

City of Hendersonville, NC



Adopted Budget FY2016-2017

Vision Statement

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

Mission Statement

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



About the Cover

“Pooch Bear”

Sponsor – American Legion Post 77, VFW Post 5206, D.A.V and 40/1 Voiture
1617

Artist – Andrea Martin

To Benefit the Henderson County Honor Guard

Auction Date – October 22nd, 2016

Bearfootin’ Public Art

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

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

Each work is unique and creative, with their personal theme. They are displayed along the sidewalks throughout Main Street and 7th Avenue in Downtown Hendersonville, and can be viewed at any time of the day or night.



Preface

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

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

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

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

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Hendersonville
North Carolina**

For the Fiscal Year Beginning

July 1, 2015

Executive Director



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The purpose of the *Budget Guide* is to introduce readers to the budget document and processes, assisting in the reader’s understanding of the information contained throughout. The Local Government Budget and Fiscal Control Act (LGBFCA) defines the annual budget as “a proposed plan for raising and spending money for specified programs, functions, activities, or objectives during a fiscal year” [G.S. 159-7(b)(1)]. The *Budget Guide* will briefly describe the sections contained within the budget document, explain the budget process, explain how to read charts and graphs and interpret numbers, as well as how to understand the effects of inflation. Note that sample charts and tables do not 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 FY16-17 consists of eight major sections: Introduction, Community and Organizational Profile, Financial Summaries, General Fund, Enterprise Funds, Other Funds, Capital Improvements Plan, and Supplemental Information.

Budget Message & Ordinance

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

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

The Budget Ordinance is a statute, legally adopted by the City Council to set spending limits for the coming fiscal year, which runs from July 1 to June 30. The Budget Ordinance also establishes the Capital Improvement Plan, Pay and Classification Schedule, and Fee Schedule 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 section provides a summary of revenues, expenditures, fund balance, and debt obligation for the City of Hendersonville's funds. Information provided in both numerical and narrative format increases the reader's ability to determine how much money each fund is spending and generating.



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

General Fund

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

Enterprise Funds

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

Other Funds

The City of Hendersonville has a variety of other funds including the Main Street Tax District Fund, the Historic Seventh Avenue Tax District Fund, Health and Welfare Fund, Capital Reserve Fund, and a variety of other special revenue funds. Each fund accounts for revenues and expenditures associated with a special function or area.

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

Capital Improvement Plan (CIP)

A Capital Improvement Plan (CIP) is the center of planning for capital projects and acquisitions and is the basis for implementing and authorizing projects. This document is a central element in the financial planning of a city or county. The CIP is a multiyear forecast detailing major capital infrastructure, building and equipment needs, the appropriations needed to satisfy those needs, the sources of financing for specified projects, and the impact the projects will have on the



organization. The CIP is a repeatable annual process, commonly reevaluating and including new capital requests, for not all capital needs can be recognized five to six years out.

Supplemental Information

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



The Budget Process

In accordance with the Local Government Budget and Fiscal Control Act (LGBFCA), the budget document for fiscal year ending June 30, 2017, meets the balanced budget and inclusiveness requirements. The inclusiveness requirements means the City may only spend moneys that have been budgeted [G.S. 159-8(a)]. The balanced budget requirement means that any budget ordinance, project ordinance, financial plan, or internal service fund must balance. General Statute 159-8(a) defines a balanced budget as “the sum of estimated net revenues and appropriated fund balances is equal to the appropriations.” A final legal limit on this budget document is G.S. 159-15, addressing a local government’s ability to set a property tax levy and the regulations regarding that levy. Whether this budget is used primarily as a planning vehicle or as a means of reaching political agreement about budgetary policies, this document adheres to the three legal limits listed above and follows a process provided by the LGBFCA.

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

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



The following is a copy of the City of Hendersonville's proposed Budget Calendar for FY 2017:

City of Hendersonville Budget Calendar FY16-17		
Budget Procedure	Legally Required Date	Projected Date
<input type="checkbox"/> Distribute CIP Requests		10/26/15
<input type="checkbox"/> Department Head Retreat		11/19/15 – 11/20/15
<input type="checkbox"/> CIP Requests Due		11/30/15
<input type="checkbox"/> CIP Meetings with Department Heads		December-January
<input type="checkbox"/> Distribute Budget Request Forms		01/04/16
<input type="checkbox"/> Council Retreat/Budget Preview		TBA 02/11/16 – 02/12/16
<input type="checkbox"/> Budget Request Forms Due	Before 04/30/16	02/05/16
<input type="checkbox"/> Establish Prelim. Rev./Exp. Estimates		02/08/16 – 02/12/16
<input type="checkbox"/> Prelim. Budget Review Meeting (Admin. & Finance)		02/18/16 – 02/19/16
<input type="checkbox"/> Special Appropriations Due		02/26/16
<input type="checkbox"/> Meetings with Department Heads		03/07/16 – 03/18/16
<input type="checkbox"/> Revised Rev./Exp. Estimates		04/01/16
<input type="checkbox"/> Budget Review & Adjustments		April
<input type="checkbox"/> Budget Memos		April
<input type="checkbox"/> Budget Workshop		05/06/16
<input type="checkbox"/> Public Notice of Budget Hearing	By 06/01/16	05/16/16
<input type="checkbox"/> Turn in Budget to City Council/City Clerk	By 06/01/16	05/16/16
<input type="checkbox"/> Public Budget Hearing/Adopt Budget Ordinance	By 07/01/16	06/02/16



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

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

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

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



Reading the Budget Document

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

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

Interpreting Tables & Charts

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



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

Prior year actual
budget data from
audit reports

Current year
budget, including
amendments

Adopted budget
for the upcoming
year

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

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

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

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

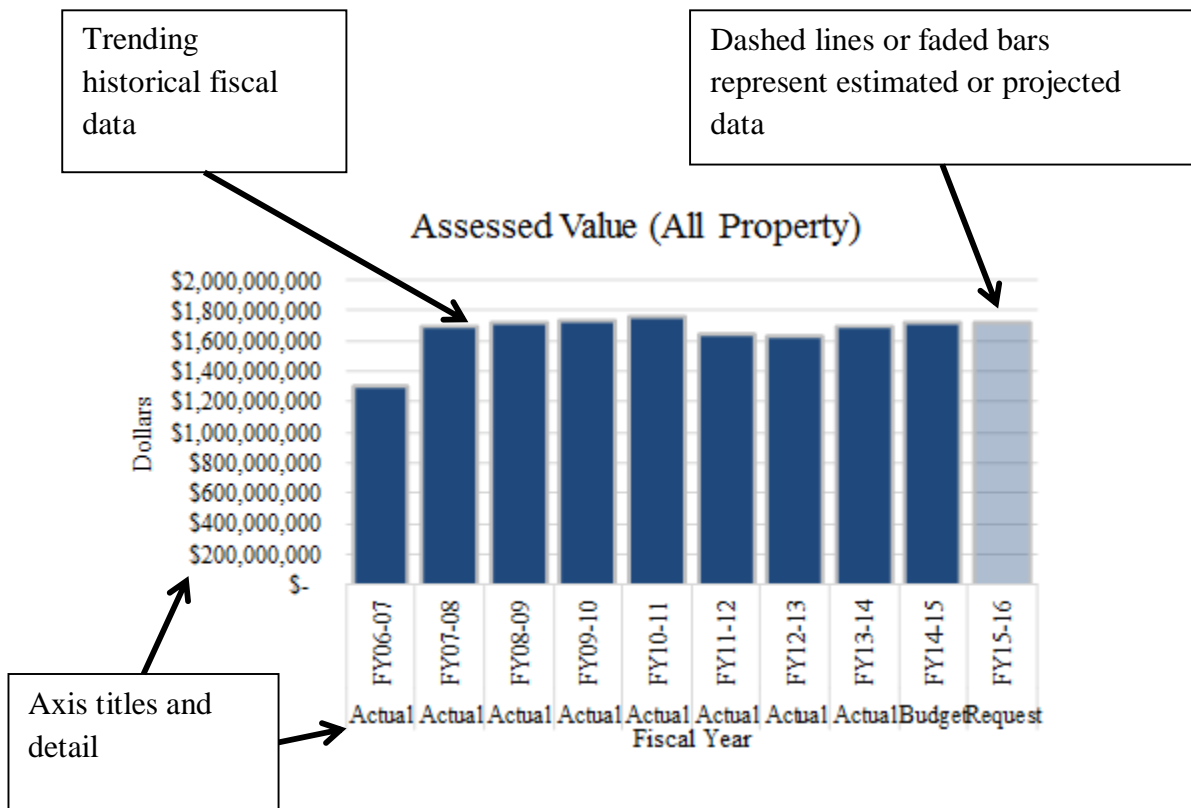
Includes capital items such as land, vehicles, equipment, etc...

Includes annual debt service payments

Change between current year and adopted budgets



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



Performance Budgeting

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

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



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

Current Dollars, Constant Dollars, and Inflation Comparisons

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

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

The formula to calculate constant dollars is as follows:

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



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

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

Or

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

INFLATION COMPARISON EXAMPLE

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

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

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

Or

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

INFLATION COMPARISON EXAMPLE

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

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

Or

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

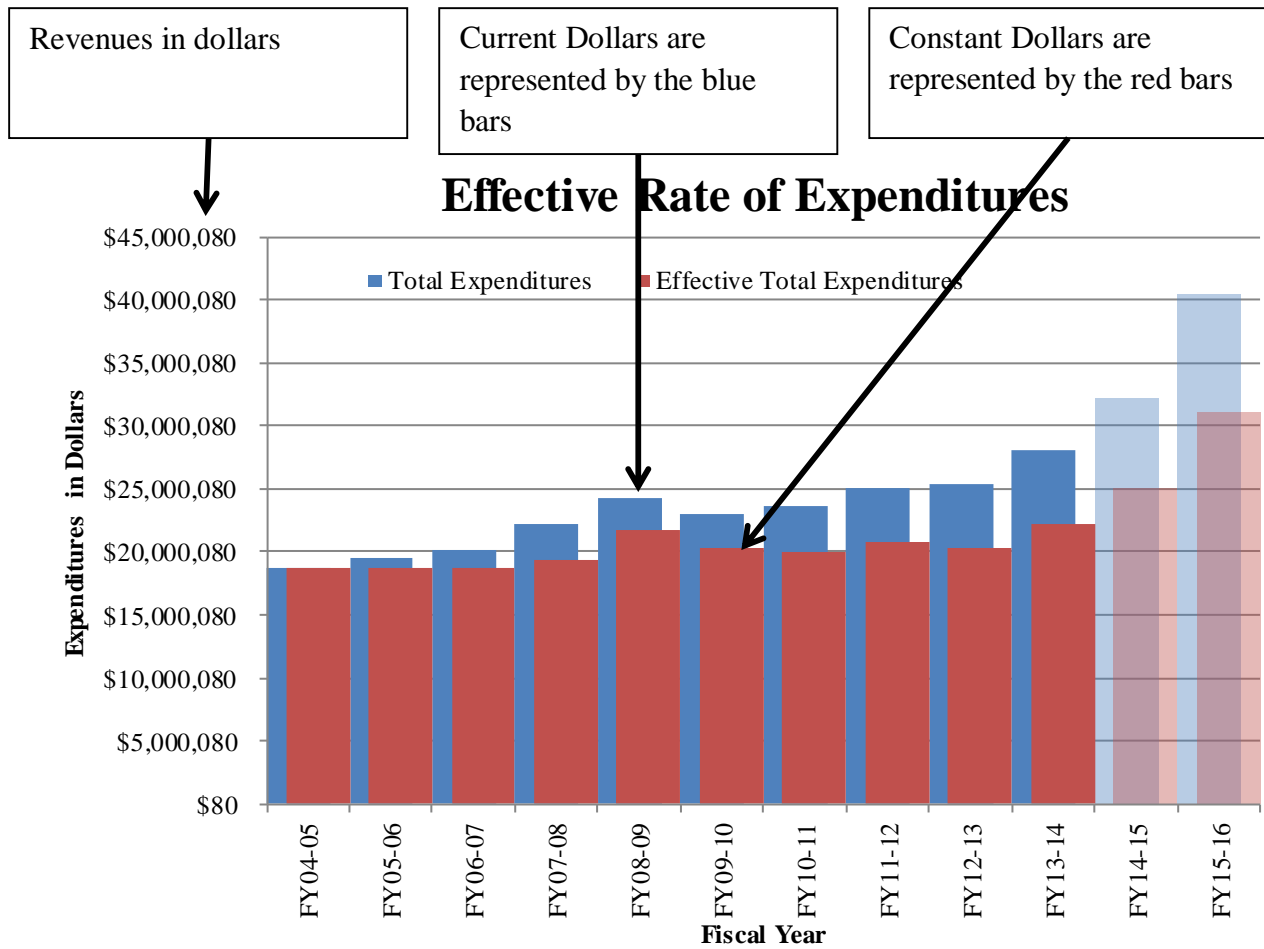
INFLATION COMPARISON EXAMPLE

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



Below is an example of charts found throughout this document:



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



The steps to calculating the index are as follows:

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

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

Or

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

INFLATION COMPARISON EXAMPLE

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GF Index	100.0	102.3	105.6	111.8

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

Let's look at what can be observed:

Difference between GF and CPI shown as a percent

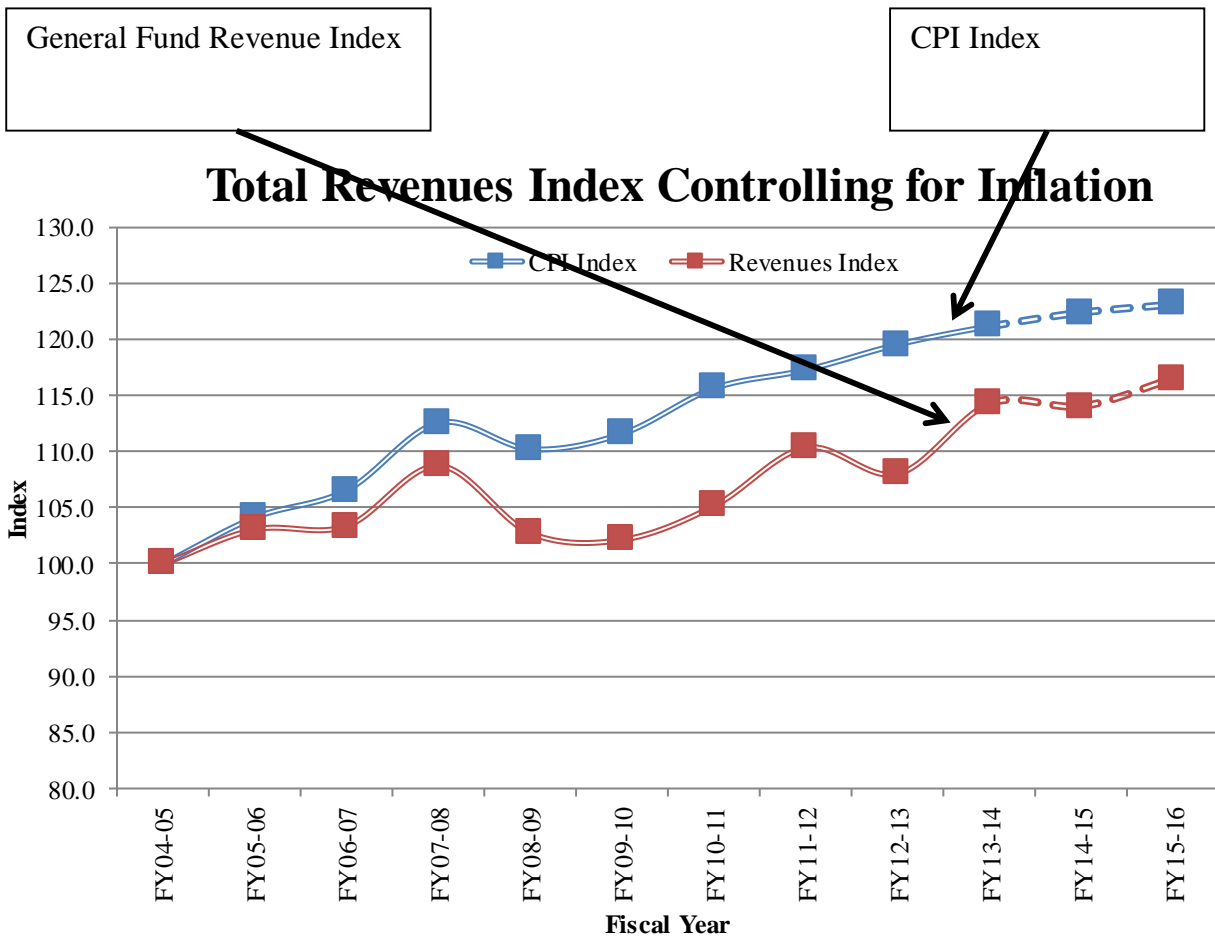
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Difference between GF and CPI shown as an index



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



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

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



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

CITY OF HENDERSONVILLE

The City of Four Seasons

OFFICE OF THE CITY MANAGER
JOHN F. CONNET

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

May 19th, 2016

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

Dear Mayor Volk and Members of the City Council,

Pursuant to section 159-11 of the North Carolina General Statutes, I am pleased to present the recommended budget for Fiscal Year (FY) 2016-2017 for your review and consideration.

The FY16-17 Budget is based upon information presented and discussed during our City Council/Staff Retreat on February 11th – 12th, 2016. In addition, the City Council attended a formal Budget Workshop on May 6th, 2016. These meetings provided an avenue for priority setting, fact finding, and general inquiries regarding the City's Budget for FY16-17.

The City maintains six focus areas, provided as follows:

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

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

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

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

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

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



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

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

Prior to presenting the 2016-2017 Budget in its entirety, I would like to take this time to review some of our accomplishments for the 2015-2016 Fiscal Year. The City has continued its partnership with Henderson County on the Joint Medical and Education Building Project located on 6th Avenue West. The City purchased property and widened North Oak Street, directly adjacent to the building to provide improved traffic conditions and parking. (Strong Partnerships and Great Public Services). The City has continued to resurface streets and construct new sidewalks within the City, a majority of work performed around Hendersonville High School (Sound Infrastructure). The City upgraded its Azalea Parking Lot with new sidewalks, asphalt, landscaping, lighting, and the installation of an additional parking kiosk (Sound Infrastructure, Numerous Amenities, and Great Public Services). The City formally adopted a purchasing policy to promote responsible spending of public funds (Financial Sustainability). The Technology Committee worked to improve the City's downtown Wi-Fi coverage. New access points and a stronger router were installed (Sound Infrastructure and Numerous Amenities). The Seventh Avenue Advisory Committee recommended and installed the first phase of their streetscape design by painting bulb-outs on the road. Additionally, the Historic Railroad Depot on 7th Avenue was repainted (Economic Vitality). The City Council approved the granting of \$50,000 to the Henderson County Economic Investment Fund, a land trust that will work to attain land to attract business and grow the regional economy (Economic Vitality). The Water and Sewer Fund has pursued the repair and maintenance of City lines as well as a variety of capital projects to further enhance and support the growing system (Great Public Services and Sound Infrastructure). The City hired a consultant, the Development Finance Initiative, to evaluate the possibility of attracting a downtown hotel developer (Economic Vitality and Great Public Services). The Oklawaha Greenway Project, that connects Patton and Berkeley Parks, will be complete by the end of FY15-16 (Numerous Amenities and Sound Infrastructure). Finally, the City won the First Citizens Customer Service Award by the Chamber of Commerce. This award is typically provided to a business however, the City's customer service initiative has enhanced the City's service culture and has not gone unnoticed by the community. (Great Public Services and Strong Partnerships). This list is not inclusive of all our accomplishments this year, but it is a good sample of the types of projects and activities the City has undertaken in the past twelve months.



Introduction

The following document contains the City Manager’s final recommendation for the City’s Budget for FY16-17. These schedules, tables, and charts provide the budget requests after final adjustments from management. To briefly describe the process, department heads submit budget requests, management evaluates and adjusts the requests, and finally, the departments meet with management to discuss the adjustments. This process has brought the City to the level detailed throughout this document. The City’s Budget Workshop provided recommendations to further enhance the proposed budget and City Council provided guidance on final adjustments. This document reflects that guidance and recommendations.

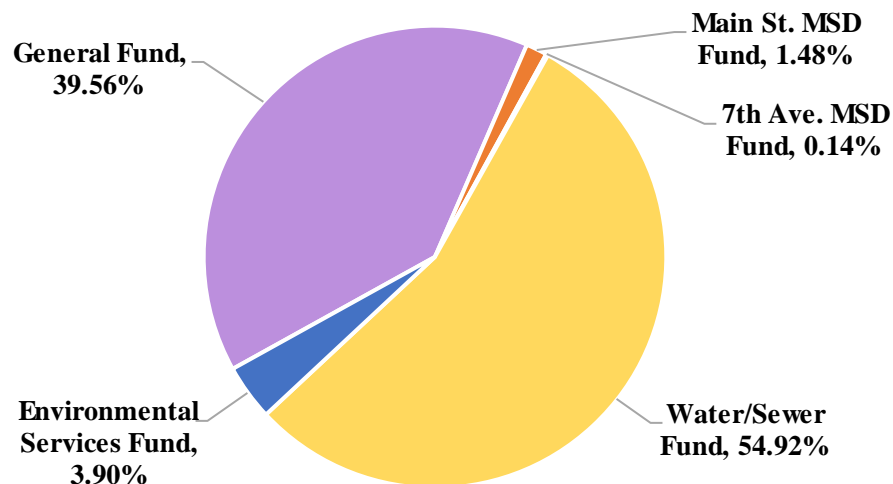
Budget Overview

The City’s FY16-17 Budget includes five (5) major funds. The table below presents the operating budget for each City fund and the total budget in balance:

MAJOR FUND OVERVIEW FY16-17

FUND	EXPENDITURES	REVENUES	FUND BALANCE APPROP.
GENERAL FUND	\$ 14,105,954	\$ 13,668,973	\$ 436,981
MAIN ST. MSD FUND	\$ 527,361	\$ 527,361	\$ -
7TH AVE. MSD FUND	\$ 49,328	\$ 49,328	\$ -
WATER/SEWER FUND	\$ 19,583,635	\$ 17,110,762	\$ 2,472,873
ENVIRONMENTAL SERVICES FUND	\$ 1,390,660	\$ 1,390,660	\$ -
SUB-TOTAL	\$ 35,656,938	\$ 32,747,084	\$ 2,909,854
TOTALS IN BALANCE	\$ 35,656,938	\$ 35,656,938	

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



General Fund

The General Fund is the primary fund in terms of the operating budget. It is “general” because any transaction that cannot be accounted for in another fund must be recorded in the General Fund. The General Fund Budget’s totals **\$14,105,954** for FY16-17.

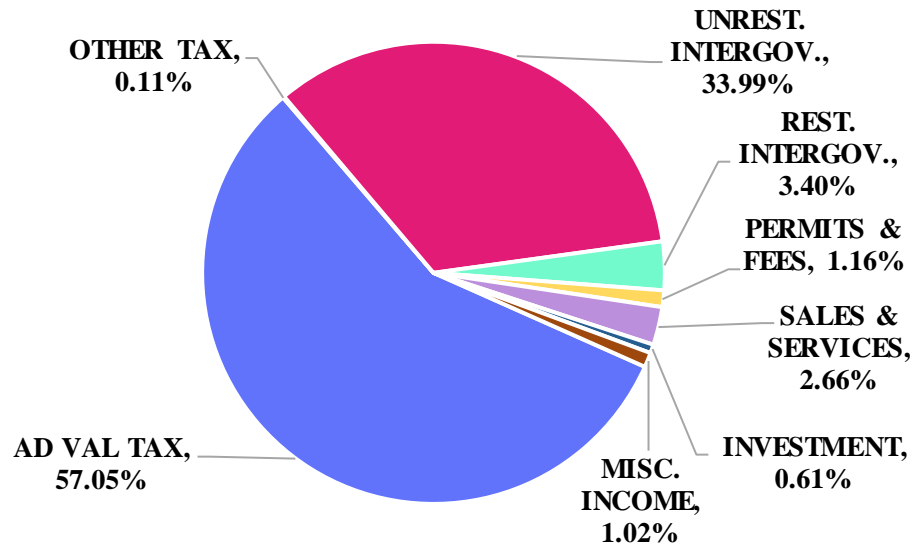
General Fund – Revenues

The following section will detail the City’s operating revenues for the General Fund. The total budget for General Fund revenues, excluding “Other Financing Sources”, is **\$13,668,973**. The table below details the City’s General Fund operating revenues by source for FY16-17:

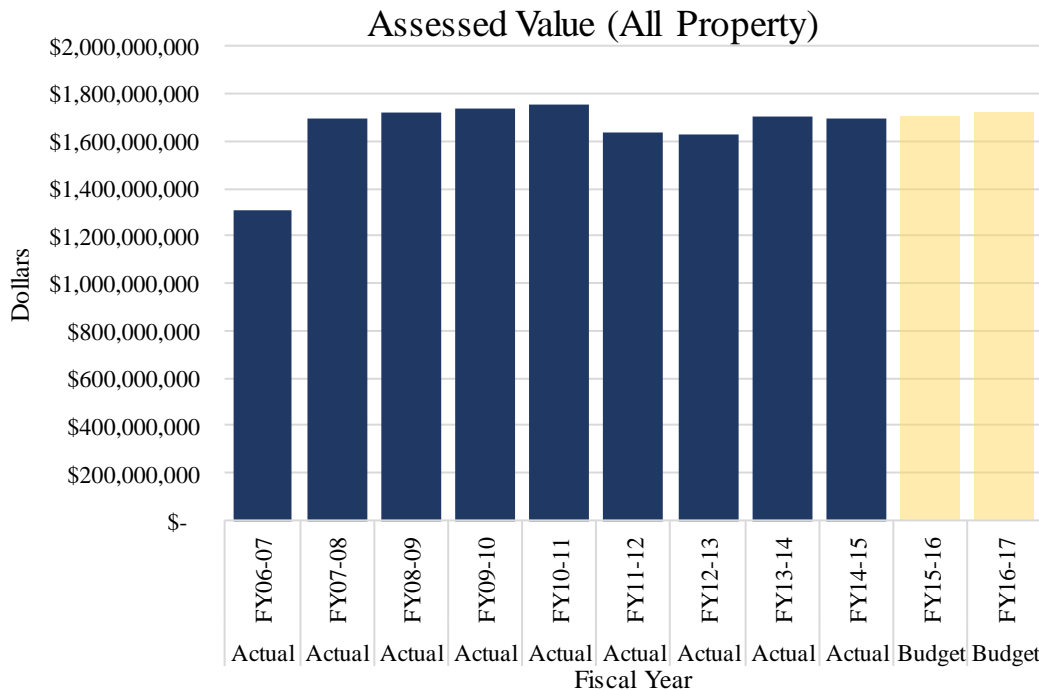
GENERAL FUND REVENUES

REVENUE SOURCE	ESTIMATE FY15-16	BUDGET FY16-17	DOLLAR CHANGE	PERCENT CHANGE
AD VAL TAX	\$ 7,735,607	\$ 7,801,595	\$ 65,988	0.85%
OTHER TAX	\$ 14,980	\$ 14,600	\$ (380)	-2.54%
UNREST. INTERGOV.	\$ 4,373,429	\$ 4,643,454	\$ 270,025	6.17%
REST. INTERGOV.	\$ 467,199	\$ 464,199	\$ (3,000)	-0.64%
PERMITS & FEES	\$ 92,937	\$ 158,575	\$ 65,638	70.63%
SALES & SERVICES	\$ 368,930	\$ 363,550	\$ (5,380)	-1.46%
INVESTMENT	\$ 83,620	\$ 83,000	\$ (620)	-0.74%
MISC. INCOME	\$ 145,424	\$ 140,000	\$ (5,424)	-3.73%
SUB-TOTAL	\$ 13,282,126	\$ 13,668,973	\$ 386,847	2.91%
OTHER FINANCING SOURCES	\$ 839,118	\$ 436,981	\$ (402,137)	-47.92%
NET TOTAL	\$ 14,121,244	\$ 14,105,954	\$ (15,290)	-0.11%

The chart below presents each operating revenue source as a percent of total revenues:



Ad Valorem Tax: Ad valorem taxes encompass the largest portion of the General Fund revenues. These are the most controllable revenues in the City budget. This is not a revaluation year for the City and staff is estimating a 0.7% increase in taxable value. The City Manager is recommending setting the tax rate at **\$0.46 per \$100** valuation, no increase over last fiscal year. This \$0.46 level is estimated to generate **\$7,203,345** in ad valorem tax revenue and **\$500,000** in ad valorem motor vehicle tax revenue for FY16-17. The chart below presents the total assessed value for all property in the City of Hendersonville, less tax exempt property:



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



Local sales tax collections, which closed Fiscal Year 2014-15 strong, have remained perhaps even stronger in Fiscal Year 2015-16. Through the first six months of FY15-16, sales tax distributions were up a robust 13.1 percent over the same period in FY14-15. This growth is a good indicator of the local economy, consumer confidence, and recent development trends. It is always important to remember that this is an elastic tax, meaning it may fluctuate greatly year to year. For now, substantial growth seems to be the trend.

The table below displays actual sales tax data in black and estimated collections in blue for FY15-16:

Sales Tax Comparison

Reflects Sales	Collection	FY13-14	FY14-15	FY15-16	\$ Change (FY15 - FY16)	% Change (FY15 - FY16)
June	Sep.	\$ 234,121	\$ 258,545	\$ 278,878	\$ 20,333	7.9%
July	Oct.	\$ 221,312	\$ 232,213	\$ 275,879	\$ 43,667	18.8%
Aug.	Nov.	\$ 209,068	\$ 233,824	\$ 267,878	\$ 34,054	14.6%
	Q1	\$ 664,500	\$ 724,581	\$ 822,635	\$ 98,054	13.5%
Sep.	Dec.	\$ 204,501	\$ 233,233	\$ 271,367	\$ 38,134	16.4%
Oct.	Jan.	\$ 195,469	\$ 218,643	\$ 232,447	\$ 13,804	6.3%
Nov.	Feb.	\$ 208,483	\$ 230,001	\$ 264,741	\$ 34,740	15.1%
	Q2	\$ 608,453	\$ 681,877	\$ 768,555	\$ 86,678	12.7%
Dec.	March	\$ 228,220	\$ 270,676	\$ 283,077	\$ 12,401	4.6%
Jan.	April	\$ 185,125	\$ 206,281	\$ 226,818	\$ 20,537	10.0%
Feb.	May	\$ 198,394	\$ 195,559	\$ 215,818		
	Q3	\$ 611,739	\$ 672,516	\$ 725,713		
March	June	\$ 222,503	\$ 237,405	\$ 260,482		
April	July	\$ 205,444	\$ 222,258	\$ 245,335		
May	August	\$ 225,606	\$ 263,121	\$ 286,197		
	Q4	\$ 653,553	\$ 722,784	\$ 792,015		
Sub-Total		\$ 2,538,245	\$ 2,801,758	\$ 3,108,918	\$ 307,160	11.0%
Minus Transfers		\$ 96,989	\$ 103,100	\$ 106,650	\$ 3,550	3.4%
Total		\$ 2,441,255	\$ 2,698,658	\$ 3,002,268	\$ 303,610	11.3%

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

The “Minus Transfers” row reflects a portion of sales tax revenue that is distributed to the City’s two municipal service districts (MSDs). The Main St. MSD receives \$100,000 and the 7th Avenue MSD receives \$6,650. In FY16-17 it is proposed that this distribution be based off of each funds portion of total ad valorem tax value, presented below:

General Fund ≈ 94% | Main St. MSD Fund ≈ 5% | 7th Avenue MSD Fund ≈ 1%

The following table presents the estimated difference in revenue for the MSD funds:

	Before	After
Downtown	\$ 100,000	\$ 154,086
7th Avenue	\$ 6,650	\$ 27,428



The FY16-17 Budget includes a conservative 3.5% increase in sales tax revenues from the FY15-16 estimated final collection. The budget for local sales tax collections in the General Fund is \$3,225,498, less \$181,514 in transfers, for a total of \$3,043,498 in FY16-17.

Lastly, there is a variety of discussion in the North Carolina General Assembly (NCGA) regarding local sales tax. The most important to the City of Hendersonville is the ability to leverage a \$.0025 sales and use tax. This local sales tax option could provide an estimated \$1.4 million in new revenue. A revenue source like this one is substantial and could assist in lowering the property tax rate.

Unrestricted Intergov. – Utility Sales Tax: Of all the projections in this memo, that for sales tax on electricity and the sales tax on piped natural gas are the most uncertain. The budget for FY14-15 marked the first year of a new distribution method for both of these revenue sources. To date, from FY14-15 to FY15-16, there are five quarters worth of collections under the new legislation. The legislation repealed a franchise tax on the product and implemented a sales tax, essentially shifting the burden from the producer to the consumer. Below is a table reflecting the actual and estimated utility sales tax collections:

Utility Sales Tax Comparison

Reflects	Collection	FY12-13	FY13-14	FY14-15	FY15-16
07/01 - 09/30	15-Dec	\$ 165,429.35	\$ 157,925.20	\$ 181,519.79	\$ 280,991.52
10/01 - 12/31	15-Mar	\$ 142,540.11	\$ 153,610.41	\$ 215,459.75	\$ 215,289.15
01/01 - 03/31	15-Jun	\$ 172,758.25	\$ 194,110.36	\$ 276,313.89	\$ 292,231.18
04/01 - 06/30	15-Sep	\$ 142,074.84	\$ 145,417.51	\$ 208,598.18	\$ 209,018.59
		\$ 622,802.55	\$ 651,063.48	\$ 881,891.61	\$ 997,530.44

The budget for utility sales tax in FY16-17 is \$950,000. This proposed budget is below our estimate for FY15-16 since we have not had one full year of actual collections to establish a true baseline budget.

