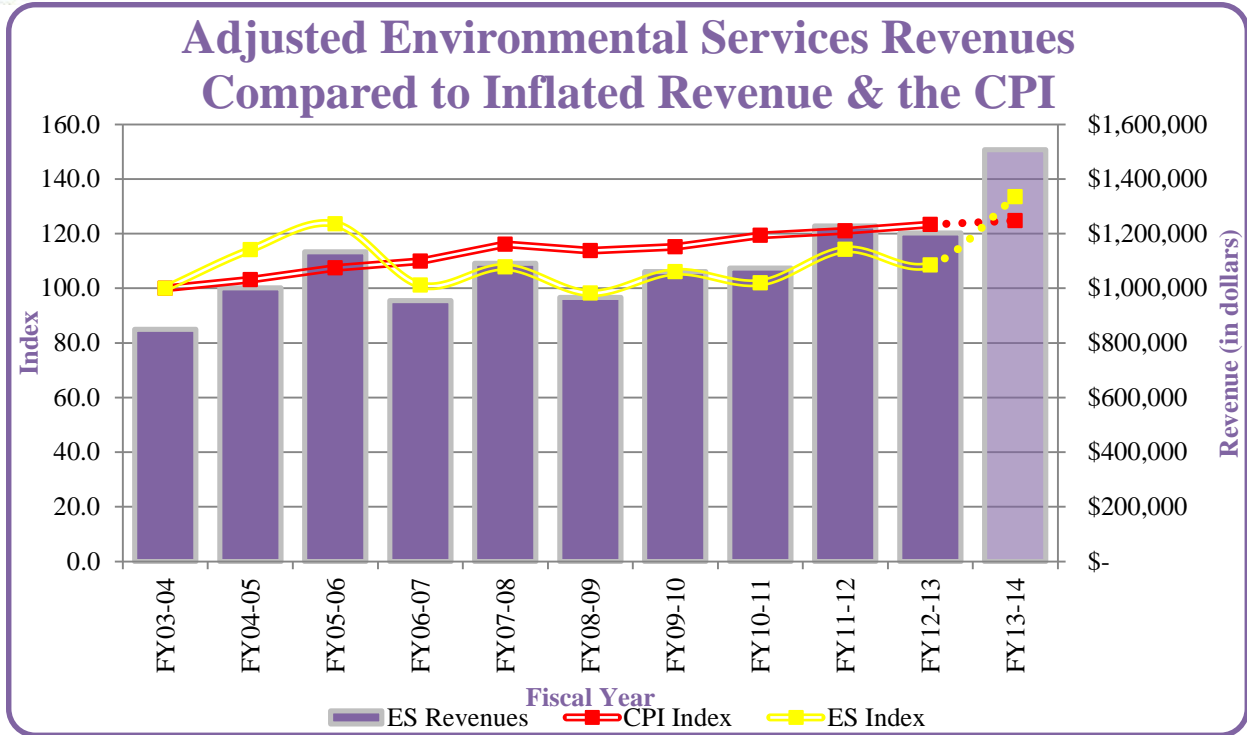
Debt Service Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Environmental Services Fund						
<i>Debt Service</i>						
Bank Service Charges	\$ -	\$ -	\$ 2,255	\$ 3,000	\$ 3,000	
Total Debt Service	\$ -	\$ -	\$ 2,255	\$ 3,000	\$ 3,000	

Debt Service Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Environmental Services Fund						
<i>Debt Service</i>						
Personnel/Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating/Materials	\$ -	\$ -	\$ 2,255	\$ 3,000	\$ 3,000	
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Environmental Services Fund Trends







Downtown Tax District Summary

The Downtown Tax District Fund has three primary revenue sources including, *Ad Valorem Taxes*, *Sales Tax*, and *Other* revenues. The largest of these sources is Ad Valorem Taxes comprising 48.21% of all revenue. The total revenues for this fund are expected to drop by 4.4% or \$23,620 for FY14-15. This deficit is attributable to a large appropriation of undesignated fund balance. Otherwise, the Downtown Tax District Fund saw a major increase in revenues thanks to the collection of a variety of downtown event revenues. One of the major new contributors is the Rhythm and Brews Festival generating approximately \$70,000.

There are six functions that are part of the Downtown Tax District Fund which are categorized as the *Downtown Tax District*, *Bearfootin' Public Art*, *Rhythm & Brews*, *Sidewalk Antique Festival*, *Trick or Treat Downtown*, and *Holiday Events*. The largest function is the *Downtown Tax District* totaling \$375,150 for FY14-15. There was a decrease of \$23,620 from last fiscal year. The majority of funds are appropriated to *Operating/Materials* in FY14-15, \$430,248.

Trends in Downtown Tax District Fund are different than what has been seen in the General and Water and Sewer Funds. Downtown Tax District expenditures have maintained steady trends except for one outlier, seen in FY07-08. This outlier is attributable to a large appropriation to economic and physical development. Transfers from the Capital Reserve Fund and the General Fund were made to account for the large deficit. The CPI comparison is very different from the General and Water and Sewer Funds. The Downtown Tax District is generating revenue sufficient enough to maintain pace with market inflation. The Fund's expenditures have also maintained pace with market inflation, much like its revenue trends.

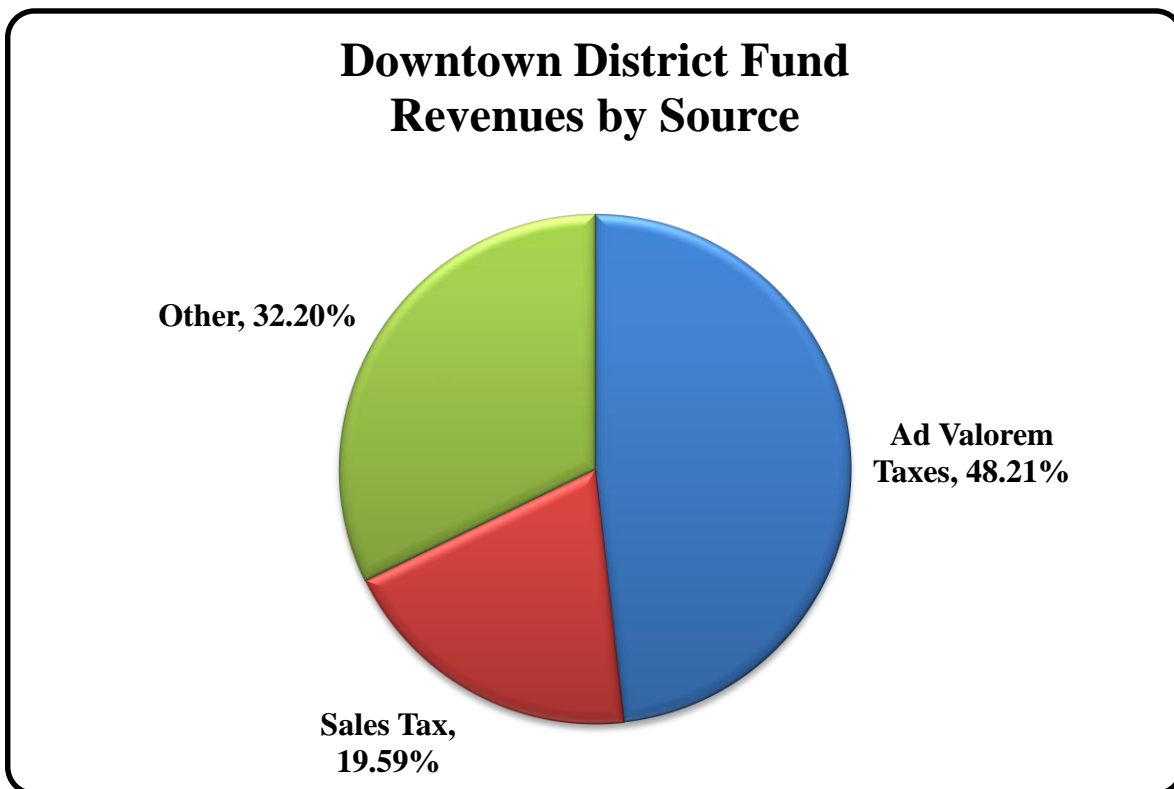


Revenues

The Downtown Tax District Fund is funded by an additional ad valorem tax, sales and use taxes, and other miscellaneous revenues. The current ad valorem tax rate for the Downtown District is \$0.28 per \$100 of value.

Revenues by Source

Downtown Tax District Fund Revenues by Source					
Source	Actual	Budgeted	Estimated	Recommended	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change
Ad Valorem Taxes	\$ 245,040	\$ 230,380	\$ 235,564	\$ 247,550	7.45%
Sales Tax	\$ 100,600	\$ 100,600	\$ 100,600	\$ 100,600	0.00%
Other	\$ 14,134	\$ 206,115	\$ 110,236	\$ 165,325	-19.79%
Total	\$ 359,774	\$ 537,095	\$ 446,399	\$ 513,475	-4.40%





Downtown Tax District Fund – FY 2015

Revenues by Line Item

Downtown Tax District Fund Revenues by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Downtown Tax District Fund						
<i>Ad Valorem Taxes</i>						
Tax - Interest	\$ 1,553	\$ 730	\$ 832	\$ 1,550	\$ 820	112.33%
Ad Val Tax - Mtr Vehs	\$ 2,434	\$ 3,000	\$ 3,273	\$ 2,700	\$ (300)	-10.00%
Prior Years Ad Val Tax	\$ 13,660	\$ 5,650	\$ 4,973	\$ 13,300	\$ 7,650	135.40%
Current Year Ad Val Tax	\$ 227,391	\$ 221,000	\$ 226,486	\$ 230,000	\$ 9,000	4.07%
Sub-Total Ad Valorem Taxes	\$ 245,040	\$ 230,380	\$ 235,564	\$ 247,550	\$ 17,170	7.45%
<i>Sales Tax</i>						
S&U Tax Reimbursement	\$ 100,600	\$ 100,600	\$ 100,600	\$ 100,600	\$ -	0.00%
Sub-Total Sales Tax	\$ 100,600	\$ 100,600	\$ 100,600	\$ 100,600	\$ -	0.00%
<i>Other</i>						
Interest Income	\$ 17	\$ 50	\$ 93	\$ 50	\$ -	0.00%
Special Events-Taxable	\$ 12,579	\$ -	\$ 5,701	\$ -	\$ -	
Special Events-Non-Taxable	\$ 1,538	\$ -	\$ 522	\$ -	\$ -	
Discounts Earned	\$ -	\$ 600	\$ 601	\$ -	\$ (600)	-100.00%
Miscellaneous Income	\$ -	\$ 100	\$ 1,177	\$ -	\$ (100)	-100.00%
Fund Balance Appropriated	\$ -	\$ 84,840	\$ 7,800	\$ 46,000	\$ (38,840)	-45.78%
Prior Period Adjustment	\$ -	\$ -	\$ 24,547	\$ -	\$ -	
Organization Donation	\$ -	\$ -	\$ -	\$ 25	\$ 25	
Bearfootin' Bear Sale	\$ -	\$ 25,000	\$ 18,173	\$ 25,000	\$ -	0.00%
Donations/Contributions	\$ -	\$ 15,275	\$ 16,329	\$ 14,000	\$ (1,275)	-8.35%
Rhythm & Brews Sales	\$ -	\$ 35,000	\$ 25,998	\$ 35,000	\$ -	0.00%
R&B Vendor Permits	\$ -	\$ 1,000	\$ 2,700	\$ 1,000	\$ -	0.00%
R&B Donations/Contributions	\$ -	\$ 40,000	\$ 1,750	\$ 40,000	\$ -	0.00%
Sidewalk Vendor Fees	\$ -	\$ 4,000	\$ 4,845	\$ 4,000	\$ -	0.00%
Sidewalk Donations	\$ -	\$ 250	\$ -	\$ 250	\$ -	0.00%
Sub-Total Other	\$ 14,134	\$ 206,115	\$ 110,236	\$ 165,325	\$ (40,790)	-19.79%
Total Revenues	\$ 359,774	\$ 537,095	\$ 446,399	\$ 513,475	\$ (23,620)	-4.40%



Expenditures

Vision

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

Mission

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

Description

The City of Hendersonville's Main Street Program is located within the City Planning Department. Inheriting and continuing the work of Downtown Hendersonville, Inc., the Main Street program is guided by the Downtown Advisory Committee, a group of downtown stakeholders and friends of Hendersonville's historic downtown district who are appointed by City Council to staggered two year terms. Using the National Trust for Historic Preservation's Main Street Four Point Approach, the Downtown Advisory Committee seeks to support and build upon downtown Hendersonville's strengths. The Main Street Four Point approach includes Organization, Design, Economic Restructuring and Promotions. The Advisory Committee and Main Street program are staffed by the City of Hendersonville's Downtown Economic Development Director.

Today, the downtown Hendersonville district is defined by the boundaries of the Main Street municipal service district, which is shown in the image above. This special tax district funds the varied work of the City and the Downtown Advisory Committee as it relates to supporting a vibrant downtown.