Restricted Intergov. – Powell Bill Street Allocation: Last year, the General Assembly eliminated the tie between the gas tax and Powell Bill funds and instead made the Powell Bill a direct appropriation of state dollars. Since we are in the second year of the legislative biennium and we already know that legislators have allocated \$147.5 million, we know that FY16-17 will be the same amount from FY15-16. The City appreciates the legislature’s commitment to keeping Powell Bill funding steady at a time of declining gas tax revenues. The General Assembly could choose to adjust the amount of Powell Bill funds when it returns to Raleigh this summer, but the best projection at this time is that there will be no change in the coming fiscal year.

In addition to Powell Bill funds provided by the State, the City contributes approximately one penny worth of property tax revenue to the program. The total funding budgeted for the Powell Bill line item in FY16-17 is \$476,280.



Permits & Fees: Last year, the City established a business registration fee of \$50 per business. In FY16-17 the City has budgeted to eliminate this fee and install a fire inspection program. This fire inspection program will have a fee associated with each inspection, detailed below:

FIRE INSPECTION PROGRAM - FEE SCHEDULE

SQUARE FOOTAGE	# OF BUSINESSES	FEE	ESTIMATED REVENUE
Minimum up to 1,000 sq. ft.	250	\$50.00	\$12,500.00
1,001 - 5,000 sq. ft	1050	\$100.00	\$105,000.00
5,001 - 10,000 sq. ft.	275	\$150.00	\$41,250.00
10,001 - 25,000 sq. ft.	125	\$200.00	\$25,000.00
25,001 - 50,000 sq. ft.	75	\$250.00	\$18,750.00
50,001 - 100,000 sq. ft.	50	\$300.00	\$15,000.00
100,001 - 200,000 sq. ft.	15	\$350.00	\$5,250.00
Over 200,000 sq. ft.	10	\$400.00	\$4,000.00
		TOTAL	\$226,750

The business registration fee generated an estimated \$50,000 in revenue. The total new revenue generated by the program, minus the business registration fee, is approximately \$176,750. This new program will begin in January 2017 in order to provide adequate time for staff to plan and prepare, in addition to providing business owners ample notice and details about the new program. Since the program is not starting until halfway through the fiscal year, it is estimated that the program will generate \$63,375 of new revenue in FY16-17.

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’s fund balance goal is a range between 25-35%. Anything in excess of 35% can be transferred to the Capital Reserve Fund at the City Manager’s discretion. If the available fund balance drops below the 25% mark, then the City Manager has to present a plan to Council as to how to achieve the adopted goal. The City of Hendersonville’s unassigned fund balance on June 30, 2015 is 7,481,896 or 51.74% of expenditures. The City’s available fund balance is estimated to drop to \$5,859,378 or 41.51% of expenditures at year end FY15-16. This approximate \$1.6 million decrease in FY15-16 is due to the funding of a capital project ordinance for the N. Oak St. Infrastructure Improvements Project, the creation of a debt service fund, in addition to, the budgeted fund balance appropriation to begin FY15-16. The capital project ordinance and debt service fund are detailed further throughout this document. The current budget proposes appropriating **\$436,981** of fund balance. The estimated available fund balance at the end of FY16-17 is \$5,222,397 or 39.39% of expenditures.



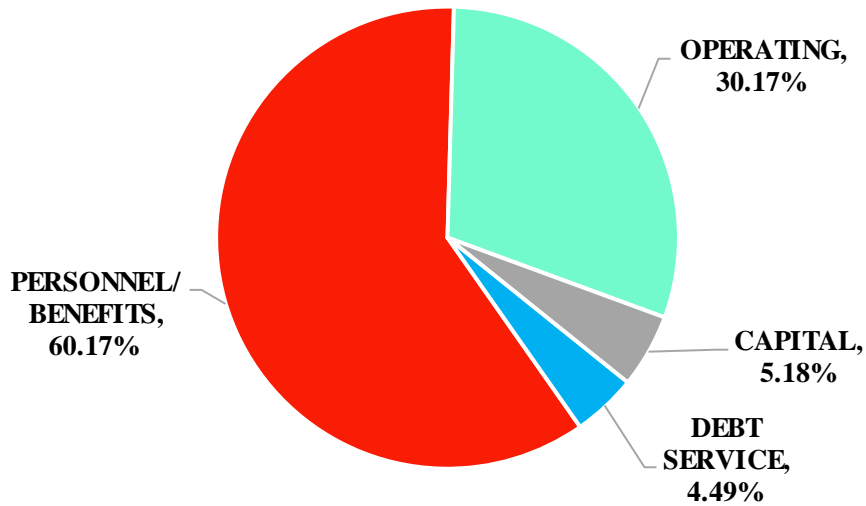
General Fund – Expenditures

The total budget for General Fund expenditures is **\$14,105,954**. This is a \$15,290 decrease over the current year’s estimated budget. The table below details the City’s General Fund expenditures by type for FY16-17:

GENERAL FUND EXPENDITURES

EXPENDITURE TYPE	ESTIMATE FY15-16	BUDGET FY16-17	DOLLAR CHANGE	PERCENT CHANGE
PERSONNEL/BENEFITS	\$ 8,184,456	\$ 8,487,151	\$ 302,695	3.70%
OPERATING	\$ 4,262,451	\$ 4,255,080	\$ (7,371)	-0.17%
CAPITAL	\$ 555,546	\$ 730,000	\$ 174,454	31.40%
DEBT SERVICE	\$ 1,118,791	\$ 633,723	\$ (485,068)	-43.36%
SUB-TOTAL	\$ 14,121,244	\$ 14,105,954	\$ (15,290)	-0.11%

The chart below presents each expenditure type as a percent of total expenditures:



Personnel/Benefits: Personnel and benefits type expenditures include salaries, stipends, insurance, retirement contributions, and respective taxes (i.e. income tax, etc...). The total increase, for this expenditure type, between the FY15-16 and FY16-17 budgets is **\$302,695**, or **+3.70%**. The majority of this increase can be contributed to natural personnel growth through merit and market increases. However, there are some minor changes that are highlighted below.

Some significant changes came from medical insurance and worker’s compensation insurance.

- Medical Insurance Premium Increase of **+9%** | \approx **+\$58,434** (General Fund)
- Worker’s Comp. Ins. Premium Decrease of **-19%** | \approx **-\$26,729** (General Fund)
 - Overall Insurance Costs Increased | \approx **+\$31,705** (General Fund)



The performance based pay program amounts are currently not scheduled to change (**+1.00% Achieves/+1.75% Exceeds/+2.50% Outstanding**). However, the market, “cost-of-living”, adjustment is proposed to be increased from a **+0.50%** increase to a **+1.00%** increase. The adjustment is recommended based off of changes in the Consumer Price Index (CPI), $\approx +1\%$, and Implicit Price Deflator (IPD), $\approx +1\%$, from the prior calendar year (2015).

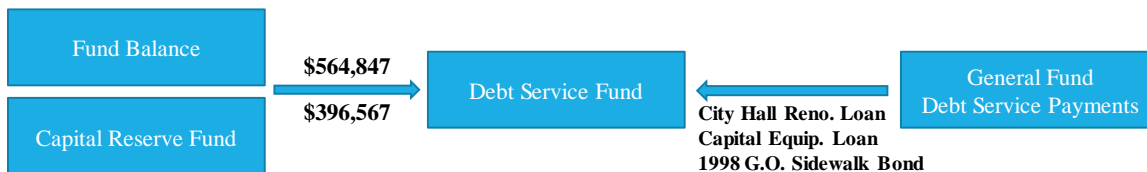
Finally, there is a request for one additional employee in the Public Works-Building Maintenance Department. The total cost of the additional employee, including benefits and taxes, is estimated to be \approx **\$47,035**. City Staff is proposing to fund this position by removing two temporary employee salaries and benefits costs, \approx **\$26,035**, and utilizing new revenue from the recent cell tower lease, \approx **\$21,000**. Ultimately, the position will require no additional funding.

Operating: Operating type expenditures include everything that is not considered capital, salaries/benefits, or debt, so it includes a wide array of accounts and expenditures. The change between the FY15-16 and FY16-17 budgets is a decrease of **\$7,371**, or **-0.17%**.

During the initial budget review, the FY16-17 operating budget was decreased **\$200,804**. This includes a recommendation to budget **\$100,000** for special appropriations, decrease department operating budgets, and decrease the level of City contingencies.

Capital: Capital type expenditures are physical or intangible assets with an initial value greater than \$5,000 and a projected useful life greater than 5 years. These typically include infrastructure, buildings, vehicles, software, and equipment. The change between the FY15-16 and FY16-17 budgets is an increase of **\$174,454**, or **+31.40%**. This increase is a result of the of the capital budget in FY15-16 being decreased to assist in balancing a budget that originally budgeted to appropriate over \$1 million in fund balance. The capital budget level for FY16-17 is more in line with historical capital budgets which have averaged \$700,000 - \$800,000 over the past ten years. The original request for FY16-17 was decreased by **\$218,000** to reach the final appropriation of **\$730,000**.

Debt Service: Debt service type expenditures are those associated with the payment of principal and interest owed by the City. The change between the FY15-16 and FY16-17 budget is a decrease of **\$485,068**, or **-43.36%**. This decrease is due to the creation of a debt service fund (DSF).



Depicted above, the City will allocate funds from the General Fund fund balance and Capital Reserve Fund fund balance to the newly created Debt Service Fund. These funds total **\$961,414** and will be used to pay for, in their entirety, three of the City’s five debt service notes. The remaining two notes will require regular payments, transferred to the DSF from the General Fund. This total annual transfer for FY16-17 is **\$633,723**. The total debt service payment being made in Fund 15 – Debt Service Fund is **\$1,086,718**. More detail can be found in the *Community and Organization Profile* and *Financial Summaries* sections of this document.



Main Street MSD Fund

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

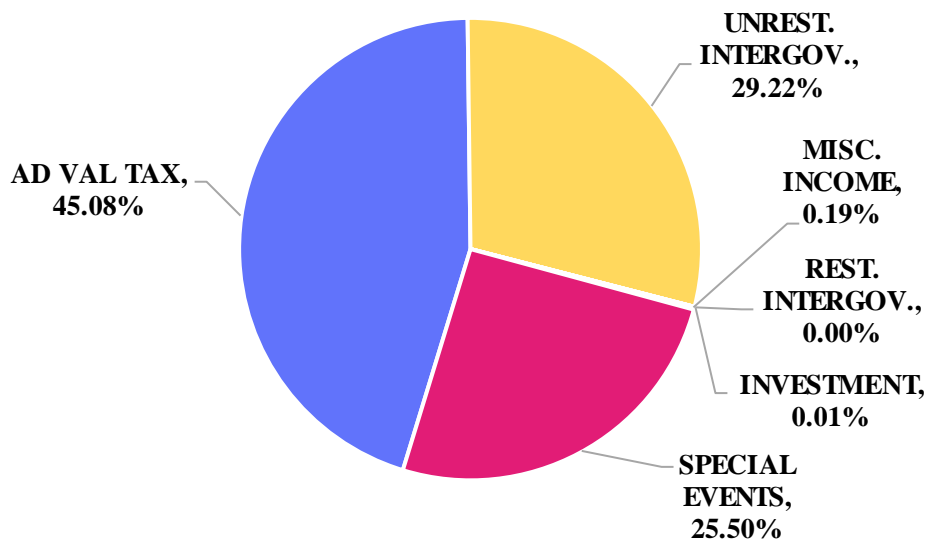
Main Street MSD Fund – Revenues

The following section will detail the City’s operating revenues for the Main St. MSD Fund. The Main St. MSD Fund has six primary revenue sources. The total budget for the Main St. MSD Fund revenues, excluding “Other Financing Sources”, is **\$527,361**. The table below details the City’s Main St. MSD Fund revenues by source for FY16-17:

MAIN ST. MSD FUND REVENUES

REVENUE SOURCE	ESTIMATE FY15-16	BUDGET FY16-17	DOLLAR CHANGE	PERCENT CHANGE
AD VAL TAX	\$ 249,564	\$ 237,725	\$ (11,839)	-4.74%
UNREST. INTERGOV.	\$ 100,000	\$ 154,086	\$ 54,086	54.09%
REST. INTERGOV.	\$ 96,000	\$ -	\$ (96,000)	-100.00%
INVESTMENT	\$ 50	\$ 50	\$ -	0.00%
MISC. INCOME	\$ -	\$ 1,000	\$ 1,000	N/A
SPECIAL EVENTS	\$ 127,500	\$ 134,500	\$ 7,000	5.49%
SUB-TOTAL	\$ 573,114	\$ 527,361	\$ (45,753)	-7.98%
OTHER FINANCING SOURCES	\$ 86,531	\$ -	\$ (86,531)	-100.00%
NET TOTAL	\$ 659,645	\$ 527,361	\$ (132,284)	-20.05%

The chart below presents each revenue source as a percent of total revenues:



Ad Valorem Tax: Ad valorem taxes encompass the greatest share of revenue at **\$237,725** or **45.08%** of all revenue. This number is \$11,839 less than the prior year budget and is due to a decrease in what is budgeted for prior year's tax collections. The City Manager recommends that the tax rate remain at **\$0.28** per **\$100** valuation.

Unrestricted Intergov. – Sales Taxes: The Main St. MSD Fund receives a portion of local option sales tax revenue each fiscal year. In prior years this number has been set at a flat rate. The FY16-17 budget proposes that the sales tax distribution be based on assessed value. The Main St. MSD Fund makes up approximately **5%** of the City's total assessed value. This equates to a **\$154,086** portion of total local option sales tax revenues.

Restricted Intergov. – State Allocation: In FY15-16 the Main St. MSD Fund received an allocation totaling \$96,000 from the State earmarked for improvements within the district. The City spent these funds upgrading the Azalea parking lot with new sidewalks, asphalt, painting, landscaping, and lighting. These funds were a one-time allocation for FY15-16, therefore we will see a \$96,000 decrease in budget for FY16-17.

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

- Bearfootin' Public Art – \$44,000
- Rhythm & Brews – \$83,500
- Sidewalk Antique Festival – \$6,000
- Trick or Treat Street – \$1,000
- Holiday Events – \$0

Typically, these revenues are expended on the costs to provide the event. Some events do not break even and require funds from other revenue sources.

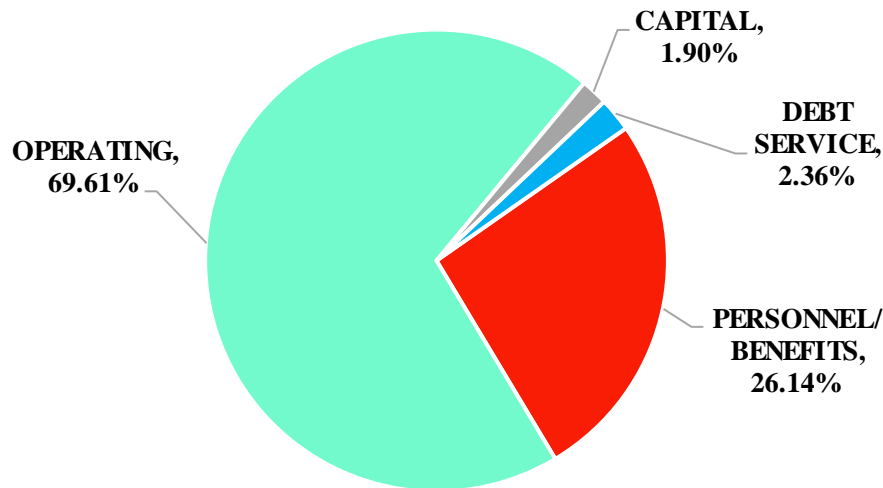


Main Street MSD Fund – Expenditures

The total budget for Main St. MSD Fund expenditures is **\$527,361**. This is \$132,284 less than the current year’s estimated budget. The table below details the City’s Main St. MSD Fund expenditures by type for FY16-17:

MAIN STREET MSD FUND EXPENDITURES					
EXPENDITURE TYPE	ESTIMATE FY15-16	BUDGET FY16-17	DOLLAR CHANGE	PERCENT CHANGE	
PERSONNEL/BENEFITS	\$ 111,379	\$ 137,847	\$ 26,468	23.76%	
OPERATING	\$ 353,810	\$ 367,076	\$ 13,266	3.75%	
CAPITAL	\$ 182,057	\$ 10,000	\$ (172,057)	-94.51%	
DEBT SERVICE	\$ 12,399	\$ 12,438	\$ 39	0.31%	
SUB-TOTAL	\$ 659,645	\$ 527,361	\$ (132,284)	-20.05%	

The chart below presents each expenditure type as a percent of total expenditures:



Operating expenditures make up the largest portion of total expenditures at 69.61% while personnel/benefits make up another large portion at 26.14% of total expenditures for FY16-17. Events are a major expense related with the Main St. MSD Fund and are included in the operating expenditure type.

Personnel/Benefits: The MSD is supported by one full-time, one permanent part-time, and two temporary employees. They are the Downtown Director, Promotions Coordinator, and Downtown Ambassadors. The increase of \$26,468 is a result of an expanded role for the Promotions Coordinator, which includes an increase in hours and medical insurance coverage, and natural personnel salaries growth.



Operating Expenditures: The regular operating expenditures for the MSD have increased slightly. Part of this increase mirrors the increase in revenues for special events. There are no major changes to report.

Capital: The year to year difference in capital expenditures is **\$172,057**, or **-94.51%**. This substantial decrease is due to an allocation of funds from the General Assembly which went towards an upgraded parking lot and proceeds of debt that were spent on six parking kiosks to be installed in downtown parking lots. The one CIP item that is in the budget for FY16-17 is the electric panel upgrades on Main Street. Two electric panels will be upgraded to more effectively handle the electric demands during special events.

Debt Service: The City received debt proceeds to purchase six parking kiosks in FY15-16. The budget for FY16-17 includes funding for debt service payment which will be regular and recurring for the length of the seven year loan.



7th Avenue MSD Fund

The City of Hendersonville has a second municipal service district (MSD) that runs along 7th Avenue. The tax rate for the MSD is **\$0.12** per **\$100** valuation. The Fund supports street and traffic lights, beautification efforts, advertising, and special events.

7th Avenue MSD Fund – Revenues

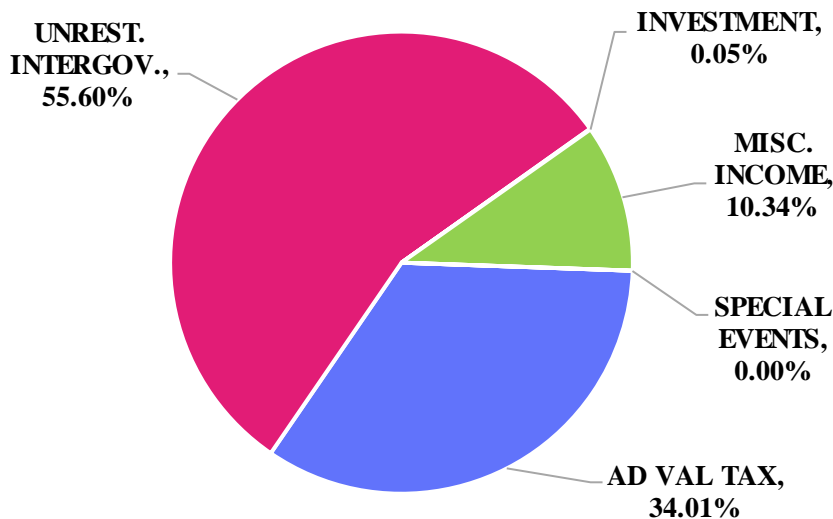
The following section will detail the City’s operating revenues for the 7th Avenue MSD Fund. The 7th Avenue MSD Fund has five primary revenue sources. The total budget for the 7th Avenue MSD Fund revenues, excluding “Other Financing Sources”, is **\$49,328**.

The table below details the City’s 7th Avenue MSD Fund revenues by source for FY16-17:

7TH AVENUE MSD FUND REVENUES

REVENUE SOURCE	ESTIMATE FY15-16	BUDGET FY16-17	DOLLAR CHANGE	PERCENT CHANGE
AD VAL TAX	\$ 17,014	\$ 16,775	\$ (239)	-1.40%
UNREST. INTERGOV.	\$ 6,650	\$ 27,428	\$ 20,778	312.45%
INVESTMENT	\$ 25	\$ 25	\$ -	0.00%
MISC. INCOME	\$ 5,150	\$ 5,100	\$ (50)	-0.97%
SPECIAL EVENTS	\$ -	\$ -	\$ -	0.00%
SUB-TOTAL	\$ 28,839	\$ 49,328	\$ 20,489	71.05%
OTHER FINANCING SOURCES	\$ -	\$ -	\$ -	N/A
NET TOTAL	\$ 28,839	\$ 49,328	\$ 20,489	71.05%

The chart below presents each revenue source as a percent of total revenues:



Ad Valorem Tax: Ad valorem taxes encompass the second greatest share of revenue at **\$16,775** or **34.01%** of all revenue. The City Manager recommends that the tax rate remain at **\$0.12** per **\$100** valuation.

Unrestricted Intergov. – Sales Taxes: The 7th Avenue MSD Fund receives a portion of local option sales tax revenue each fiscal year. In prior years this number has been set at a flat rate. The FY16-17 budget proposes that the sales tax distribution be based on assessed value. The Main St. MSD Fund makes up approximately **1%** of the City's total assessed value. This equates to a **\$27,428** portion of total local option sales tax revenues. This increase makes unrestricted intergovernmental revenue the largest revenue source at **55.60%** of all revenues.

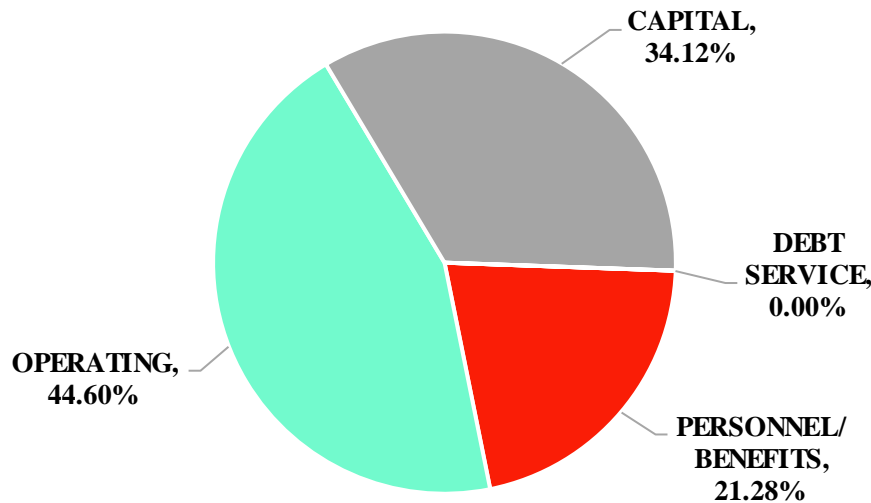


7th Avenue Historic District – Expenditures

The total budget for 7th Avenue MSD Fund expenditures is **\$49,328**. This is \$20,489 more than the current year’s estimated budget. The table below details the City’s 7th Avenue MSD Fund expenditures by type for FY16-17:

7TH AVENUE MSD FUND EXPENDITURES				
EXPENDITURE TYPE	ESTIMATE FY15-16	BUDGET FY16-17	DOLLAR CHANGE	PERCENT CHANGE
PERSONNEL/BENEFITS	\$ -	\$ 10,496	\$ 10,496	N/A
OPERATING	\$ 28,839	\$ 22,000	\$ (6,839)	-23.71%
CAPITAL	\$ -	\$ 16,832	\$ 16,832	N/A
DEBT SERVICE	\$ -	\$ -	\$ -	N/A
SUB-TOTAL	\$ 28,839	\$ 49,328	\$ 20,489	71.05%

The chart below presents each expenditure type as a percent of total expenditures:



Operating expenditures make up the largest portion of total expenditures at 44.60% while capital expenditures make up another large portion at 34.12% of total expenditures for FY16-17.

Personnel/Benefits: The 7th Avenue MSD Fund, for its first year, is contributing to the cost of salary and benefits for the Downtown Director and Promotions Coordinator. These positions will be working directly for the district. The Fund is paying for approximately 8% of their costs.

Capital: Another significant difference to highlight is the appropriation of funds to capital type expenditures. Due to the increase in sales tax revenue the Fund now has the capacity to authorize CIP projects. This funding will go towards Locust St. and 7th Avenue infrastructure upgrades, including banners, paint, and hanging baskets.



Water & Sewer Fund

The Water and Sewer Fund is an enterprise fund and is primarily funded through user charges. The Fund is the largest part of the City of Hendersonville’s operating budget, **54.92%** or **\$19,579,249** of the total \$35,656,938 budget for FY16-17. A major part of the budget are transfers to capital project ordinances and the reimbursement of costs associated with NCDOT projects. These costs total approximately **\$2,531,195**.

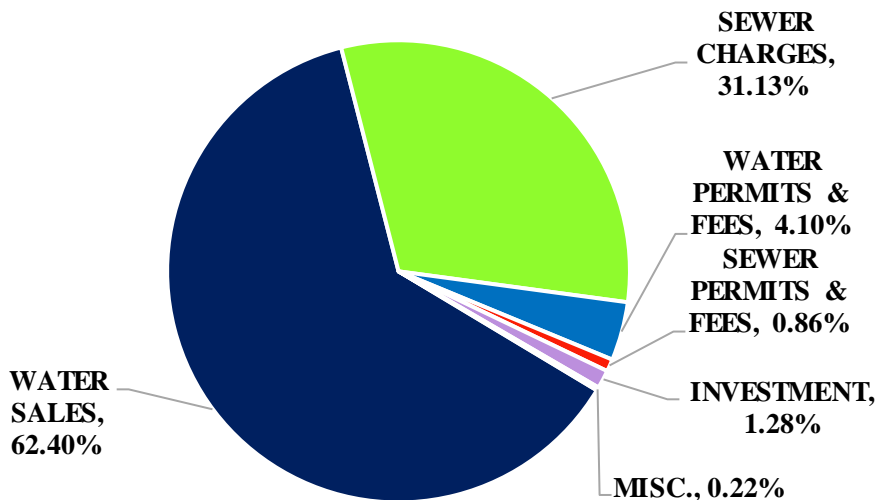
Water & Sewer Fund – Revenues

The following section will detail the City’s operating revenues for the Water and Sewer Fund. The total operating revenue budget for this Fund, excluding “Other Financing Sources” is **\$14,847,009**. The following table shows the revenues for FY16-17:

WATER/SEWER FUND REVENUES

REVENUE TYPE	ESTIMATE FY15-16	BUDGET FY16-17	DOLLAR CHANGE	PERCENT CHANGE
WATER SALES	\$ 9,066,000	\$ 9,263,997	\$ 197,997	2.18%
SEWER CHARGES	\$ 4,415,000	\$ 4,622,362	\$ 207,362	4.70%
WATER PERMITS & FEES	\$ 564,000	\$ 609,000	\$ 45,000	7.98%
SEWER PERMITS & FEES	\$ 126,850	\$ 128,250	\$ 1,400	1.10%
INVESTMENT	\$ 190,000	\$ 190,000	\$ -	0.00%
MISC.	\$ 79,200	\$ 33,400	\$ (45,800)	-57.83%
SUB-TOTAL	\$ 14,441,050	\$ 14,847,009	\$ 405,959	2.81%
OTHER FINANCING SOURCES	\$ 7,329,979	\$ 4,736,626	\$ (2,593,353)	-35.38%
NET TOTAL	\$ 21,771,029	\$ 19,583,635	\$ (2,187,394)	-10.05%

The chart below presents each operating revenue source as a percent of total revenues:



Water Sales and Sewer Charges: As depicted above, revenue growth is dependent on “Water Sales” and “Sewer Charges”. The increase in these accounts reflects a proposed increase in rates, detailed below. Rates have not been adjusted in three fiscal years and can drive a reliance on fund balance appropriations to pay for normal operations if not addressed.

Considering financial sustainability and information provided from the utility’s stakeholders, management recommends the Water and Sewer Fund rates be adjusted in the following manner:

WATER/SEWER RATES

TYPE	INSIDE CITY		OUTSIDE CITY	
	RES.	COMM.	RES.	COMM.
BASE CHARGE	3.00% ↑	3.00%	0.50% ↑	0.50%
LOW TIER	3.00% ↑	3.00%	0.50% ↑	0.50%
MID TIER	3.00% ↑	3.50%	0.50% ↑	1.50%
HIGH TIER	3.00% ↑	3.50%	0.50% ↑	1.50%

The recommendation is estimated to generate ≈\$214,358 in revenue and have the following impact on a customer:

CUSTOMER IMPACT

CUSTOMER	OLD BILL	NEW BILL	MONTHLY DIFF.	ANNUAL DIFF.
R INSIDE 5,000 GALLONS	\$ 47.15	\$ 48.56	\$ 1.41	\$ 16.97
R OUTSIDE 5,000 GALLONS	\$ 74.13	\$ 74.50	\$ 0.37	\$ 4.45
C/I INSIDE 10,000 GALLONS	\$ 82.40	\$ 84.87	\$ 2.47	\$ 29.66
C/I OUTSIDE 10,000 GALLONS	\$ 130.43	\$ 131.08	\$ 0.65	\$ 7.83
C/I INSIDE >40,000 GALLONS	\$ 267.90	\$ 277.28	\$ 9.38	\$ 112.52
C/I OUTSIDE >40,000 GALLONS	\$ 424.23	\$ 430.59	\$ 6.36	\$ 76.36
C/I INSIDE >200,000 GALLONS	\$ 1,305.90	\$ 1,351.61	\$ 45.71	\$ 548.48
C/I OUTSIDE >200,000 GALLONS	\$ 2,017.83	\$ 2,048.10	\$ 30.27	\$ 363.21

R = Residential C/I = Commercial/Industrial

There are multiple variables that play into this recommendation. First, management recommends small increases in rates year after year rather than large increases all at once. This strategy will decrease “sticker shock” when the customer receives their bill. This will be one of many small increases recommended over the coming years. Second, management recommends decreasing the discrepancy between outside customer bills and inside customer bills. The stakeholder meeting identified this as an issue. Lastly, the commercial tiers are set up on a declining block rate, which means the more the customer uses, the less they pay. Management is recommending we slowly bring this declining block towards a unified rate. This is an effort to enhance the priority of environmental conservation.



Other Financing Sources – Transfer in from Capital Reserve Fund: The Water and Sewer Fund budget in FY16-17 includes a transfer in from its capital reserve fund. The transfer totals **\$2,263,753**. The transfer will provide funding for NCDOT reimbursements, a transfer to the SCADA Improvements capital project ordinance, and a transfer to the Rutledge Rd. Improvements capital project ordinance.

Fund Balance: Much like the General Fund, the Water and Sewer Fund maintains a fund balance or retained earnings. However, the LGC does not provide a recommended minimum level. The City Council has established and adopted its own policy goal of a range from 50% - 75%. This level is higher than the General Funds because water and sewer type infrastructure and expenditures are typically larger. The current fund balance is **\$22,307,069** as of June 30th, 2015, or **143.92%** of estimated operating expenditures as of June 30th, 2016. In the FY15-16 budget, the City transferred **\$4,586,327** to capital project ordinances. Additionally, there was a year-end conversion entry that should not have been made during the annual audit which caused an internal reporting misstatement of **\$2,641,891**. This misstatement will have to be adjusted in the current year, and will decrease the fund balance by the aforementioned amount.

The total estimated fund balance as of June 30th, 2016 is **\$14,489,900**, or **93.48%** of total estimated operating expenditures as of June 30th, 2017. It is estimated that at year end, FY16-17, the Water and Sewer Fund's fund balance will be **\$12,681,228**, or **81.81%** of budgeted expenditures. This decrease reflects an estimated year end fund balance appropriation of \$1,708,673. The 81% is still above the City Council's fund balance goal.



Water & Sewer Fund – Expenditures

Hendersonville Water and Sewer is responsible for providing water service to more than 62,000 residents and businesses of Hendersonville and Henderson County and sewer service to more than 19,000 residents and businesses. The Department is also responsible for the operation and maintenance of over 580 miles of water mains (ranging in size from 2-inches to 24-inches), 57 water pumping stations, 24 water storage tanks (ranging in size from 100,000-gallons to 5,000,000-gallons), over 185 miles of sewer mains (ranging in size from 3-inches to 42-inches) and 37 sewer pumping stations.