Downtown District Organizational Chart



FY13-14 Accomplishments

- ✓ Rhythm & Brews awarded Best Downtown Event Series by North Carolina’s Main Street Center
- ✓ APA Great Places Award for Main Street
- ✓ Facilitated a parking workshop
- ✓ Created/Distributed a parking survey
- ✓ Partnered with TDA for way finding project
- ✓ Created additional parking signage for downtown area
- ✓ ER committee conducted a workshop on “how to open a business”
- ✓ Built “Friend of Downtown” volunteer core from 0 to over 150 members
- ✓ Planned, organized, and executed 10 downtown events
- ✓ Increased the number of bears from 13 to 20 in the Bearfootin’ event
- ✓ Received commitments for over \$60,000 in private contributions

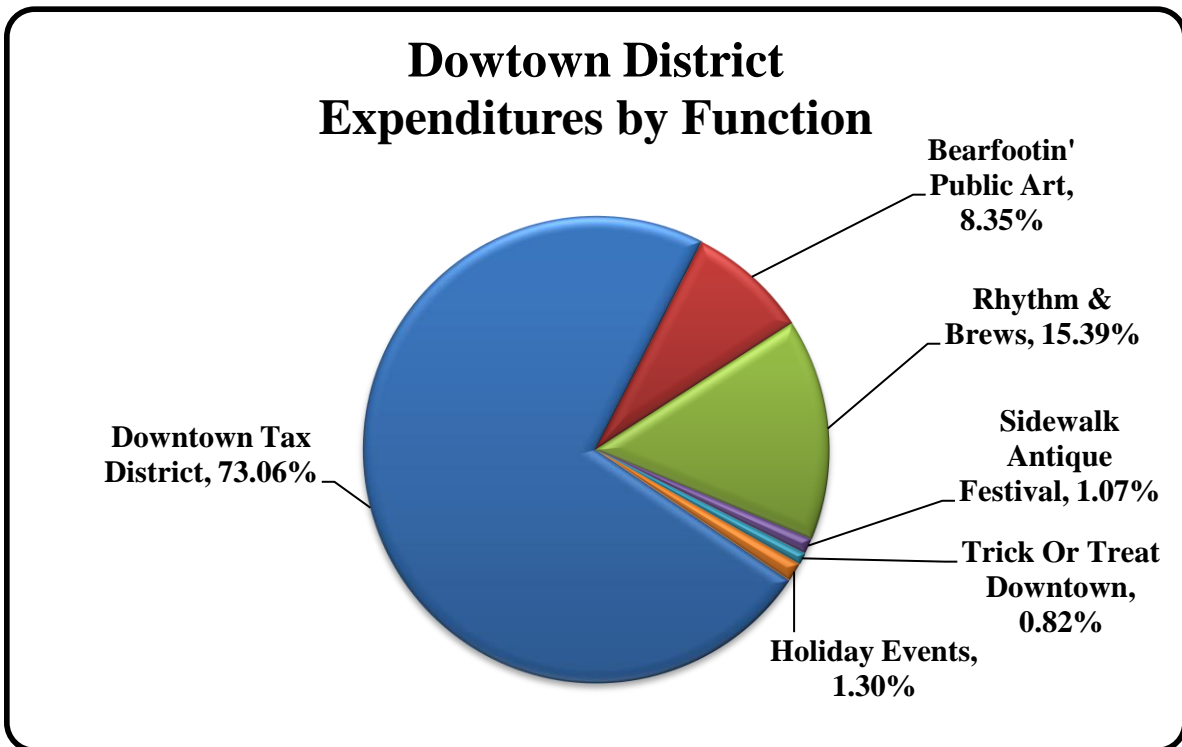
FY14-15 Action Items & Initiatives

- ✓ Webpage redesign tool for communication
- ✓ Enact a comprehensive way finding system
- ✓ Designer loft fundraiser to assist in Façade Grants
- ✓ ER committee trade show event/business newsletter
- ✓ Add a 5th show to Rhythm & Brews



Expenditures by Function

Downtown Tax District Fund Expenditures by Function						
	Actual FY12-13	Budgeted FY13-14	Estimated FY13-14	Recommended FY14-15	Dollar Change	Percent Change
Downtown Tax District Fund						
Downtown Tax District	\$ 349,597	\$ 410,940	\$ 257,976	\$ 375,150	\$ (35,790)	-8.71%
Bearfootin' Public Art	\$ -	\$ 42,975	\$ 37,740	\$ 42,900	\$ (75)	-0.17%
Rhythm & Brews	\$ -	\$ 78,980	\$ 68,988	\$ 79,025	\$ 45	0.06%
Sidewalk Antique Festival	\$ -	\$ 4,200	\$ 2,005	\$ 5,500	\$ 1,300	30.95%
Trick Or Treat Downtown	\$ -	\$ -	\$ -	\$ 4,200	\$ 4,200	
Holiday Events	\$ -	\$ -	\$ -	\$ 6,700	\$ 6,700	
Total Expenditures	\$ 349,597	\$ 537,095	\$ 366,709	\$ 513,475	\$ (23,620)	-4.40%

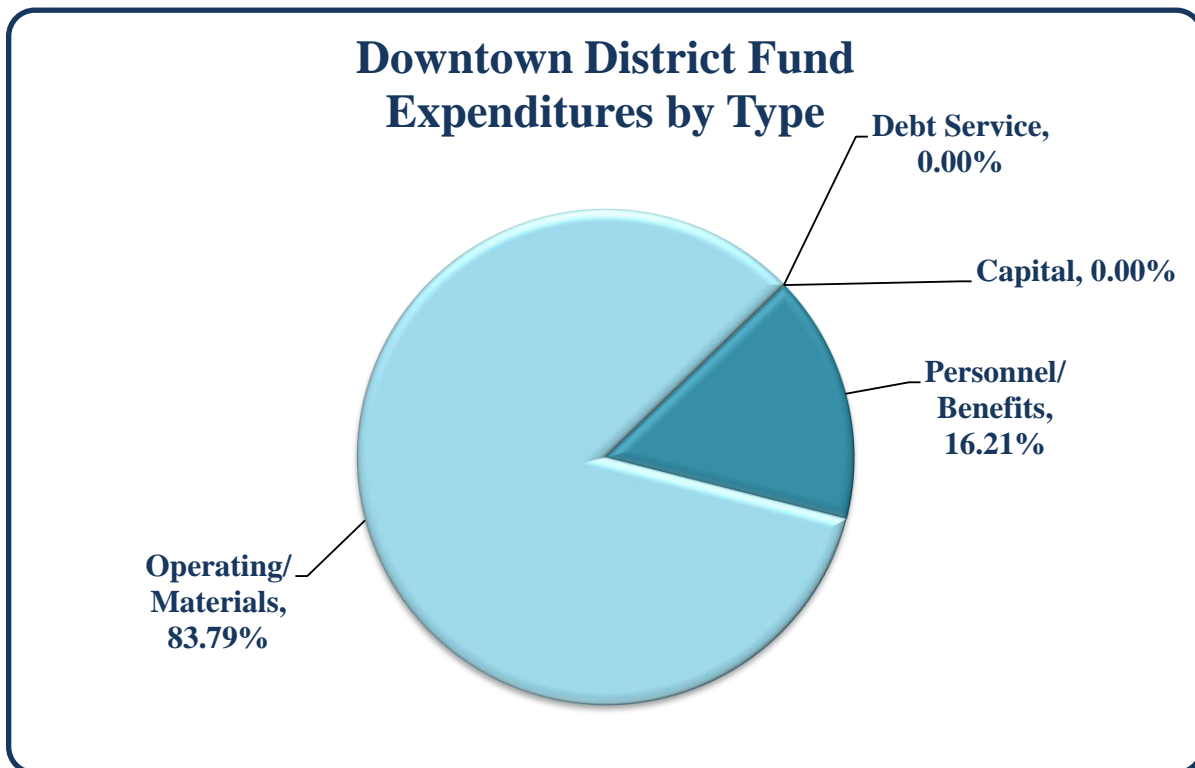




Expenditures by Type

Downtown Tax District Fund Expenditures by Type						
	Actual FY12-13	Budgeted FY13-14	Estimated FY13-14	Recommended FY14-15	Dollar Change	Percent Change
Downtown Tax District Fund						
<i>Downtown Tax District Fund</i>						
Personnel/Benefits	\$ 60,642	\$ 84,290	\$ 55,397	\$ 83,227	\$ (1,063)	-1.26%
Operating/Materials	\$ 288,954	\$ 452,805	\$ 311,312	\$ 430,248	\$ (22,557)	-4.98%
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	

Personnel					
	Actual FY12-13	Budgeted FY13-14	Estimated FY13-14	Recommended FY14-15	Percent Change
<i>Type</i>					
Full-Time	1.00	1.00	1.00	1.00	0.00%
Part-Time	0.00	1.00	1.00	1.00	0.00%





Downtown Tax District Fund – FY 2015

Downtown Tax District Expenditures by Line Item & Type

Downtown Tax District Fund Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Downtown Tax District Fund						
<i>Downtown Tax District</i>						
Salaries & Wages-Reg	\$ 48,775	\$ 68,770	\$ 43,165	\$ 67,999	\$ (771)	-1.12%
Cellphone Stipend	\$ -	\$ -	\$ -	\$ 480	\$ 480	
FICA Tax Expense	\$ 3,765	\$ 5,260	\$ 3,330	\$ 5,228	\$ (32)	-0.61%
Retirement Expense	\$ 3,285	\$ 3,610	\$ 2,620	\$ 4,855	\$ 1,245	34.49%
Group Med & Life Ins	\$ 4,818	\$ 5,200	\$ 3,709	\$ 5,052	\$ (148)	-2.84%
Worker's Comp Ins	\$ -	\$ 1,450	\$ 1,197	\$ 93	\$ (1,357)	-93.60%
Professional Services	\$ 1,930	\$ 7,500	\$ 3,702	\$ 12,000	\$ 4,500	60.00%
Audit Fees	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0.00%
Office Supplies	\$ 631	\$ 1,000	\$ 388	\$ 1,000	\$ -	0.00%
Supplies & Materials	\$ 20,696	\$ 20,000	\$ 13,985	\$ 17,550	\$ (2,450)	-12.25%
Telephone	\$ 480	\$ 800	\$ 360	\$ 2,280	\$ 1,480	185.00%
Postage	\$ 0	\$ 600	\$ 135	\$ 460	\$ (140)	-23.33%
Utilities	\$ 20,015	\$ 18,000	\$ 8,870	\$ 21,000	\$ 3,000	16.67%
Advertising	\$ 26,363	\$ 22,000	\$ 12,970	\$ 3,000	\$ (19,000)	-86.36%
Travel	\$ 605	\$ 750	\$ -	\$ 750	\$ -	0.00%
Training	\$ 350	\$ 750	\$ 238	\$ 750	\$ -	0.00%
Liab & Prop Ins & Bon	\$ -	\$ -	\$ -	\$ 171	\$ 171	
Dues & Subscriptions	\$ 748	\$ 750	\$ 354	\$ 750	\$ -	0.00%
Permits & Fees-Organization	\$ -	\$ -	\$ -	\$ 800	\$ 800	
Main St Co-op Grant Program	\$ 2,740	\$ 4,500	\$ 2,040	\$ 4,500	\$ -	0.00%
Main St Special Events	\$ 12,881	\$ 13,000	\$ 4,530	\$ -	\$ (13,000)	-100.00%
Contracted Services	\$ 104,471	\$ 140,000	\$ 80,347	\$ 125,332	\$ (14,668)	-10.48%
Bank Service Charges	\$ 44	\$ -	\$ 35	\$ 100	\$ 100	
Operating Transfer-G/F	\$ 100,000	\$ 100,000	\$ 75,000	\$ 100,000	\$ -	0.00%
Reimbursement Public Works Dept	\$ (4,000)	\$ (4,000)	\$ -	\$ -	\$ 4,000	-100.00%
Total Downtown Tax District	\$ 349,597	\$ 410,940	\$ 257,976	\$ 375,150	\$ (35,790)	-8.71%

Downtown Tax District Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Downtown Tax District Fund						
<i>Downtown Tax District</i>						
Personnel/Benefits	\$ 60,642	\$ 84,290	\$ 54,021	\$ 83,227	\$ (1,063)	-1.26%
Operating/Materials	\$ 288,954	\$ 326,650	\$ 203,954	\$ 291,923	\$ (34,727)	-10.63%
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Bearfootin' Public Art Expenditures by Line Item & Type

Downtown Tax District Fund Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Downtown Tax District Fund						
<i>Bearfootin' Public Art</i>						
Bearfootin' Professional Services	\$ -	\$ 6,500	\$ 8,853	\$ 7,500	\$ 1,000	15.38%
Purchase For Resale	\$ -	\$ 15,775	\$ 15,875	\$ 14,700	\$ (1,075)	-6.81%
Supplies & Materials	\$ -	\$ 500	\$ 379	\$ 500	\$ -	0.00%
Bearfootin' Advertising	\$ -	\$ 5,000	\$ 2,713	\$ 5,000	\$ -	0.00%
Contribution Of % Bearfootin'	\$ -	\$ 15,200	\$ 9,920	\$ 15,200	\$ -	0.00%
Total Bearfootin' Public Art	\$ -	\$ 42,975	\$ 37,740	\$ 42,900	\$ (75)	-0.17%

Bearfootin' Public Art Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Downtown Tax District Fund						
<i>Bearfootin' Public Art</i>						
Personnel/Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating/Materials	\$ -	\$ 42,975	\$ 37,740	\$ 42,900	\$ (75)	-0.17%
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Rhythm & Brews Expenditures by Line Item & Type

Downtown Tax District Fund Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Downtown Tax District Fund						
<i>Rhythm & Brews</i>						
Salaries & Wages-Reg	\$ -	\$ -	\$ 1,280	\$ -	\$ -	
Salaries & Wages-Overtime	\$ -	\$ -	\$ -	\$ -	\$ -	
FICA Tax Expense	\$ -	\$ -	\$ 37	\$ -	\$ -	
Retirement Expense	\$ -	\$ -	\$ 59	\$ -	\$ -	
Professional Services	\$ -	\$ 46,230	\$ 37,139	\$ 47,775	\$ 1,545	3.34%
Purchase For Resale	\$ -	\$ 19,000	\$ 17,219	\$ 19,000	\$ -	0.00%
Supplies & Materials	\$ -	\$ 3,500	\$ 6,247	\$ 2,000	\$ (1,500)	-42.86%
Advertising R&B	\$ -	\$ 5,000	\$ 2,760	\$ 5,000	\$ -	0.00%
Permits & License Fee	\$ -	\$ 5,250	\$ 4,247	\$ 5,250	\$ -	0.00%
Total Rhythm & Brews	\$ -	\$ 78,980	\$ 68,988	\$ 79,025	\$ 45	0.06%

Rhythm & Brews Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Downtown Tax District Fund						
<i>Rhythm & Brews</i>						
Personnel/Benefits	\$ -	\$ -	\$ 1,376	\$ -	\$ -	
Operating/Materials	\$ -	\$ 78,980	\$ 67,613	\$ 79,025	\$ 45	0.06%
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Sidewalk Antique Festival Expenditures by Line Item & Type

Downtown Tax District Fund Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Downtown Tax District Fund						
<i>Sidewalk Antique Festival</i>						
Professional Services	\$ -	\$ 1,450	\$ 310	\$ 1,450	\$ -	0.00%
Supplies & Materials	\$ -	\$ -	\$ 43	\$ 300	\$ 300	
Advertising Sidewalk Antique	\$ -	\$ 2,000	\$ 1,127	\$ 3,000	\$ 1,000	50.00%
Permits Vendor Fees	\$ -	\$ 750	\$ 525	\$ 750	\$ -	0.00%
Total Sidewalk Antique Festival	\$ -	\$ 4,200	\$ 2,005	\$ 5,500	\$ 1,300	30.95%

Sidewalk Antique Festival Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Downtown Tax District Fund						
<i>Sidewalk Antique Festival</i>						
Personnel/Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating/Materials	\$ -	\$ 4,200	\$ 2,005	\$ 5,500	\$ 1,300	30.95%
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Trick Or Treat Downtown Expenditures by Line Item & Type

Downtown Tax District Fund Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Downtown Tax District Fund						
<i>Trick Or Treat Downtown</i>						
Professional Services	\$ -	\$ -	\$ -	\$ 950	\$ 950	
Supplies & Materials	\$ -	\$ -	\$ -	\$ 200	\$ 200	
Advertising Trick Or Treat	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000	
Permits Vendor Fee	\$ -	\$ -	\$ -	\$ 50	\$ 50	
Total Trick Or Treat Downtown	\$ -	\$ -	\$ -	\$ 4,200	\$ 4,200	

Trick Or Treat Downtown Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Downtown Tax District Fund						
<i>Trick Or Treat Downtown</i>						
Personnel/Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating/Materials	\$ -	\$ -	\$ -	\$ 4,200	\$ 4,200	
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



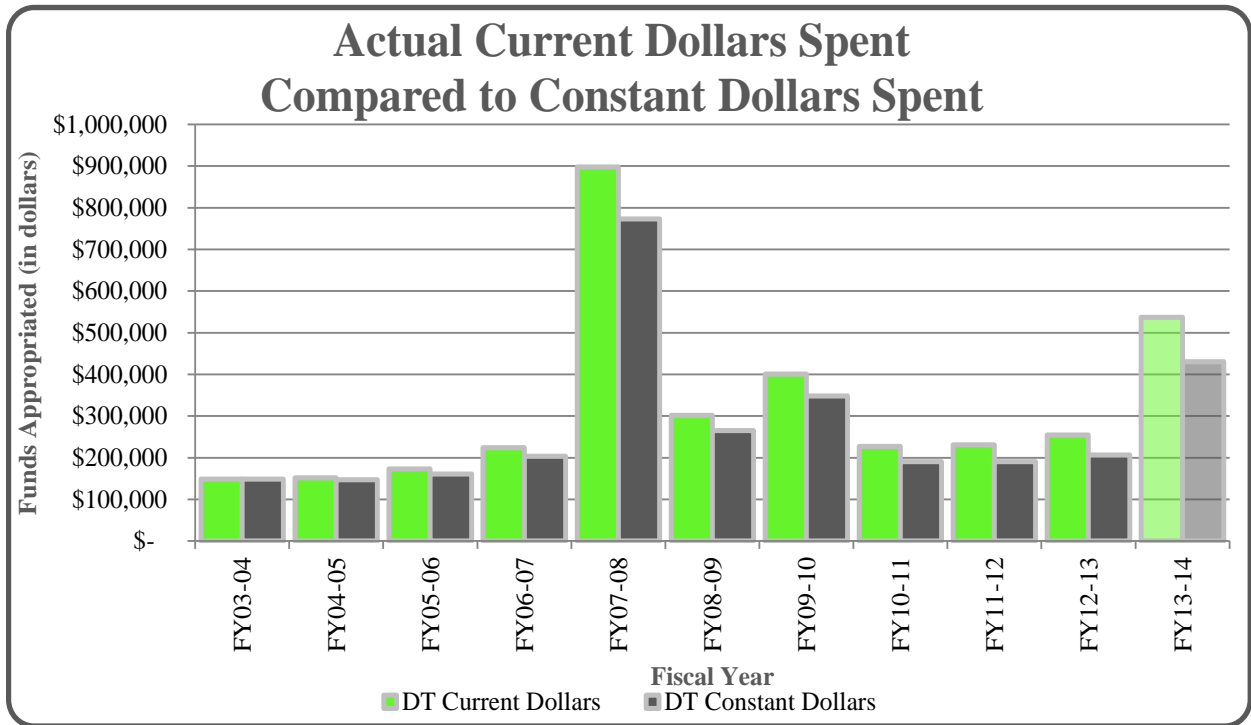
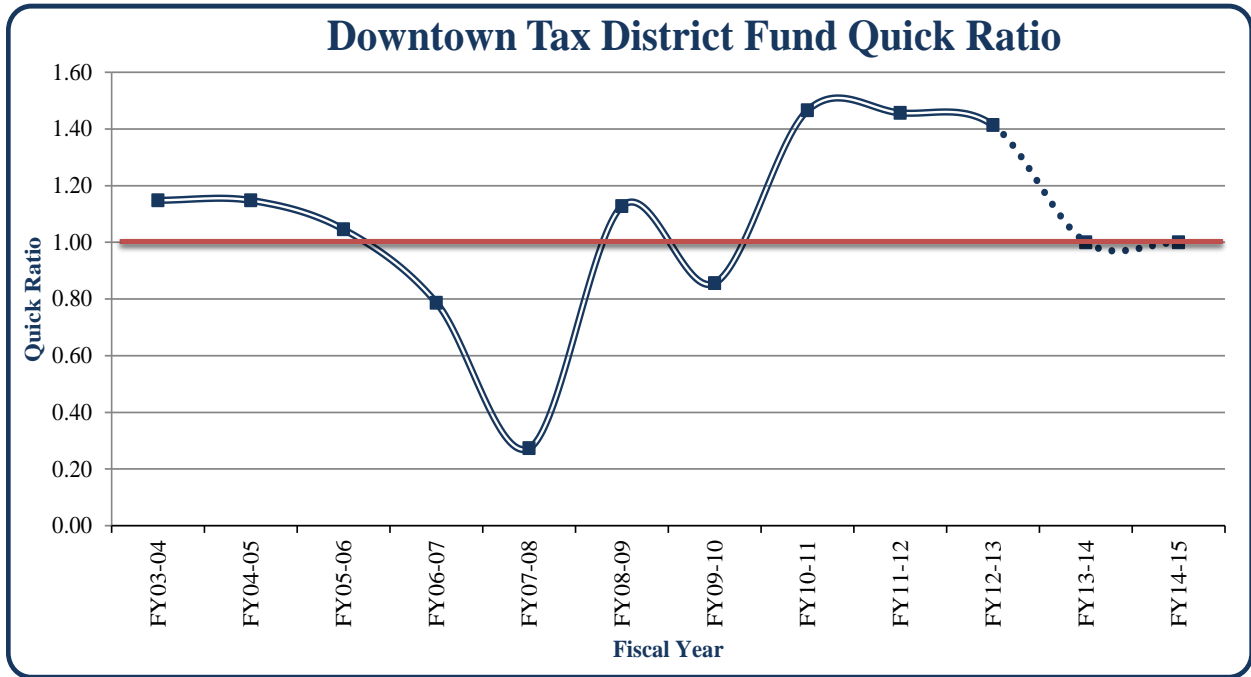
Holiday Events Expenditures by Line Item & Type

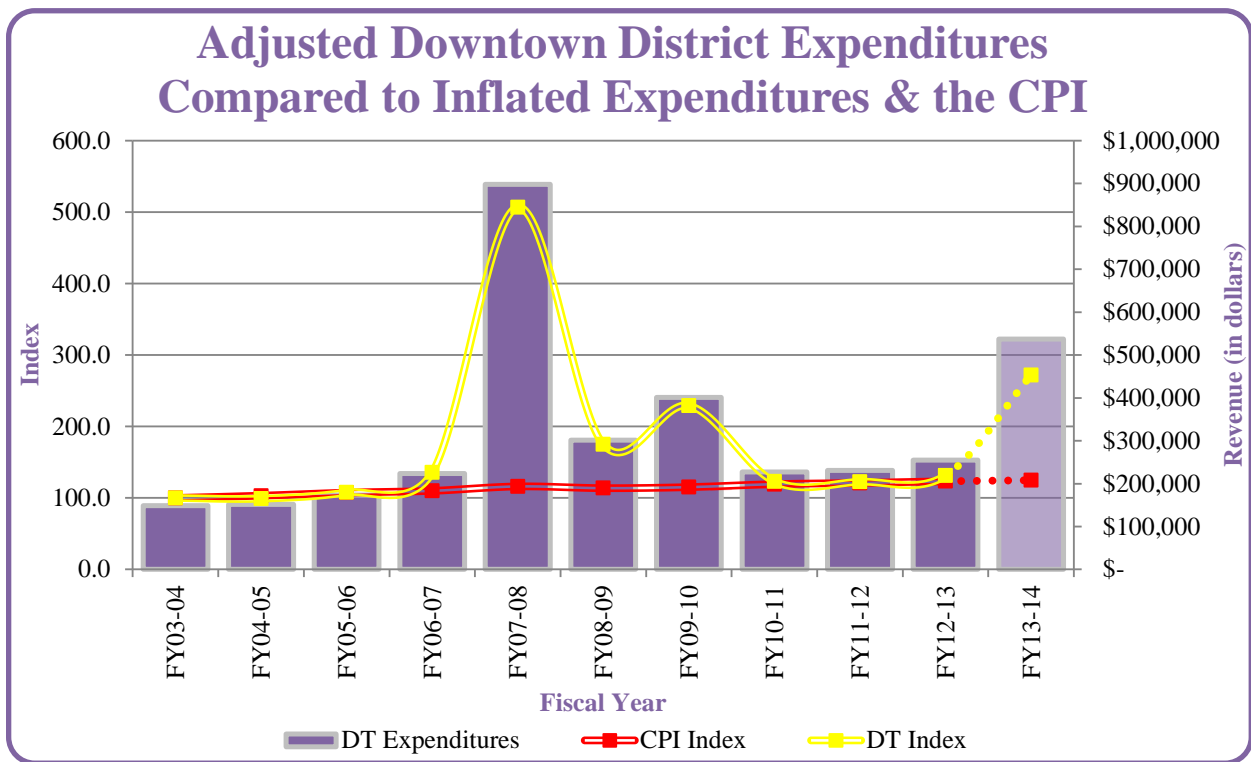
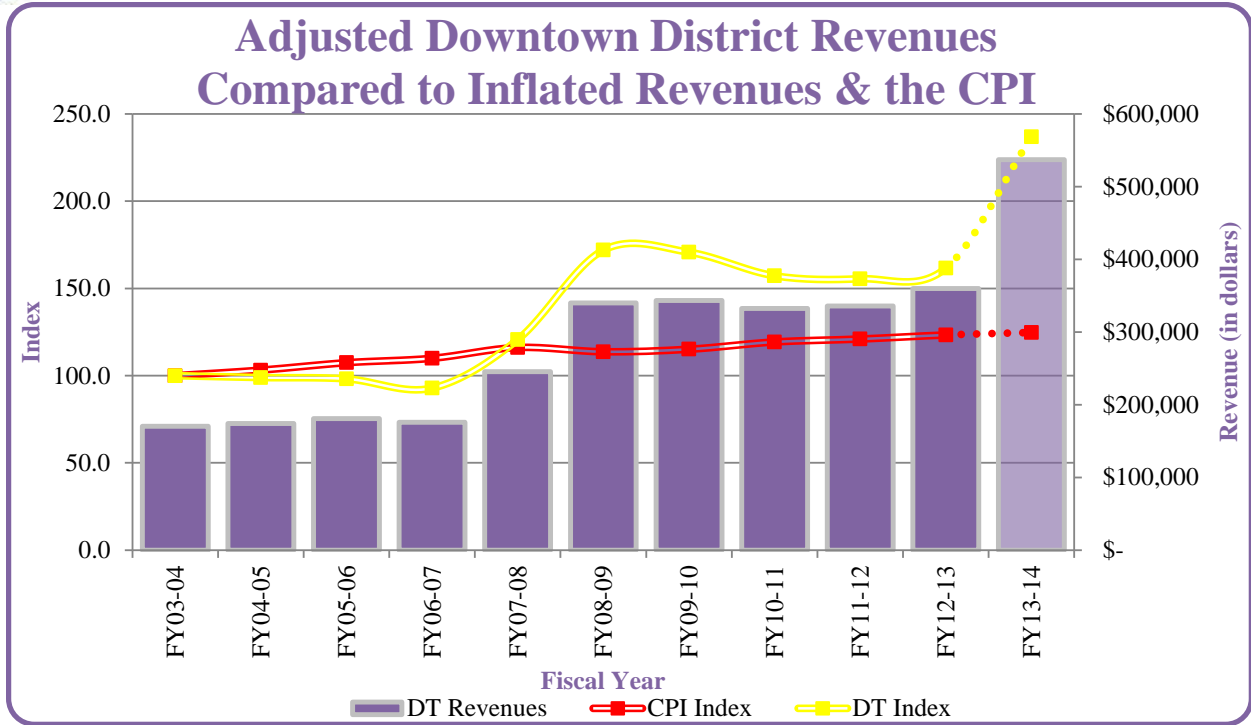
Downtown Tax District Fund Expenditures by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Downtown Tax District Fund						
<i>Holiday Events</i>						
Professional Services	\$ -	\$ -	\$ -	\$ 2,400	\$ 2,400	
Supplies & Materials	\$ -	\$ -	\$ -	\$ 250	\$ 250	
Advertising Holiday Events	\$ -	\$ -	\$ -	\$ 4,000	\$ 4,000	
Permits & Vendor Fees	\$ -	\$ -	\$ -	\$ 50	\$ 50	
Total Holiday Events	\$ -	\$ -	\$ -	\$ 6,700	\$ 6,700	

Holiday Events Expenditures by Type						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Downtown Tax District Fund						
<i>Holiday Events</i>						
Personnel/Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating/Materials	\$ -	\$ -	\$ -	\$ 6,700	\$ 6,700	
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	



Downtown Tax District Fund Trends







Historic 7th Avenue Tax District Fund – FY 2015

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Historic 7th Avenue Tax District Fund Summary

The Historic Seventh Avenue Tax District Fund has three primary revenue sources including *Ad Valorem Taxes*, *Sales Tax*, and *Other* revenues. The largest source of revenue is generated by *Ad Valorem Taxes*, \$12,060. This Fund is rather small only generating \$18,460 in revenue. This is \$50,731 less than FY13-14. This decrease is attributable to the loss of fund balance appropriations, \$14,000 in FY13-14, and operating transfers from the General Fund, \$37,470 in FY13-14.

There are a variety of expenditure line items that are located in the Historic Seventh Avenue Tax District Fund. Historically the largest of which are the *7th Avenue Development Program*, *Economic Development*, *Street/Traffic Lights*, and *Supplies & Materials*. This year the *7th Avenue Development Program*, *Economic Development*, and *Façade Grants* spending have been eliminated. Other highlights include the loss of spending for capital and non-capital equipment.

Trends in the Historic Seventh Avenue Tax District have been rather sporadic. As previously discussed, large transfers from the fund balance and the General Fund were eliminated in FY14-15. However, looking back ten years displays a quick ratio that trends, up and down, very far away from the target 1.00 mark. What is even more troubling is FY08-09 through FY12-13 have all been well below this target, meaning that this Fund has relied heavily on transfers and fund balance appropriations. This does not bode well for the Fund's fiscal strength. When comparing the Historic Seventh Avenue Tax District's current dollars to constant dollars, the chart displays a trend that has kept pace with market inflation. The Fund's expenditure trends have been more sporadic than the revenue trends. FY05-06 is an outlier, accounting for a \$75,000 grant for Railroad Depot improvements. It is important for this Fund to establish more stable budget practices and communicate expected revenues and expenditures more accurately.



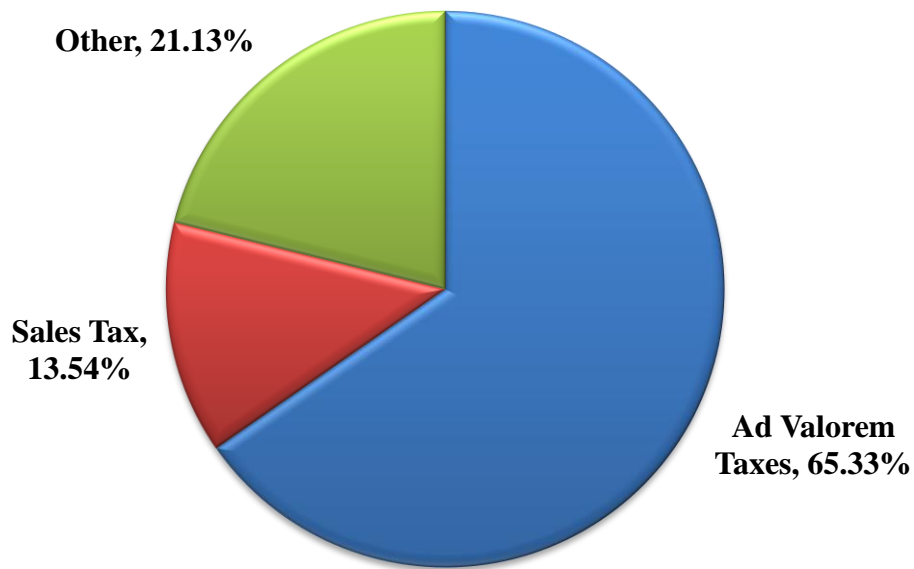
Revenues

The Historic 7th Avenue Tax District Fund is funded by an additional ad valorem tax rate of \$0.12, sales and use taxes, and other miscellaneous revenues. This fund adopts its own budget.