The Water and Sewer Fund continues to evaluate and improve its already high quality services through work with various outside consultants, stakeholder groups, and internal strategic priority meetings. The recommended expenditures in this memo reflect the priorities identified in the aforementioned initiatives. Below is a breakdown of the Fund’s total expenditures:

WATER/SEWER FUND EXPENDITURES

EXPENDITURE TYPE	ESTIMATE FY15-16	BUDGET FY16-17	DOLLAR CHANGE	PERCENT CHANGE
PERSONNEL/BENEFITS	\$ 5,265,057	\$ 5,488,493	\$ 223,436	4.24%
OPERATING	\$ 6,171,041	\$ 6,331,587	\$ 160,546	2.60%
CAPITAL	\$ 6,573,899	\$ 4,020,933	\$ (2,552,966)	-38.83%
DEBT SERVICE	\$ 3,761,032	\$ 3,742,622	\$ (18,410)	-0.49%
SUB-TOTAL	\$ 21,771,029	\$ 19,583,635	\$ (2,187,394)	-10.05%

It is important to note that these total expenditures include major one-time capital transfers that do not accurately represent true operating expenditures for the Water and Sewer Fund. Below is the same table without those major one-time costs:

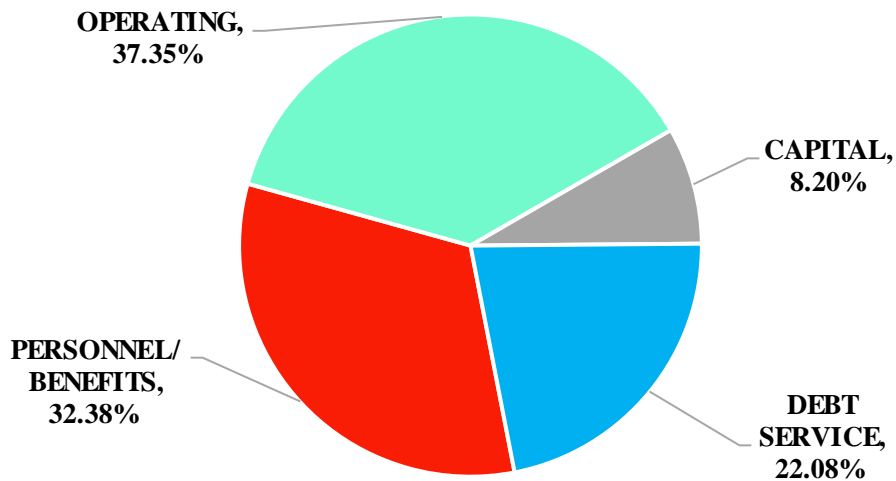
WATER/SEWER FUND OPERATING EXPENDITURES

EXPENDITURE TYPE	ESTIMATE FY15-16	BUDGET FY16-17	DOLLAR CHANGE	PERCENT CHANGE
PERSONNEL/BENEFITS	\$ 5,265,057	\$ 5,488,493	\$ 223,436	4.24%
OPERATING	\$ 6,171,041	\$ 6,331,587	\$ 160,546	2.60%
CAPITAL	\$ 1,987,572	\$ 1,389,738	\$ (597,834)	-30.08%
DEBT SERVICE	\$ 3,761,032	\$ 3,742,622	\$ (18,410)	-0.49%
SUB-TOTAL	\$ 17,184,702	\$ 16,952,440	\$ (232,262)	-1.35%

The second table is a more accurate depiction of recurring operating costs in the Water and Sewer Fund. Those one-time expenditures that were removed from the data include seven capital project ordinances and two NCDOT reimbursements. The Fund had a substantial available fund balance and those excess funds were used to pay for these major one-time projects and reimbursements.



The chart below presents each expenditure type as a percent of total expenditures:



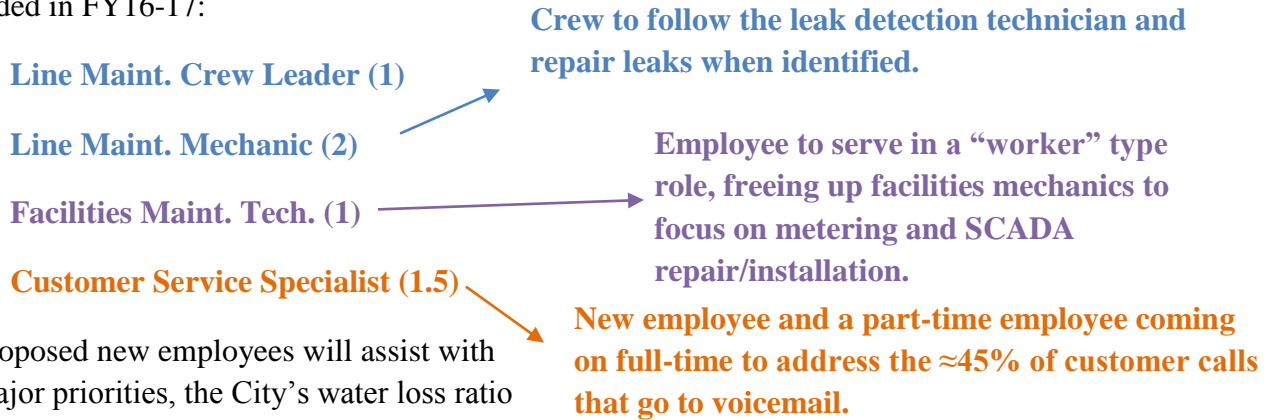
The above chart reflects the Fund’s expenditures less the major one-time transfers and NCDOT reimbursements.

Personnel/Benefits: The total change for this expenditure type is an increase of **\$223,436**, or **+4.24%** in FY16-17. A very small portion of this increase is occurring from natural growth. The increase attributed to natural growth is so low because of multiple tenured employee retirements. The remainder of the increase, approximately **\$215,000**, is the result of recommended new positions. After an internal strategic meeting facilitated by Fountain Works consultants, management and staff created a long-term vision of the WSF organizational structure. The objective was to create a structure that would efficiently and effectively meet the vision and value statements identified by City Council. The new positions identified to meet this objective include:

- | | |
|--|---------------------------------------|
| Business Operations Manager (1) | Business/Financial Analyst (1) |
| Environmental Service Tech. (2) | Elec. & Ins. Tech. (1) |
| Line Maint. Crew Leader (1) | Line Maint. Mechanic (2) |
| Design Engineer (1) | Surveyor (1) |
| Customer Service Specialist (3.5) | Fac. Maint. Tech. (2) |



Again, this is a long-term vision and will be competing with other expenditure priorities. It is recommended that the following positions be funded in FY16-17:



The proposed new employees will assist with two major priorities, the City’s water loss ratio and customer service.

Operating Expenditures: The total change for this expenditure type is an increase of **\$160,546**, or **+2.60%** in FY16-17. This increase reflects additional funding being provided for water and sewer construction supplies and materials.

Capital: When looking at capital expenditure types it is important to differentiate the level of recurring pay-as-you-go capital and major one-time capital projects. The total change for this expenditure type, recurring expenditures only, is a decrease of **\$597,834**, or **-30.08%** in FY16-17. Management recommends recurring capital pay-as-you-go expenditures range from **\$1.3-\$1.8** million each year. This level is necessary to ensure a financially sustainable future, because recent expenditure trends have required substantial appropriations of fund balance.

In addition, to the basic pay-as-you-go capital needs, there are major capital projects that were discussed in the Fountain Works strategic meeting. These projects have substantially higher costs and are listed below:

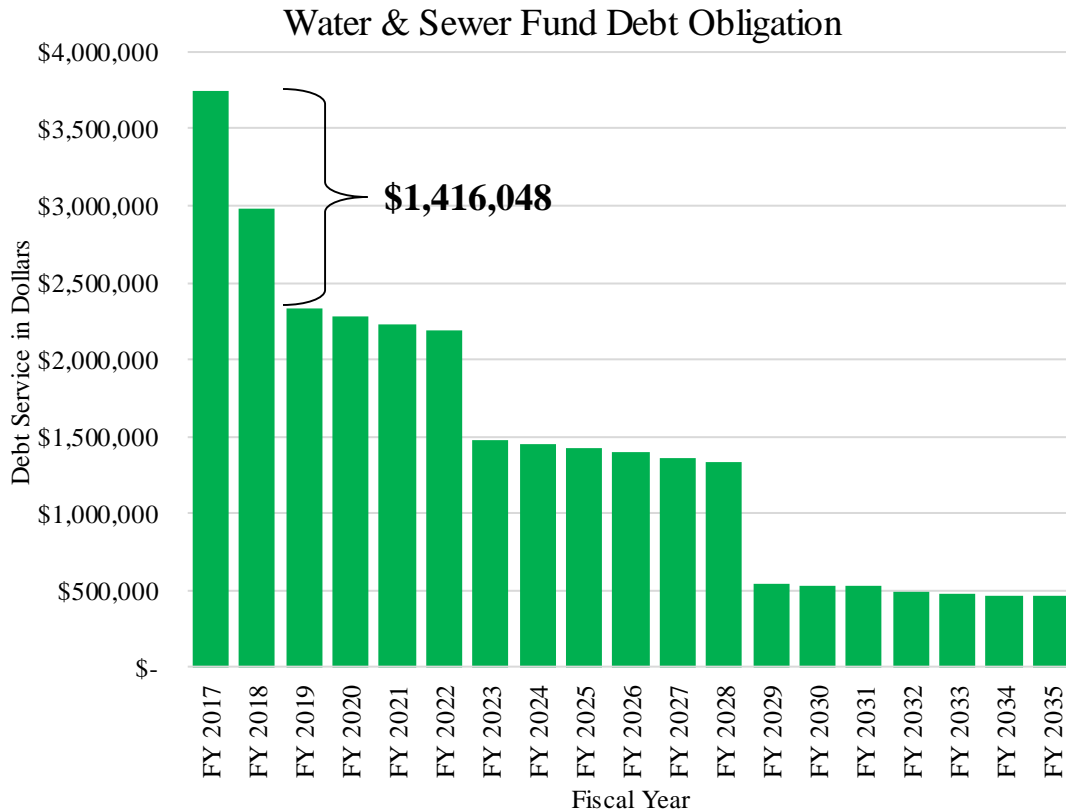
- | | |
|--------------------------------------|--|
| Centrifuge Upgrade | Eastside Transmission Main, Phase II |
| French Broad Water Intake | Mud Creek Sanitary Sewer Improvements |
| N. Main St. Water/Sewer Impr. | Northside Water Improvements |
| Rutledge Rd. Water Impr. | SCADA System Upgrade |
| WWTP Generator/ATS | WWTP Gravity Filter Replacement |
| WWTP Sludge Drying System | |

The projects highlighted in **red** were partially or fully funded using available fund balance and are located in capital project ordinances.



Debt Service: The total change for this expenditure type is a decrease of **\$18,410**, or **-0.49%** in FY16-17. This is a normal decrease in the interest charged on outstanding principal.

The following chart displays the Water and Sewer Fund’s debt obligation through FY34-35:



The chart depicts the Water and Sewer Fund’s debt obligation decreasing substantially in FY17-18 and FY18-19. This decrease totals **≈\$1,416,048** and this funding is a critical piece of the WSF expenditure strategy over the coming years. It is recommended that this debt capacity be used for the aforementioned personnel, operating, and major capital outlay priorities. The specific use of these funds will need to be further prioritized throughout FY16-17.



Environmental Services Fund

The Environmental Services Fund is an enterprise fund that provides sanitation and stormwater services. The Sanitation Division has a total of fourteen employees and is managed by the Public Works Director. The Stormwater Division has two employees and is managed by the Public Works Director and City Engineer. The Environmental Services Fund Budget totals **\$1,390,660** for FY16-17.

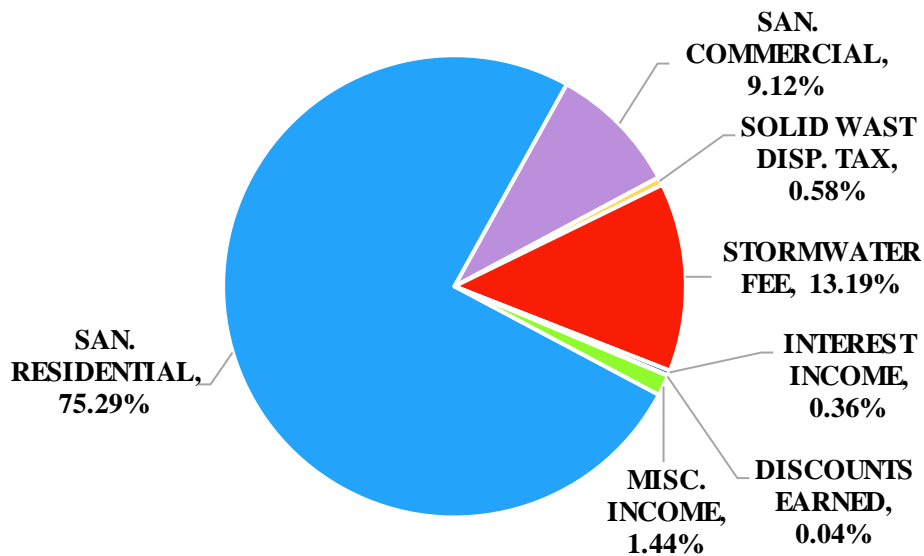
Environmental Services Fund – Revenues

The Environmental Services Fund has seven main sources of revenue, the largest being user fees charged for services. The following breakdown of operating revenues does not include “Other Financing Sources”. The table below displays the Fund’s revenues by source:

ENVIRONMENTAL SERVICES FUND REVENUES

REVENUE TYPE	ESTIMATE FY15-16	BUDGET FY16-17	DOLLAR CHANGE	PERCENT CHANGE
SAN. RESIDENTIAL	\$ 930,846	\$ 1,047,003	\$ 116,157	12.48%
SAN. COMMERCIAL	\$ 116,212	\$ 126,766	\$ 10,554	9.08%
SOLID WAST DISP. TAX	\$ 8,000	\$ 8,000	\$ -	0.00%
STORMWATER FEE	\$ 153,391	\$ 183,391	\$ 30,000	19.56%
INTEREST INCOME	\$ 5,000	\$ 5,000	\$ -	0.00%
DISCOUNTS EARNED	\$ 500	\$ 500	\$ -	0.00%
MISC. INCOME	\$ 5,000	\$ 20,000	\$ 15,000	300.00%
SUB-TOTAL	\$ 1,218,949	\$ 1,390,660	\$ 171,711	14.09%

The chart below presents each operating revenue source as a percent of total revenues:



Sanitation Fees – Residential and Commercial: These fees contain a recommended increase of \$2 for each rate in the rate structure for the FY16-17 budget. This increase is necessary to ensure financial sustainability for the fund. The table below provides revenue in detail and in total, and expenditures in total, with the last row providing the difference total expenditures over/(under) total revenues:

SANITATION REVENUES			
REVENUE TYPE	ESTIMATE FY15-16	BUDGET FY16-17	DOLLAR CHANGE
RESIDENTIAL	\$ 930,846.00	\$ 1,047,003.00	\$ (116,157.00)
COMMERCIAL	\$ 116,212.00	\$ 126,766.00	\$ (10,554.00)
SWD TAX	\$ 8,000.00	\$ 8,000.00	\$ -
INTEREST INCOME	\$ 5,000.00	\$ 5,000.00	\$ -
DISCOUNTS	\$ 500.00	\$ 500.00	\$ -
MISC. INCOME	\$ 5,000.00	\$ 5,000.00	\$ -
SANITATION REV.	\$ 1,065,558.00	\$ 1,192,269.00	\$ (126,711.00)
SANITATION EXP.	\$ 1,187,255.00	\$ 1,172,639.00	\$ (14,616.00)
EXP. OVER/(UNDER) REV.	\$ 121,697.00	\$ (19,630.00)	

The table shows that in FY15-16 sanitation revenues were \$121,697 short of sanitation related expenditures. This gap was funded with revenues from the Fund’s “Stormwater Fee” and fund balance appropriations. The “Budget FY16-17” column displays budgeted revenues after fees are increased by two dollars. The recommended level of revenues are \$19,630 greater than budgeted expenditures. This is a financially sustainable recommendation and the excess revenues will cover future growth and debt service.

Stormwater Fee: This fee is set at a base rate of \$2 per customer. The revenue funds stormwater related costs which include, street sweeping, NPDES stormwater permit requirements, public education and outreach, stream bank stabilization, post-construction stormwater management, illicit discharge detection and elimination, pollution prevention, and stormwater related capital projects.

This fee was originally billed to those who receive sanitation services within the City. It is recommended that in FY16-17 all water customers in the City and ETJ be billed. This recommendation should more accurately cover customers who receive the benefits of stormwater services. The City’s ETJ is included because the NPDES permit requires the City to be responsible for streams and stormwater services in the ETJ. This structure will result in an increase in customers and will provide an additional estimated \$30,000 in revenue.



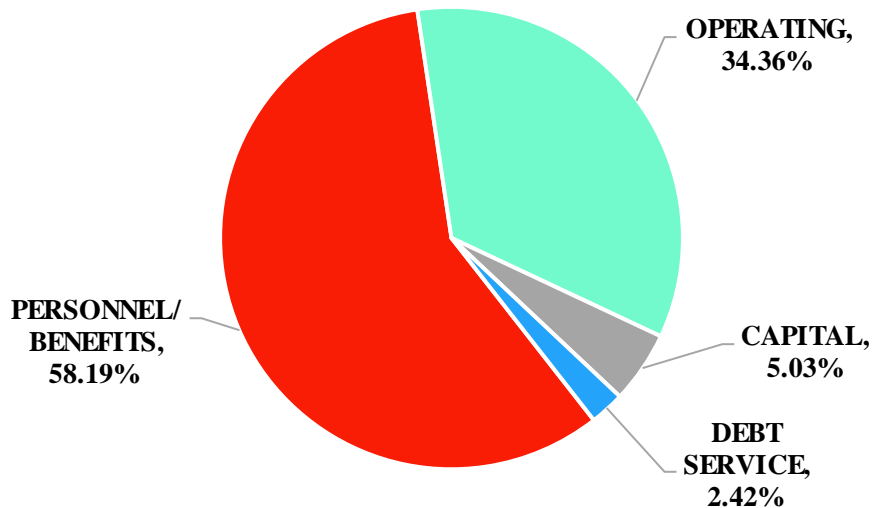
Environmental Services Fund – Expenditures

The Environmental Services Fund serves two major functions stormwater and sanitation. In addition, it provides funding for fleet maintenance, non-departmental services, and debt service payments. The table below details the City’s Environmental Services Fund expenditures by type for FY16-17:

ENVIRONMENTAL SERVICES FUND EXPENDITURES

EXPENDITURE TYPE	ESTIMATE FY15-16	BUDGET FY16-17	DOLLAR CHANGE	PERCENT CHANGE
PERSONNEL/BENEFITS	\$ 736,183	\$ 809,231	\$ 73,048	9.92%
OPERATING	\$ 455,249	\$ 477,801	\$ 22,552	4.95%
CAPITAL	\$ 276,015	\$ 70,000	\$ (206,015)	-74.64%
DEBT SERVICE	\$ 34,016	\$ 33,628	\$ (388)	-1.14%
SUB-TOTAL	\$ 1,501,463	\$ 1,390,660	\$ (110,803)	-7.38%

The chart below presents each expenditure type as a percent of total expenditures:



Personnel/Benefits: The personnel and benefits type expenditures are estimated to increase \$73,048, or 9.92% in FY16-17. This is the result of hiring a “Stormwater Quality Specialist”. By making sanitation financially sustainable, the “Stormwater Fee” can now fully fund stormwater related expenditures. This additional revenue provided funding for the additional position. This position will assist in meeting federally mandated stormwater requirements and begin to set-up a long-range strategic plan for the City’s stormwater function.



Operating Expenditures: The operating expenditures for this Fund have increased slightly in FY16-17, \$22,552 in total. The increase is associated with the operating costs associated with the stormwater program.

Capital: The capital type expenditures depict a decrease of \$206,015, or -74.64% in FY16-17. In FY15-16, the City took out a loan for a new garbage truck which cost \$221,996. Additionally, the City appropriated another \$54,025 for a new knuckle boom. The large decrease in budgeted appropriations for FY16-17 is a result of the large garbage truck replacement expenditure in FY15-16.

The \$70,000 in the budget for FY16-17 is for two stormwater improvement projects. The first, is a drainage project on Maple St. from 7th Avenue to 4th Avenue. The second, is a public private stormwater improvements project along 4th Avenue West. Please reference the City’s Capital Improvements Plan (CIP) for more information on these projects.

Debt Service: The budgeted appropriation in the debt service type expenditure line is for loan payments on the most recent garbage truck purchase. The CIP details another garbage truck replacement in FY17-18. Debt service appropriations are expected to increase in the coming fiscal years.



Other Funds

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

OTHER FUNDS

FUND	FUND TYPE	BUDGET FY16-17
CAPITAL RESERVE FUND - GF	Capital Reserve	\$ -
CAPITAL RESERVE FUND - WS	Capital Reserve	\$ 2,263,753.00
DEBT SERVICE FUND	Debt Service	\$ 1,086,718.00
FIRE - CAR SEAT FUND	Spec. Revenue	\$ 2,250.00
FIRE - COMMUNITY FUND	Spec. Revenue	\$ 200.00
HEALTH AND WELFARE FUND	Internal Service	\$ 299,973.00
HISTORIC PRESERVATION COMMISSION	Spec. Revenue	\$ 15,000.00
POLICE - DARE	Spec. Revenue	\$ 2,000.00
POLICE - DRUG FORFEITURES	Spec. Revenue	\$ 80,000.00
POLICE - KENNEL CLUB	Spec. Revenue	\$ 1,500.00
POLICE - MOTOR UNIT	Spec. Revenue	\$ 800.00
POLICE - NEED PERSONS	Spec. Revenue	\$ 8,000.00
POLICE - RAD	Spec. Revenue	\$ 1,900.00
POLICE - YOUTH EXPLORERS	Spec. Revenue	\$ 2,000.00

A more detailed description of these other funds can be found in the “Other Funds” section of the budget for FY16-17.



In summary, this proposed budget is balanced in accordance with State statutes and attempts to address the priorities, which have been set by the City Council for the 2016-2017 Fiscal Year. The budget is fiscally sound, and although it does not fund all the requests made by departments or external agencies, it does address the top priority needs of the City and is set at a level to maintain a high level of service for Hendersonville citizens, customers, and partners.

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

I recommend this proposed budget for Fiscal Year 2016-2017 to the Mayor and City Council.

Respectfully submitted,



John F. Connet
City Manager

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BUDGET ORDINANCE

**AN ORDINANCE MAKING APPROPRIATIONS FOR CERTAIN EXPENSES,
CAPITAL IMPROVEMENTS AND INDEBTEDNESS OF
THE CITY OF HENDERSONVILLE, NORTH CAROLINA
FOR THE YEAR BEGINNING JULY 1, 2016 AND ENDING JUNE 30, 2017**

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, 2016; 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, 2016, and ending June 30, 2017, in accordance with the chart of accounts heretofore established for this City:

General Fund	\$14,095,970
Downtown Tax District	\$527,361
Seventh Avenue District	\$49,328
Water/Sewer Fund	\$19,583,635
Environmental Services Fund	\$1,390,660
TOTAL APPROPRIATIONS	\$35,656,938
Less: Interfund Transfers Out	\$2,030,523
TOTAL NET APPROPRIATIONS	<u>\$33,626,415</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, 2016, and ending June 30, 2017. A copy of said document will be available for inspection in the Office of the City Clerk.

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

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



SECTION 5: There is hereby levied a tax at the rate of forty-six cents (\$0.46) per one hundred dollars valuation of property as listed for taxes as of March 1, 2016. This rate is based on an estimated total valuation of property for the purpose of taxation of \$1,717,287,880 and estimated collection rate of 97.5%.

A tax rate is also levied of twelve (\$0.28) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2016, for the Main Street Municipal Service District formed upon a petition of some of the property owners, established for the purpose of infrastructure improvements and special events in the district. This rate is based on an estimated total valuation of property for the purpose of taxation of \$84,194,402 and an estimated collection rate of 97.5%.

A tax rate is also levied of twelve (\$0.12) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2016, for the Seventh Avenue Municipal Service District formed upon a petition of some of the property owners, established for the purpose of infrastructure improvements and special events in the district. The rate is based on an estimated total valuation of property for the purpose of taxation of \$15,703,558 and an estimated collection rate of 97.5%.

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

- a) the use of City facilities and equipment for the purposes of making them available to public
- b) specific utility rates the proceeds of which are for the maintenance and expansion of its water and sewer system
- c) the reproduction of public records and other miscellaneous services to cover the actual cost of producing these documents and information under the provision of NCGS §132-6.2
- d) other various fees associated with enhanced direct services provided by the City.

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

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

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

SECTION 7: The City's Position Allocation to Salary Range which provides all jobs and associated pay bands be adopted as the official Pay and Classification Schedule of the City of Hendersonville.

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

SECTION 8: The following amounts are hereby appropriated for the special budgets for the City of Hendersonville and its activities for the fiscal year beginning July 1, 2016, and ending June 30, 2017, in accordance with the chart of accounts heretofore established for this City:



Capital Reserve Fund – GF	\$0
Capital Reserve Fund – WS	\$2,263,753
Debt Service Fund	\$1,086,718
Fire – Car Seat Fund	\$2,250
Fire – Community Fund	\$200
Health and Welfare Fund	\$299,973
Historic Preservation Commission	\$15,000
Police – DARE	\$2,000
Police – Drug Forfeitures	\$80,000
Police – Motor Unit	\$800
Police – Needy Persons	\$8,000
Police – RAD	\$1,900
Police – Youth Explorers	\$2,000

SECTION 9: That copies of this Budget Ordinance shall be furnished to the City Clerk, City Manager and Finance Officer to be kept on file by them for their direction in the disbursement of funds.

SECTION 10: This ordinance shall become effective on and after July 1, 2016.

SECTION 11: That all ordinances and parts of ordinances in conflict herewith be and the same hereby repealed.


Passed and adopted at the regular meeting of the City Council of the City of Hendersonville, North Carolina, held this second day of June 2016.

ATTEST:


Barbara G. Volk, Mayor, City of Hendersonville


Tammie K. Drake, MMC, City Clerk

Approved as to form:


Samuel H. Fritschner, City Attorney

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History, Geography, and Demographic Background

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

History

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

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

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

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



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

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

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

Geography

The City of Hendersonville is located in the center of Henderson County, along the Eastern Escarpment of the southern Blue Ridge Mountains, and serves as the county seat. This rural mountain region consists of a total area of 6.0 square miles, 0.17% of that being water. The City is approximately 19 miles south of Asheville, N.C., and 90 miles west of Charlotte, N.C. The City is conveniently located next to Interstates 26 and 40, in addition to the Asheville Regional Airport. Residents and visitors take advantage of the beautiful mountain landscape and wide variety of recreational destinations surrounding the area.

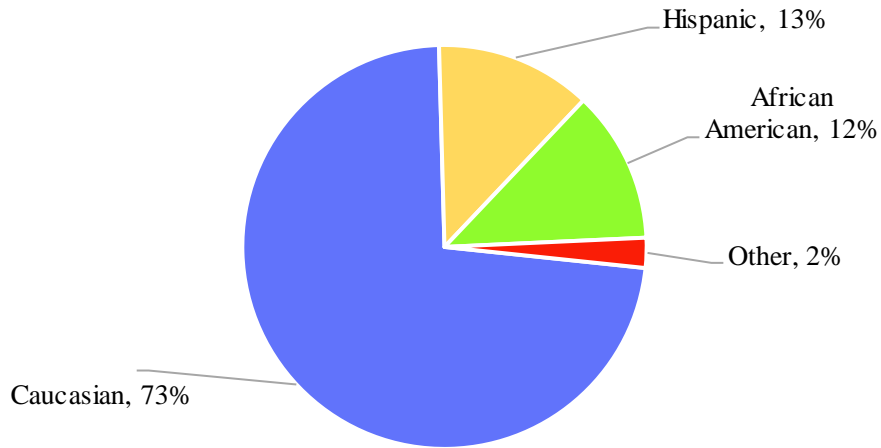


Demographics

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

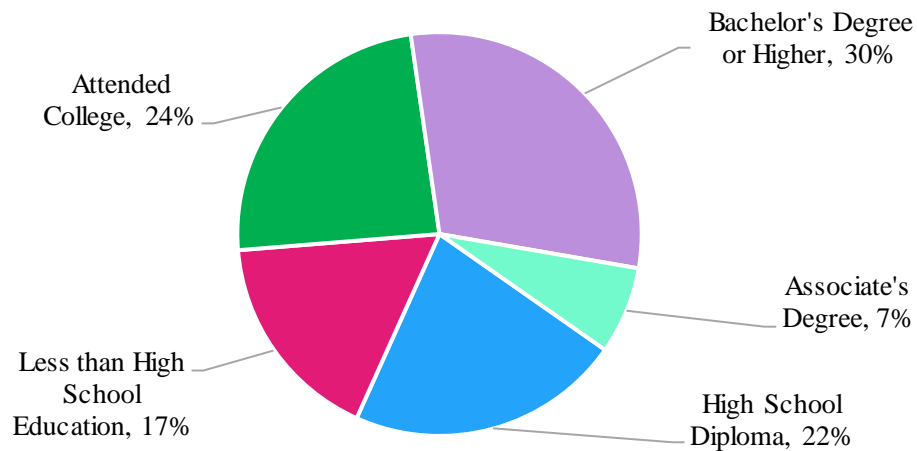
The following pie chart details the percent each race comprises of the total population:

Hendersonville Race Breakdown (2013)



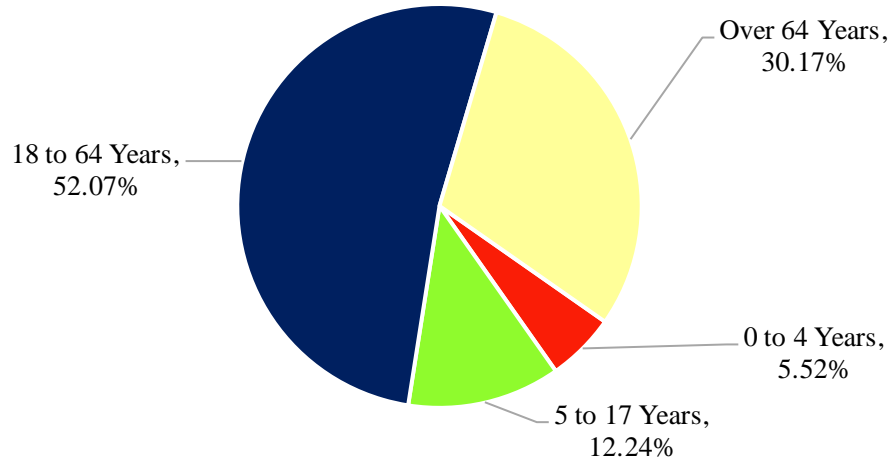
The pie chart below details the percent each level of education comprises of the total population:

Hendersonville Education Breakdown (2013)



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

Hendersonville Age Breakdown (2010)



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

The Local Economy & Government Structure

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

Local Economy

The economy of the area is sustained by the local government employment markets, community college system, agricultural production, 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, Arvin Mentor Automotive, and Sierra Nevada Brewing Company. Also, Saint Paul Winery and Burntshirt Vineyards opened for production in fall of 2014.

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

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



ornamental plant production. It has exceeded apple production for the past ten years and is expected to continue to grow in the near future. However, North Carolina is still ranked seventh in the nation in apple production.

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

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

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



The following tables detail the ten largest property and real estate tax payers in the City of Hendersonville, year end June 30, 2015:

TEN LARGEST TAX PAYERS BY ASSESSED VALUE AS OF JUNE 30, 2015

Tax Payer	Assessed Value	Percent of Total Assessed Value	Total Tax Paid
Duke Energy Corp.	\$ 10,807,507	0.64%	\$ 49,584
Bellsouth Tel. Co.	\$ 10,796,564	0.64%	\$ 43,111
Ingles Markets Inc.	\$ 9,099,167	0.54%	\$ 41,856
Morris Broadband LLC	\$ 8,281,614	0.49%	\$ 38,095
Public Service Company of NC Inc.	\$ 4,083,028	0.24%	\$ 18,386
Harris Teeter #79	\$ 2,174,660	0.13%	\$ 10,003
First Citizens Bank	\$ 1,201,430	0.07%	\$ 7,441
Lowes of Hendersonville	\$ 1,589,951	0.09%	\$ 7,314
Fresh Market	\$ 1,577,749	0.09%	\$ 7,258
Wal-Mart Stores East LP	\$ 1,559,556	0.09%	\$ 7,124
SUB-TOTAL	\$ 51,171,226	3.01%	\$ 230,172.37
Total City Assessed Value	\$ 1,698,847,332		

TEN LARGEST REAL ESTATE TAX PAYERS BY ASSESSED VALUE AS OF JUNE 30, 2015

Tax Payer	Assessed Value	Percent of Total Assessed Value	Total Tax Paid
Triangle Ballantyne Hendersonville, Inc.	\$ 25,185,900	1.48%	\$ 115,855
Wal-Mart Real Estate Business Trust	\$ 17,541,300	1.03%	\$ 80,690
Highland Investors Limited Partnership	\$ 16,107,900	0.95%	\$ 74,096
Hyder, Boyd L	\$ 15,493,100	0.91%	\$ 71,276
First Citizens Bank & Trust Co.*	\$ 8,143,600	0.48%	\$ 58,004
Ingles Market Inc.	\$ 11,699,400	0.69%	\$ 53,817
Blue Ridge Mall LLC	\$ 11,355,000	0.67%	\$ 52,233
Triangle Real Estate of Gastonia Inc.	\$ 11,114,800	0.65%	\$ 51,128
Ingles Market Incorp.	\$ 11,048,000	0.65%	\$ 50,821
Home Depot USA Inc.	\$ 10,595,000	0.62%	\$ 48,737
SUB-TOTAL	\$ 138,284,000	8.14%	\$ 656,657.00
Total City Assessed Value	\$ 1,698,847,332		

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

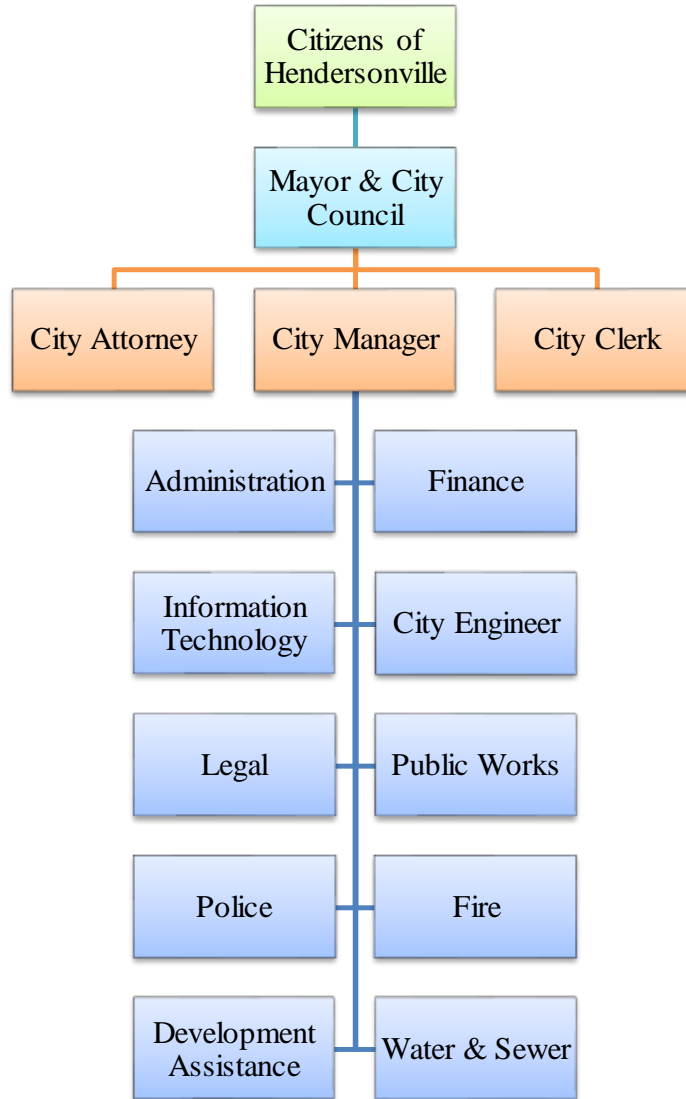


Government Structure

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



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



Strategic Planning & Financial Impacts

The City of Hendersonville has created a strategic plan for fiscal year 2017, detailing a variety of priorities, goals, and objectives to be achieved. This section will include a brief overview of the City Council's priorities and goals, short-term factors influencing budget development, a summary of long range financial plans, and a performance budgeting overview which details how the City is achieving its goals.