Revenues by Source

Historic 7th Avenue Fund Revenues by Source						
Source	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Ad Valorem Taxes	\$ 12,663	\$ 11,750	\$ 12,171	\$ 12,060	\$ 310	2.64%
Sales Tax	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ -	0.00%
Other	\$ 38,250	\$ 54,941	\$ 48,877	\$ 3,900	\$ (51,041)	-92.90%
Total	\$ 53,413	\$ 69,191	\$ 63,548	\$ 18,460	\$ (50,731)	-73.32%

Historic 7th Avenue Fund Revenue by Source





Historic 7th Avenue Tax District Fund – FY 2015

Revenues by Line Item

Historic 7th Avenue Fund Revenues by Line Item						
	Actual	Budgeted	Estimated	Recommended	Dollar	Percent
	FY12-13	FY13-14	FY13-14	FY14-15	Change	Change
Historic 7th Avenue Fund						
<i>Ad Valorem Taxes</i>						
Tax Interest	\$ 236	\$ 90	\$ 101	\$ 100	\$ 10	11.11%
Ad Val Tax - Mtr Vehs	\$ 494	\$ 500	\$ 900	\$ 550	\$ 50	10.00%
Prior Years Ad Val Tax	\$ 1,166	\$ 260	\$ 470	\$ 410	\$ 150	57.69%
Current Year Ad Val Tax	\$ 10,767	\$ 10,900	\$ 10,700	\$ 11,000	\$ 100	0.92%
Sub-Total Ad Valorem Taxes	\$ 12,663	\$ 11,750	\$ 12,171	\$ 12,060	\$ 310	2.64%
<i>Sales Tax</i>						
S&U Tax Reimbursement	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ -	0.00%
Sub-Total Sales Tax	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ -	0.00%
<i>Other</i>						
Interest Income	\$ 0	\$ -	\$ 3	\$ -	\$ -	
Miscellaneous Income	\$ 170	\$ -	\$ 133	\$ 150	\$ 150	
Insurance Settlements	\$ -	\$ 3,471	\$ 3,471	\$ -	\$ (3,471)	-100.00%
Donations/Contributions	\$ -	\$ -	\$ -	\$ 3,750	\$ 3,750	
Operating Transfers-G/F	\$ 38,080	\$ 37,470	\$ 37,470	\$ -	\$ (37,470)	-100.00%
Fund Balance Appropriation	\$ -	\$ 14,000	\$ 7,800	\$ -	\$ (14,000)	-100.00%
Sub-Total Other	\$ 38,250	\$ 54,941	\$ 48,877	\$ 3,900	\$ (51,041)	-92.90%
Total Revenues	\$53,413	\$69,191	\$ 63,548	\$ 18,460	\$ (50,731)	-73.32%



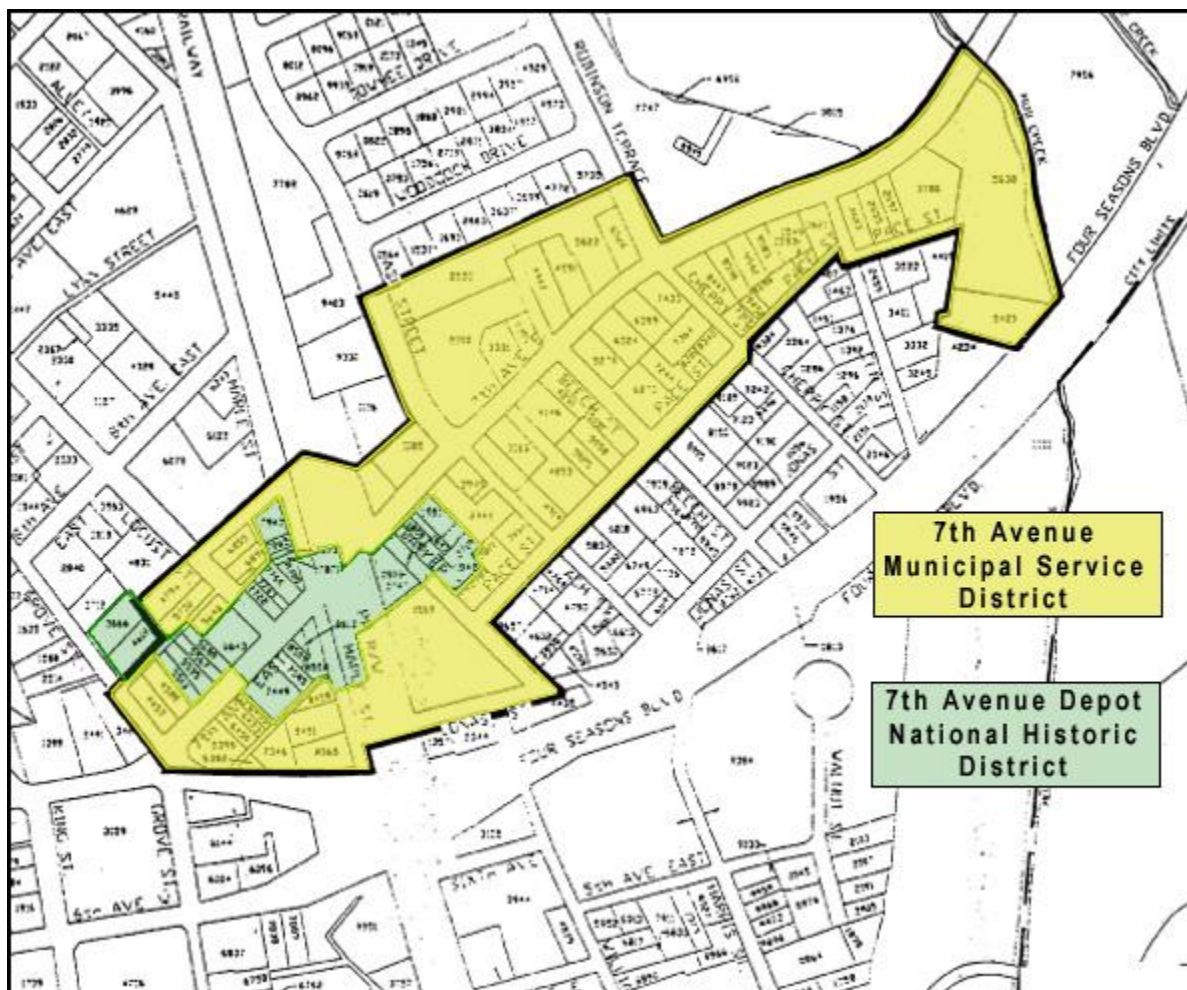
Expenditures

Mission

Reestablish a thriving commercial area that serves the needs of the adjacent neighborhoods, Henderson County residents and visitors. HSAD is made up of district business and property owners, area residents, and community volunteers who have come together with the common goal of revitalizing this important area in Hendersonville. Through an active partnership with the City, HSAD coordinates district projects and activities in the area of beautification and design, economic development, safety, and promotions.

Description

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.





FY13-14 Accomplishments

- ✓ The District held 5 successful events
- ✓ Completed a study with the UNC School of Government
- ✓ Annual Clean-up day was held
- ✓ Building Improvements were made & Zoning Violations were enforced

Fy14-15 Action Items & Initiatives

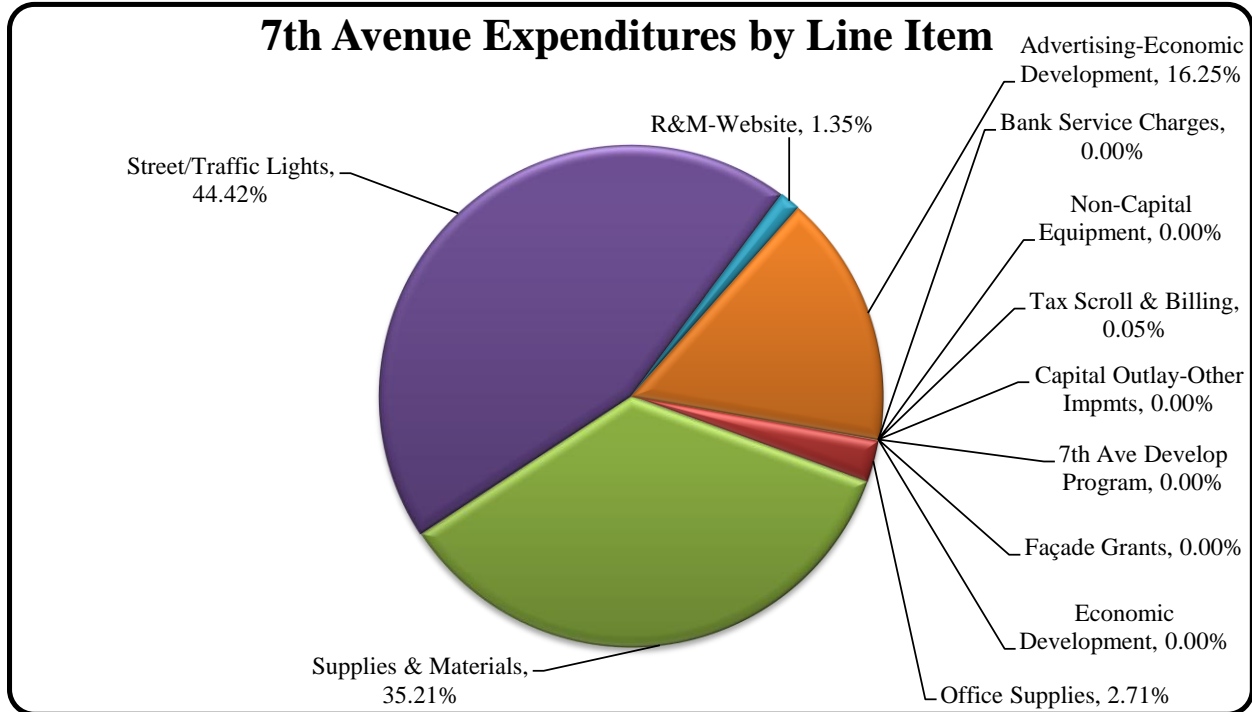
- ✓ Work with City Council on implementing some or all of the results of the UNC Final Report
- ✓ Host 3 Quality Events
- ✓ Move the HSAD program into the City Departments



Historic 7th Avenue Tax District Fund – FY 2015

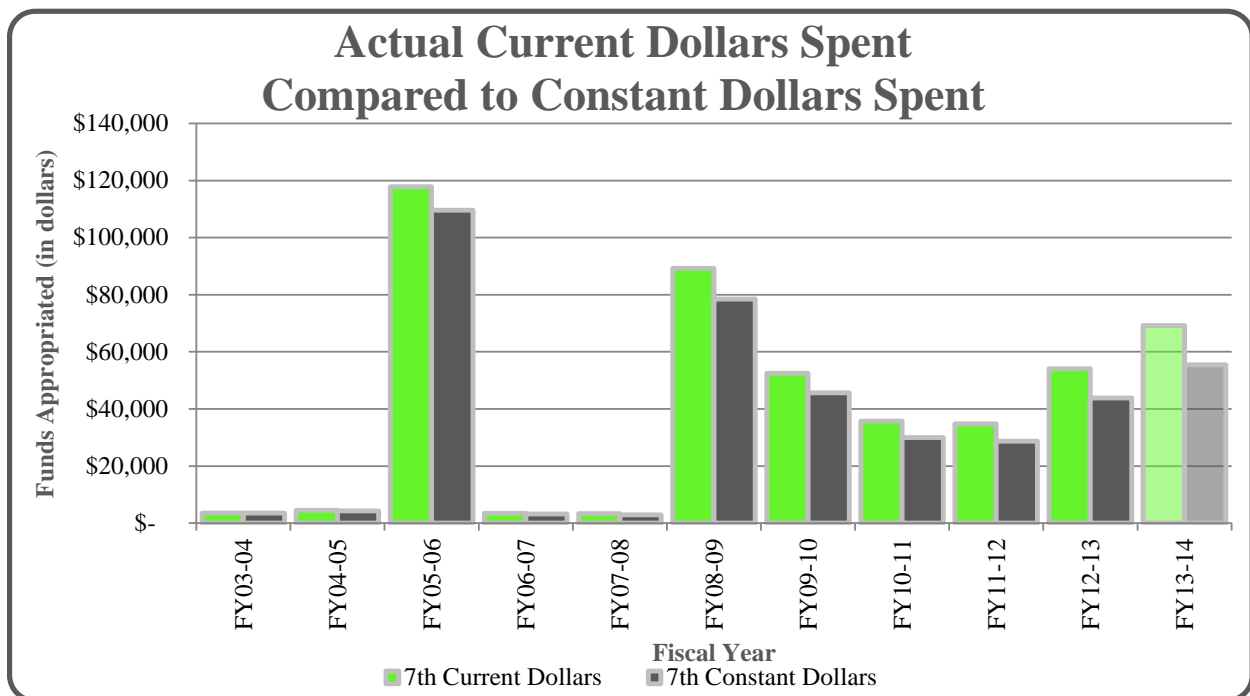
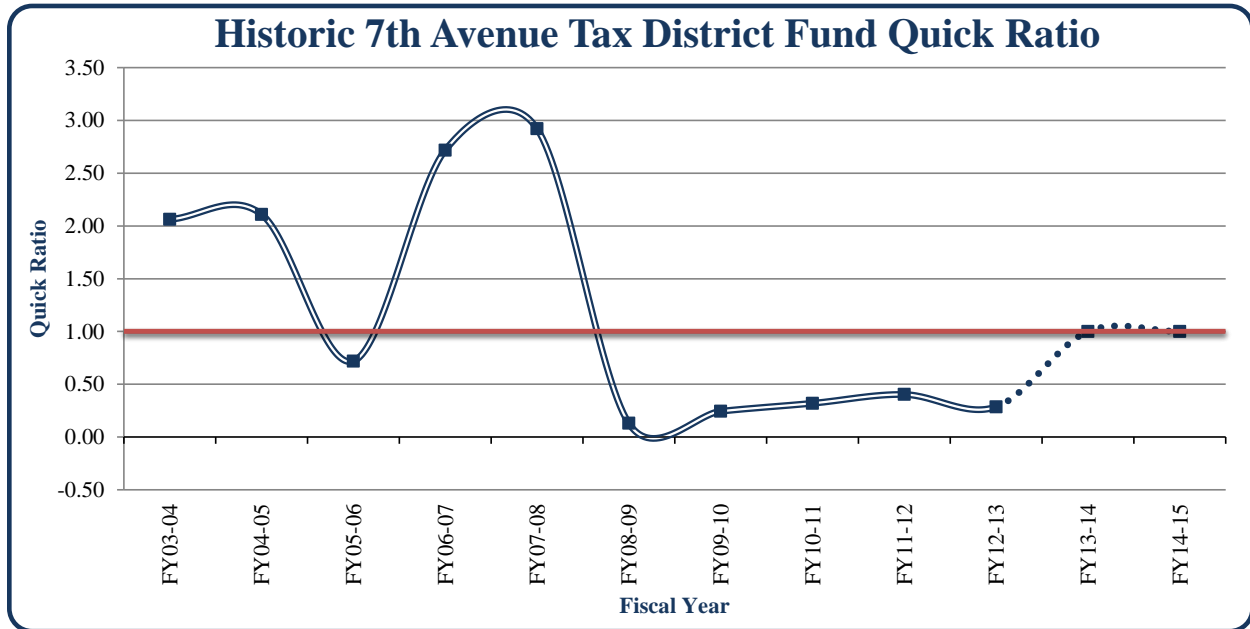
Expenditures by Line Item

Historic 7th Avenue Fund Expenditures by Line Item						
	Actual FY12-13	Budgeted FY13-14	Estimated FY13-14	Recommended FY14-15	Dollar Change	Percent Change
Historic 7th Avenue Fund						
Tax Scroll & Billing	\$ -	\$ 2	\$ 9	\$ 10	\$ 8	400.00%
Office Supplies	\$ -	\$ -	\$ 7,847	\$ 500	\$ 500	
Supplies & Materials	\$ 2,601	\$ 9,281	\$ 7,443	\$ 6,500	\$ (2,781)	-29.96%
Street/Traffic Lights	\$ 7,930	\$ 7,500	\$ 700	\$ 8,200	\$ 700	9.33%
R&M-Website	\$ -	\$ 700	\$ 700	\$ 250	\$ (450)	-64.29%
Advertising-Economic Development	\$ -	\$ 700	\$ -	\$ 3,000	\$ 2,300	328.57%
Non-Capital Equipment	\$ 2,296	\$ 2,433	\$ 1,911	\$ -	\$ (2,433)	-100.00%
Capital Outlay-Other Impmts	\$ 10,962	\$ -	\$ -	\$ -	\$ -	
7th Ave Develop Program	\$ 30,275	\$ 19,575	\$ 19,575	\$ -	\$ (19,575)	-100.00%
Façade Grants	\$ -	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)	-100.00%
Economic Development	\$ -	\$ 24,000	\$ 24,000	\$ -	\$ (24,000)	-100.00%
Bank Service Charges	\$ -	\$ -	\$ 4	\$ -	\$ -	
Total Expenditures	\$54,063	\$69,191	\$67,188	\$ 18,460	\$(50,731)	-73.32%



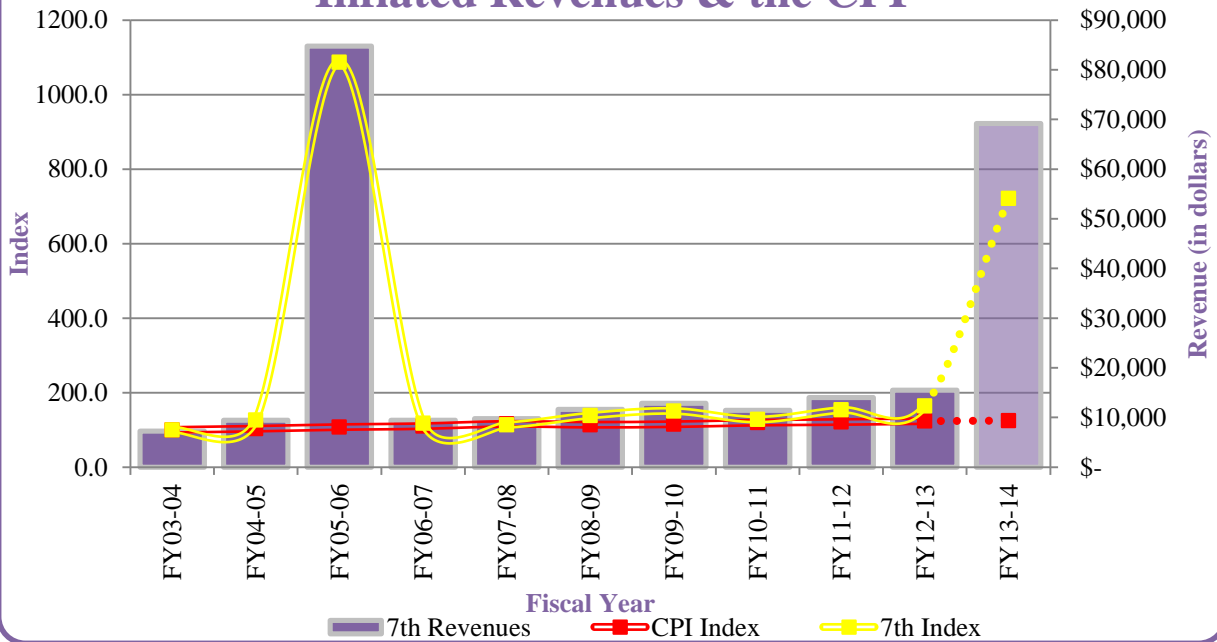


Historic 7th Avenue Tax District Fund Trends

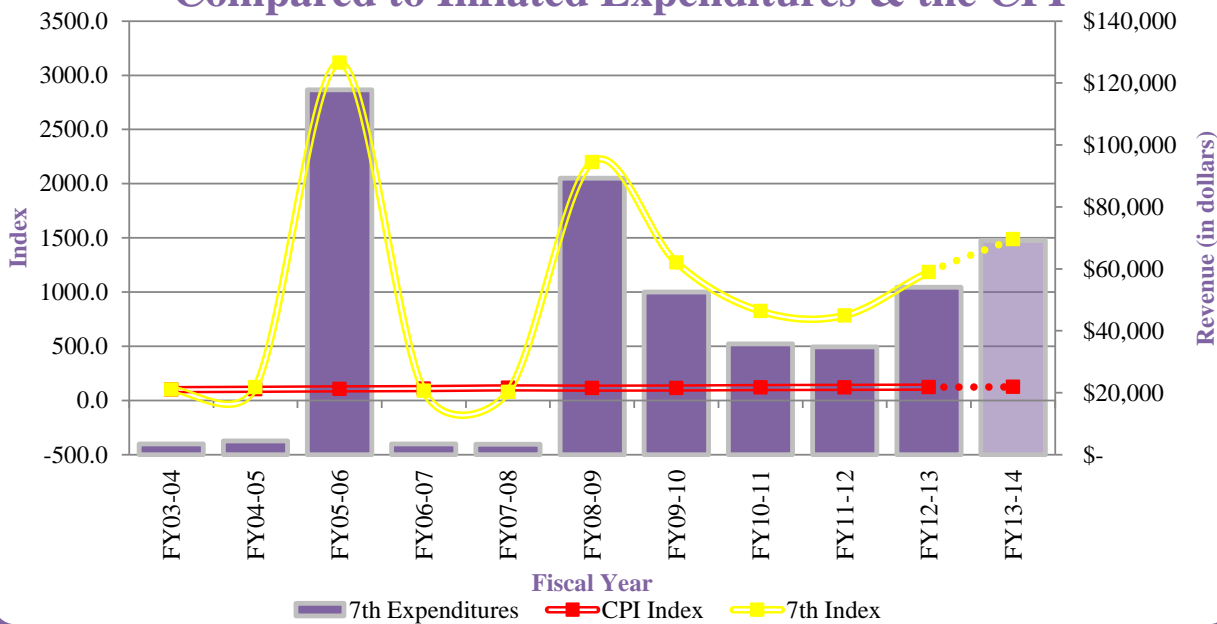




Adjusted 7th Avenue Revenues Compared to Inflated Revenues & the CPI



Adjusted 7th Avenue Expenditures Compared to Inflated Expenditures & the CPI





The City of Hendersonville’s Capital Improvement Plan (CIP) represents a multiyear forecast of the City’s capital needs. The CIP not only identifies capital projects but also the financing required for the projects and their impact on the operating budget. Capital projects differ from annual operating expenses in that they involve large dollar amounts, often require special financing, occur at irregular intervals, and involve development of assets expected to last several years.

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.

The sections of the CIP will include a discussion of policy and procedures, a summary section, and currently funded individual project requests.

CIP Procedure

The City of Hendersonville’s CIP process begins with project request forms. The City is currently revising these forms and the CIP process to increase transparency and equity. Once all of the budget request forms are submitted by the department heads, the City Manager and Finance director review all items before a presentation to council. The City Council holds a goal setting meeting in which they discuss a variety of priorities, including capital projects. The City Manager and Finance Director then revise which projects are included in the budget according to Council priorities. The Finance Director then prepares cash flow projections, analyzes the financial impact on the total capital program, and updates the current Capital Improvement Plan. The budget document is updated accordingly, detailing the approved budget request forms for the coming fiscal year.

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 \$10,000 and a projected useful life greater than 5 years or a non-recurring operating expenditure greater than \$10,000 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 \$10,000 should not be lumped together to form a single project greater than \$10,000. 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.

The following is a list of financing options for the City of Hendersonville when debt financing is required:

General Obligation Bonds

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

Revenue Bonds

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

Installment Purchase Agreements

Installment purchase (IP) (or lease-purchase) financing can be either short-term or long-term. IP agreements allow local governments to borrow money at a lower rate than conventional loans



because lenders do not have to pay taxes on the interest portion of the payments it receives. This type of financing is typically used for items such as equipment and vehicles. For large IP agreements, the LGC must approve the debt.

Certificates of Participation

Certificates of Participation (COPs) operate similar to revenue bonds and typically have higher interest rates than GO bonds because the debt is secured by funds resulting from projects being financed and cannot be secured by the “full faith and credit” of the government. The local government uses revenue to pay off debt on a capital project. However, unlike revenue bonds, local governments can use the revenue from the entire unit to pay off the debt and are not limited to using revenue only produced by the financed project. COPs are typically financed for ten- to twenty-year terms. This type of financing should be considered for revenue-generating projects.

Tax Increment Financing Bonds

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

Bond Anticipation Notes

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

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.

Designated Capital Funds

Designated capital funds represent money set aside each fiscal year for capital projects. These funds are typically used for project contingencies and smaller projects.

General Fund/Capital Outlay

This finding is similar to the capital reserve fund except it is money allocated out of the General Fund from the operating budget. There is no debt associated with this funding.

Water and Sewer Fund

The Water and Sewer Fund operates as an enterprise fund. Revenues generated by the Water and Sewer Fund are retained for the operating budget as well as water and sewer related capital outlay.

Miscellaneous

Other funding sources include grants or donations from private donors or state and federal government. These funding sources often have to be used for a specific project.

CIP Process & Calendar

City staff will review the CIP annually as part of the regular budget process. Preparation for the CIP will begin in December of the current fiscal year, at which time department heads will meet with staff to review capital needs. At the same time, the City Manager and Finance Officer will meet to review Council goals, CIP policies, finance strategies, and ranking criteria. In mid-January, departments will submit their CIP requests and meet with the City Manager and Finance Officer to discuss the projects and estimated costs. Once department heads submit all CIP projects, the projects will be ranked according to a point scale that is currently being created. Below is an example of what a point scale might look like:

Criteria	Points
Addresses Public Safety	20
Legally Mandated	20
Achieves Council/Community Goal	15
Availability of Outside Funds	10
Increases Service Efficiency	10
Promotes Economic Development	10
Links with Other Projects	10

The total points for each project merely represent a guideline and are not the determining factor for project funding. City Council must approve projects, which are subject to change based on



Capital Improvement Plan – FY 2015

shifts in Council priorities and the economy. Each project can receive all, half, or no points for each category. Other factors influencing the adoption of a project include financial analysis which help estimate the impact of a capital project on the operating budget and the City’s borrowing capacity and debt tolerance. Expected budget surpluses and deficits are considered when calculating the financial impact of the CIP. By mid-March the City staff will present a preliminary CIP. The final CIP is adjusted based on Council recommendations and presented to the Council for public approval as part of the annual budget document at the Council Meeting in June.

The following table details the CIP schedule:

City of Hendersonville CIP Budget Calendar FY15-16	
Date	Description
TBA	Strategic planning, goal, and priority workshop with City Council
December, 1 st	Departments begin meeting internally to develop CIP project requests
January, 12 th	Departments submit CIP project requests to Finance & Administration
January 12 th – 23 rd	City Manager & Finance Officer review CIP project request
January 26 th – 30 th	Department Head discuss CIP project requests with City Manager & Finance Officer
February 9 th	City Manager & Finance Officer rank CIP project requests and create a priority list
February	CIP project impact & financial analysis is prepared
March 17 th	City Manager presents preliminary CIP Budget to City Council
TBA	City Manager presents final CIP Budget to City Council in Budget Adoption Meeting



Capital Improvement Plan – FY 2015

CIP General Fund Summary

CIP General Fund Summary							
Department/Project	Funding Source	FY14-FY15	FY15-FY16	FY16-FY17	FY17-FY18	FY18-FY19	Future Years
<i>Engineering</i>							
Highway 64 Sidewalk Improvements	100% Grant	\$ 260,000	\$ -	\$ -	\$ -	\$ -	\$ -
Greenway Trail - Phase III	100% Grant	\$ 1,300,000	\$ -	\$ -	\$ -	\$ -	\$ -
N. Main Street Sidewalks	2008 Bond	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ -
Blythe Street Sidewalks	2008 Bond	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -
Trimble GPS	GF/ Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dept. Total		\$ 1,910,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -
<i>Fire</i>							
Replace Engine 4	Loan	\$ -	\$ -	\$ -	\$ 900,000	\$ -	\$ -
Ford Explorer	GF/ Cash	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
Chevy Silverado	GF/ Cash	\$ -	\$ 37,000	\$ -	\$ -	\$ -	\$ -
Dept. Total		\$ 30,000	\$ 37,000	\$ -	\$ 900,000	\$ -	\$ -
<i>Police</i>							
Radio System Upgrade	GF/Cash	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ -
Viper Radio System	GF/Cash	\$ -	\$ -	\$ 18,000	\$ -	\$ -	\$ -
Police Motorcycle Replacement	GF/Cash	\$ -	\$ 26,000	\$ -	\$ -	\$ -	\$ -
Police Vehicle Replacement	GF/Cash	\$ 202,000	\$ 202,000	\$ 202,000	\$ 202,000	\$ 202,000	\$ -
MDT Replacements	GF/Cash	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ -
Dept. Total		\$ 233,000	\$ 250,000	\$ 242,000	\$ 224,000	\$ 224,000	\$ -
<i>Information Tech.</i>							
Server Upgrades	GF /Cash	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ -
Phone System	GF /Cash	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -
Software Upgrade	GF/Cash	\$ -	\$ 31,000	\$ -	\$ -	\$ -	\$ -
Computer Software	GF/Cash	\$ 9,000	\$ 9,000	\$ -	\$ -	\$ -	\$ -
Water Modeling Software	W/S Cash	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -
Dept. Total		\$ 92,000	\$ 48,000	\$ 8,000	\$ 28,000	\$ 8,000	\$ -
<i>Zoning</i>							
Replacement of Vehicle	GF/Cash	\$ 29,000	\$ -	\$ -	\$ -	\$ -	\$ -
Dept. Total		\$ 29,000	\$ -	\$ -	\$ -	\$ -	\$ -