Vision Statement

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

Mission Statement

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

City Priorities, Focus Areas, & Strategic Goals

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



Priority: Economic Vitality

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

Focus Areas

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

1. Work closely with Henderson County Partnership for Economic Development 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. Continue to evaluate downtown parking needs and vet solutions.
6. Implement a communitywide way finding program.
7. Continue to promote effective and efficient development processes within the City.

Priority: Strong Partnerships

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

Focus Areas

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

Strategic Goals

1. Improve partnerships with Henderson County and surrounding local governments.
2. Strengthen partnerships with local businesses and non-profits.
3. 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. Continue to improve the Police Department’s relationship with the Green Meadows neighborhood.



Priority: Sound Infrastructure

Hendersonville will construct and maintain efficient and accessible roadway, sidewalk, and greenway systems to extend internal and regional connectivity. Hendersonville will provide high quality water and wastewater services while protecting natural resources and ensuring capacity for sustainable growth.

Focus Areas

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

Strategic Goals

1. Develop a Water and Sewer System Master Plan.
2. Update infrastructure monitoring systems (SCADA).
3. Begin planning on a new Police Station facility.
4. Implement a strong inflow and infiltration (I & I) program.
5. Improve capacity throughout the W&S system.
6. Continue to evaluate City communications to improve customer service and reliability.
7. Improve street maintenance program to improve our Pavement Condition Rating (PCR).

Priority: Numerous Amenities

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

Focus Areas

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

Strategic Goals

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



Priority: Great Public Services

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

Focus Areas

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

Strategic Goals

1. Better educate citizens regarding solid waste rules and regulations.
2. Develop a comprehensive Emergency Operations Plan.
3. Continue to improve the City’s Customer Service Program.
4. Update the City Code to ensure all laws and regulations are current.
5. Develop a strategic plan for Hendersonville Fire Department.
6. Seek CPSE Fire Department Accreditation.
7. Continue enhanced Police activities ACE Team.

Priority: Financial Sustainability

Support fiscal policies and controls that ensure the long-term financial health of the City and enable it to respond to unforeseen challenges and opportunities. Promote responsible management of public resources to ensure efficient and effective delivery of quality services.

Focus Areas

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

Strategic Goals

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

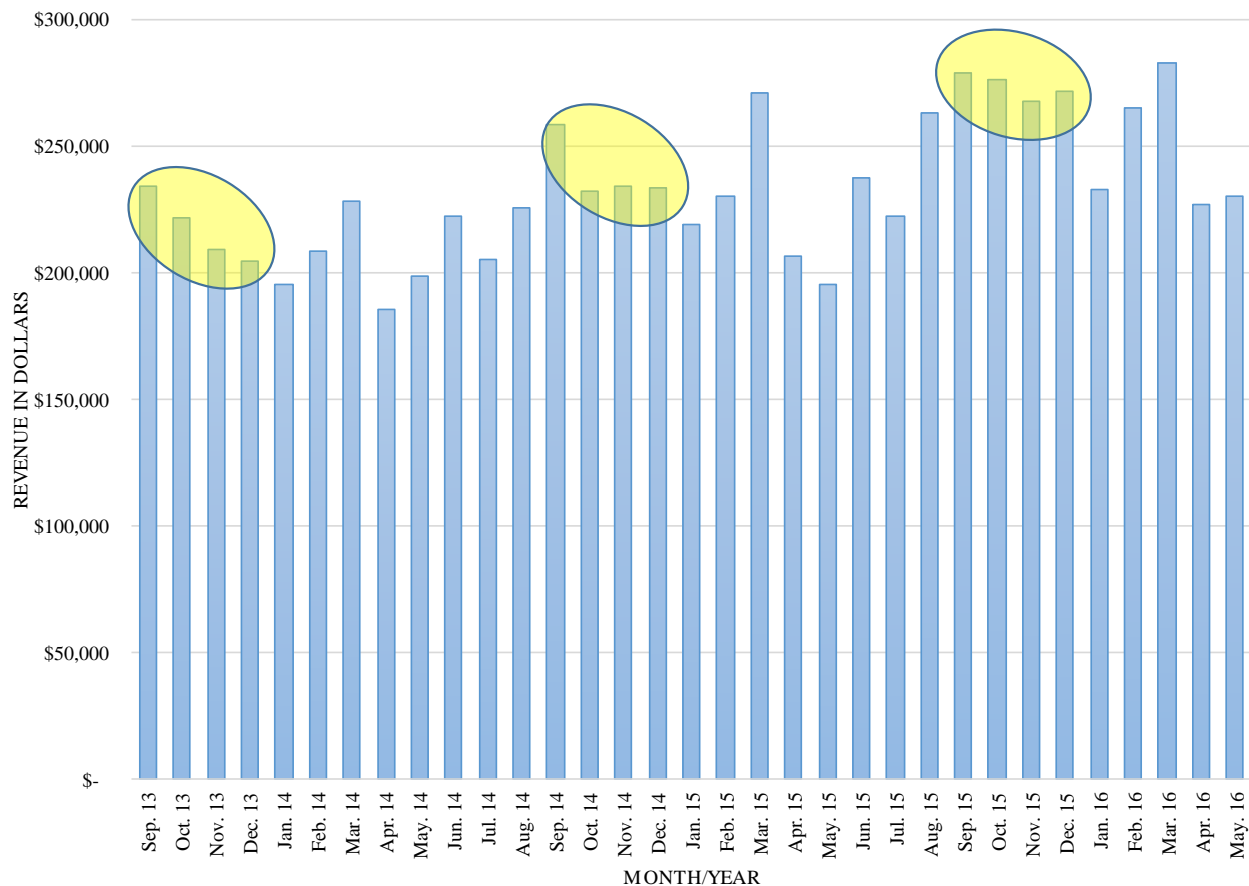


Short-term Factors

This section will highlight and provide more detail on how specific short-term factors affected the development of the City’s budget, as first presented in the *Budget Message* section. The General Fund is the main operating fund for the City of Hendersonville. In that, other funds often rely upon the General Fund for financial support. Therefore, the financial stability of the General Fund is of the utmost importance to City Council and Staff. With that in mind, most of these factors directly affect the General Fund and have indirect effects on the other funds of the City.

Revenue Growth – Local Option Sales Tax

As discussed in the *Budget Message* section of this document, the City’s share of local options sales taxes have been driving revenue growth. The total revenue growth for local options sales taxes from FY13-14 to an estimated FY15-16 is **\$584,945, or 23%**. The following table displays sales tax revenue collections by month from September 2013 to May 2016:



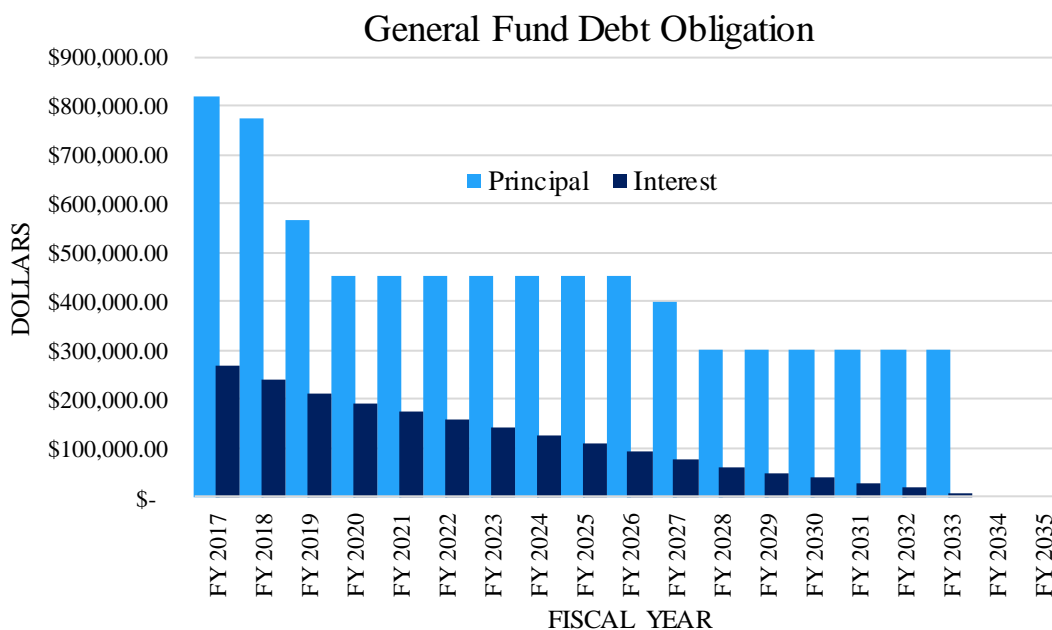
The last four months of each year is highlighted by a transparent yellow circle in order to show comparable growth. This revenue source is elastic, meaning it rises and falls in a sporadic manner. We are currently experiencing substantial year over year growth. It is important to remember that this revenue source is elastic and dependent on a wide variety of variables



including, the local, regional, and national economy, legislative action, local development, tourism, and consumer confidence, to name a few. We expect this revenue source to continue its recent growth pattern and have conservatively budgeted a 3.5% increase in FY16-17. A continued rise in development and construction permits, growing demands for parking, and a more stable national economy have created confidence in this projection.

Creation of a Debt Service Fund – General Fund Debt Obligation

The City’s debt obligation is broken out over the various funds. The General Fund and the Water and Sewer Fund comprise the largest portions of debt obligation. The City’s full financial data on debt obligation can be found in the *Financial Summaries* section of this document. This short-term factor is specifically related to the General Fund. The following is a current breakdown of the City’s General Fund debt obligation through FY34-35:



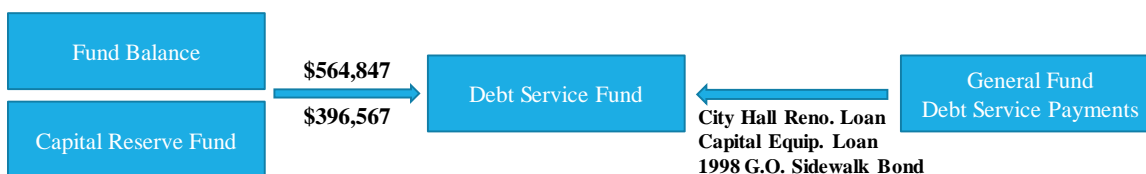
Project	Finance Type	Oustanding Principal	Interest Rate	End Date	FY16-17 Payment
1998 G.O. Sidewalk Bond	General Obligation	\$ 180,000	5.00%	FY17-18	\$ 99,000
City Hall Reno. Loan	Bank Loan	\$ 583,334	4.10%	FY18-19	\$ 255,164
2008 G.O. Sidewalk Bond	General Obligation	\$ 1,500,000	4.30%	FY26-27	\$ 161,350
Main St., Fire Station/Engine Loan	Bank Loan	\$ 5,100,000	4.10%	FY32-33	\$ 475,373
Capital Equipment Loan	Bank Loan	\$ 146,924	4.10%	FY17-18	\$ 99,137

The table and chart, above, represents five (5) debt service notes currently being paid by the General Fund. Of these five notes, three will be paid in full by FY18-19. Additionally, each year, the General Fund receives a transfer in from a capital reserve fund to pay for a portion of this debt obligation, the total annual payment for the Bank of America City Hall Renovation note. The City’s available fund balance level is 51.4% of budgeted expenditures as of FY14-15, and the City has an available fund balance policy goal of 35%-45% for the General Fund.



Considering this, the City found it financially prudent to allocate a lump sum of fund balance to pay for the upcoming debt obligation of the three notes, 1998 G.O. Sidewalk Bonds, BB&T Capital Equipment Loan, and Bank of America City Hall Renovation Loan.

In order to make this possible, the City created a debt service fund. The City transferred a lump sum of \$564,847 from the General Fund and \$485,068 from the Capital Reserve Fund – GF, to the newly created Debt Service Fund in FY15-16.



The Debt Service fund will utilize fund balance to pay the annual note for the three notes listed above. The General Fund will transfer the annual cost of the remaining two notes to the Debt Service Fund annually. The total transfer for FY16-17 is \$633,723. The result is rather than paying the total \$1,086,718 with operating funds in FY16-17, the General Fund will only pay \$633,723 with operating funds. Now, the General Fund was benefiting from a \$255,164 transfer in from the Capital Reserve Fund – GF. So, the net operating gain is 229,904. This funding will be utilized to increase capital pay-as-you-go expenditures for the General Fund.

Medical Insurance Expenditures

Another factor coming into the FY15-16 Budget is another increase in health insurance premiums. The City has had a poor year for claims and is expected to see an increase of 9% in premium payments. This equates to approximately \$152,728 across all funds. In response to this, the City met with their insurance provider and discussed strategies going forward to combat these increases. In FY16-17 the City has partnered with a local health services provider to receive free on-site nursing care. Costs for service can be expected in future years. In addition, the City has increased its wellness incentives and requirements to receive the incentives. The City will be considering possible deterrents in the future, like a cost sharing of insurance costs if an employee chooses to exhibit unhealthy behaviors. This specifics of this type of strategy have not been worked out.

Fire Inspection Program

The North Carolina Legislature mandated that all structures, besides 1 & 2 family dwellings, be inspected for fire code violations on a structured timeline. This was in response to a tragic chicken processing plant fire in Hamlet, NC that killed 25 workers and injured 40 more in 1991. The law mandates that all structures be inspected every one to three years, depending on the type of structure. Currently, the City has one employee dedicated to inspecting the approximate 2,000 structures in the City. The ability for one inspector to effectively meet the one to three year inspection requirement is not feasible. In response, the City has created a fee schedule to



generate enough revenue to effectively and efficiently meet the State mandate. The fee schedule is as follows:

FIRE INSPECTION PROGRAM - FEE SCHEDULE

SQUARE FOOTAGE	# OF BUSINESSES	FEE	ESTIMATED REVENUE
Minimum up to 1,000 sq.ft.	250	\$50.00	\$12,500.00
1,001 - 5,000 sq. ft.	1050	\$100.00	\$105,000.00
5,001 - 10,000 sq. ft.	275	\$150.00	\$41,250.00
10,001 - 25,000 sq. ft.	125	\$200.00	\$25,000.00
25,001 - 50,000 sq. ft.	75	\$250.00	\$18,750.00
50,001 - 100,000 sq. ft.	50	\$300.00	\$15,000.00
100,001 - 200,000 sq. ft.	15	\$350.00	\$5,250.00
Over 200,000 sq. ft.	10	\$400.00	\$4,000.00
		TOTAL	\$226,750

In addition to the new fee schedule, a business registration fee of \$50 will be removed. This fee is being removed because the fire inspection will meet the purpose of that fee and the fee is no longer necessary. That fee generated approximately \$50,000 in revenue. The total recurring new revenue for the City is estimated to be \$176,750. This new revenue will fund a Fire Marshal, Deputy Fire Marshal, and Fire and Life Safety Educator position. These positions will provide fire inspections, plan reviews, enforce the NC fire code, and conduct fire education and prevention programs. This service will be greatly enhance in the coming years and will more effectively meet the standards mandated by the North Carolina Legislature.

Overall

Overall, the factors mentioned above have had the greatest short-term impact on the ability of the City to accomplish its major goals and priorities. Increasing sales tax revenues and the excess operating expenditure budget realized after creating a debt service fund, have been drivers of increased available budget. This available budget has allowed the General Fund to continue enhanced public safety programs, and provide more funding for pay-as-you-go capital projects. These capital projects are critical in achieving goals and priorities and more detail can be found in the *Capital Improvements Plan* section of this document. It is important to note that there are still major priorities and projects that continue to go unfunded in the FY16-17 budget, however, the City is working strategically and diligently with public funds to make more and more of these priorities a reality. Some of the larger projects that are unfunded include, the Berkeley Mills Park Improvements Project and the Downtown Avenue Streetscape Improvements Project.



Long-Term Financial Plan

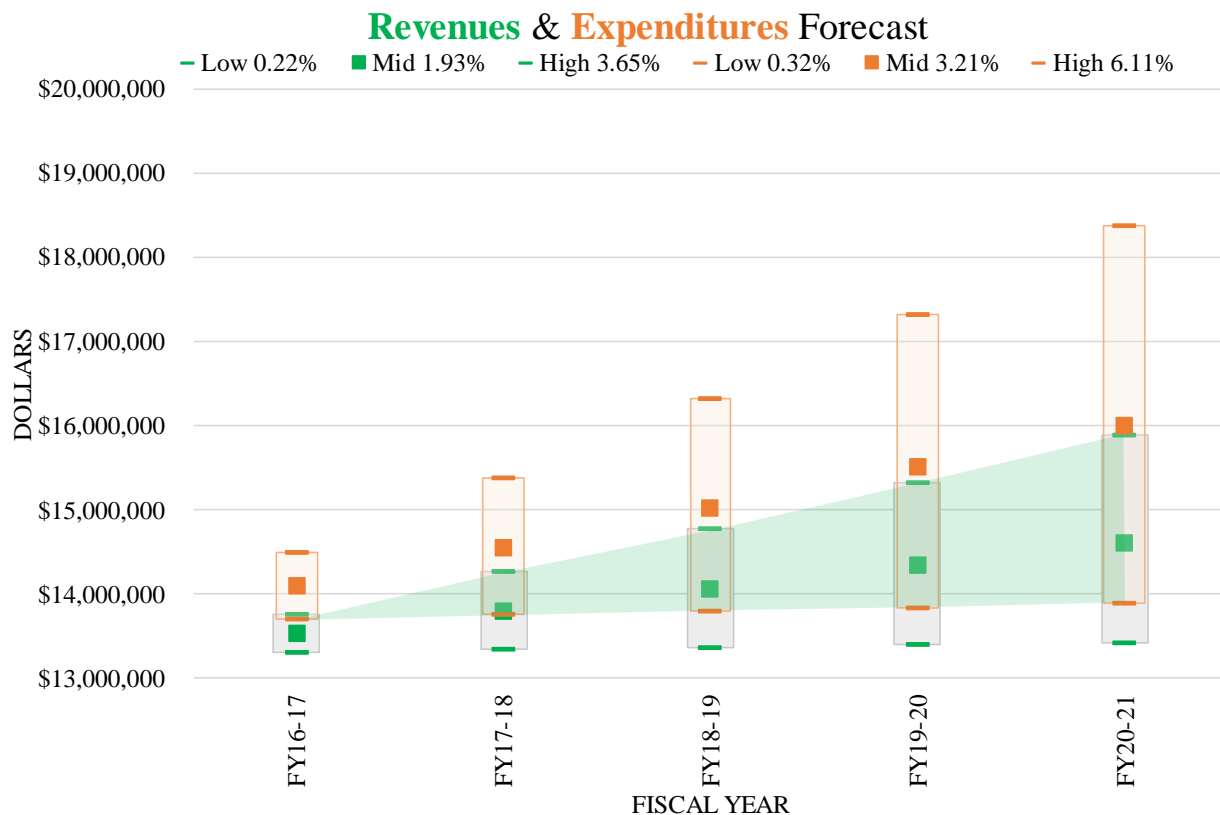
The City’s long-term financial health is contingent upon prudent planning and management which aided by increases in revenue through growth and new sources will provide financial sustainability. The City’s current financial condition has been communicated in the *Budget Message, Capital Improvements Plan, and Financial Summaries* sections, in addition to the summary short-term factors discussed above. This section will first, provide a financial forecast for the City’s funds, discuss how the City’s long-term priorities and outside variables effect the forecast, and finally, briefly describe the future priorities and operating expenditures for the City. This plan will be reviewed, modified, and prioritized in and up to the City’s first budget meeting for the FY17-18 budget process.

Financial Forecasting and Planning

A forecast is the estimated value for a period based on information from previous periods. It is important to control for historical outliers when generating and analyzing forecasts. The City utilizes an exponentially weighted moving average to control for outliers, commonly referred to as “exponential smoothing”. These forecasts will focus mainly on the General Fund because of its primary function in the City’s operations and the Water and Sewer Fund because of its size and importance in the community.

General Fund

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



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

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

There are two major revenue factors that are the focus of the City's long-term financial plan. First, is ad valorem taxes and the next county-wide property revaluation. This revaluation is set to occur in FY18-19, with effects of the revaluation being realized in the FY19-20 budget. With continued economic growth the City is expecting a positive revaluation, which means an increase of total property value in the City. An increase in property value after the revaluation provides an opportunity to evaluate the current property tax rate. The rate can be left the same and provide additional revenue if property values increase. A revenue neutral tax rate is required to be published in the budget. The second major factor is sales tax. This revenue source will reflect the current economic conditions and has recently grown dramatically. If this growth continues it could provide a reliable revenue source for future capital needs. Additionally, legislation has been discussed in the General Assembly which would provide municipalities the ability to leverage a ¼ cent local option sales tax. This revenue source, if adopted and enacted, would provide substantial new revenues, estimated to be over one million dollars. These two major revenue factors are critical in balancing the budget, i.e. ending reliance on fund balance, and providing funding for natural personnel growth and inflation.

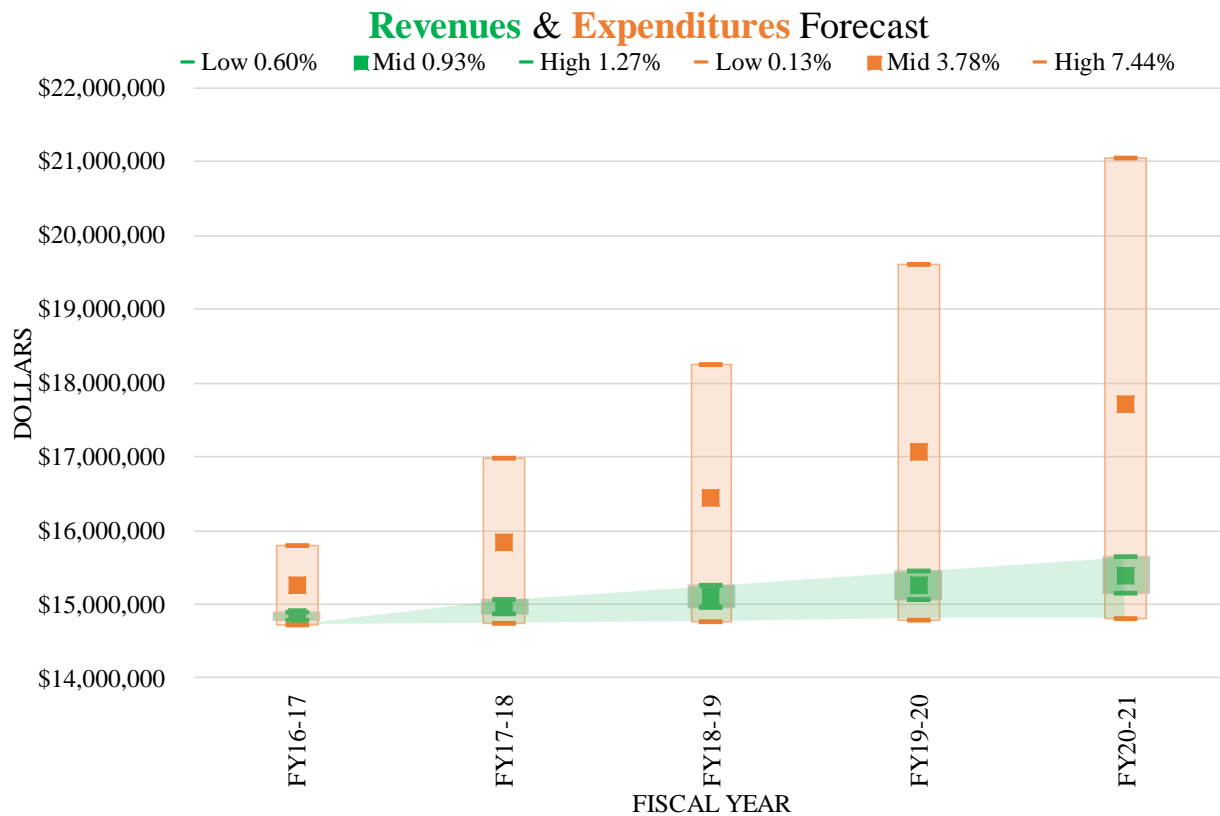
In addition to new revenue, the City will need to evaluate and adjust current prioritization of expenditures in the coming five years. First, in FY17-18 the City will begin payment on an installment purchase of a new fire engine. The annual debt service payment is estimated to be \$100,000 a year for 10 years. The City has the replacement of a Sidearm Mower/Tractor in the FY16-17 budget estimated to cost \$105,000. This is a one-time cost and will not recur over the estimated life of the fire engine loan. The City plans to utilize this funding in FY17-18 and beyond for the debt payments on the new fire engine. Another large expenditure in the coming years will be the effects of the pay and classification study, occurring in FY16-17. The results of the study are unknown but it is likely there will be a substantial increase in recurring personnel expenditures in FY17-18 and beyond. The City plans to fund this increase utilizing a decrease in transfers of \$58,000 after FY16-17 and sales tax growth. Ultimately, these two major



expenditures will have long-term recurring costs and are of primary focus for the City at this point. All other new or enhanced expenditures will require new revenue sources to be funded. The overall plan for the General Fund is to continue to practice conservative spending, while looking to the next county-wide property revaluation as an opportunity for further, substantial revenue growth.

Water and Sewer Fund

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



The chart above is similar to the forecast for the General Fund in that it displays revenue and expenditure forecasts on the same axis with standard errors of increase. Revenues are in green and expenditures are in orange. Additionally, a green shaded area overlays the graph, representing the forecasted area of financial sustainability. It is important to note, while the General Fund forecast is useful in predicting future revenue and expenditure trends, the same model for the Water and Sewer Fund is not as effective. The distinguishing factor is that the Water and Sewer Fund is an enterprise fund and is primarily, almost solely, reliant on user chargers for revenue. This makes the revenue forecast narrow and depict simply growth in the system and usage. Additionally, expenditures can fluctuate greatly due to high dollar operating and capital costs that can crop up unexpectedly. However, the chart does provide a basic level of



expenditures and considering normal operating and maintenance costs can prove a reliable gauge for future needs.

The most important long-range factor discussed in the *Budget Message* section of this budget are the continued capital needs for the growing system. The City is currently conducting a water system master plan and has budgeted in FY16-17 to conduct a sewer system master plan. These plans will help identify and reprioritize the City’s CIP for the Water and Sewer Fund. While this reprioritization has not happened yet, it is important to continue the funding of current priorities and generate funding sources for future projects.

To start, normal operating and maintenance expenditures have continued to grow at a pace higher than that of revenue growth. The following table displays estimated operating and maintenance expenditures compared to total estimated revenues for the Water and Sewer Fund over the next five years:

	Estimate FY16-17	Estimate FY17-18	Estimate FY18-19	Estimate FY19-20	Estimate FY20-21
Expenditures \$	16,300,181	\$ 16,463,183	\$ 16,627,814	\$ 16,794,093	\$ 16,962,034
Revenues \$	14,876,694	\$ 15,099,844	\$ 15,326,342	\$ 15,556,237	\$ 15,789,581
Difference \$	1,423,487	\$ 1,363,338	\$ 1,301,472	\$ 1,237,855	\$ 1,172,453

The Fund cannot afford to continue this trend if it is to maintain the City’s priority of financial sustainability. The City recognizes the need to address this demand and is considering cost recovery, conservation, equity, and affordability when planning for the future. It is important to address rates each year, as maintaining low rates at the expense of the utility’s financial health will either lead to a sudden, massive rate increase in the future or to failing systems and endangering public health. With this in mind the City is planning to evaluate rates each year and recommend small rate increases to deal with the elements of cost recovery, while considering affordability. This strategy is feasible because the Water and Sewer Fund’s fund balance is above the City Council’s goal of 50% - 75% available. The use of some fund balance is acceptable in implementing this long-term strategy and allows the City to not jeopardize its affordability measure, an average bill is currently 1.57% of the median household income (goal < 2%). Below is an example of small rate increase effects on the five year estimate provided above:

	Estimate FY16-17	Estimate FY17-18	Estimate FY18-19	Estimate FY19-20	Estimate FY20-21
Expenditures \$	16,300,181	\$ 16,463,183	\$ 16,627,814	\$ 16,794,093	\$ 16,962,034
Revenues \$	14,876,694	\$ 15,099,844	\$ 15,326,342	\$ 15,556,237	\$ 15,789,581
Rate Increase	N/A	1.50%	2.00%	1.50%	2.00%
New Revenue Total	N/A	\$ 15,326,342	\$ 15,862,764	\$ 16,417,961	\$ 16,910,500
Adjusted Difference	N/A	\$ 1,136,841	\$ 765,050	\$ 376,132	\$ 51,534



As the table depicts 1.5% to 2% rate increases over the coming years will produce enough revenue to alleviate the growing fund balance reliance. The City will continue to consider the affordability of its rates in these future plans.

In addition to the Fund's regular recurring expenditures there are a variety of capital needs identified in the City's CIP, *Capital Improvement Plan* section of this document. As mentioned in the *Budget Message* section of this document, there are five major water and sewer system capital projects that will require funding over the next five years. The projects and there estimated cost are listed below:

1. French Broad Raw Water Intake and Pump Station \approx \$5,098,000
 - a. This additional intake will allow for the future effective supply and delivery of drinking water for the growing utility. It will also create a redundancy to ensure the delivery and supply of water in drought conditions.
2. Mud Creek Sanitary Sewer Improvements \approx \$1,144,000
 - a. The project consists of replacement of an existing 12 inch and 18 inch vitrified clay sewer line that has multiple slope/joint issues. Construction will include a realignment of the sewer and pipe bursting through the existing line which crosses the Southgate Shopping Center parking lot. The line will be replaced with 3,150 linear feet of 18 inch PVC gravity sewer.
3. North Main St. Water/Sewer Improvements \approx \$1,047,000
 - a. Replacement of existing undersized and failing vitrified clay lines in a residential neighborhood with 8 inch PVC sewer and 8 inch DI water lines with approximately 40 sewer connections and 50 water connections.
4. WTP Centrifuge Replacement \approx \$816,000
 - a. Centrifuge is a sludge drying system used to dry sludge at the water treatment plant. The equipment has been rebuilt several times and is at the end of its useful life. There are no additional initial operating impacts/costs however, there will be regular maintenance costs in future years.
5. WWTP Sludge Drying System \approx \$4,010,000
 - a. The wastewater treatment plant (WWTP) currently produces a Class B sludge which must be disposed of in a regulated landfill or land applied by permit only. The new sludge drying system would produce a Class A sludge. Class A sludge can be used by the City and by the public for use virtually anywhere and could become a marketable byproduct of the WWTP. This will also provide assurances in case a landfill decides to not accept the City's sludge.

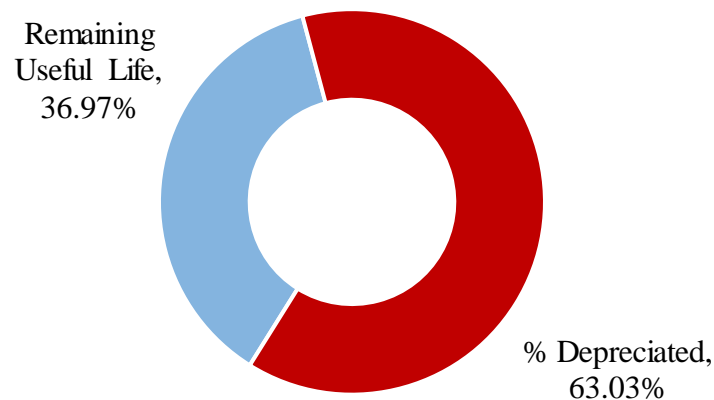
These projects will take multiple years to plan, design, and complete. These are major projects and will have costs that reflect that, depicted above. As discussed in the *Budget Message* section the utility's upcoming debt obligation decreases significantly in the two years and will provide a funding mechanism for some of these major projects. This decrease is estimated to be \$1,416,048 by FY18-19. In addition to the City's debt capacity, the State has recently approved



an infrastructure bond for \$2 billion. Approximately \$314 million is dedicated for water and sewer infrastructure. The City may be eligible for proceeds from this bond in the coming years.