Capital Improvement Plan – FY 2015

CIP General Fund Summary

CIP General Fund Summary							
Department/Project	Funding Source	FY14-FY15	FY15-FY16	FY16-FY17	FY17-FY18	FY18-FY19	Future Years
<i>Public Works</i>							
Fleet Maintenance Lot Resurfacing	GF/Cash	\$ -	\$ 65,000	\$ -	\$ -	\$ -	\$ -
Sullivan Park Improvements	GF/Cash	\$ 50,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Patton Park Light Replacement	GF/Cash	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -
Patton Park Bridge Replacement	GF/Cash	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Berkely Park Improvements	Grant/Cash	\$ -	\$ 200,000	\$ 250,000	\$ 250,000	\$ -	\$ -
Hendersonville Gateway Park	GF/Cash	\$ -	\$ -	\$ -	\$ -	\$ 110,000	\$ -
Southside Park Development	Grant/Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,400,000
Shuffle Board Court Repairs	GF/Cash	\$ -	\$ 17,000	\$ -	\$ -	\$ -	\$ -
Resurface Parking Lot @ Whitmire	GF/Cash	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -
Maple Street Improvements	GF/Cash	\$ -	\$ -	\$ -	\$ 270,000	\$ -	\$ -
Maple Parking Lot Resurfacing	GF/Cash	\$ 16,000	\$ -	\$ -	\$ -	\$ -	\$ -
Hanging Baskets - King Street	GF/Cash	\$ -	\$ -	\$ -	\$ 12,000	\$ -	\$ -
Oakdale Columbarium	GF/Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,000
Patton Pool Covers	GF/Cash	\$ -	\$ 18,000	\$ -	\$ -	\$ -	\$ -
Tracey Grove Road Bridge Rep.	80% NCDOT	\$ -	\$ -	\$ -	\$ 210,000	\$ -	\$ -
Rotary Park Playground Upgrade	Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Dump Truck (s)	GF/Cash	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ -
Patton Park Admin. Bldg. Drywall	GF/Cash	\$ -	\$ -	\$ -	\$ 7,000	\$ -	\$ -



Capital Improvement Plan – FY 2015

CIP General Fund Summary

CIP General Fund Summary							
Department/Project	Funding Source	FY14-FY15	FY15-FY16	FY16-FY17	FY17-FY18	FY18-FY19	Future Years
<i>Public Works</i>							
Grounds Maintenance Mower.	GF/Cash	\$ 16,000	\$ -	\$ -	\$ -	\$ -	\$ -
Grounds Maintenance Polaris	GF/Cash	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -
Backhoe Replacement	Loan	\$ -	\$ 70,000	\$ -	\$ -	\$ -	\$ -
Traffic Control Monitor Tester	GF/Cash	\$ -	\$ 13,000	\$ -	\$ -	\$ -	\$ -
Wayfinding Signs	Grant/Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Sidearm Mower & Tractor Replacement	Loan	\$ -	\$ -	\$ 102,000	\$ -	\$ -	\$ -
Building Maintenance Shop Expansion	GF/Cash	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -
Environmental Services Bldg	Loan	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -
Nitrogen Tire Filing Station	GF/Cash	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -
Five Ton Overhead Crane	GF/Cash	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Grounds Maintenance Equip Storage	GF/Cash	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -
Sugarloaf Warehouse Roof Repair	GF/Cash	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -
Forklift-Sugarloaf	GF/Cash	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
Sugarloaf Storage Building Improvements	GF/Cash	\$ 12,500	\$ -	\$ -	\$ -	\$ -	\$ -
Whitmire Bldg Floor Replacement	GF/Cash		\$ 18,000	\$ -	\$ -	\$ -	\$ -
Sidewalk In-Fill	GF/Cash	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Public Works Vehicle Replacment	GF/Cash	\$ 50,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ -
Salt and Sand Spreaders	GF/Cash	\$ 15,000		\$ 15,000		\$ 15,000	\$ -
Street Resurfacing	GF/Cash	\$ 533,280	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ -
Dept. Total		\$ 811,780	\$ 1,059,000	\$ 1,092,000	\$ 1,224,000	\$ 600,000	\$ 2,643,000
General Fund Total		\$ 3,105,780	\$ 1,644,000	\$ 1,342,000	\$ 2,376,000	\$ 832,000	\$ 2,643,000



Capital Improvement Plan – FY 2015

CIP Water & Sewer Fund Summary

CIP Water & Sewer Fund Summary							
Department/Project	Funding Source	FY14-FY15	FY15-FY16	FY16-FY17	FY17-FY18	FY18-FY19	Future Years
Eastside Transmission Main	Cash/Loan	\$ -	\$ -	\$ 129,000	\$ 2,732,000	\$ -	\$ -
Acadamy Road (Dana)	95% Grant/5% Cash	\$ 956,000					
WTP Relocate Raw Water Intake - MR	Cash	\$ -	\$ -	\$ 42,000	\$ 568,000	\$ -	\$ -
Highway 64 Relocation NCDOT	Cash	\$ 1,030,000	\$ -	\$ -	\$ -	\$ -	\$ -
Fletcher Area Water Improvements	Cash	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 4,853,000
Southside Water System Improvements	Cash	\$ -	\$ 353,000	\$ 1,182,000	\$ -	\$ -	\$ -
Etowah Water Sys. Improvements	Loan	\$ 2,843,000	\$ -	\$ -	\$ -	\$ -	\$ -
Eastside Improvements - Phase III	Cash	\$ -	\$ -	\$ -	\$ -	\$ 89,000	\$ 1,721,000
S. Rugby Road Water Main Intercon.	Cash	\$ -	\$ -	\$ 49,000	\$ 1,201,000	\$ -	\$ -
Rudgy Drive 12 Inch Interconnection	Cash	\$ -	\$ 51,000	\$ 394,000	\$ -	\$ -	\$ -
Upward Road W/S NCDOT	Cash	\$ -		\$ 1,155,000	\$ -	\$ -	\$ -
SCADA Upgrade	Cash	\$ -	\$ 700,000	\$ 700,000	\$ -	\$ -	\$ -
WTP High Service Pump	Loan/Grant	\$ -	\$ 2,600,000	\$ -	\$ -	\$ -	\$ -
Jackson Pk Sewer Interceptor	Loan	\$ 4,146,000	\$ -	\$ -	\$ -	\$ -	\$ -
Shepard Creek Sewer Outfall	Loan	\$ 1,733,000	\$ -	\$ -	\$ -	\$ -	\$ -
Wolfpen Sewer Outfall	Loan	\$ 3,152,000	\$ -	\$ -	\$ -	\$ -	\$ -
WWTP Sludge Drying System	Cash/Loan	\$ -	\$ -	\$ -	\$ 221,000	\$ 2,483,000	\$ -
WWTP Expand. 6.0 MGD	Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,566,000
WTP Centrifuge	Cash	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -
Vacuum Excavator	Cash	\$ 24,000	\$ -	\$ -	\$ -	\$ -	\$ -
Excavator and Trailer	Loan	\$ 155,000	\$ -	\$ -	\$ -	\$ -	\$ 69,000
Replace Dump Truck 22-11	Cash	\$ -	\$ 69,000	\$ -	\$ -	\$ -	\$ -
Replace Dump Truck 22-12	Cash	\$ -	\$ -	\$ 69,000	\$ -	\$ -	\$ -
WTP Raw Water Intake Screen	Cash	\$ 32,000	\$ -	\$ -	\$ -	\$ -	\$ 32,000
WTP Jet Mixer for Chemical Mixing	Cash	\$ -	\$ 62,000	\$ -	\$ -	\$ -	\$ -
WTP SCADA System Servers	Cash	\$ -	\$ -	\$ -	\$ -	\$ 26,000	\$ 78,000
CCTV Sewer Inspection Vehicle	Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 470,000
Sewer Vactor Truck Replace	Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 718,000
WWTP Generator & ATS	Loan	\$ -	\$ 911,000	\$ -	\$ -	\$ -	\$ -
Sewer Backhoe Replacement	Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dump Truck Replace - Sewer	Cash	\$ 170,000	\$ -	\$ -	\$ -	\$ -	\$ -
Dump Truck Replace - Sewer	Cash	\$ -	\$ -	\$ 69,000	\$ -	\$ -	\$ -
9-tonTrailer - Sewer	Cash	\$ -	\$ 19,000	\$ -	\$ -	\$ -	\$ -
WWTP Gravity Sand Filters Renov	Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Skid Steer ROW Clearing Equipment	Cash	\$ 82,000	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment Shed	Cash	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -
Motor Vehicles	Cash	\$ 56,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ -
Generators and ATS	Cash	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Inflow and Infiltration Repairs	Cash	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Water Repair and Replacements	Cash	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ -
Sewer Repairs & Replacement	Cash	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ -
Water & Sewer Fund Total		\$ 16,029,000	\$ 5,870,000	\$ 5,194,000	\$ 5,827,000	\$ 3,703,000	\$ 15,507,000



Capital Improvement Plan – FY 2015

CIP Environmental Services Fund Summary

CIP Environmental Services Fund Summary							
Department/Project	Funding Source	FY14-FY15	FY15-FY16	FY16-FY17	FY17-FY18	FY18-FY19	Future Years
Clairmont Drive Stormwater Improv.	Grant/Loan	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -
Jonesboro Stormwater Pipe Install	EF/Cash	\$ -	\$ -	\$ 13,000	\$ -	\$ -	\$ -
Patton Park Pond	EF/Cash	\$ -	\$ 32,000	\$ -	\$ -	\$ -	\$ -
Refuse Vehicle		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental Services Fund Totals		\$ -	\$ 32,000	\$ 413,000	\$ -	\$ -	\$ -



Personnel Summary

Personnel Classification & Pay Schedule			
Grade	Minimum	Mid-Point	Maximum
1	20,452.24	27,131.53	31,123.00
2	21,478.14	27,079.39	32,680.64
3	22,549.91	28,430.57	34,311.23
4	23,675.89	29,851.08	36,026.27
5	24,861.30	31,345.09	37,828.89
6	26,105.10	32,913.13	39,721.16
7	27,409.36	34,558.32	41,707.27
8	28,780.35	36,286.39	43,792.43
9	30,219.11	38,102.56	45,986.01
10	31,729.81	40,004.22	48,278.64
11	33,316.61	42,005.45	50,694.29
12	34,981.61	44,094.77	53,228.80
13	36,733.13	46,312.86	55,892.58
14	38,570.16	48,627.38	58,684.61
15	40,495.80	51,059.19	61,622.59
16	42,521.53	53,611.42	64,701.32
17	44,646.30	56,290.85	67,935.40
18	46,879.50	59,107.37	71,335.24
19	49,225.30	62,062.04	74,898.77
20	51,684.74	65,163.70	78,642.67
21	54,269.29	68,424.36	82,579.44
22	56,981.03	71,843.50	86,705.96
23	58,684.61	74,863.32	91,042.04
24	62,822.60	79,208.79	95,594.98
25	65,967.01	83,169.54	100,372.07
26	69,265.72	87,330.99	105,396.25

Total Personnel				
Fund	Salary Grade	Count (F.T. & P.T.)		
		FY12-13 Actual	FY13-14 Estimate	FY14-15 Approved
General Fund	N/A	212.00	216.00	217.00
Water & Sewer Fund	N/A	74.00	71.00	71.00
Environmental Services Fund	N/A	14.00	14.00	14.00
Total Personnel		300.00	301.00	302.00



General Government Detail

General Fund				
Position	Salary Grade	Count (F.T. & P.T.)		
		FY12-13 Actual	FY13-14 Estimate	FY14-15 Approved
<i>General Government</i>				
<i>Governing Body</i>				
Mayor	Part-Time	1.00	1.00	1.00
Mayor Pro-Tem.	Part-Time	1.00	1.00	1.00
Council Member	Part-Time	3.00	3.00	3.00
	Total	5.00	5.00	5.00
<i>Administration</i>				
City Manager	N/A	1.00	1.00	1.00
Human Resource Director	22	1.00	1.00	1.00
City Clerk	16	1.00	1.00	1.00
Historic 7th Avenue Director	Part-Time	0.00	1.00	1.00
Public Information Officer	Part-Time	0.00	0.00	1.00
Administrative Intern	Part-Time	0.00	1.00	1.00
	Total	3.00	5.00	6.00
<i>Finance</i>				
Finance Director	24	1.00	1.00	1.00
Assitant Finance Director	18	1.00	1.00	1.00
Accountant	15	1.00	1.00	1.00
Customer Service Supervisor	14	1.00	1.00	1.00
Senior Customer Service Specialist	10	1.00	1.00	1.00
Accountanting Technician	9	2.00	2.00	2.00
Customer Service Specialist	6	5.00	5.00	5.00
	Total	12.00	12.00	12.00
<i>City Engineer</i>				
City Engineer	24	1.00	1.00	1.00
Civil Engineer	21	1.00	1.00	1.00
GIS Administrator	21	1.00	1.00	1.00
Construction Inspector	15	2.00	2.00	2.00
Engineering Technician	15	1.00	1.00	1.00
	Total	6.00	6.00	6.00
<i>Legal</i>				
City Attorney	N/A	1.00	1.00	1.00
Paralegal	N/A	1.00	1.00	1.00
	Total	2.00	2.00	2.00
<i>Public Works-Fleet Maintenance</i>				
Fleet Maintenance Superintendent	13	1.00	1.00	1.00
Equipment Services Specialist	11	1.00	1.00	1.00
Equipment Mechanic	9	4.00	4.00	4.00
	Total	6.00	6.00	6.00
<i>Public Works-Building Maintenance</i>				
Building Maintenance Supervisor	13	1.00	1.00	1.00
Building Maintenance Technician	9	2.00	2.00	2.00
Mini-Golf Attendant	Part-Time	0.00	2.00	2.00
	Total	3.00	5.00	5.00
Sub-Total General Government		37.00	41.00	42.00