A final piece of the City's long term financial plan as it relates to its utility system is recurring capital improvements and investment. The City allocates approximately \$1.3 to \$1.8 million of operating revenues to recurring, pay-as-you-go, capital improvements each year. An estimated \$500,000 of that is designated for the regular repair and replacement of damaged water and sewer lines that are located by the utility's leak detection crew. These initiatives are targeted at decreasing the utility's water loss ratio, approximately 25%-30%, and decreasing its capital assets condition ratio, currently 63%. The water loss ratio provides the percent of water that goes unaccounted for in the system every year. There will always be some water loss, however the City would like to limit this loss as much as possible. The capital asset condition ratio depicts the remaining useful life of the utility's assets. The chart below displays the remaining useful life of the Water and Sewer Fund's assets:

Business Type Activities



This ratio has decreased by approximately 10% since FY10-11 (73% depreciated). With continued reinvestment and prudent financial planning the City expects this number to continue to decrease.

Effects on Current Budget

Presented above, these major capital and operating factors have had significant impacts on the current FY16-17 budget. These impacts have been summarized. The General Fund has been provided additional funding capacity for capital project with the creation of a debt service fund. The Fund also has maintained a low expenditure level, a decrease over the prior year FY15-16, intended to provide time for revenue growth. The Water and Sewer Fund is able to realize its ability to continue to fund capital projects and normal operations because of a substantial fund balance but, recognizes the need to limit this reliance, planning for small rate increases.

Financial Planning

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

Future Priorities – Next Five Years

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

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

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

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

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

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

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

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



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

Infrastructure Improvements along Downtown Avenues: (Sound Infrastructure)

The City recently upgraded the Main Street to include decorative LED lights, new curb and gutter, water and sewer infrastructure, and other beautification efforts. As it stands, the majority of the avenues off of Main Street that are in the MSD have not seen any improvements. The City has identified this as a high priority. The total cost of one avenue may range up to \$700,000 for the full improvements. There will also be an additional, recurring, maintenance and repair cost, estimated at \$2,500 per year.

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

The City hired a consultant to perform a parking study in the City's downtown corridor. The study provided a variety of recommendations, one specifically being the upgrading of parking meter and signage infrastructure. The City has already budgeted the financing of parking meter upgrades costing an estimated total of \$100,000. These meters are kiosks and provide a more efficient way for visitors to pay for parking. In addition, new signage will be needed to highlight the City's public parking areas. This could cost anywhere from \$25,000 to \$100,000 or greater.

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

The City last conducted a pay and classification study in FY07-08. These studies provide an updated pay scale for employee job classifications, comparative to State and nationwide standards and averages. Other comparable municipalities that have recently undergone a pay and classification study were provided that their public safety employee's salaries were behind standards by up to 15% and regular employee's salaries were behind anywhere from 5% to 10%. The City has identified that if it wants to continue to be a competitive and desirable place to work, a pay and classification study should be conducted. The costs for such a study are typically \$25,000 for the consultant and then implementation can range from an estimated \$500,000 to \$2 million. The study is budgeted to occur in FY16-17.

Public Safety Personnel: (Great Public Services)

The City has finished construction on the new Fire Station #2 and is realizing the need for additional staff to fulfill agency requirements. This lack of staffing is driving up overtime and temporary salary costs. Additionally, the City has identified the need for enhanced police



presence at City parks. The addition of two public safety employees is estimated to cost \$90,000 in recurring salary and benefit expenditures.

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

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

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

The City is working to identify stormwater improvement projects within the City. Currently, the City is producing a stormwater master plan. The results of the plan are unknown at this time. However, the plan is expected to bring a variety of stormwater projects and priorities to the table. Many of these projects will require a financing mechanism to be funded.

Street Improvements: (Sound Infrastructure)

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

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

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

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

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



Performance Budgeting

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

Why does this approach matter?

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

Establishing a performance budgeting takes time and resources. The City of Hendersonville is in the early stages of this process and have established a plan to move towards this methodology. The City Council has already established a mission, vision, and goals and priorities. This is a critical first step in the process, displayed earlier in this section of the budget document.

The City's Budget Office will begin leading the introduction of the process. This will include reviewing measures already tracked and then evaluating their ability to be linked to City outcomes. Departments will begin establishing objectives linked to City goals and priorities. The City will take time to observe and tweak the measures that are leading to the selected City priority. It will be important to think critically and determine if the measure is a true representation of the desired outcome. If so, one can then learn what measure need improvement, what resources are needed to improve the measure, and how the ultimate priority can be achieved.

The City has planned to take one department at a time in establishing objectives, due to the limited number of personnel dedicated to budget development in the City. Ultimately, once the process is more established, the City will create a yearly performance report presenting the City's success in achieving its priorities.



Financial Structure

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

Basis of Preparation

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

Governmental Funds

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

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

Special Revenue Funds. Special Revenue Funds are used to account for the process of specific revenue sources (other than expendable trusts or capital reserves) that are legally restricted to expenditures for specified purposes. The City of Hendersonville's Special Revenue Funds include the Main Street Tax District Fund, Seventh Avenue Tax District Fund, Fire Car Seat Fund, Fire Community Fund, Historic Preservation Commission Fund, Police DARE Fund, Police Drug Forfeitures Fund, Police Kennel Club Fund, Police Motor Unit Fund, Police Needy Persons Fund, Police RAD Fund, Police Youth Explorers Fund, Capital Reserve Fund – GF, Capital Reserve Fund – WS, and Debt Service Fund.

Capital Project Funds. Various Capital Project Funds are used to account for financial resources to be used for major acquisitions or construction. These funds include the Sidewalk



Construction Project Fund, Eastside Transmission Main, Phase II Fund, Fletcher Area System Improvements Fund, Mud Creek Dump Cleanup Fund, Rutledge Rd. System Improvements Fund, SCADA System Upgrade Fund, WTP High Service Pump Station Fund, WWTP Gravity Filter Replacement Fund, WWTP Generator/ATS Replacement Fund, Tracey Grove Bridge Replacement Fund, Glenbrook Gravity Sewer Improvements Fund, North Oak Street Infrastructure Improvements Fund, Fire Engine Replacement Fund, and the Etowah System Improvements Fund. These are multi-year funds that have been adopted by the City Council. More information on multi-year funds can be found in the City's Comprehensive Annual Financial Report (CAFR). The City will create a capital project fund for any project that costs more than \$1 million or lasts over one fiscal year.

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

Basis of Accounting & Budgeting

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

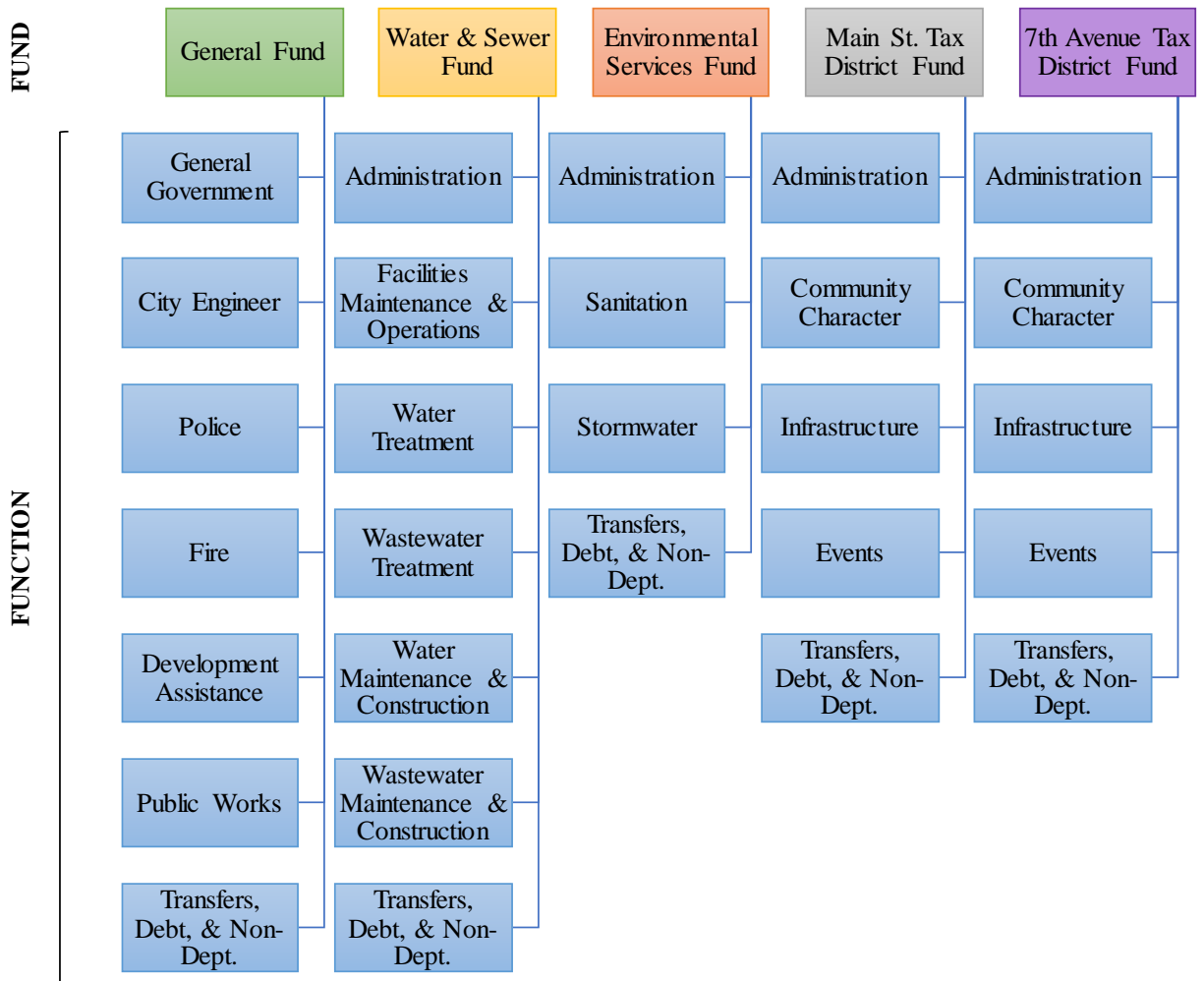
The following table details each fund category, type, and its respective accounting method for all fiscal year funds for FY16-17:

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

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



The following chart details the relationship for all major City functions and its respective fund:



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

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



Financial Policies

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

General Policy

Ensuring a balanced budget ordinance is adopted by the governing board prior to the beginning of each new fiscal year, beginning July 1, is one of the Manager's primary responsibilities.

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

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

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

Budget Amendment Policy

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

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

North Carolina General Statute 159 governs these types of changes. The annual Budget Ordinance may be amended any time after its official adoption; however, the amendments cannot increase or decrease the tax levy or alter a taxpayer's liability unless the City is ordered to do so by the courts or an authorized state agency. Total increases in appropriations should equal total



increases in revenues if new revenues are involved. In all situations, a brief description of the circumstances surrounding the amendment will be included on the face of the amendment or in the minutes where the amendment was approved.

Capital Improvement Policy

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

Debt Policy

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

Fund Balance Policy

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

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

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



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

Investment Policy

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

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

Purchasing Policy

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



Special Appropriations Policy

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

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



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Revenue & Expenditure Summaries

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

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

BUDGET FY16-17	EXECUTIVE SUMMARY											TOTAL
	REVENUES AND EXPENDITURES - ALL APPROPRIATED FUNDS											
Fund Description	General	Main Street	7th Avenue	Water & Sewer	Environmental Services	Capital Reserve - GF	Capital Reserve - WS	Debt Service	Fire Car Seat	Fire Community		
Revenues												
Ad Valorem Taxes	\$ 7,801,595	\$ 237,725	\$ 16,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,056,095
Other Taxes & Licenses	\$ 14,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,600
Unrestricted Intergov.	\$ 4,643,454	\$ 154,086	\$ 27,428	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,824,968
Restricted Intergov.	\$ 464,199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 464,199
Charges for Service	\$ -	\$ -	\$ -	\$ 13,886,359	\$ 1,365,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,251,519
Permits & Fees	\$ 158,575	\$ -	\$ -	\$ 737,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 895,825
Sales & Services	\$ 363,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 363,550
Investment Earnings	\$ 83,000	\$ 50	\$ 25	\$ 190,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,075
Misc. Income	\$ 140,000	\$ 135,500	\$ 5,100	\$ 33,400	\$ 20,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 334,500
Other Financing Sources	\$ 436,981	\$ -	\$ -	\$ 4,736,626	\$ -	\$ -	\$ 2,263,753	\$ 1,086,718	\$ 2,250	\$ 200	\$ -	\$ 8,526,528
SUB-TOTAL	\$ 14,105,954	\$ 527,361	\$ 49,328	\$ 19,583,635	\$ 1,390,660	\$ -	\$ 2,263,753	\$ 1,086,718	\$ 2,250	\$ 200	\$ -	\$ 39,009,859
Expenditures												
Personnel/Benefits	\$ 8,487,151	\$ 137,847	\$ 10,496	\$ 5,488,493	\$ 809,231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,933,218
Operating	\$ 4,255,080	\$ 367,076	\$ 22,000	\$ 6,331,587	\$ 477,801	\$ -	\$ 2,263,753	\$ -	\$ 2,250	\$ 200	\$ -	\$ 13,719,747
Capital	\$ 730,000	\$ 10,000	\$ 16,832	\$ 4,020,933	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,847,765
Debt Service (Transfer to)	\$ 633,723	\$ 12,438	\$ -	\$ 3,742,622	\$ 33,628	\$ -	\$ -	\$ 1,086,718	\$ -	\$ -	\$ -	\$ 5,509,129
SUB-TOTAL	\$ 14,105,954	\$ 527,361	\$ 49,328	\$ 19,583,635	\$ 1,390,660	\$ -	\$ 2,263,753	\$ 1,086,718	\$ 2,250	\$ 200	\$ -	\$ 39,009,859
Fund Description	Health & Welfare	Historic Preservation	Police DARE	Police Drug	Police Kennel	Police Motor Unit	Police Needy Persons	Police RAD	Police Youth Exp.			
Revenues												
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Other Taxes & Licenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Unrestricted Intergov.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Restricted Intergov.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Charges for Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Permits & Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Sales & Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Investment Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Misc. Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Other Financing Sources	\$ 299,973	\$ 15,000	\$ 2,000	\$ 80,000	\$ 7,000	\$ 800	\$ 8,000	\$ 1,900	\$ 2,000	\$ -	N/A	\$ 416,673
SUB-TOTAL	\$ 299,973	\$ 15,000	\$ 2,000	\$ 80,000	\$ 7,000	\$ 800	\$ 8,000	\$ 1,900	\$ 2,000	\$ -	\$ -	\$ 416,673
Expenditures												
Personnel/Benefits	\$ 74,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ 74,973
Operating	\$ 225,000	\$ 15,000	\$ 2,000	\$ 80,000	\$ 7,000	\$ 800	\$ 8,000	\$ 1,900	\$ 2,000	\$ -	N/A	\$ 341,700
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Debt Service (Transfer to)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
SUB-TOTAL	\$ 299,973	\$ 15,000	\$ 2,000	\$ 80,000	\$ 7,000	\$ 800	\$ 8,000	\$ 1,900	\$ 2,000	\$ -	\$ -	\$ 416,673
											TOTAL REVENUES	\$ 39,426,532
											TOTAL EXPENDITURES	\$ 39,426,532



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

BUDGET FY15-16	EXECUTIVE SUMMARY											TOTAL
	REVENUES AND EXPENDITURES - ALL APPROPRIATED FUNDS											
Fund Description	General	Main Street	7th Avenue	Water & Sewer	Environmental Services	Capital Reserve - GF	Capital Reserve - WS	Debt Service	Fire Car Seat	Fire Community		
Revenues												
Ad Valorem Taxes	\$ 7,735,607	\$ 249,564	\$ 17,014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,002,185
Other Taxes & Licenses	\$ 14,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,980
Unrestricted Intergov.	\$ 4,448,429	\$ 100,000	\$ 6,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,555,079
Restricted Intergov.	\$ 467,199	\$ 96,000	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 571,199
Charges for Service	\$ -	\$ -	\$ -	\$ 13,481,000	\$ 1,243,398	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,724,398
Permits & Fees	\$ 92,937	\$ -	\$ -	\$ 701,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 794,197
Sales & Services	\$ 368,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 368,930
Investment Earnings	\$ 83,620	\$ 50	\$ 25	\$ 190,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,695
Misc. Income	\$ 145,424	\$ 143,236	\$ 150	\$ 79,200	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 374,010
Other Financing Sources	\$ 1,601,604	\$ 86,531	\$ 36,826	\$ 7,763,899	\$ 239,065	\$ 661,527	\$ -	\$ -	\$ 2,748	\$ -	\$ -	\$ 10,392,200
SUB-TOTAL	\$ 14,958,730	\$ 675,381	\$ 60,665	\$ 22,215,359	\$ 1,501,463	\$ 661,527	\$ -	\$ -	\$ 2,748	\$ -	\$ -	\$ 40,075,873
Expenditures												
Personnel/Benefits	\$ 8,146,821	\$ 116,679	\$ -	\$ 5,272,467	\$ 736,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,272,150
Operating	\$ 5,131,259	\$ 364,246	\$ 60,665	\$ 7,003,231	\$ 455,249	\$ 661,527	\$ -	\$ -	\$ 2,748	\$ -	\$ -	\$ 13,678,925
Capital	\$ 561,859	\$ 182,057	\$ -	\$ 6,178,629	\$ 276,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,198,560
Debt Service (Transfer to)	\$ 1,118,791	\$ 12,399	\$ -	\$ 3,761,032	\$ 34,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,926,238
SUB-TOTAL	\$ 14,958,730	\$ 675,381	\$ 60,665	\$ 22,215,359	\$ 1,501,463	\$ 661,527	\$ -	\$ -	\$ 2,748	\$ -	\$ -	\$ 40,075,873
Fund Description	Health & Welfare	Historic Preservation	Police DARE	Police Drug	Police Kennel	Police Motor Unit	Police Needy Persons	Police RAD	Police Youth Exp.			
Revenues												
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Other Taxes & Licenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Unrestricted Intergov.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Restricted Intergov.	\$ -	\$ -	\$ -	\$ 17,268	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ 17,268
Charges for Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Permits & Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75	\$ -	\$ -	N/A	\$ 75
Sales & Services	\$ -	\$ 55	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ 55
Investment Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Misc. Income	\$ -	\$ 24	\$ 227	\$ -	\$ -	\$ 820	\$ -	\$ -	\$ -	\$ -	N/A	\$ 1,071
Other Financing Sources	\$ 272,745	\$ 16,442	\$ 3,564	\$ 87,719	\$ 9,738	\$ 3,746	\$ 27,059	\$ 1,959	\$ 5,414	\$ -	N/A	\$ 428,386
SUB-TOTAL	\$ 272,745	\$ 16,521	\$ 3,791	\$ 104,987	\$ 9,738	\$ 4,566	\$ 27,059	\$ 2,034	\$ 5,414	\$ -	\$ -	\$ 446,855
Expenditures												
Personnel/Benefits	\$ 43,859	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ 43,859
Operating	\$ 228,886	\$ 16,521	\$ 3,791	\$ 104,987	\$ 9,738	\$ 4,566	\$ 27,059	\$ 2,034	\$ 5,414	\$ -	N/A	\$ 402,996
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Debt Service (Transfer to)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
SUB-TOTAL	\$ 272,745	\$ 16,521	\$ 3,791	\$ 104,987	\$ 9,738	\$ 4,566	\$ 27,059	\$ 2,034	\$ 5,414	\$ -	\$ -	\$ 446,855
											TOTAL REVENUES	\$ 40,522,728
											TOTAL EXPENDITURES	\$ 40,522,728



The following is a summary of all major revenues and expenditures to provide an overview of actual total resources for FY14-15:

ACTUAL FY14-15	EXECUTIVE SUMMARY										TOTAL
	REVENUES AND EXPENDITURES - ALL APPROPRIATED FUNDS										
Fund Description	General	Main Street	7th Avenue	Water & Sewer	Environmental Services	Capital Reserve - GF	Capital Reserve - WS	Debt Service	Fire Car Seat	Fire Community	
Revenues											
Ad Valorem Taxes	\$ 7,428,148	\$ 226,726	\$ 11,564	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,666,438
Other Taxes & Licenses	\$ 402,398	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 402,398
Unrestricted Intergov.	\$ 4,155,192	\$ 100,600	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,258,292
Restricted Intergov.	\$ 546,173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 546,173
Charges for Service	\$ -	\$ -	\$ -	\$ 14,126,548	\$ 1,159,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,286,164
Permits & Fees	\$ 49,602	\$ -	\$ -	\$ 601,235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650,837
Sales & Services	\$ 325,572	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 325,572
Investment Earnings	\$ 52,402	\$ 497	\$ 13	\$ 153,113	\$ 4,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,679
Misc. Income	\$ 173,256	\$ 169,455	\$ 76	\$ 44,615	\$ 12,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 399,899
Other Financing Sources	\$ 692,243	\$ (82,975)	\$ 3,345	\$ 8,416,676	\$ -	\$ 274,580	\$ -	\$ -	\$ -	\$ -	\$ 9,303,869
SUB-TOTAL	\$ 13,824,986	\$ 414,303	\$ 17,498	\$ 23,342,187	\$ 1,176,767	\$ 274,580	\$ -	\$ -	\$ -	\$ -	\$ 39,050,321
Expenditures											
Personnel/Benefits	\$ 7,917,944	\$ 83,666	\$ -	\$ 4,471,638	\$ 624,452	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,097,700
Operating	\$ 3,823,905	\$ 330,637	\$ 17,498	\$ 4,970,846	\$ 472,298	\$ 274,580	\$ -	\$ -	\$ -	\$ -	\$ 9,889,764
Capital	\$ 1,052,117	\$ -	\$ -	\$ 10,645,879	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,697,996
Debt Service (Transfer to)	\$ 1,047,946	\$ -	\$ -	\$ 3,253,824	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,301,770
SUB-TOTAL	\$ 13,841,912	\$ 414,303	\$ 17,498	\$ 23,342,187	\$ 1,096,750	\$ 274,580	\$ -	\$ -	\$ -	\$ -	\$ 38,987,230
Fund Description	Health & Welfare	Historic Preservation	Police DARE	Police Drug	Police Kennel	Police Motor Unit	Police Needy Persons	Police RAD	Police Youth Exp.		
Revenues											
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Other Taxes & Licenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Unrestricted Intergov.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Restricted Intergov.	\$ 6,000	\$ 3,000	\$ -	\$ 11,843	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ 20,843
Charges for Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Permits & Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 470	\$ -	N/A	\$ 470
Sales & Services	\$ 7,635	\$ 13,203	\$ -	\$ -	\$ -	\$ 886	\$ -	\$ -	\$ -	N/A	\$ 21,724
Investment Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Misc. Income	\$ 1,368	\$ 31	\$ 230	\$ 171	\$ -	\$ 2	\$ 8,657	\$ -	\$ -	N/A	\$ 10,460
Other Financing Sources	\$ 250,727	\$ -	\$ 2,786	\$ 3,313	\$ -	\$ -	\$ 7,053	\$ -	\$ -	N/A	\$ 263,879
SUB-TOTAL	\$ 265,730	\$ 16,234	\$ 3,016	\$ 15,327	\$ -	\$ 888	\$ 15,710	\$ 470	\$ -	\$ -	\$ 317,375
Expenditures											
Personnel/Benefits	\$ 4,255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ 4,255
Operating	\$ 261,476	\$ 7,698	\$ 3,016	\$ 15,327	\$ -	\$ 343	\$ 15,710	\$ 55	\$ 1,599	N/A	\$ 305,223
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Debt Service (Transfer to)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
SUB-TOTAL	\$ 265,731	\$ 7,698	\$ 3,016	\$ 15,327	\$ -	\$ 343	\$ 15,710	\$ 55	\$ 1,599	\$ -	\$ 309,478
TOTAL REVENUES											\$ 39,367,696
TOTAL EXPENDITURES											\$ 39,296,708

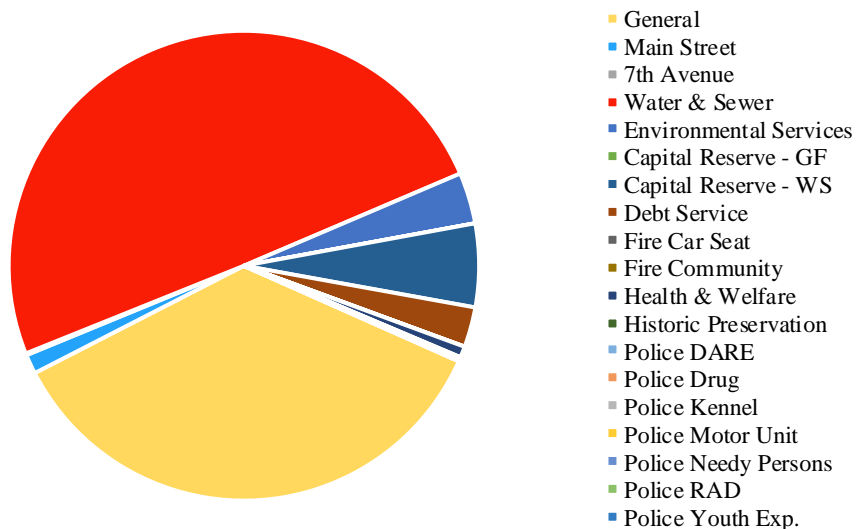


Revenues

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

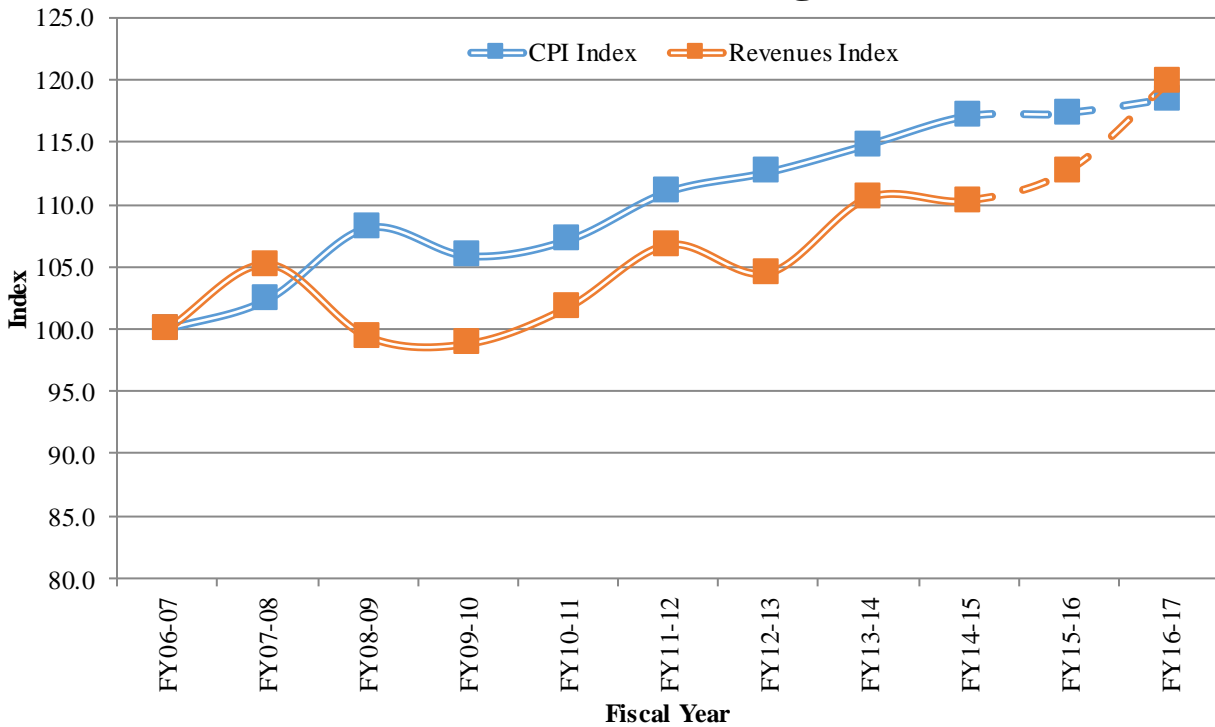
Fund	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE	PERCENT OF TOTAL
General	\$ (13,132,743)	\$ (14,958,730)	\$ (14,105,954)	\$ 852,776	35.78%
Main Street	\$ (497,278)	\$ (675,381)	\$ (527,361)	\$ 148,020	1.34%
7th Avenue	\$ (14,153)	\$ (60,665)	\$ (49,328)	\$ 11,337	0.13%
Water & Sewer	\$ (14,925,511)	\$ (22,215,359)	\$ (19,583,635)	\$ 2,631,724	49.67%
Environmental Services	\$ (1,176,767)	\$ (1,501,463)	\$ (1,390,660)	\$ 110,803	3.53%
Capital Reserve - GF	\$ (274,580)	\$ (661,527)	\$ -	\$ 661,527	0.00%
Capital Reserve - WS	\$ -	\$ -	\$ (2,263,753)	\$ (2,263,753)	5.74%
Debt Service	\$ -	\$ -	\$ (1,086,718)	\$ (1,086,718)	2.76%
Fire Car Seat	\$ -	\$ (2,748)	\$ (2,250)	\$ 498	0.01%
Fire Community	\$ -	\$ -	\$ (200)	\$ (200)	0.00%
Health & Welfare	\$ (115,003)	\$ (272,745)	\$ (299,973)	\$ (27,228)	0.76%
Historic Preservation	\$ (16,234)	\$ (16,521)	\$ (15,000)	\$ 1,521	0.04%
Police DARE	\$ (230)	\$ (3,791)	\$ (2,000)	\$ 1,791	0.01%
Police Drug	\$ (12,014)	\$ (104,987)	\$ (80,000)	\$ 24,987	0.20%
Police Kennel	\$ -	\$ (9,738)	\$ (7,000)	\$ 2,738	0.02%
Police Motor Unit	\$ (888)	\$ (4,566)	\$ (800)	\$ 3,766	0.00%
Police Needy Persons	\$ (8,657)	\$ (27,059)	\$ (8,000)	\$ 19,059	0.02%
Police RAD	\$ (470)	\$ (2,034)	\$ (1,900)	\$ 134	0.00%
Police Youth Exp.	\$ -	\$ (5,414)	\$ (2,000)	\$ 3,414	0.01%
TOTAL	\$ (30,174,528)	\$ (40,522,728)	\$ (39,426,532)	\$ 1,096,196	100.00%

City Revenues by Fund FY16-17



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

Total Revenues Controlling for Inflation



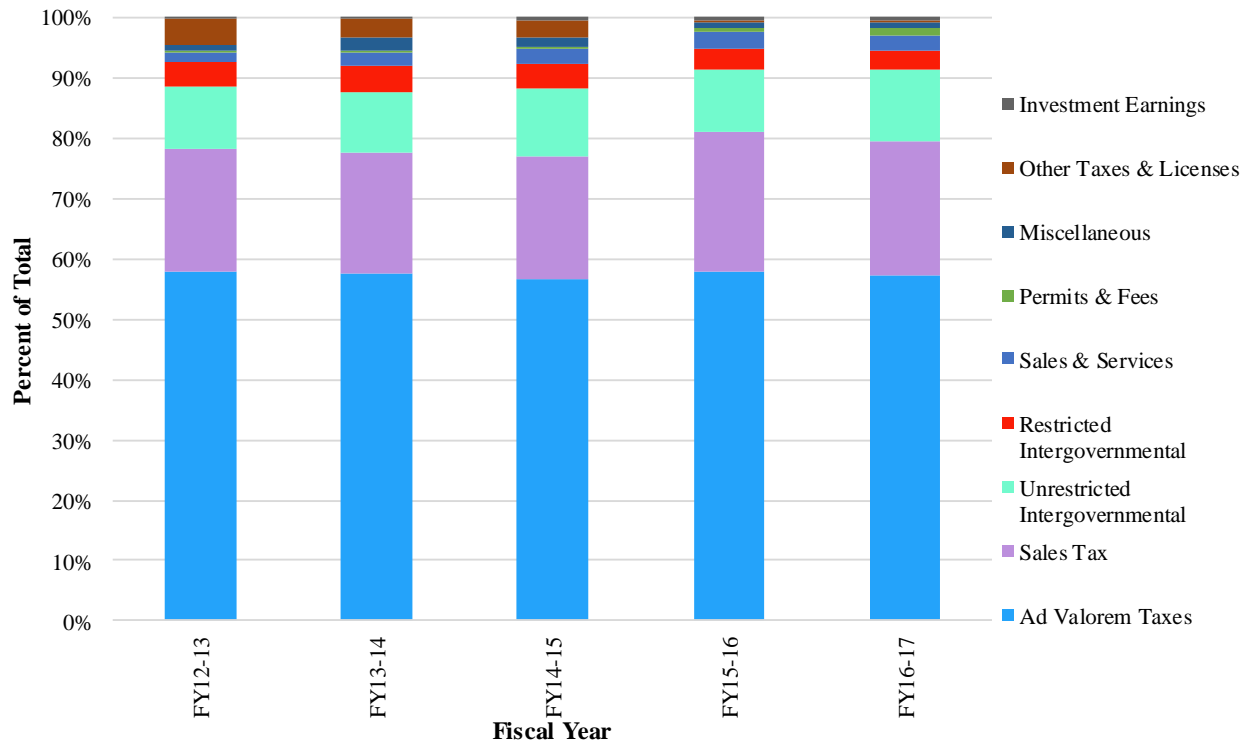
The Consumer Price Index (CPI) provides the effects inflation has on the market overtime. By using this data the City is able to adjust its revenues to actual levels, controlling for inflation. The chart shows that the City of Hendersonville’s effective revenues are estimated to equal, or exceed, levels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

According to the data, the CPI details an 18.4% increase since FY06-07. The City’s total revenues have increased approximately 19.9% over that same time period. Inflation can have powerful effects on an organization’s dollar worth if not monitored.

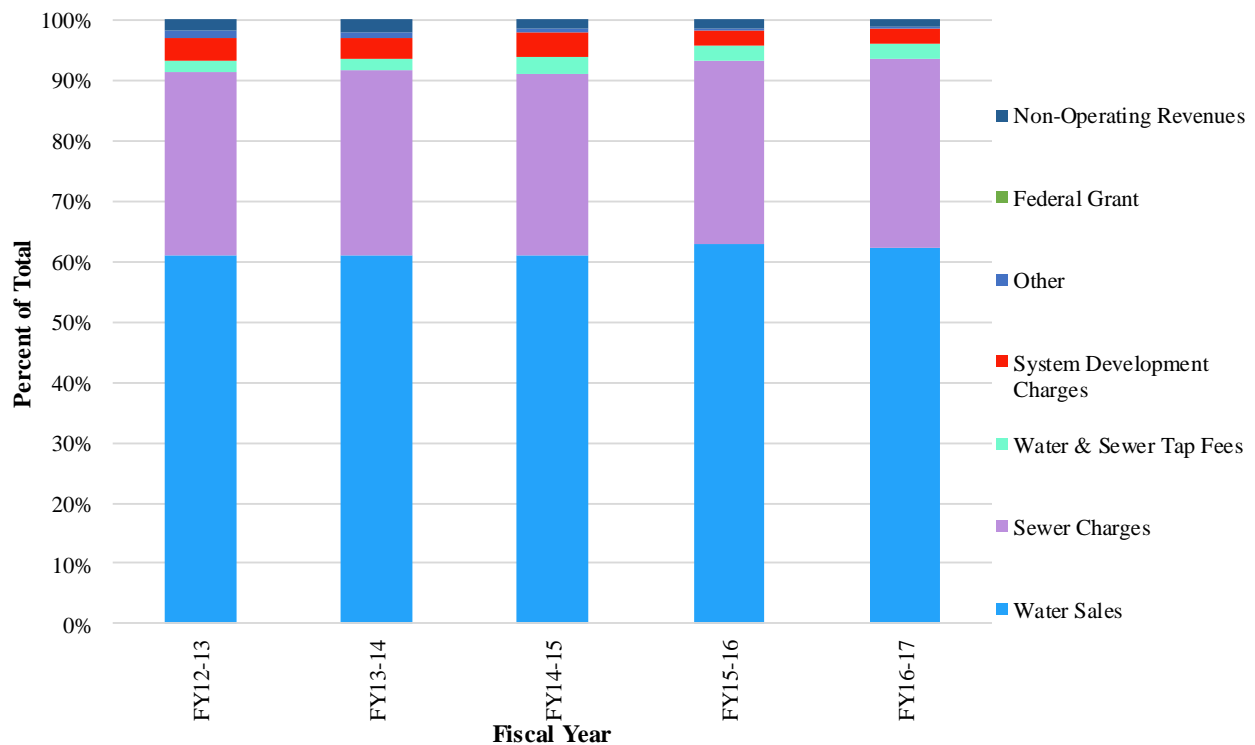


The following charts display revenue sources for the General Fund and Water and Sewer Fund:

General Fund Revenues by Source



Water & Sewer Revenues by Source



The charts highlight important contributing sources of revenue for the City of Hendersonville. Ad valorem taxes are the largest contributor to the General Fund, at 57.2% of all General Fund revenues for FY16-17. Another main source of revenue for the General Fund is sales and use taxes, making up 22.31% of all General Fund revenues for FY16-17. Another trend to note, is the shrinking of the brown/red bar for “Other Taxes & Licenses” in FY15-16. This is the result of the removal of municipal authority to leverage a privilege license tax for doing business in the City. This revenue source provided close to \$400,000 in revenue a year. Last year’s budget, FY15-16, speaks more in depth on this issue.

The Water and Sewer fund receives 62.5% of its revenues from water sales and 31.13% from sewer charges for FY16-17. This Fund is almost completely reliant on user charges to perform its operating functions. Reliance on these main sources has remained steady over the past five years.

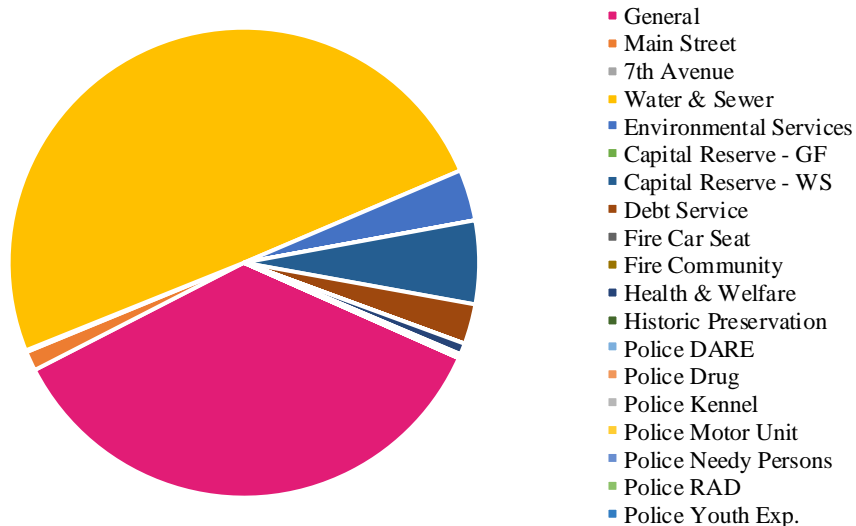


Expenditures

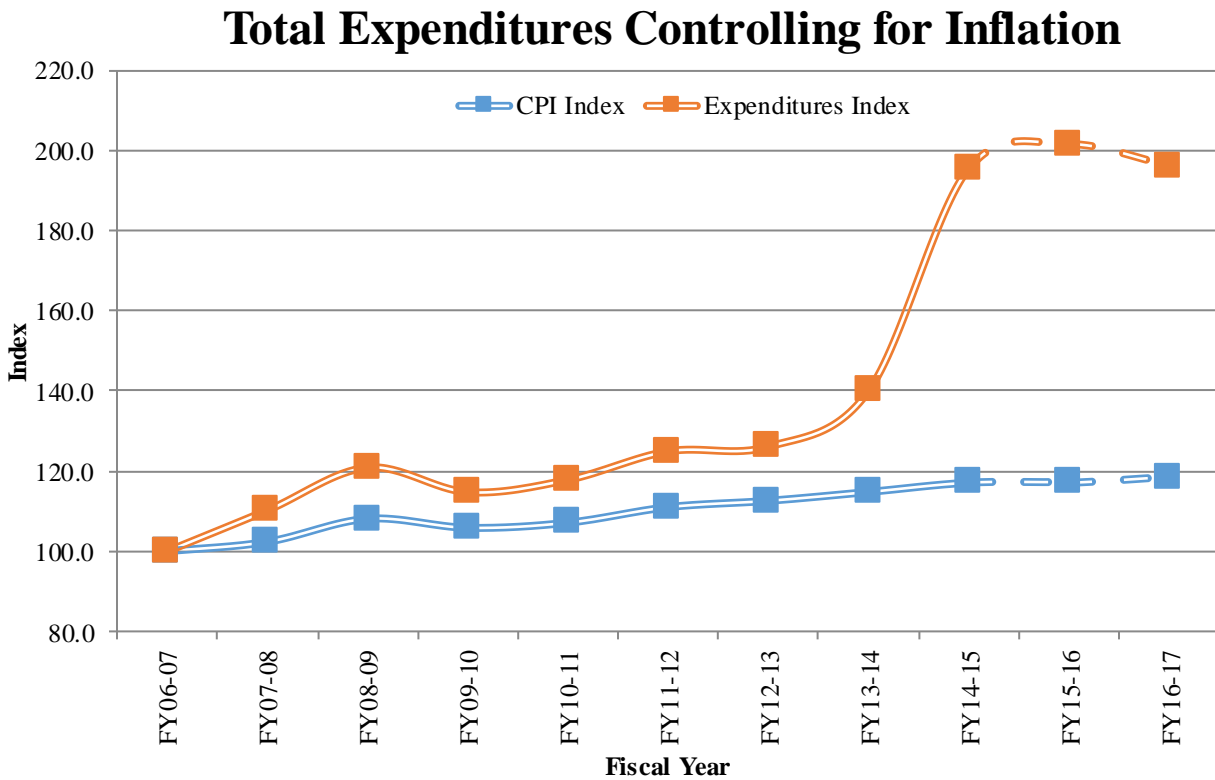
The following table and graph detail the City’s expenditures by fund:

Fund	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE	PERCENT OF TOTAL
General	\$ 13,841,912	\$ 14,958,730	\$ 14,105,954	\$ (852,776)	35.78%
Main Street	\$ 414,303	\$ 675,381	\$ 527,361	\$ (148,020)	1.34%
7th Avenue	\$ 17,498	\$ 60,665	\$ 49,328	\$ (11,337)	0.13%
Water & Sewer	\$ 23,342,187	\$ 22,215,359	\$ 19,583,635	\$ (2,631,724)	49.67%
Environmental Services	\$ 1,096,750	\$ 1,501,463	\$ 1,390,660	\$ (110,803)	3.53%
Capital Reserve - GF	\$ 274,580	\$ 661,527	\$ -	\$ (661,527)	0.00%
Capital Reserve - WS	\$ -	\$ -	\$ 2,263,753	\$ 2,263,753	5.74%
Debt Service	\$ -	\$ -	\$ 1,086,718	\$ 1,086,718	2.76%
Fire Car Seat	\$ -	\$ 2,748	\$ 2,250	\$ (498)	0.01%
Fire Community	\$ -	\$ -	\$ 200	\$ 200	0.00%
Health & Welfare	\$ 265,731	\$ 272,745	\$ 299,973	\$ 27,228	0.76%
Historic Preservation	\$ 7,698	\$ 16,521	\$ 15,000	\$ (1,521)	0.04%
Police DARE	\$ 3,016	\$ 3,791	\$ 2,000	\$ (1,791)	0.01%
Police Drug	\$ 15,327	\$ 104,987	\$ 80,000	\$ (24,987)	0.20%
Police Kennel	\$ -	\$ 9,738	\$ 7,000	\$ (2,738)	0.02%
Police Motor Unit	\$ 343	\$ 4,566	\$ 800	\$ (3,766)	0.00%
Police Needy Persons	\$ 15,710	\$ 27,059	\$ 8,000	\$ (19,059)	0.02%
Police RAD	\$ 55	\$ 2,034	\$ 1,900	\$ (134)	0.00%
Police Youth Exp.	\$ 1,599	\$ 5,414	\$ 2,000	\$ (3,414)	0.01%
TOTAL	\$ 39,296,708	\$ 40,522,728	\$ 39,426,532	\$ (1,096,196)	100.00%

City Expenditures by Fund FY16-17



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

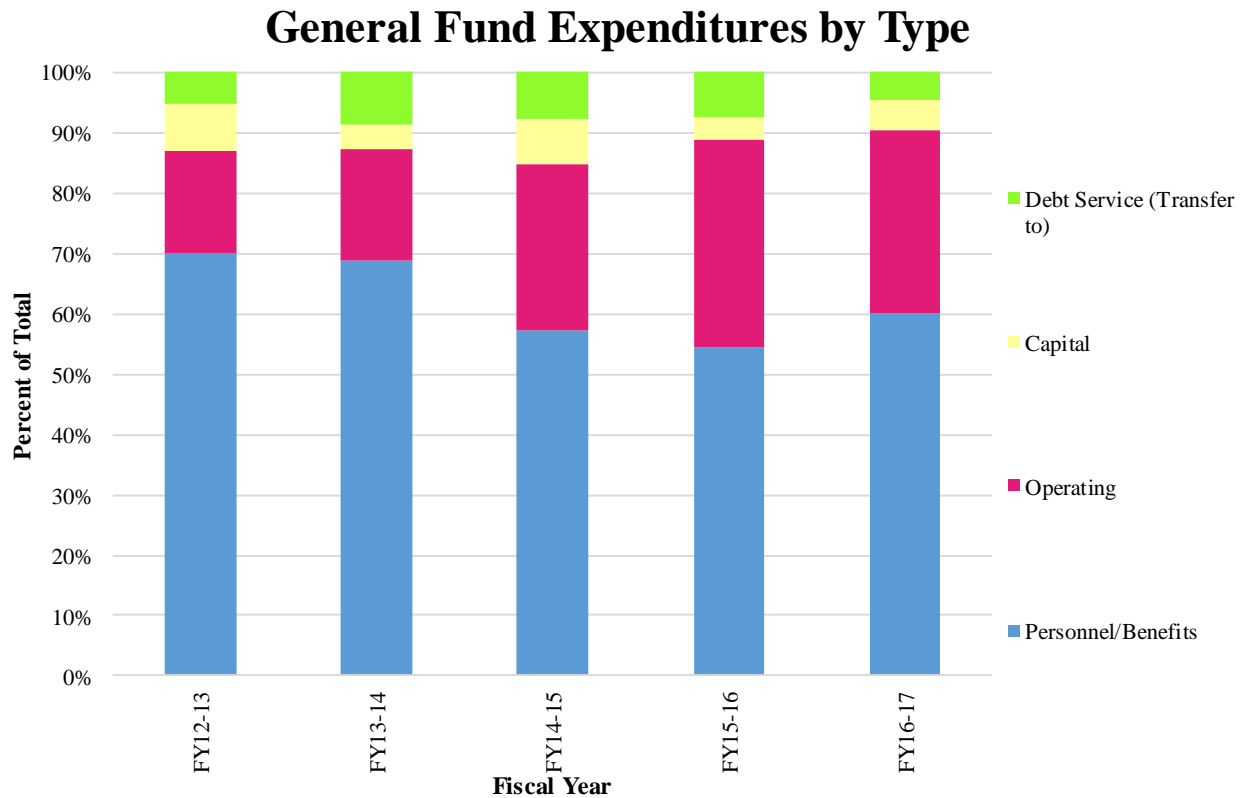


Similar to the “Revenues” section, the chart above displays the City’s total expenditures which include a calculation adjusting expenditures for inflation. Again, the Consumer Price Index (CPI) provides the effects inflation has on the market overtime. According to the data, the CPI details an 18.4% increase since FY06-07. One will notice a large spike in the “Expenditures Index” in FY 14-15. This depicts the near 100% increase in expenditures since FY06-07. In FY06-07 total expenditures were approximately \$20 million. Now, in FY16-17 total expenditures are estimated to be near \$40 million.

In comparison to revenues, which have maintained pace with inflation, total expenditures have exceeded and begun to far exceed inflation. Where total revenues have increased from \$26 million to \$32 million in ten years, total expenditures have increased from \$20 million to \$40 million in the same time period. Early on fund balance was accumulated in various funds. A result of this was the establishment of substantial fund balance in many different funds that is now being utilized to reinvest in the City infrastructure.



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



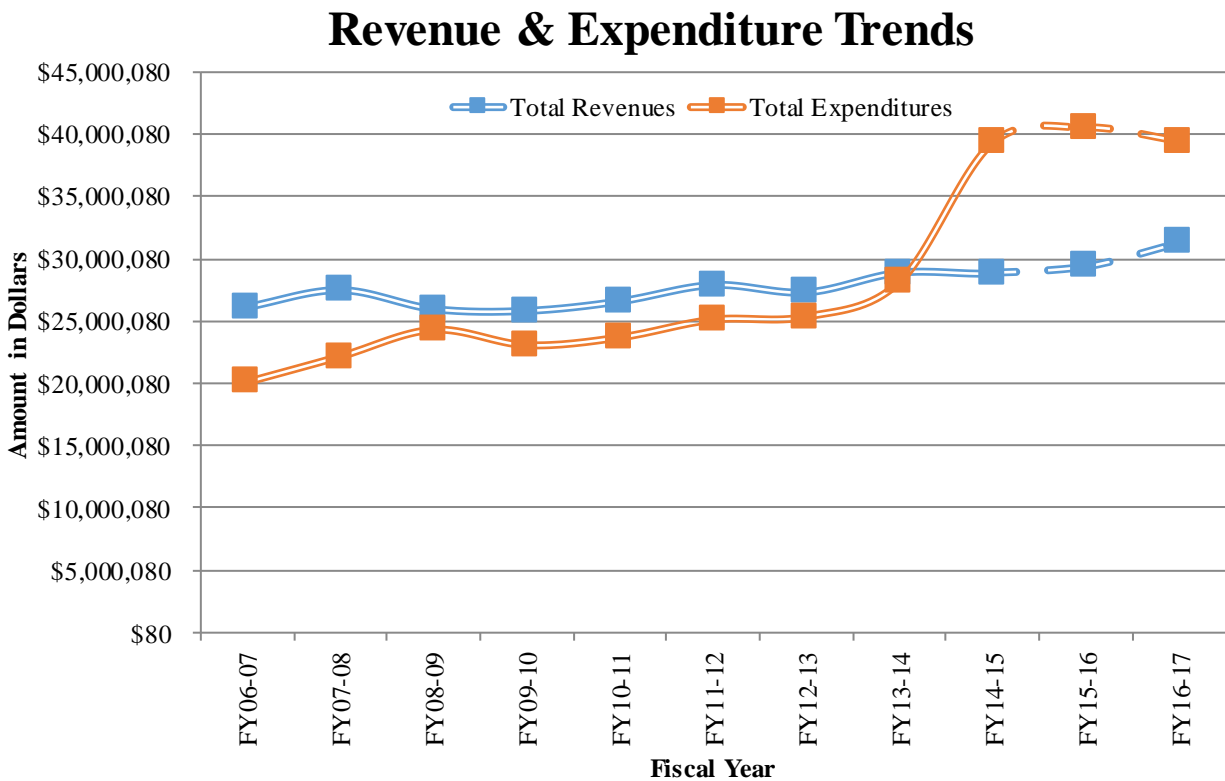
This chart highlights important functions of expenditures for the City of Hendersonville. Personnel/Benefits type expenditures have decreased since FY12-13 due to the change in reporting methodology used by the city for the reimbursement of indirect costs for enterprise funds. This methodology was originally discussed in the FY15-16 budget document. The result is an increase in the portion of costs allocated to operating expenditures.

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



Trends & Comparisons

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



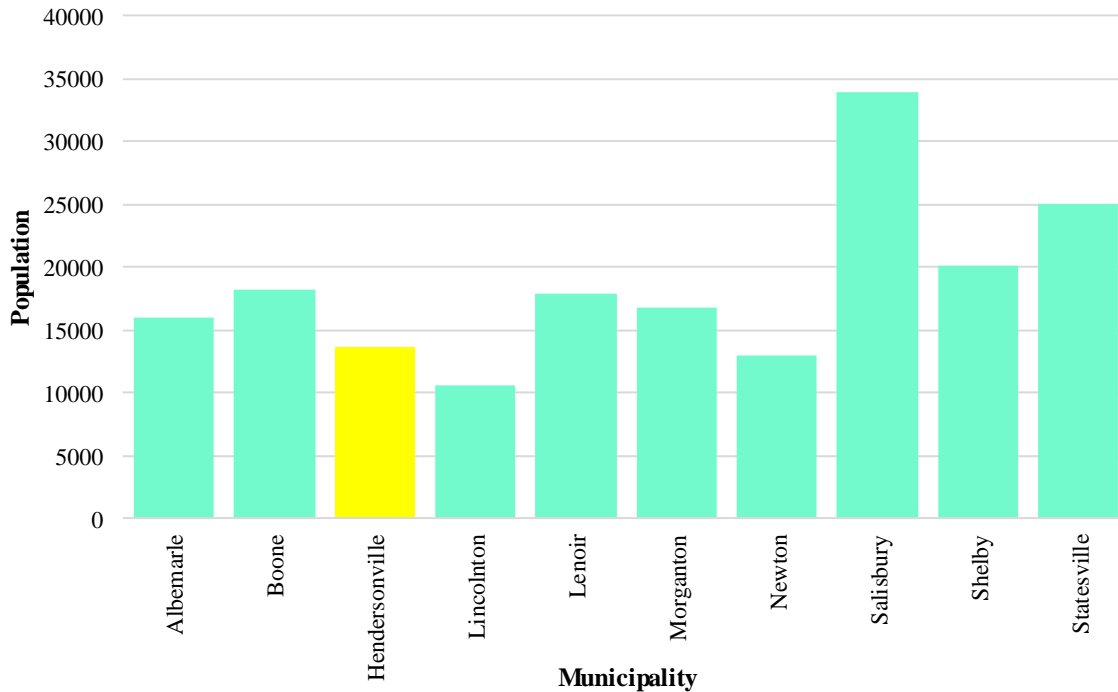
Total revenue amounts do not include fund balance appropriations. Ideally, the City’s revenue and expenditure actuals would equal one another, however this is very unlikely and it is preferable to have greater actual revenues than expenditures. Expenditures are expected to greatly increase, primarily due to the funding of multiple multi-year capital project ordinances with available fund balance. These expenditure trends are expected to maintain with few increases over the next five years.



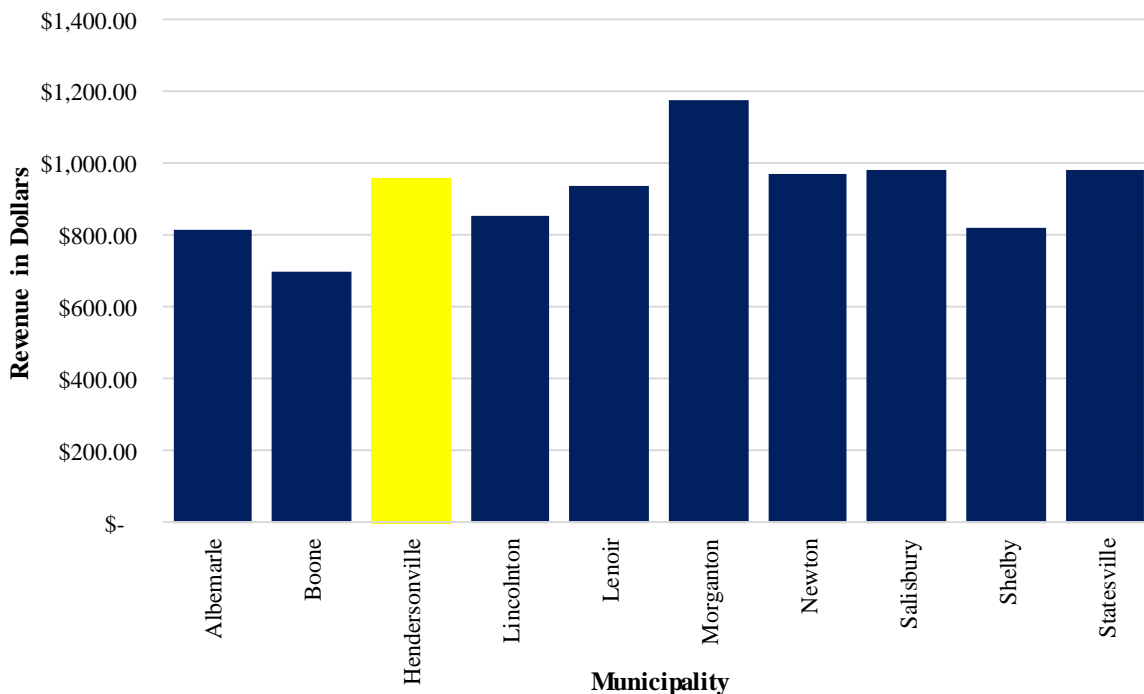
Municipal Comparisons:

The following charts provide financial information for different municipalities from actual data for FY14-15:

Population Comparison



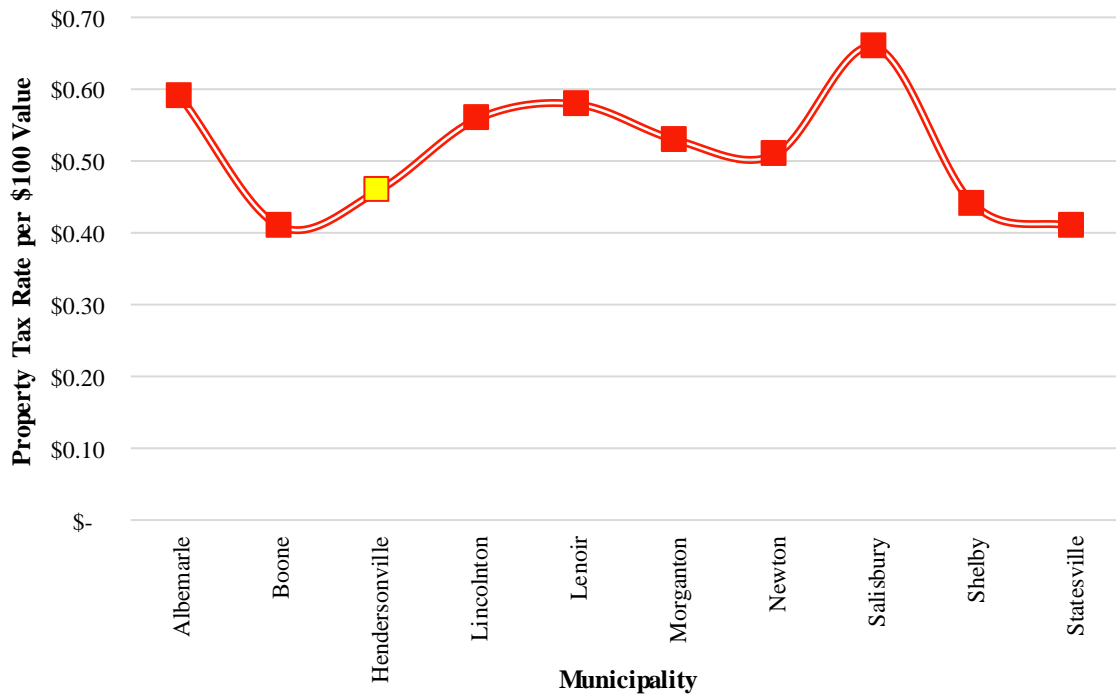
General Fund Revenues per Capita



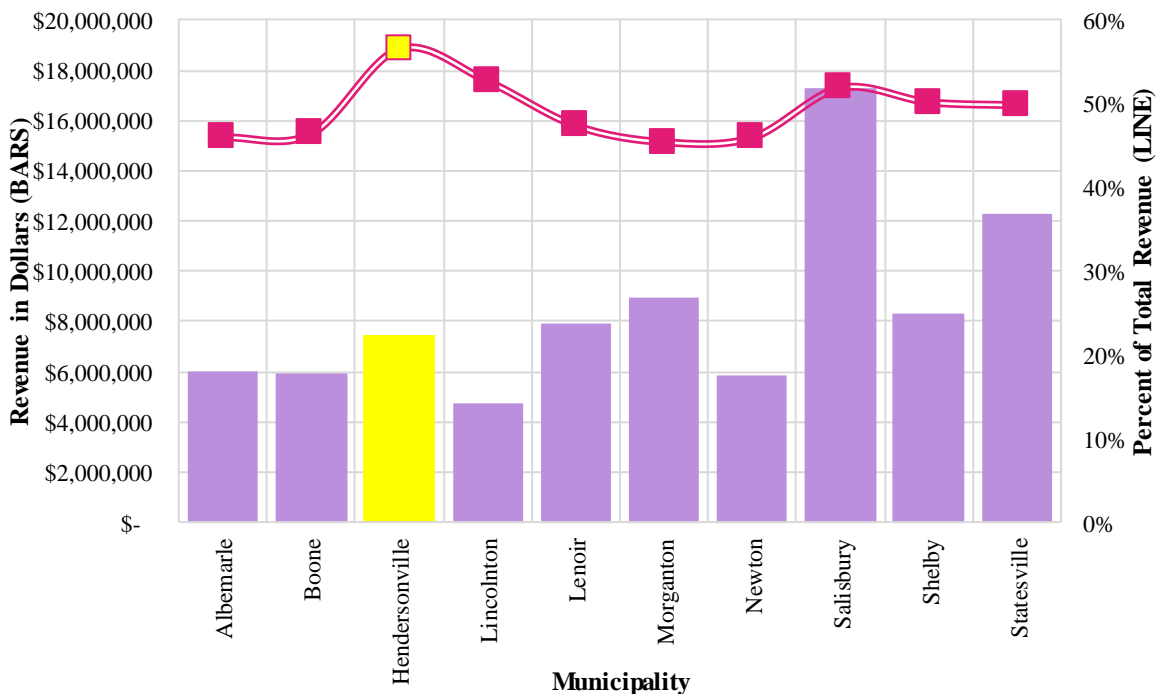
Municipal Comparisons:

The following charts provide financial information for different municipalities from actual data for FY14-15:

Property Tax Rate Comparison



Prop. Tax Revenue as % of Total Revenue



Financial Condition

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

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

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

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

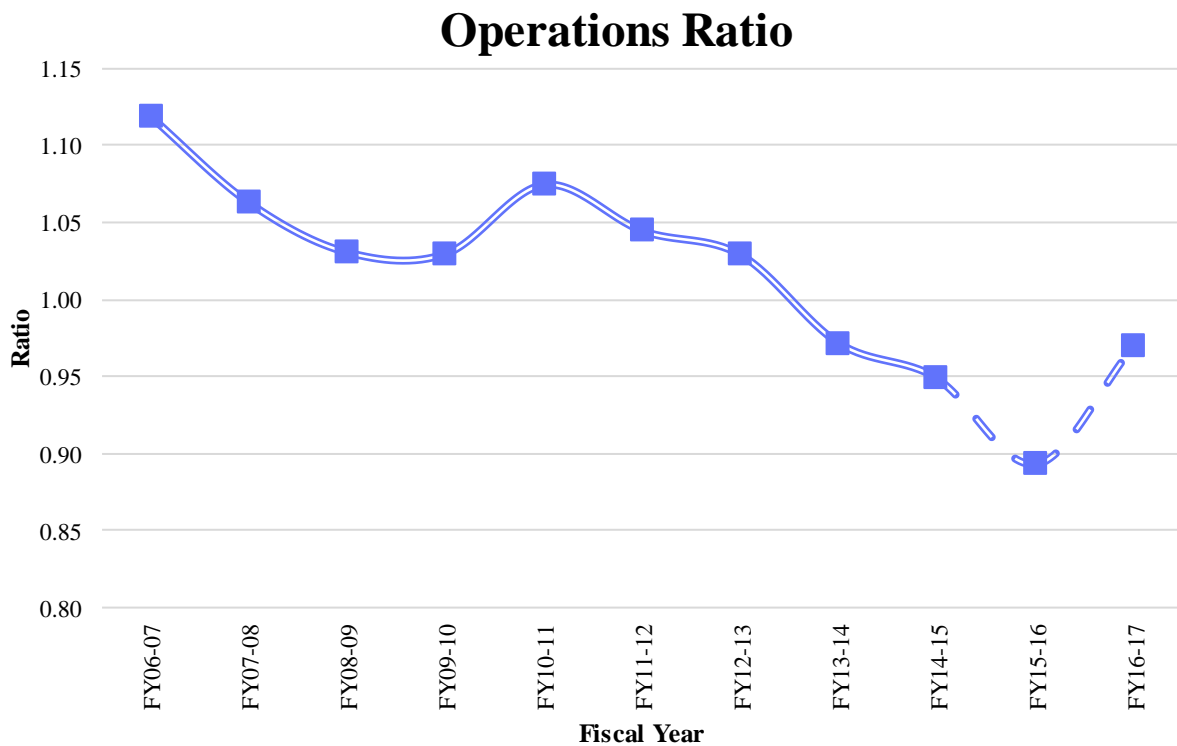
Financial Dimension	Actual FY10-11	Actual FY11-12	Actual FY12-13	Actual FY13-14	Actual FY14-15	Estimate FY15-16	Budget FY16-17
Operations Ratio	1.07	1.04	1.03	0.97	0.95	0.89	0.97
Dependency	33.20%	34.21%	34.80%	34.20%	31.58%	36.80%	37.37%
Financing Obligation	5.57%	5.54%	5.29%	8.53%	7.57%	7.48%	7.70%
Solvency	77.72%	69.38%	70.45%	59.30%	50.84%	37.17%	34.91%
Leverage	0.0338%	0.0381%	0.0373%	0.0633%	0.0610%	0.0650%	0.0611%



Service Obligation

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

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



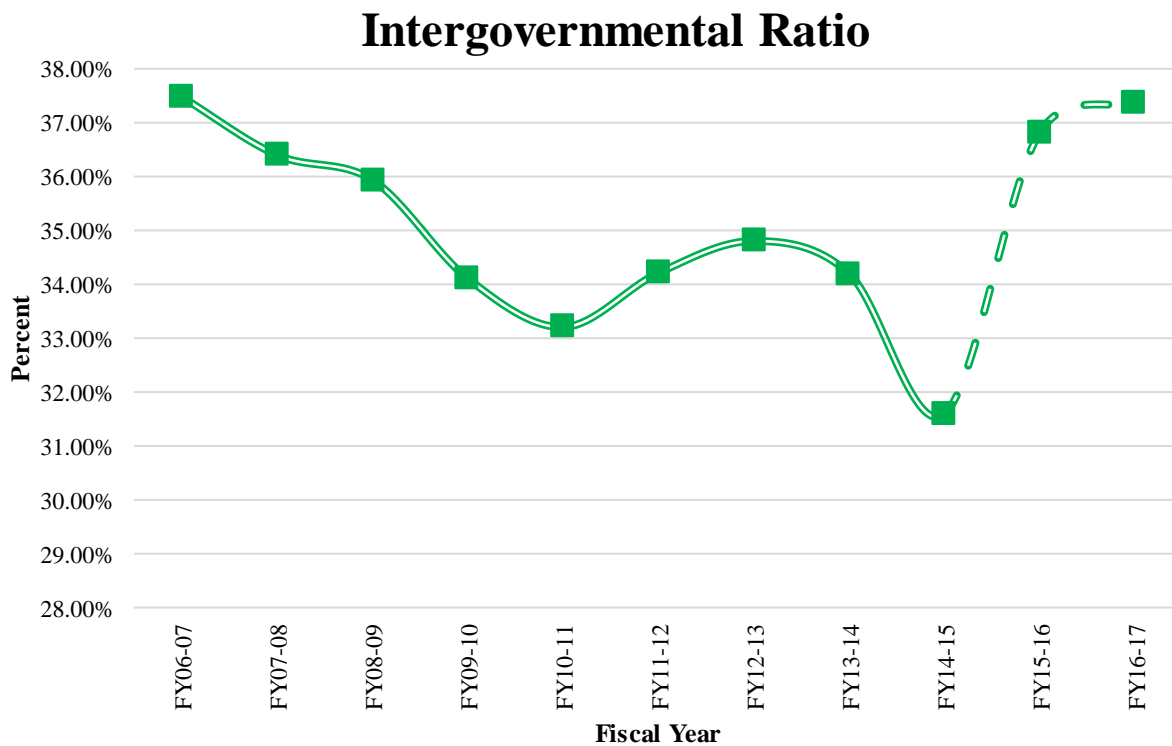
Over the past ten years the City of Hendersonville has utilized sound budget practices. A ratio of above 1.0 represents a surplus in actual revenues for the fiscal year. The City has maintained a ratio above 1.0 up until FY13-14 when expenditures began to exceed revenues. It is estimated that this will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



Dependency

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

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



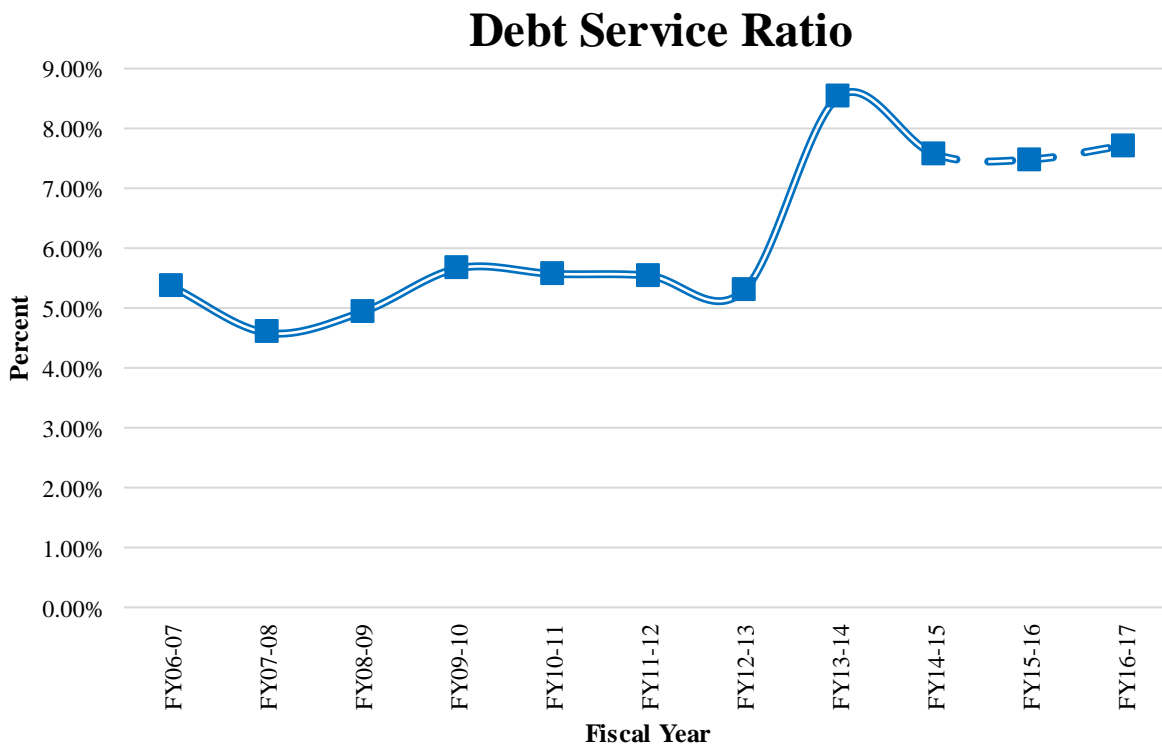
The City of Hendersonville’s intergovernmental ratio has been elastic in the past ten fiscal years, meaning that it has changed (increased and decreased) from year-to-year.. The dependency on intergovernmental revenue has recently spiked and reflects the strong sales and use tax growth that was discussed in the *Budget Message* and *Short-term Factors* sections. It is important for the City to monitor this ratio in order to ensure the City is not relying too heavily on uncontrollable revenues.