Public Safety Detail

General Fund				
Position	Salary Grade	Count (F.T. & P.T.)		
		FY12-13 Actual	FY13-14 Estimate	FY14-15 Approved
<i>Public Safety</i>				
<i>Police Sworn Officers</i>				
Police Chief	24	1.00	1.00	1.00
Police Captain	18	2.00	2.00	2.00
Lieutenant	15	6.00	6.00	6.00
Sergeant	13	5.00	5.00	5.00
Detective	12	5.00	5.00	5.00
Officer	10	18.00	18.00	18.00
School Resource Officer	10	2.00	2.00	2.00
<i>Police Civilian Staff</i>				
Communications Supervisor	14	1.00	1.00	1.00
Administrative Aide	13	1.00	1.00	1.00
Lead Telecommunications	9	1.00	1.00	1.00
Telecommunications	8	4.00	4.00	4.00
Senior Police Support Specialist	8	1.00	1.00	1.00
Parking Officer	8	1.00	1.00	1.00
Police Support Specialist	7	3.00	3.00	3.00
<i>Police Part-Time</i>				
Crossing Guard	Part-Time	7.00	7.00	7.00
Reserve Telecommunications	Part-Time	2.00	1.00	1.00
Reserve Officer	Part-Time	7.00	6.00	6.00
	Total	67.00	65.00	65.00
<i>Fire</i>				
Fire Chief	23	1.00	1.00	1.00
Deputy Fire Chief	18	1.00	1.00	1.00
Deputy Fire Marshal	17	1.00	1.00	1.00
Captain	15	3.00	3.00	3.00
Lieutenant	13	6.00	6.00	6.00
Engineer	11	9.00	9.00	9.00
Firefighter	9	6.00	6.00	6.00
Reserve Firefighter	Part-Time	15.00	15.00	15.00
	Total	42.00	42.00	42.00
<i>Zoning</i>				
Zoning Administrator	20	1.00	1.00	1.00
Zoning Enforcement Officer	11	1.00	1.00	1.00
	Total	2.00	2.00	2.00
<i>Planning</i>				
Planning Director	24	1.00	1.00	1.00
Main St. Economic Development Director	16	1.00	1.00	1.00
Administrative Aide	13	1.00	1.00	1.00
Special Event & Program Assistant	Part-Time	0.00	1.00	1.00
	Total	3.00	4.00	4.00
Sub-Total Public Safety		114.00	113.00	113.00



Transportation Detail

General Fund				
Position	Salary Grade	Count (F.T. & P.T.)		
		FY12-13 Actual	FY13-14 Estimate	FY14-15 Approved
<i>Transportation</i>				
<i>Public Works-Administration</i>				
Public Works Director	24	1.00	1.00	1.00
Assitant Director	20	1.00	1.00	1.00
Administrative Aide	13	1.00	1.00	1.00
	Total	3.00	4.00	4.00
<i>Public Works-Streets & Highways</i>				
Street Maintenance Supervisor	13	1.00	1.00	1.00
Crew Leader	10	1.00	1.00	1.00
Equipment Operator	7	2.00	2.00	2.00
Worker II	5	2.00	2.00	2.00
Worker I	4	2.00	2.00	2.00
Temporary Worker	Part-Time	2.00	2.00	2.00
	Total	10.00	10.00	10.00
<i>Public Works-Traffic Engineering</i>				
Traffic Control Technician	10	2.00	2.00	2.00
	Total	2.00	2.00	2.00
Sub-Total Transportation		15.00	16.00	16.00

Park Maintenance, Drainage, & Lot Clearing

General Fund				
Position	Salary Grade	Count (F.T. & P.T.)		
		FY12-13 Actual	FY13-14 Estimate	FY14-15 Approved
<i>Park Maintenance, Drainage, & Lot Clearing</i>				
<i>Public Works-Grounds Maintenance</i>				
Property Maintenance Supervisor	11	1.00	1.00	1.00
Crew Leader	8	2.00	2.00	2.00
Property Maintenance Worker	4	5.00	5.00	5.00
Temporary Worker	Part-Time	2.00	2.00	2.00
	Total	10.00	10.00	10.00
Sub-Total Park Maintenance, Drainage, & Lot		10.00	10.00	10.00



Culture & Recreation Detail

General Fund				
Position	Salary Grade	Count (F.T. & P.T.)		
		FY12-13 Actual	FY13-14 Estimate	FY14-15 Approved
<i>Culture & Recreation</i>				
<i>Public Works-Patton Pool</i>				
Manager	Part-Time	1.00	1.00	1.00
Assitant Manager	Part-Time	3.00	3.00	3.00
Gate/Concessions Manager	Part-Time	1.00	1.00	1.00
Head Guard	Part-Time	9.00	9.00	9.00
Aerobics Instructor	Part-Time	1.00	1.00	1.00
Lifeguard	Part-Time	12.00	12.00	12.00
Gate/Concessions Operator	Part-Time	9.00	9.00	9.00
	Total	36.00	36.00	36.00
Sub-Total Culture & Recreation		36.00	36.00	36.00



Water & Sewer Detail

Water & Sewer Fund				
Position	Salary Grade	Count (F.T. & P.T.)		
		FY12-13 Actual	FY13-14 Estimate	FY14-15 Approved
W&S Admin.				
Utilities Director	26	1.00	1.00	1.00
Environmental Services Director	12	1.00	1.00	1.00
Administrative Assistant	Part-Time	1.00	0.00	0.00
	Total	3.00	2.00	2.00
W&S Finance				
Customer Service Supervisor	14	1.00	1.00	1.00
Customer Service Specialist	7	4.00	4.00	4.00
	Total	5.00	5.00	5.00
Facilities Maintenance				
Electrical & Instruction Technician	16	1.00	1.00	1.00
Facilities Maintenance Superintendent	15	1.00	1.00	1.00
Senior Facilities Maintenance Mechanic	10	2.00	2.00	2.00
Facilities Maintenance Mechanic	8	2.00	2.00	2.00
	Total	6.00	6.00	6.00
Water Treatment Plant				
Water Treatment Plant Superintendent	17	1.00	1.00	1.00
Maintenance Supervisor	13	1.00	1.00	1.00
Senior Water Treatment Plant Operator	10	2.00	2.00	2.00
Water Treatment Plant Operator	8	7.00	7.00	7.00
Temporary Water Treatment Plant Operator	Part-Time	1.00	1.00	1.00
	Total	12.00	12.00	12.00
Shop Operations Center				
Technology & Metering Manager	20	1.00	1.00	1.00
Meter Services Supervisor	13	1.00	1.00	1.00
GIS Field Mapping Technician	13	1.00	1.00	1.00
Operations Manager	12	1.00	1.00	1.00
Operations Support Supervisor	12	1.00	1.00	1.00
Operations Support Specialist	10	1.00	1.00	1.00
Warehouse Technician	8	1.00	1.00	1.00
Location Specialist	8	2.00	2.00	2.00
Meter Maintenance Technician	7	3.00	3.00	3.00
Meter Reader	5	2.00	0.00	0.00
	Total	14.00	12.00	12.00
Water Maintenance & Construction				
Distribution Supervisor	14	1.00	1.00	1.00
Line Maintenance Crew Leader	11	1.00	1.00	1.00
Senior Line Maintenance Mechanic	8	3.00	3.00	3.00
Line Maintenance Mechanic	6	9.00	9.00	9.00
	Total	14.00	14.00	14.00
Wastewater Treatment Plant				
Wastewater Treatment Plant Superintendent	17	1.00	1.00	1.00
Maintenance Supervisor	13	1.00	1.00	1.00
Laboratory Supervisor	13	1.00	1.00	1.00
Administrative Support Assistant	10	1.00	1.00	1.00
Senior Wastewater Treatment Plant Operator	10	1.00	1.00	1.00
Laboratory Technician	10	1.00	1.00	1.00
Wastewater Treatment Plant Operator	8	4.00	4.00	4.00
	Total	10.00	10.00	10.00
Sewer Maintenance & Construction				
Collection Supervisor	14	1.00	1.00	1.00
CCTV Crew Leader	11	1.00	1.00	1.00
Senior Line Maintenance Mechanic	8	3.00	3.00	3.00
Line Maintenance Mechanic	6	5.00	5.00	5.00
	Total	10.00	10.00	10.00
Sub-Total Water & Sewer		74.00	71.00	71.00



Environmental Services Detail

Environmental Services Fund				
Position	Salary Grade	Count (F.T. & P.T.)		
		FY12-13 Actual	FY13-14 Estimate	FY14-15 Approved
<i>Environmental Services Admin.</i>				
Environmental Services Supervisor	12	1.00	1.00	1.00
Administrative Support Specialist	10	1.00	1.00	1.00
Equipment Operator	6	5.00	5.00	5.00
Worker	4	7.00	7.00	7.00
	Total	14.00	14.00	14.00
Sub-Total Environmental Services		14.00	14.00	14.00

****NOTE****

Changes in total personnel count indicate that the City has two additional personnel. These additions are two part-time positions, one an Administrative Intern, and two a Public Information Officer. The decrease in the Water and Sewer Fund and the increase in General Fund, by three positions, is not a result of a loss of employees but simply a change in how the personnel expenditures had been allocated. The City reorganized these positions to promote transparency.



Schedule of Fees

CITY OF HENDERSONVILLE FEE SCHEDULE	
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2014 - 2015	
	(effective 07-01-14)
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
ENGINEERING	
Stormwater Permit Fee	\$500.00
FIRE DEPARTMENT	
<u>Operational Permits</u>	
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	\$50.00
<u>Construction Permits</u>	
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, and canopies (Fee per site)	\$50.00



FIRE DEPARTMENT, Continued		
<u>Construction Plans Review</u>		
Commercial hood suppression systems		\$100.00
Petroleum tanks and appurtenances		\$100.00
Sprinkler systems and fire alarm systems:		
1-50,000 square feet		\$50.00
50,001 to 75,000 square feet		\$100.00
75,001 to 100,000 square feet		\$150.00
100,001 to 150,000 square feet		\$200.00
150,001 square feet and over		\$300.00
Explosives and fireworks		\$100.00
Re-inspection Fee (Follow-up) per re-inspection		\$100.00
Work without a permit		\$250.00
<u>Hazardous Material Response Fees</u>		
Engine Company Response - per engine (per hr.)		\$150.00
Ladder/Truck Response - per ladder/truck (per hr.)		\$200.00
Chief Officer - per officer (per hr.)		\$75.00
Fire Marshall/Deputy Fire Marshall - per person (per hr.)		\$50.00
Materials/Supplies Used		Actual replacement cost
Off Duty/Call Back Personnel		Average hourly rate x 1.5
Site Assessment Fee		\$50.00
FINANCE		
Business License - See Privilege License section		
		\$60.00
Credit Card Processing Fee (per transaction) for Tax Payments		2.75%
Credit Card Processing Fee (per \$300) for Water & Sewer Bills		\$2.95
Returned check fee		\$25.00
Returned electronic item fee		\$10.00
Rejected bank draft		\$5.00
POLICE		
Fingerprinting		
		\$10.00
Precious Metals Dealer Background Check		
		\$75.00
Parking Fees, Fines & Penalties:		
Monthly parking space fee		
		\$20.00
Monthly parking space fee in the municipal service business district		
		\$30.00
Skyland Refundable Parking Permit		
		\$25.00
Construction parking permit (per day)		
		\$5.00
Parking meter (per 1/2 hour)		
		\$0.25
Overtime/Expired meter		
		\$10.00
Subsequent overtime		
		\$20.00
Loading Zone/15 minute parking		
		\$10.00
Crosswalk		
		\$10.00
Handicapped		
		\$250.00
Fire Lane		
		\$100.00
Fire Hydrant		
		\$100.00
Penalty after 15 days		
		\$15.00
Penalty after 30 days additional		
		\$25.00
<i>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.</i>		



Supplemental Information – FY 2015

PUBLIC WORKS	
Operation Center Room Rental Rates	
Large Assembly Room (8 a.m. - 5 p.m.)	\$50.00
Large Assembly Room (5 p.m. - 10 p.m.)	\$25.00
Small Assembly Room (8 a.m. - 5 p.m.)	\$10.00
Small Assembly Room (5 p.m. - 10 p.m.)	\$5.00
Railroad Depot Room	
	Free
Whitmire Activity Building Rental - (Security deposit required to equal rental fee)	
Not-for-profit rentals (dinners, weddings, meetings, etc.)	
Daily Charge (10:00 a.m. - 4:00 p.m.)	\$100.00
Daily Charge (5:00 p.m. - 10:00 p.m.)	\$100.00
For All Day Rental (10:00 a.m. - 10:00 p.m.)	\$200.00
Profit making rentals (charge at door and/or items for sale)	
Daily Charge (10:00 a.m. - 4:00 p.m.)	\$200.00
Daily Charge (5:00 p.m. - 10:00 p.m.)	\$200.00
For All Day Rental (10:00 a.m. - 10:00 p.m.)	\$400.00
Boyd Park Mini-Golf Admission	
Adults	\$3.00
Children	\$2.00
Oakdale Cemetery Lots (per grave space)	
City Resident	\$500.00
Out of City Resident	\$1,000.00
Park Usage	
Berkeley Park - Large Pavilion (May through September)	\$50/half day
Berkeley Park - Field Usage for Organized Groups (per player per season)	\$20.00
Patton Park - Small Pavilion	\$25/half day
Patton Park - Large Pavilion (May through September)	\$50/half day
Patton Park - Field Usage for Organized Groups (per player per season)	\$10.00
Patton Pool	
Lap Swim	\$4.00
Daily Admittance Fee (adults)	\$5.00
Daily Admittance Fee (children) (3yrs or younger will be free with adult)	\$4.00
Daily Admittance Fee (non-swimmer)	\$2.00
Season Pass - Family - City Resident	\$150.00
Season Pass - Family - Non City Resident	\$300.00
Season Pass - Individual Adult - City Resident	\$75.00
Season Pass - Individual Adult - Non City Resident	\$150.00
Season Pass - Individual Senior - City Resident	\$60.00
Season Pass - Individual Senior - Non City Resident	\$120.00
Season Pass - Individual Youth - City Resident	\$60.00
Season Pass - Individual Youth - Non City Resident	\$120.00
Punch Pass - Adult - City Resident (15 admissions)	\$30.00
Punch Pass - Adult - Non City Resident (15 admissions)	\$50.00
Punch Pass - Youth - City Resident (15 admissions)	\$25.00
Punch Pass - Youth - Non City Resident (15 admissions)	\$45.00
Miscellaneous	
Backhoe (per hour)	\$80.00
Building Maintenance Fees (per hour)	\$45.00
Bush Hogs/Tractor Mowing (per hour)	\$80.00
Fleet Maintenance Fees (per hour)	\$45.00
Gas Utility Cuts (per 5' X 5' cut)	\$300.00
Water/Flusher Truck (per load)	\$100.00
Water/Sewer Utility Cuts	\$300.00
Weed Eater/Hedge Trimmer (per hour)	\$40.00
Electrical Usage for Special Events - Connection Fee	\$45.00
Electrical Usage for Special Events - Cost per Amp	\$4.00
Encroachment Permit Fee	\$10.00



PUBLIC WORKS - CONTINUED	
Sanitation Services	
Special Loads (tipping fee added to special fee) (collected with knuckleboom using city staff)	\$150.00
Small Special load (collected with pickup truck and city staff)	\$50.00
Environmental Services Fee	\$1.00
Environmental Services	
<i>Residential Services</i>	
Residential - 96-gal container (non recycler) was \$19.00	\$17.00
Residential - 96-gal container (actively recycles) was \$14.50	\$17.00
Residential - 32-gal container (non recycler) was \$17.00	\$15.00
Residential - 32-gal container (actively recycles) was \$12.50	\$15.00
<i>Commercial Services</i>	
Commercial-Business refuse pickup per can (96-gal) was \$30.75	\$17.00
Stolen/Damaged Cart Replacement Fee	\$100.00
Mulch/Composted Leaves	
2.5 CY (small truck or small trailer)	\$10.00
10 CY (single axle dump truck or equivalent) (2.5 CY = one scoop of backhoe loader front bucket.)	\$40.00
PLANNING	
Copy Charges (per page)	
Black	\$0.15
Color	\$0.25
Large Format Copy	\$10.00
Subdivision Ordinance (per page)	\$0.15
Comprehensive Plan (per page)	
Black	\$0.15
Color	\$0.25
Zoning Ordinance (per page)	\$0.15
Zoning Map	\$5.00
*Annexation, Voluntary (contiguous or satellite)	\$17.00
Zoning Ordinance Text Amendments	\$175.00
*Zoning Ordinance Map Amendment (Legislative Rezoning)	
*Commercial or Industrial	\$275.00
*Residential < 3 acres	\$175.00
*Residential > 3 acres	\$225.00
Subdivision Plats	\$20/lot
*Street Closing Petition (\$1000 deposit)	Actual Cost
*Site Plan Reviews & Amendments	
Commercial, Industrial or Institutional	
*5,000 - 10,000 square feet in floor area	\$300.00
*10,000 - 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)
Telecommunications Towers, Antennas and Equipment	
Basic Permit (C-3, I-1)	\$450.00
Special Use Permit	\$2500.00 ¹



PRIVILEGE LICENSES

Business License Fees must be paid before beginning operation of all types of businesses located within the City limits of Hendersonville, except for those businesses that have been exempted by Federal, State, or local authority. Those businesses located outside the City that are doing business within the City limits are also required to obtain a Business License.