Financing Obligation

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

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



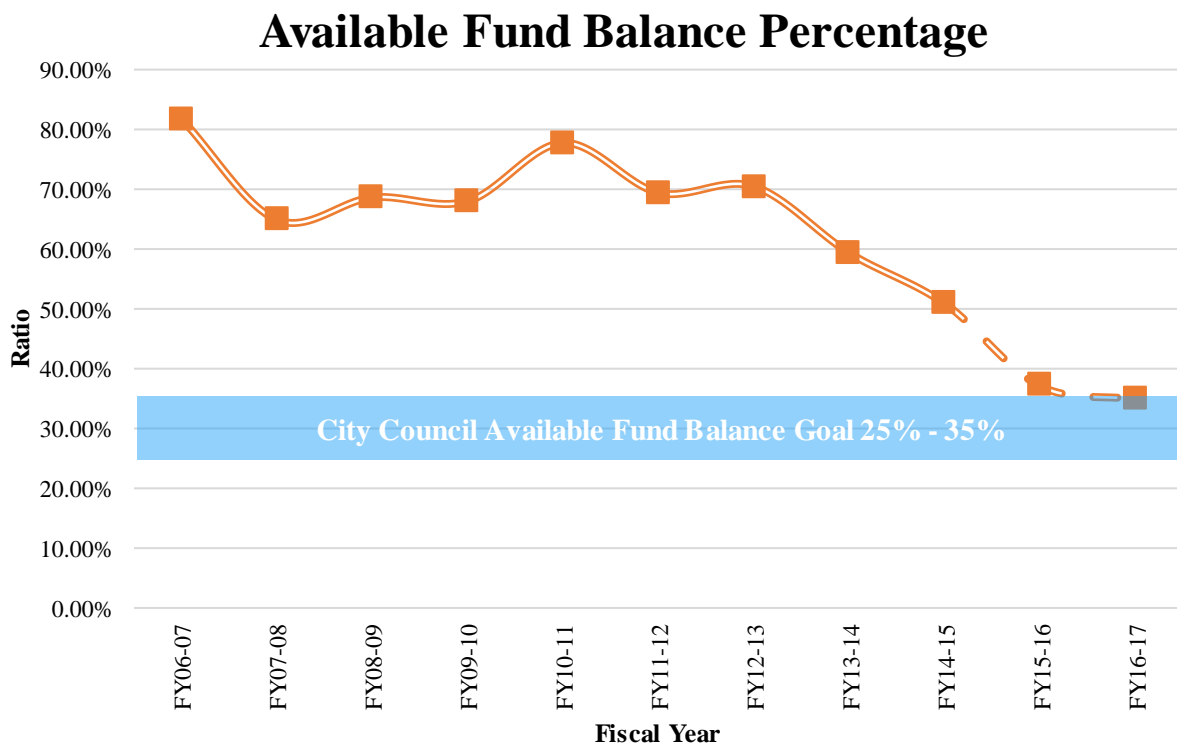
The City has maintained healthy debt service practices in the past ten fiscal years. The chart depicts the debt capacity dipping below the five percent (5%) mark in FY07-08 signifying the capacity for more debt financing. The following years experienced a conservative and manageable increase, close to six percent (6%). Recently, the City has taken on new debt for capital equipment and capital projects. This has increased the City’s debt service ratio substantially and placed a larger burden on the General Fund. A loan for a new fire engine will effect this ratio is FY17-18.



Solvency

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

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



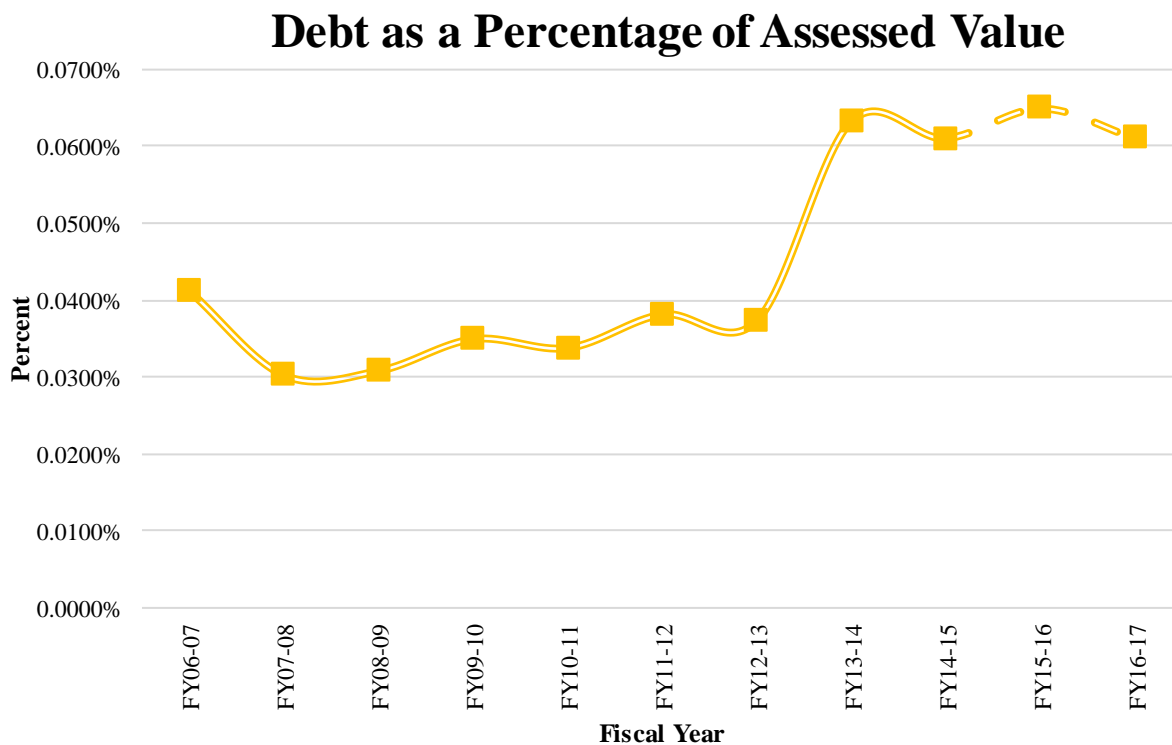
The City has maintained a steady stream of available fund balance (unassigned/unreserved). The estimated decline in available fund balance is due to a number of different factors. As discussed in last year’s budget message, FY15-16, the City raised taxes to address a revenue shortfall. This shortfall was due to increasing debt service costs and needed capital improvements. Additionally, the City created a debt service fund, appropriating a large lump sum of available fund balance to the debt service fund to cover future debt service payments. As depicted, the City’s available fund balance is at the top of the City Council’s available fund balance goal and the City will work to maintain a fund balance within this range.



Leverage

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

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



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



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

General Fund Financial Condition Comparison

Dimension	Service Obligation	Dependency	Financing Obligation	Solvency	Leverage
Indicator	Operations Ratio	Intergovernmental Ratio	Debt Service Ratio	Available Fund Balance Percent	Debt as a Percent of Assessed Value
Hendersonville	0.97	37.37%	7.70%	34.91%	0.0611%
Peer 1	0.95	15.20%	8.60%	22.50%	0.0920%
Peer 2	0.95	38.90%	3.50%	34.40%	0.0430%
Peer 3	1.01	16.90%	3.60%	19.80%	0.0360%

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



Fund Balance

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

Purpose of Fund Balance

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

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

Issues Concerning Fund Balance

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

Amount of Fund Balance

The LGC recommends a minimum fund balance of eight percent (8%) but most local governments carry a higher percentage. Good benchmarks for the appropriate amount of fund balance include ensuring enough revenue to avoid cash flow problems, typically about four to six (4-6) months of operating expenses, and the average fund balance percentage within a peer group. The fund balance for North Carolina municipalities in Hendersonville’s population range, not operating an electric system, is 51.11 percent. This group is designated by the LGC as municipalities with populations ranging from 10,000-49,999. Additionally, the City Council has adopted an available fund balance policy goal of 25% - 35% for the General Fund and 50%-75% for the Water and Sewer Fund.

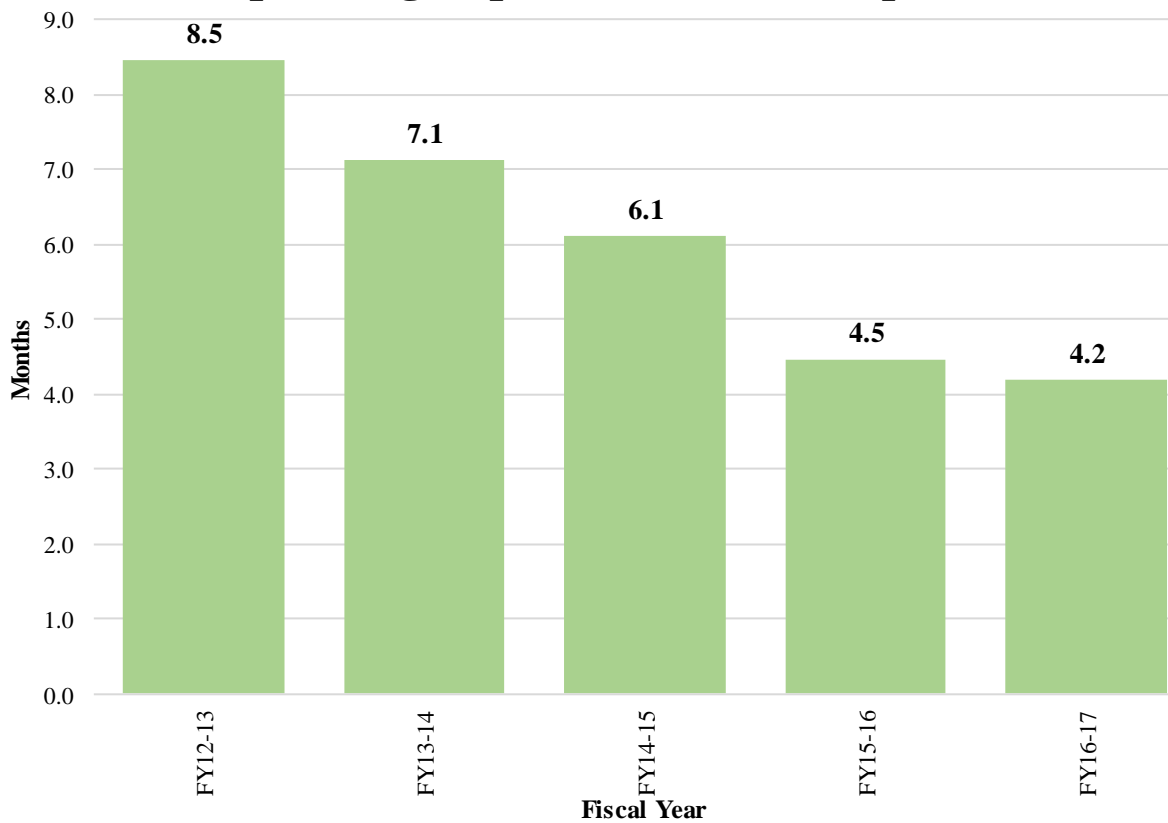


General Fund – Fund Balance Trends

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

	ACTUAL FY12-13	ACTUAL FY13-14	ACTUAL FY14-15	ESTIMATE FY15-16	ESTIMATE FY16-17
Unassigned Fund Balance	\$8,115,460	\$7,481,896	\$7,036,662	\$ 5,560,671	\$ 4,923,690
Percent Change	N/A	-7.81%	-5.95%	-20.98%	-11.46%
Percent Available	70.4%	59.3%	50.8%	37.2%	34.9%
Months Equivalent	8.5	7.1	6.1	4.5	4.2

Operating Expenses in Month Equivalents



	ACTUAL FY12-13	ACTUAL FY13-14	ACTUAL FY14-15	ESTIMATE FY15-16	ESTIMATE FY16-17
Beginning Fund Balance	\$9,109,534	\$8,921,295	\$8,395,233	\$ 8,103,727	\$ 6,560,671
Ending Fund Balance	\$8,921,295	\$8,395,233	\$8,103,727	\$ 6,560,671	\$ 6,123,690
Percent Change	-2.07%	-5.90%	-3.47%	-19.04%	-6.66%

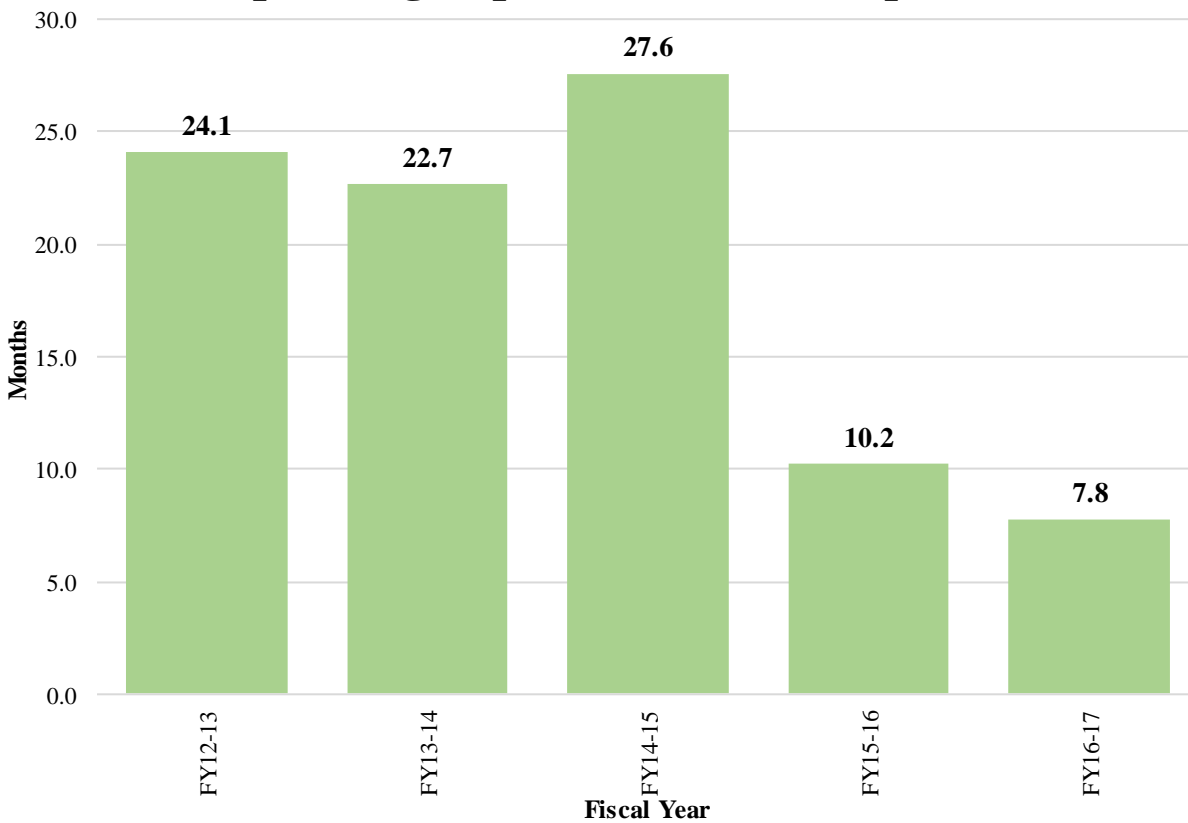


Water & Sewer Fund – Fund Balance Trends

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

	ACTUAL FY12-13	ACTUAL FY13-14	ACTUAL FY14-15	ESTIMATE FY15-16	ESTIMATE FY16-17
Unassigned Fund Balance	\$ 23,750,689	\$ 23,241,003	\$ 22,307,068	\$ 14,612,414	\$ 10,970,885
Percent Change	N/A	-2.15%	-4.02%	-34.49%	-24.92%
Percent Available	200.6%	188.9%	230.0%	85.0%	64.7%
Months Equivalent	24.1	22.7	27.6	10.2	7.8

Operating Expenses in Month Equivalents



	ACTUAL FY12-13	ACTUAL FY13-14	ACTUAL FY14-15	ESTIMATE FY15-16	ESTIMATE FY16-17
Beginning Fund Balance	\$ 21,813,206	\$ 23,750,689	\$ 23,241,003	\$ 22,307,068	\$ 14,612,414
Ending Fund Balance	\$ 23,750,689	\$ 23,241,003	\$ 22,307,068	\$ 14,612,414	\$ 10,970,885
Percent Change	8.88%	-2.15%	-4.02%	-34.49%	-24.92%



Fund Balance Summary – All Funds

The following table displays budgeted fund balances for all appropriated funds with the estimated beginning values, increases and/or decreases for FY16-17, ending values, and percent change for each fund:

Fund	BEGINNING FUND BALANCE FY16-17	INCREASE (DECREASE)	ENDING FUND BALANCE FY16-17	PERCENT CHANGE
General	\$ 6,560,671	\$ (436,981)	\$ 6,123,690	-6.66%
Main Street	\$ 74,169	\$ (7,531)	\$ 66,638	-10.15%
7th Avenue	\$ 55,790	\$ 2,500	\$ 58,290	4.48%
Water & Sewer	\$ 14,612,414	\$ (3,641,529)	\$ 10,970,885	-24.92%
Environmental Services	\$ 549,194	\$ 7,126	\$ 556,320	1.30%
Capital Reserve - GF	\$ -	\$ -	\$ -	N/A
Capital Reserve - WS	\$ 2,263,753	\$ (2,263,753)	\$ -	-100.00%
Debt Service	\$ 961,414	\$ (452,995)	\$ 508,419	-47.12%
Fire Car Seat	\$ 2,949	\$ (2,250)	\$ 698.85	-76.30%
Fire Community	\$ 550	\$ (200)	\$ 350	-36.36%
Health & Welfare	\$ 55,038	\$ (5,500)	\$ 49,538	-9.99%
Historic Preservation	\$ 16,522	\$ (15,000)	\$ 1,522	-90.79%
Police DARE	\$ 3,218	\$ (2,000)	\$ 1,218	-62.16%
Police Drug	\$ 122,669	\$ (80,000)	\$ 42,669	-65.22%
Police Kennel	\$ 7,888	\$ (7,000)	\$ 888	-88.75%
Police Motor Unit	\$ 821	\$ (800)	\$ 21	-97.47%
Police Needy Persons	\$ 11,232	\$ (8,000)	\$ 3,232	-71.23%
Police RAD	\$ 2,101	\$ (1,900)	\$ 201	-90.44%
Police Youth Exp.	\$ 4,126	\$ (2,000)	\$ 2,126	-48.47%
TOTAL	\$ 25,304,516	\$ (6,917,813)	\$ 18,386,703	-27.34%

Fund Balance Highlights

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

Main Street MSD Fund

The Main Street MSD Fund is estimated to appropriate \$7,531 of its fund balance, a decrease of 10.15%. This appropriation is being used to partially fund a large capital improvements project. The project is the installation of wayfinding signage throughout the City, part being in the municipal service district. This is a one-time expense and is not expected to drastically effect the long-term health of the Main Street MSD Fund.

Water & Sewer Fund

The Water and Sewer Fund is estimated to appropriate \$3,641,259 of its fund balance, a decrease of 24.92%. This is a substantial decrease in fund balance and is proposed to be used for various



capital project ordinances. These capital project ordinances total multiple millions of dollars and some are funded with loans and some with available enterprise fund cash and cash reserves. The City is still in the process of vetting all possible funding sources and may not need to use the total \$3,641,259 budgeted to be appropriated. Additionally, the City Council has an available fund balance policy goal of 50%-75% for the Water and Sewer Fund. This appropriation does not jeopardize this goal. Also, these capital projects are one-time expenses and should not significantly endanger the future financial health of this Fund.

Debt Service Fund

The Debt Service Fund is estimated to appropriate \$452,995 of its fund balance, a decrease of 47.12%. This Fund serves the purpose of paying debt service payments for the City. It pays these notes through transfers in from other funds and the use of its fund balance. The City plans to utilize its fund balance to pay for certain notes each year, as described in the *Budget Message* section of this document. There is no need to maintain a large fund balance in this Fund other than the payment of debt service notes. Thus, there is no concern regarding this use of available fund balance.

Other Special Revenue Funds

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

- Fire Car Seat Fund, Fire Community Fund, Historic Preservation Fund, Police DARE Fund, Police Drug Fund, Police Kennel Fund, Police Motor Unit Fund, Police Needy Persons Fund, Police RAD Fund, and Police Youth Explorers Fund.

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



Debt Obligation

The City may choose to take on debt through financing to pay for major projects or large equipment. Issuing debt to pay for major projects and equipment allows the City to reduce its immediate burden to pay for large capital projects. This allows the cost to spread out over time and shares the financing burden among the taxpayers who receive the most benefit from the project. North Carolina General Statute 159-55 limits local government debt to a maximum of eight percent (8%) of the unit's taxable assessed valuation, which is \$137,383,030 ($1,717,287,880 \times 0.08$) for the City of Hendersonville. The City's current outstanding debt is \$33,833,474, or 1.97% of total assessed value.

Types of Debt Financing

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

General Obligation Bonds

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

Revenue Bonds

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

Installment Purchase Agreements

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

Certificates of Participation

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



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

Tax Increment Financing Bonds

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

Bond Anticipation Notes

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

Clean Water State Revolving Fund (CWSRF)

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

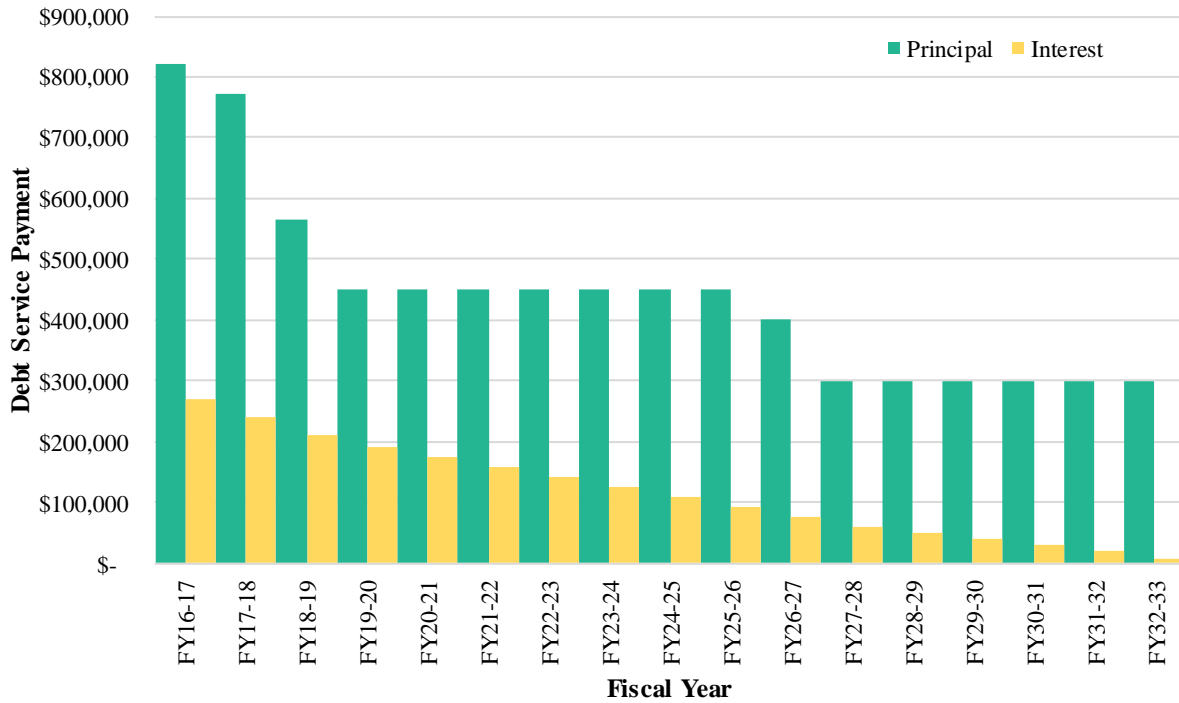
Hendersonville's Debt Obligation

As of June 30, 2016, the City of Hendersonville's total notes payable was \$33,833,474. Approximately \$9.4 million was in the General Fund and \$24.3 million in the Water and Sewer Fund. The majority of the City's debt is financed through general obligation bonds, state revolving loan funds, and individual bank loans. The following pages contain breakdowns of each funds debt obligation by principal and interest, a list of projects being funded, and brief descriptions of those projects.



General Fund

General Fund Debt Service



Project	Finance Type	Outstanding Principal	Interest	End Date	FY16-17 Payment
General Fund					
1998 Sidewalk Bond	General Obligation	\$ 180,000	5.00%	FY17-18	\$ 99,000
2008 Sidewalk Bond	General Obligation	\$ 1,500,000	4.30%	FY26-27	\$ 161,350
City Hall Renovation	Bank Loan	\$ 583,334	4.10%	FY18-19	\$ 255,164
Main St., Fire Station/Engine	Bank Loan	\$ 5,100,000	4.10%	FY32-33	\$ 475,373
Capital Equipment	Bank Loan	\$ 146,924	4.10%	FY17-18	\$ 99,137

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

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

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



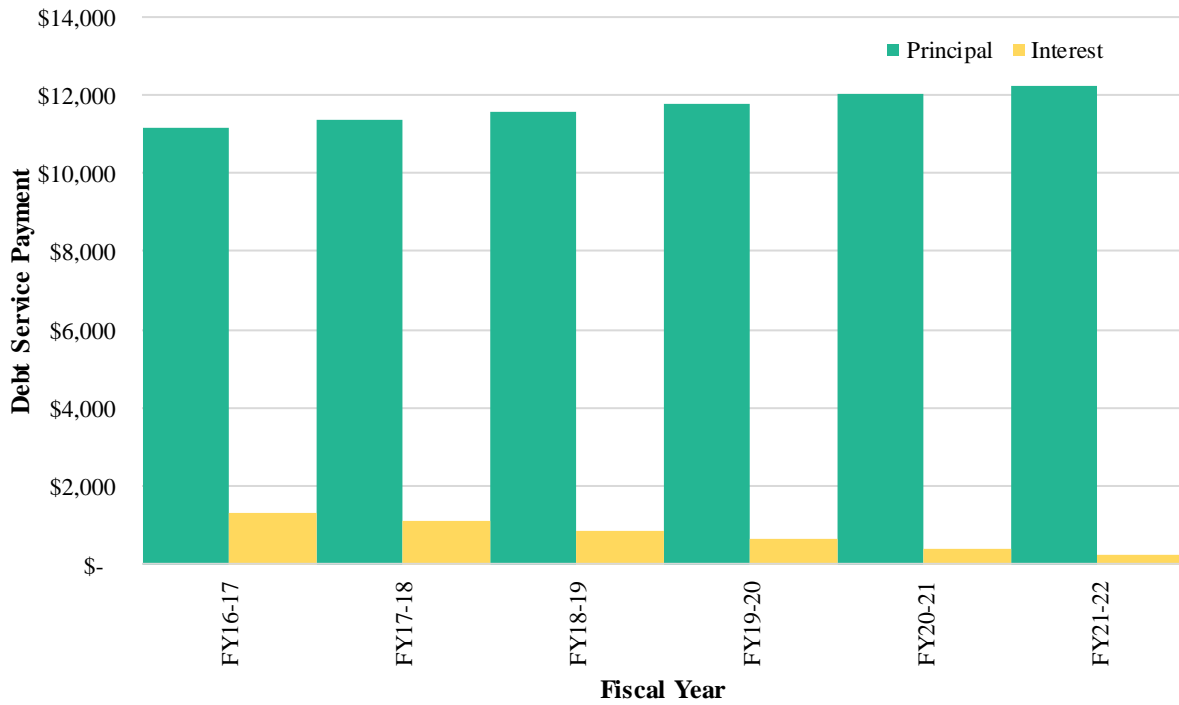
Main Street, Fire Station/Engine: This is an installment financing agreement with BB&T for the infrastructure improvements of Main Street, the construction of Fire Station #2, and the replacement of a fire engine.