Listed below are three Fee Schedules "A", "B", and "C". Please review each section for the fees that may apply

Schedule "A" - Business License Fees Based on Gross Sales/Receipts/Income

New Businesses: Estimate gross receipts from your start date until June 30, and apply the estimated amount to the tables below. **Exclude any income from business activities taxed under fees in Schedule "B".**

Renewals: List the exact gross receipts as reported on your most recently completed tax return and apply the

Nature of Business

Gross Receipts

Any Retail, Wholesale, Manufacturing and/or Service businesses, trades or professions intended for profit or financial gain.

Service Establishment: (Service Establishments include, but are not limited to the following types of business

Advertising Agencies	Ambulance Service	Armored Car
Bars		Catering
Child Care Service	Cleaning	Consulting Service
Courier Service	Delivery Service	Equipment Rental
Landscaping	Lounge	Mail Order Service
Miscellaneous	Modeling Agency	Monuments
Mortgage Company	Nightclubs	Painting
Parking Lot	Printing Service	Property Management
Public Relations Firm	Rental Agency	Repair Service (non-automotive)
School of Instruction	Security Guard Service	Sign Installation
Software Development	Stockbroker	Storage Service
Tattoo/Body Piercing	Telegraph Service	Temporary Employment
Trades	Transfer/Warehouses	Vehicle Leasing/Rental

Fee Table for Schedule "A"

Gross Sales/Receipts/Income	License Tax
\$0 - \$250,000	\$35
\$250,000 - \$500,000	\$70

For Receipts over \$500,000 use formula below (see example)

\$70 for 1st \$500,000 + \$.60 per additional \$1,000

If your Schedule "A" Gross Receipts are GREATER THAN \$500,000, follow the example below. Otherwise, use

1. Gross Receipts	579,830.00
2. Round up to next thousand	580,000.00
3. Subtract 1st \$500,000	(500,000.00)
	80,000.00
4. Divide by 1,000	80.00
5. Multiply by .60	x .60
Subtotal	48.00
Add \$70 flat fee for first \$500,000	70.00
TOTAL AMOUNT	\$ 118.00

A privilege license fee computed on basis of gross receipts, "gross receipts" means the amount reported as gross



PRIVILEGE LICENSES, continued	
Schedule "B" - Business License Fees Limited Under State General Statutes & City Ordinances	
Listed below are categories of business activities governed & defined within Schedule B, Business License Taxes of the North	
Advertising-Outdoor (NC)	\$35.00
Amusements (riding devices, pinball, etc.) (NC)	\$25.00
Amusements (admission Is charged) (NC)	\$25.00
Automatic Sprinkler Installation (NC)	\$100.00
Automobile Dealership	\$25.00
Automotive Equipment (retail) (NC)	\$12.50
Automotive Equipment (wholesale) (NC)	\$37.50
Barber/Beauty Shop (per operator) (NC)	\$2.50
Bicycles-Sales/Accessories (NC)	\$25.00
Bowling Alley - per alley (NC)	\$10.00
Café, Cafeteria, Restaurant - 0-4 seats	\$25.00
Café, Cafeteria, Restaurant > 5 seats	\$42.50
Campgrounds/Travel Parks (NC)	\$12.50
Chain/Branch Store (starts with 2nd location) (NC)	\$50.00
Check Cashing Business (NC)	\$100.00
Collection Agency (NC)	\$50.00
Construction Contractor-if State Licensed	\$10.00
Construction Contractor (not licensed) see A	
Dry Cleaners/Laundries - Inside (NC)	\$50.00
Electrical Contractor (NC)	\$50.00
Electronic Video Game (per machine) (NC)	\$5.00
Elevator Installation (NC)	\$100.00
Employment Agency (NC)	\$100.00
Fire Arms Dealer--federal License required (NC)	\$50.00
Fortune Tellers/Palmists (NC)	\$2,600.00
Garage - Car Repair (NC)	\$12.50
Heating/Mechanical Contractor (NC)	\$50.00
Hotel/Motel/Tourist Home - per room (\$25 minimum) (NC)	\$1.00
Ice Cream - Retail Sales (NC)	\$2.50
Itinerant Merchants - 6 months (NC)	\$100.00
Knives, Daggers, Slingshots, etc. (NC)	\$200.00
Laundries & Linen Supply (NC)	\$50.00
Loan Agency or Loan Broker (NC)	\$100.00
Manicurist (per operator)	\$2.50
Motorcycle Dealers	\$12.50
Movie Theaters - per screen (NC)	\$200.00
Movie Video/Rental/Retail (NC)	\$25.00
Music Machines/Juke Box - per machine (NC)	\$5.00
Musical Merchandise Retail/Repair (NC)	\$5.00
Outdoor Theater	\$100.00
Peddler - Farm Products Only	\$25.00
Peddler - On Foot	\$10.00
Peddler - With Vehicle	\$25.00
Plumbing Contractor (NC)	\$50.00
Pool Tables - each business location (NC)	\$25.00
Precious Metal Managers	\$10.00
Precious Metal (Each Employee)	\$3.00
Precious Metal Dealer Permit (See also Schedule C)	\$10.00
Radios/TV/Assessories - Sales or Repairs	\$5.00
Service Station/Garage/Fuel (NC)	\$12.50
Specialty Market Operators	\$200.00
Sundries (soft drinks, tobacco, etc.)	\$4.00



PRIVILEGE LICENSES, continued		
Schedule "B" - Business License Fees , continued		
Tobacco Warehouse (NC)		\$50.00
Undertakers		\$50.00
Beer On Premises		\$15.00
Beer Off Premises		\$5.00
Wine On Premises		\$15.00
Wine Off Premises		\$10.00
Wholesale Dealers Beer Only		\$37.50
Wholesale Dealers Wine Only		\$37.50
Wholesale Beer & Wine		\$62.50
PRIVILEGE LICENSES, continued		
Schedule "C" - Business License Fees Based on City Ordinance		
Business category in this schedule is specifically taxed. Any business conducting these activities are taxed under this schedule in addition to Schedule "A" and Schedule "B", if applicable.		
Precious Metal Dealers Permit		\$180.00
Carnival		\$100/week + \$5 per device
Taxicabs		\$15/Per Cab
The following business activities are exempt from the City Business License Fee		
Accountants	Embalmers/Morticians	Osteopaths
Alarm Dealer/Monitoring	Engineers	Pest Control Applicators
Appliance Retail	Healers	Pharmacist
Appliance Rental	Home Inspectors	Photographers
Architects	Insurance Agents	Physician/Surgeons
Attorneys	Insurance Company	Private Detectives
Auctioneers	Land Surveyors	Railway Companies
Bail Bondsmen	Landscape Architects	Real Estate Agents
Banks	Massage Therapist	Real Estate Appraisers
Breweries	Motor Fuels/Distributor/Wholesale	Savings & Loan Assoc.
Bus Companies	Non Profit/Charitable	Telephone Companies
Chiropodists	Oculists	Trucking Companies
Chiropractors	Office Equipment/Retail/Rental	Users of Newsprint
Computer Hardware Retail/Rental	Opticians	Veterinarians
	Optometrists	Wineries



Supplemental Information – FY 2015

WATER AND SEWER	
Water Rate Schedule	
<i>Inside City Limits</i>	
Residential	
Base Charge per Account	\$5.62 per month
Account Deposit (Refundable)	
0 - 40,000 gallons	\$2.72 per 1000 gallons
> 40,000 gallons	\$2.99 per 1000 gallons
Commercial/Industrial	
Base Charge per Account	\$5.62 per month
Account Deposit (Refundable)	
0 - 40,000 gallons	\$2.72 per 1000 gallons
40,000 - 200,000 gallons was 2.07	\$2.23 per 1000 gallons
> 200,000 gallons was 2.14	\$2.14 per 1000 gallons
Irrigation	
Base Charge per Account	\$6.08 per month
Account Deposit (Refundable)	
0 - 40,000 gallons	\$2.99 per 1000 gallons
> 40,000 gallons	\$3.29 per 1000 gallons
<i>Outside City Limits</i>	
Residential	
Base Charge per Account	\$8.38 per month
Account Deposit (Refundable)	
0 - 40,000 gallons	\$4.33 per 1000 gallons
> 40,000 gallons	\$4.76 per 1000 gallons
Commercial/Industrial	
Base Charge per Account	\$8.38 per month
Account Deposit (Refundable)	
0 - 40,000 gallons	\$4.33 per 1000 gallons
40,000 - 200,000 gallons was 3.23	\$3.60 per 1000 gallons
> 200,000 gallons was 3.07	\$3.38 per 1000 gallons
Municipal	
Base Charge per Account	\$8.38 per month
Account Deposit (Refundable)	
All Usage	\$2.82 per 1000 gallons
Irrigation	
Base Charge per Account	\$9.12 per month
Account Deposit (Refundable)	
0 - 40,000 gallons	\$4.76 per 1000 gallons
> 40,000 gallons was 5.23	\$5.47 per 1000 gallons
Bulk Water Sales	
Base Charge per Account	\$9.12 per month
Account Deposit (Refundable)	
0 - 40,000 gallons	\$4.76 per 1000 gallons
> 40,000 gallons was 5.23	\$5.47 per 1000 gallons



Supplemental Information – FY 2015

WATER AND SEWER , Continued	
Water Fee Schedule	
Taps & Connections	
Water Tap, 5/8"	\$925.00
Water Tap, 1"	\$1,200.00
Water Taps > 1"	Cost plus 10%
Water - Stub Out	\$475.00
Irrigation Tee, 5/8"	\$525.00
Meters	
Turn On/Set Meter During Business Hours	\$40.00
Turn On/Set Meter After Business Hours	\$100.00
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%
Test Line Pressure, at customer's request	\$50.00
System Development Charges (SDC)	
**System Development Charges (SDC) - REU = 400-gpd	\$800
<i>Fees - associated with financing of System Development Charges (SDC):</i>	
Title Search for SDC financing agreement	\$250.00
Note & Deed of Trust Document Preparation for SDC financing agreement	\$200.00
Subordination agreement preparation-per recorded lien for SDC financing	\$50.00
County Register of Deeds Recording fee per document -SDC financing	\$26.00
Copies - .25 per page for copies from Register of Deeds - SDC financing	\$0.25
Engineering Review Fees	
Line Extensions	\$300.00
Pump Stations	\$75.00
Storage Tanks	\$75.00
Miscellaneous Fees	
Credit Card Processing Fee (per \$300)	\$2.95
Returned check fee	\$25.00
Returned electronic item fee	\$10.00
Rejected bank draft	\$5.00
Late Payment Fee (10 days after due date)	\$10.00
Tamper Fee	\$200.00
Reconnection for Non-Payment - During Business Hours	\$40.00
Reconnection for Non-Payment - After Business Hours	\$100.00
Reconnection of Service at Main	Cost plus 10%
Replace Removed Meter due to additional usage after non-payment cut-off	
During Business Hours	\$75.00
After Business Hours	\$100.00
Premise Visit	\$40.00
Fire Hydrant Installation	Cost plus 10%
Drill for Main Tap, Cost/Inch of Diameter	\$100.00
Chemical Analysis of Water	Cost plus 10%
<i>**Water system development charge (SDC) calculated using residential equivalent unit (REU) of 400-gallons per day.</i>	
Water Conservation Incentives Program Rebate Schedule	
Clothes Washer (\$75 min; \$150 max) - Limit one per account	15% of purchase price
High-Efficiency Toilet (\$25 min; \$100 max) - Limit 2 per residential account	15% of purchase price
Weather-Based Irrigation System Controller - Limit one per account	**50% of purchase price or \$200, whichever is less
<i>Limited number of rebates offered annually.</i>	



WATER AND SEWER , Continued	
Sewer Rate Schedule	
Retail - Inside	
Base Charge per Account	\$6.28 per month
All Usage	\$4.33 per 1000-gallons
Retail - Outside	
Base Charge per Account	\$9.45 per month
All Usage	\$6.93 per 1000-gallons
Municipal	
Base Charge per Account	\$9.45 per month
All Usage	\$6.60 per 1000-gallons
<i>Note: These sewer rates are not applicable to the Cane Creek Sanitary Sewer District</i>	
Sewer Fee Schedule	
Taps and Connections	
Sewer Taps, 4" gravity sewer tap	\$1,500.00
Fee per 6" gravity sewer tap	\$1,600.00
Fee per 8" gravity sewer tap	\$2,000.00
**System Development Charges (SDC) - REU = 360-gpd	\$1,400
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
<i>**Sewer system development charge (SDC) calculated using residential equivalent unit (REU) of 360-gallons per day.</i>	
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	\$30.00
Vac Truck	\$75.00
Dump Truck (single-axle), Small	\$20.00
Dump Truck (single-axle), Large	\$35.00
Pick-Up Truck	\$14.00
Harben	\$25.00
Camera Truck	\$75.00
Boring Machine	\$20.00
Air Compressor	\$20.00
Air Hammer/Pusher	\$0.65
Soil Tamp	\$20.00



Supplemental Information – FY 2015

ZONING		
Administrative Review		No Charge
Conditional Use		\$200.00
Floodplain Development Permit		\$300.00
Non-Conforming Use		\$100.00
Temporary Use Permit		\$60.00
Variance		\$75.00
Zoning Map		\$5.00
Zoning Permit		\$50.00
Demolition Admin Fee		\$100.00
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	



Glossary

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 (NCGA)

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