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



Main Street MSD Fund

Main Street MSD Fund Debt Service



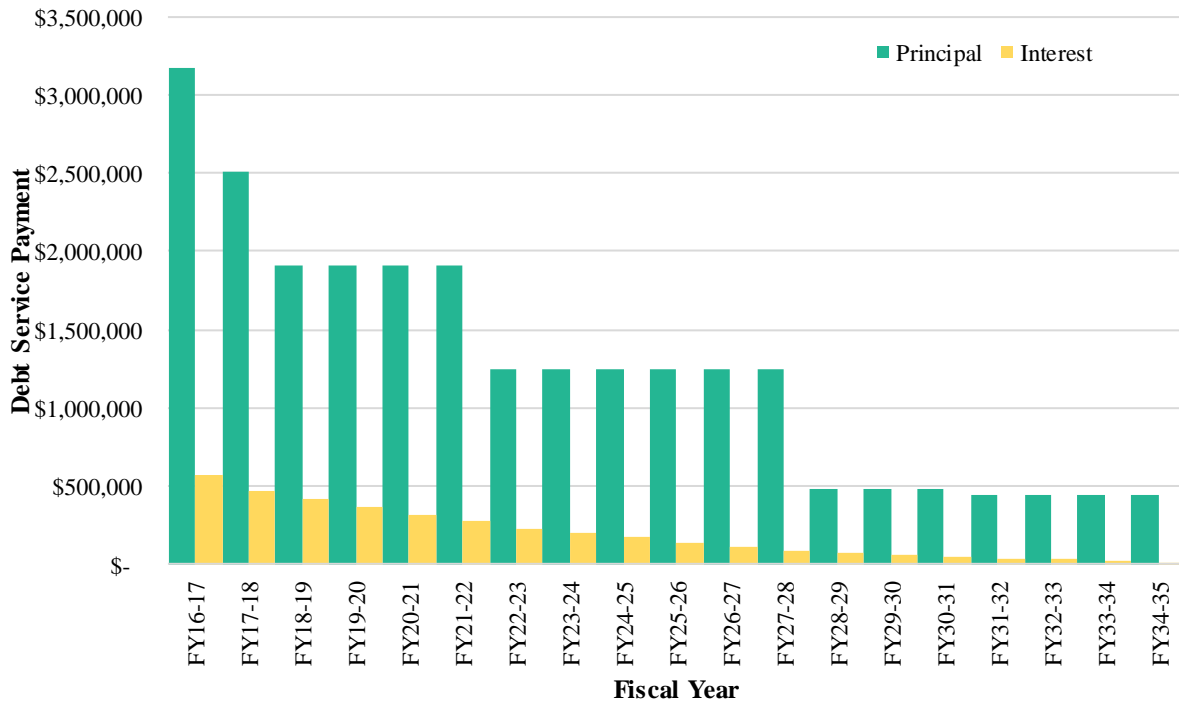
Project	Finance Type	Outstanding Principal	Interest	End Date	FY16-17 Payment
Main Street MSD Fund					
Parking Kiosks	Bank Loan	\$ 70,176	1.89%	FY21-22	\$ 12,438

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



Water & Sewer Fund

Water & Sewer Fund Debt Service



Project	Finance Type	Outstanding Principal	Interest	End Date	FY16-17 Payment
Water & Sewer Fund					
WTP Renovation	Bank Loan	\$ 1,756,901	3.90%	FY17-18	\$ 1,217,241
Sewer Line Improvements	SRLF	\$ 100,880	3.43%	FY16-17	\$ 104,340
WWTP Project	SRLF	\$ 3,975,000	2.91%	FY21-22	\$ 778,173
Brightwater Project	SRLF	\$ 428,386	2.48%	FY29-30	\$ 39,224
AMR Project	Bank Loan	\$ 9,314,762	2.36%	FY27-28	\$ 986,745
Jackson Park Sewer	SRLF	\$ 4,123,570	2.00%	FY34-35	\$ 299,501
Wolfpen Sewer	SRLF	\$ 2,645,713	2.00%	FY34-35	\$ 192,162
Shepherd/Atkinson Sewer	SRLF	\$ 1,724,250	2.00%	FY34-35	\$ 125,235

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

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

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



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

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

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

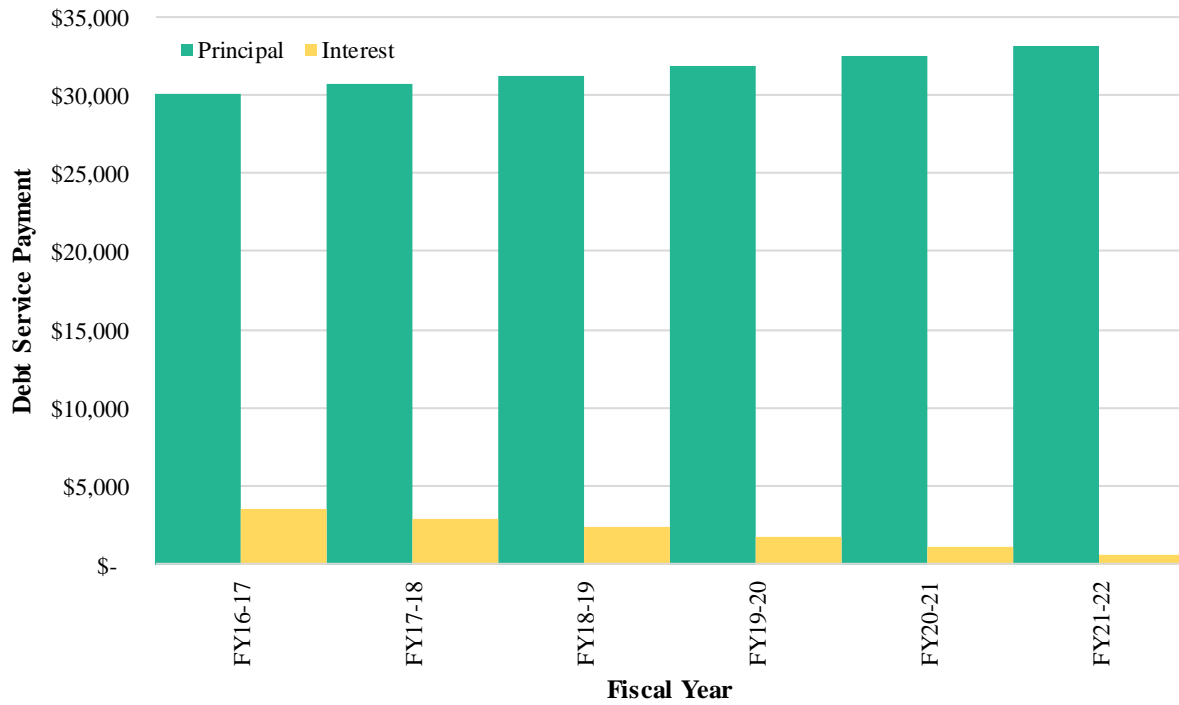
Wolfpen Sewer: This project was funded through state revolving loan funds and provided for the replacement of pump stations and upgraded sewer lines to new gravity sewer lines.

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



Environmental Services Fund

Environmental Services Fund Debt Service



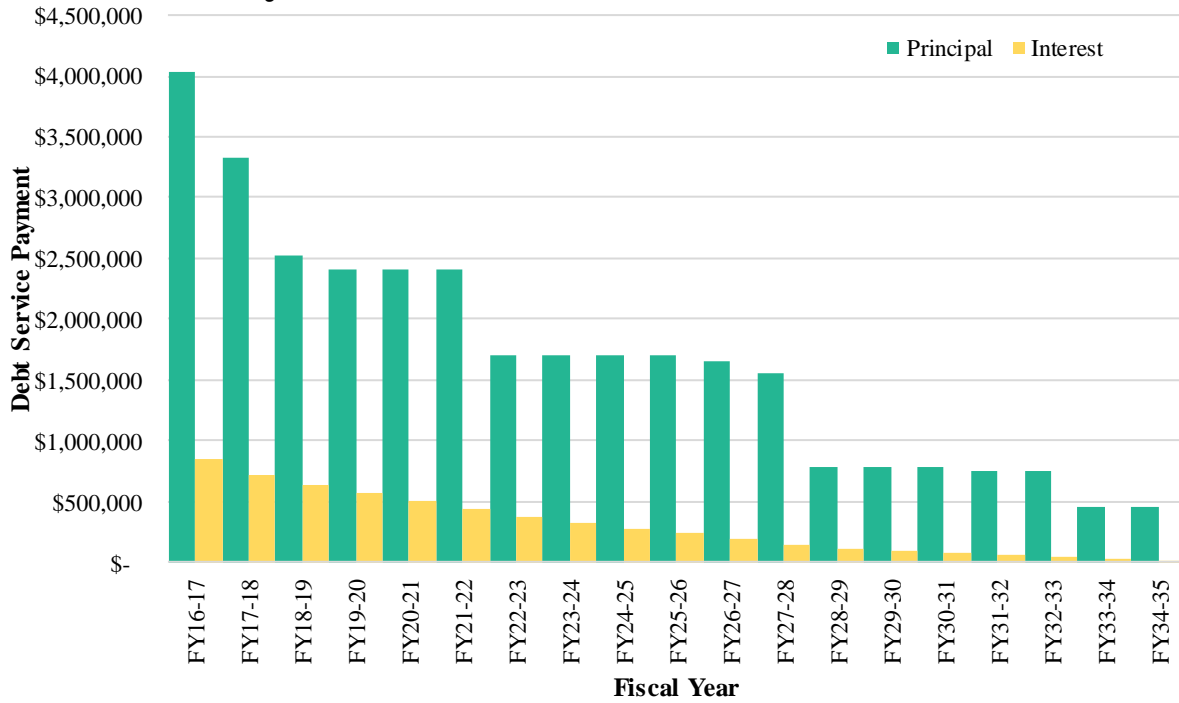
Project	Finance Type	Outstanding Principal	Interest	End Date	FY16-17 Payment
Environmental Services Fund					
Sanitation Truck Replacement	Bank Loan	\$ 189,736	1.89%	FY21-22	\$ 33,628

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



Total Debt Service – Summary

City of Hendersonville Total Debt Service



Project	Finance Type	Outstanding Principal	Interest	End Date	FY16-17 Payment
General Fund					
1998 Sidewalk Bond	General Obligation	\$ 180,000	5.00%	FY17-18	\$ 99,000
2008 Sidewalk Bond	General Obligation	\$ 1,500,000	4.30%	FY26-27	\$ 161,350
City Hall Renovation	Bank Loan	\$ 583,334	4.10%	FY18-19	\$ 255,164
Main St., Fire Station/Engine	Bank Loan	\$ 5,100,000	4.10%	FY32-33	\$ 475,373
Capital Equipment	Bank Loan	\$ 146,924	4.10%	FY17-18	\$ 99,137
Main Street MSD Fund					
Parking Kiosks	Bank Loan	\$ 70,176	1.89%	FY21-22	\$ 12,438
Water & Sewer Fund					
WTP Renovation	Bank Loan	\$ 1,756,901	3.90%	FY17-18	\$ 1,217,241
Sewer Line Improvements	SRLF	\$ 100,880	3.43%	FY16-17	\$ 104,340
WWTP Project	SRLF	\$ 3,975,000	2.91%	FY21-22	\$ 778,173
Brightwater Project	SRLF	\$ 428,386	2.48%	FY29-30	\$ 39,224
AMR Project	Bank Loan	\$ 9,314,762	2.36%	FY27-28	\$ 986,745
Jackson Park Sewer	SRLF	\$ 4,123,570	2.00%	FY34-35	\$ 299,501
Wolfpen Sewer	SRLF	\$ 2,645,713	2.00%	FY34-35	\$ 192,162
Shepherd/Atkinson Sewer	SRLF	\$ 1,724,250	2.00%	FY34-35	\$ 125,235
Environmental Services Fund					
Sanitation Truck Replacement	Bank Loan	\$ 189,736	1.89%	FY21-22	\$ 33,628



Revenues

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

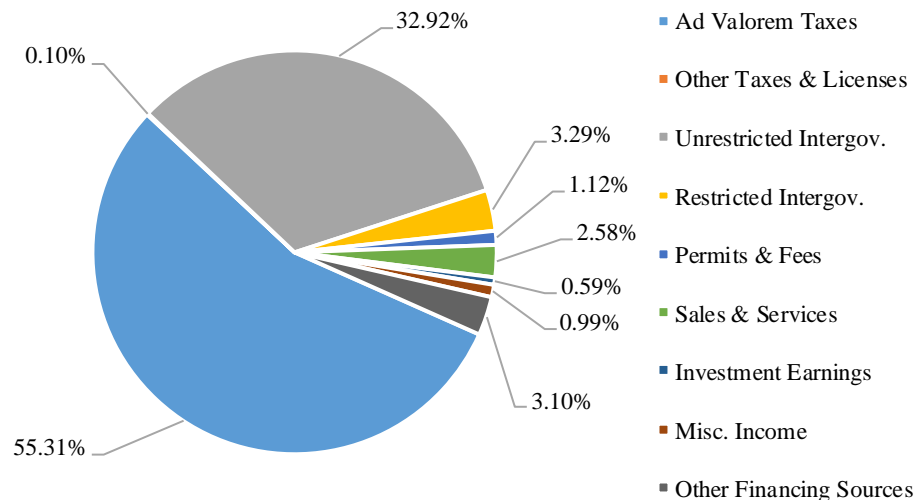
Revenues by Source

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

REVENUE SOURCE	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes	\$ (7,428,148)	\$ (7,735,607)	\$ (7,801,595)	\$ (65,988)
Other Taxes & Licenses	\$ (402,398)	\$ (14,980)	\$ (14,600)	\$ 380
Unrestricted Intergov.	\$ (4,155,192)	\$ (4,448,429)	\$ (4,643,454)	\$ (195,025)
Restricted Intergov.	\$ (546,173)	\$ (467,199)	\$ (464,199)	\$ 3,000
Permits & Fees	\$ (49,602)	\$ (92,937)	\$ (158,575)	\$ (65,638)
Sales & Services	\$ (325,572)	\$ (368,930)	\$ (363,550)	\$ 5,380
Investment Earnings	\$ (52,402)	\$ (83,620)	\$ (83,000)	\$ 620
Misc. Income	\$ (173,256)	\$ (145,424)	\$ (140,000)	\$ 5,424
Other Financing Sources	\$ (692,243)	\$ (1,601,604)	\$ (436,981)	\$ 1,164,623
Total	\$ (13,824,986)	\$ (14,958,730)	\$ (14,105,954)	\$ 852,776

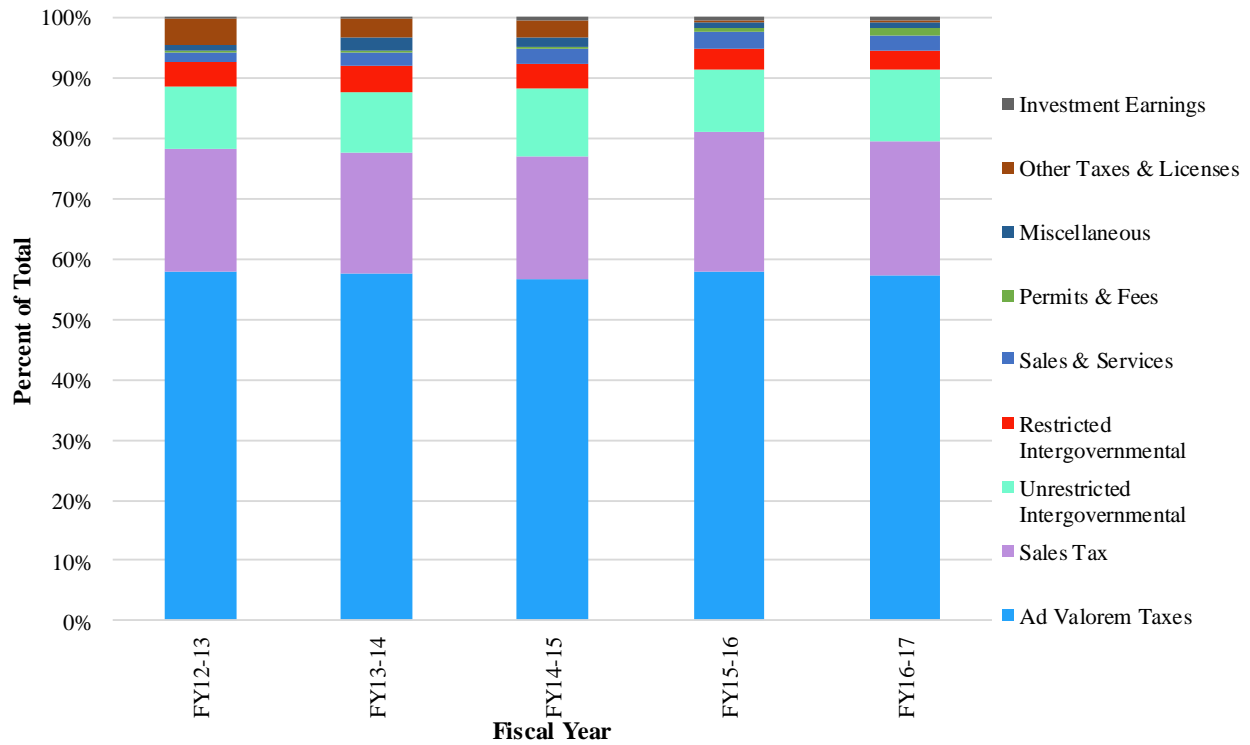
Ad valorem taxes are paid on real and personal property located within the Hendersonville city limits. Taxes for real and personal property are levied based upon the preceding January 1st valuations of the property and the tax rate established by the City Council. Ad valorem taxes typically comprise approximately one-third of all General Fund revenues with an estimated \$7,801,595 in FY16-17 at a tax rate of \$0.46 per \$100 valuation.

General Fund Revenues by Source FY16-17



The following charts detail General Fund revenues by source:

General Fund Revenues by Source



Revenues by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes						
100010	410000	TAX REFUNDS	\$ 5,372	\$ -	\$ -	\$ -
100010	411300	TAX LATE LIST >10 YEARS OLD	\$ (827)	\$ (3,285)	\$ (1,000)	\$ 2,285.00
100010	411400	TAX - INTEREST	\$ (29,834)	\$ (24,000)	\$ (27,000)	\$ (3,000.00)
100010	420101	AD VAL TAX - MTR VEHS	\$ (527,658)	\$ (425,000)	\$ (500,000)	\$ (75,000.00)
100010	420500	2005 AD VAL TAX - R/P	\$ -	\$ (50)	\$ -	\$ 50.00
100010	420600	2006 AD VAL TAX - R/P	\$ (165)	\$ (50)	\$ (50)	\$ -
100010	420700	2007 AD VAL TAX - R/P	\$ (7)	\$ (150)	\$ (50)	\$ 100.00
100010	420800	2008 AD VAL TAX - R/P	\$ (283)	\$ (500)	\$ (150)	\$ 350.00
100010	420900	2009 AD VAL TAX - R/P	\$ -	\$ (500)	\$ (500)	\$ -
100010	421000	2010 AD VAL TAX - R/P	\$ (4)	\$ (1,500)	\$ (500)	\$ 1,000.00
100010	421100	2011 AD VAL TAX - R/P	\$ (9,028)	\$ (2,500)	\$ (1,500)	\$ 1,000.00
100010	421200	2012 AS VAL TAX - R/P	\$ (15,073)	\$ (5,000)	\$ (2,500)	\$ 2,500.00
100010	421300	2013 AD VAL TAX - R/P	\$ (65,589)	\$ (10,000)	\$ (5,000)	\$ 5,000.00
100010	421400	2014 AD VAL TAX R/P	\$ (6,785,051)	\$ (50,000)	\$ (10,000)	\$ 40,000.00
100010	421500	2015 AD VAL TAX R/P	\$ -	\$ (7,213,072)	\$ (50,000)	\$ 7,163,072.00
100010	421600	2016 AD VAL TAX R/P	\$ -	\$ -	\$ (7,203,345)	\$ (7,203,345.00)
		<i>Sub-Total</i>	\$ (7,428,148)	\$ (7,735,607)	\$ (7,801,595)	\$ (65,988.00)
Other Taxes & Licenses						
100020	422000	RENTAL VEHICLE TAX	\$ (14,564)	\$ (12,800)	\$ (12,800)	\$ -
100020	426100	BEER & WINE LICENSES	\$ (2,390)	\$ (2,180)	\$ (1,800)	\$ 380.00
100020	426300	PRIV LICS - GROSS RECPTS	\$ (385,444)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (402,398)	\$ (14,980)	\$ (14,600)	\$ 380.00
Unrestricted Intergovernmental						
100030	423000	LOCAL SALES & USE TAX	\$ (2,698,658)	\$ (2,957,900)	\$ (3,043,498)	\$ (85,598.00)
100030	425000	ABC REVENUES	\$ (82,500)	\$ (75,000)	\$ (75,000)	\$ -
100030	432500	COURT FEES - POLICE	\$ (4,791)	\$ (5,800)	\$ (5,800)	\$ -
100030	432600	POLICE 911 SECONDARY SHARE	\$ (13,031)	\$ (13,000)	\$ -	\$ 13,000.00
100030	432700	HHA REIMBURSEMENT	\$ -	\$ (86,250)	\$ (115,000)	\$ (28,750.00)
100030	433100	PAY IN LIEU OF TX-HHA	\$ (13,303)	\$ (14,276)	\$ (14,276)	\$ -
100030	433200	BEER & WINE EXCISE TX	\$ (64,258)	\$ (58,880)	\$ (58,880)	\$ -
100030	433400	UTILITY SALES TAX	\$ (881,892)	\$ (900,000)	\$ (950,000)	\$ -
100030	433500	TELCOM SALES TAX	\$ (277,764)	\$ (219,673)	\$ (265,000)	\$ (45,327.00)
100030	433600	VIDEO PROGRAM FEES	\$ (118,995)	\$ (117,650)	\$ (116,000)	\$ 1,650.00
		<i>Sub-Total</i>	\$ (4,155,191)	\$ (4,448,429)	\$ (4,643,454)	\$ (195,025.00)
Restricted Intergovernmental						
100040	425100	ABC LAW ENFORCEMENT	\$ (40,000)	\$ (40,000)	\$ (40,000)	\$ -
100040	431050	BULLET PROOF VEST REVENUE	\$ (2,007)	\$ (3,000)	\$ -	\$ 3,000.00
100040	443500	SRO REIMBURSEMENT	\$ (37,838)	\$ (37,839)	\$ (37,839)	\$ -
100040	447000	POWELL BILL REVENUE	\$ (385,092)	\$ (386,360)	\$ (386,360)	\$ -
100040	447100	STATE REIMBURSEMENTS	\$ (34,941)	\$ -	\$ -	\$ -
100040	449200	FIREMEN'S RELIEF FUND	\$ (46,295)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (546,173)	\$ (467,199)	\$ (464,199)	\$ 3,000.00



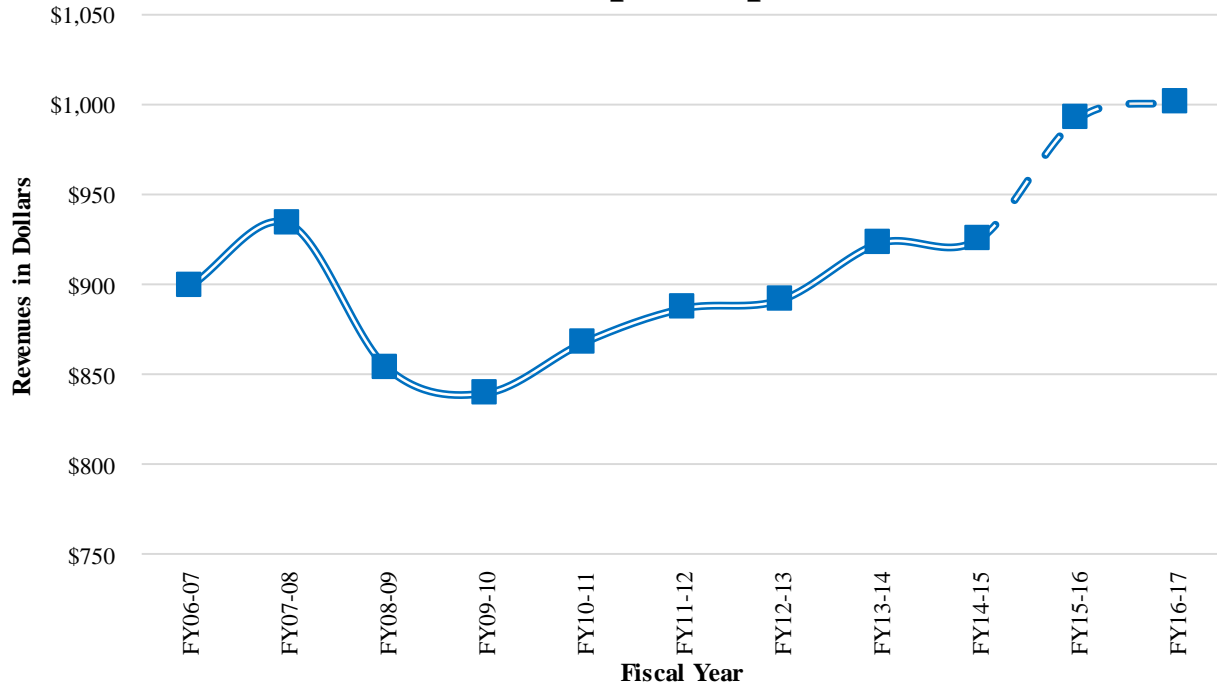
Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Permits & Fees						
100050	426200	VENDOR PERMITS	\$ (15,065)	\$ (15,045)	\$ (14,000)	\$ 1,045.00
100050	426400	BUSINESS REGISTRY	\$ -	\$ (50,000)	\$ -	\$ 50,000.00
100050	434100	FIRE INSPECTION FEES	\$ -	\$ -	\$ (113,375)	\$ (113,375.00)
100050	434200	FIRE PERMITS	\$ (600)	\$ (600)	\$ (2,000)	\$ (1,400.00)
100050	434250	HAZARDOUS MATERIAL RESPONSE	\$ -	\$ -	\$ -	
100050	434300	ZONING PERMITS	\$ (12,840)	\$ (13,500)	\$ (13,000)	
100050	434400	RESALE ITEMS	\$ (9)	\$ (42)	\$ -	
100050	434500	ZONING CITATIONS	\$ -	\$ (50)	\$ -	\$ 50.00
100050	434600	SPEC PROJ FEES - PLAN	\$ (19,523)	\$ (12,500)	\$ (15,500)	\$ (3,000.00)
100050	434650	DEMO FEES	\$ -	\$ -	\$ -	\$ -
100050	434700	COND USE FEES - ZONE	\$ (995)	\$ (700)	\$ (700)	\$ -
100050	434780	STREET SIDEWLK ENCROACHMENT	\$ (570)	\$ (500)	\$ -	\$ 500.00
		<i>Sub-Total</i>	\$ (49,602)	\$ (92,937)	\$ (158,575)	\$ (65,638.00)
Sales & Services						
100060	444400	LEASE INCOME	\$ (2,000)	\$ (15,500)	\$ (21,000)	\$ (5,500.00)
100060	461000	MONTHLY PKING REVENUE	\$ (40,437)	\$ (41,500)	\$ (41,500)	\$ -
100060	461100	PARKING METER REVENUE	\$ (58,395)	\$ (128,980)	\$ (115,000)	\$ 13,980.00
100060	461200	BOYD PK GOLF REVENUE	\$ (22,228)	\$ (18,000)	\$ (18,500)	\$ (500.00)
100060	461300	BOYD PK CONCESSIONS	\$ (1,442)	\$ (1,500)	\$ (1,250)	
100060	461400	FACILITY RENT INCOME	\$ (38,640)	\$ (40,000)	\$ (36,000)	\$ 4,000.00
100060	461500	CEMETERY LOT REVENUE	\$ (18,000)	\$ (13,500)	\$ (13,000)	\$ 500.00
100060	461600	ALARM FEES	\$ (1,900)	\$ (1,950)	\$ (1,800)	\$ 150.00
100060	461700	PATTON PARK POOL	\$ (104,042)	\$ (84,000)	\$ (88,000)	\$ (4,000.00)
100060	461800	PAT POOL CONCESSIONS	\$ (38,488)	\$ (24,000)	\$ (27,500)	\$ (3,500.00)
		<i>Sub-Total</i>	\$ (325,572)	\$ (368,930)	\$ (363,550)	\$ 5,380.00
Investment Earnings						
100070	483100	INTEREST INCOME	\$ (52,388)	\$ (83,600)	\$ (83,000)	\$ 600.00
100070	483111	INT INCOME-POWEL BILL	\$ (14)	\$ (20)	\$ -	\$ 20.00
		<i>Sub-Total</i>	\$ (52,402)	\$ (83,620)	\$ (83,000)	\$ 620.00
Miscellaneous Income						
100080	404310	MISC REVENUE - POLICE	\$ (3,753)	\$ (3,500)	\$ (1,500)	\$ 2,000.00
100080	404500	MISC REVENUE- PUBLIC WORKS	\$ (7,351)	\$ (2,000)	\$ (6,000)	\$ (4,000.00)
100080	434750	STREET PAVING CUT-CUSTOMER	\$ (25,432)	\$ (24,420)	\$ (25,000)	\$ (580.00)
100080	443000	STORMWATER PERMITS	\$ (3,000)	\$ (1,150)	\$ -	\$ 1,150.00
100080	443100	PARKING VIOLATIONS	\$ (33,740)	\$ (63,000)	\$ (63,000)	\$ -
100080	443110	PKING VIOLATIONS-PEN	\$ (14,390)	\$ (14,000)	\$ (14,000)	\$ -
100080	443200	SPECIAL ACTIVITIES	\$ (671)	\$ (1,500)	\$ (900)	\$ 600.00
100080	443300	SPECIAL PERMITS PRECIOUS METAL	\$ (1,723)	\$ (2,000)	\$ (1,800)	\$ 200.00
100080	443400	PARKING PERMITS	\$ (3,270)	\$ (2,500)	\$ (1,800)	\$ 700.00
100080	443410	DRUG FORFEITURES	\$ -	\$ -	\$ -	\$ -
100080	443700	RENTAL INCOME	\$ -	\$ -	\$ -	\$ -
100080	443800	DISCOUNTS EARNED	\$ (27,582)	\$ (17,554)	\$ (16,000)	\$ 1,554.00
100080	443900	MISCELLANEOUS INCOME	\$ (45,864)	\$ (10,000)	\$ (10,000)	\$ -
100080	447200	PAY IN LIEU OF-S/WLKS	\$ (2,625)	\$ -	\$ -	\$ -
100080	498207	DONATIONS/CONTRIBUTIONS	\$ (3,855)	\$ (3,800)	\$ -	\$ 3,800.00
		<i>Sub-Total</i>	\$ (173,256)	\$ (145,424)	\$ (140,000)	\$ 5,424.00
Other Financing Sources						
100090	443610	SALE OF FIXED ASSETS	\$ (18,090)	\$ (10,000)	\$ -	\$ 10,000.00
100090	444000	INSURANCE SETTLEMENTS	\$ (56,744)	\$ (100,183)	\$ -	
100090	498220	OPER TRAN FR D/T FUND	\$ (100,000)	\$ -	\$ -	
100090	499100	PROCEEDS OF DEBT	\$ (242,500)	\$ -	\$ -	\$ -
100090	499200	FUND BALANCE APPROP	\$ -	\$ (1,226,461)	\$ (436,981)	\$ 789,480.00
100090	499800	OPER TRAN FR C/R FUND	\$ (274,580)	\$ (264,960)	\$ -	\$ 264,960.00
100090	499999	PRIOR PERIOD ADJUSTMENT	\$ (330)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (692,244)	\$ (1,601,604)	\$ (436,981)	\$ 1,164,623.00
GRAND TOTAL			\$ (13,824,986)	\$ (14,958,730)	\$ (14,105,954)	\$ 852,776.00



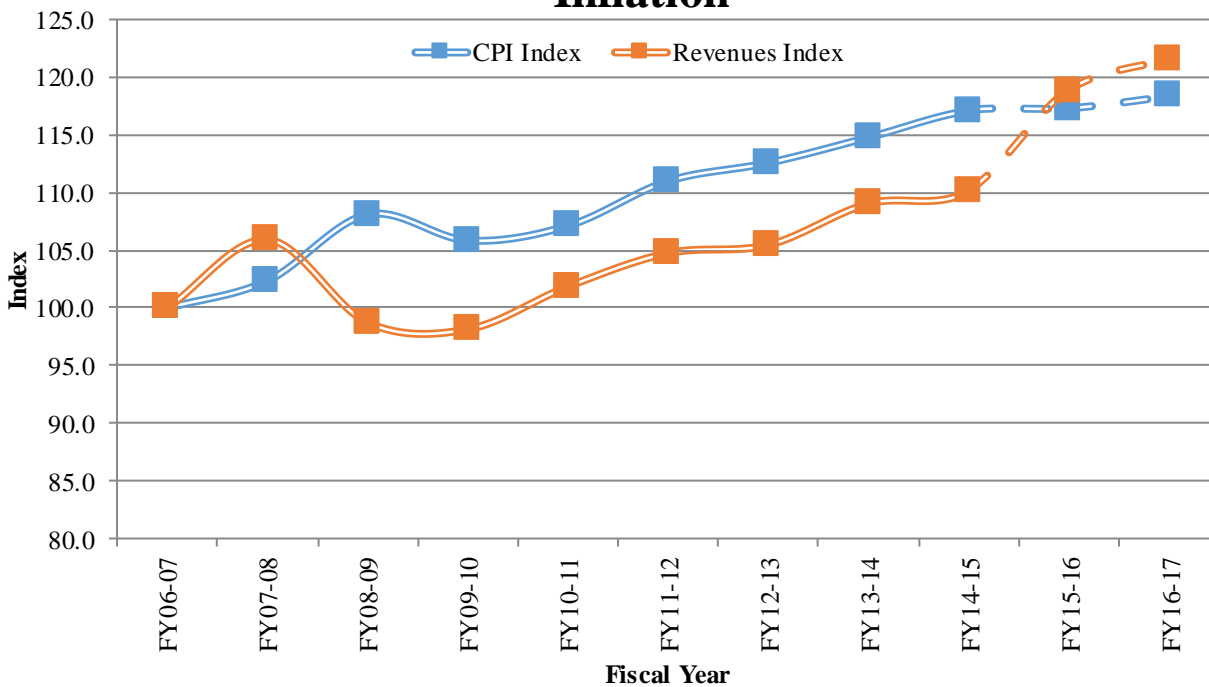
Revenue Trends

The following charts display General Fund revenue trends:

Revenues per Capita



General Fund Revenues Controlling for Inflation



Expenditures

The City expends funds in a variety of manners including general government services, public safety, transportation, park maintenance, culture and recreation, debt service, and other miscellaneous services.

Expenditures by Function

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

EXPENDITURE FUNCTION	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Governing Body	\$ 74,917	\$ 92,030	\$ 78,245	\$ (13,785)
Administration	\$ 1,138,072	\$ 561,577	\$ 456,998	\$ (104,579)
Finance	\$ 393,152	\$ 433,062	\$ 416,133	\$ (16,929)
City Engineer	\$ 187,493	\$ 192,607	\$ 204,270	\$ 11,663
Information Tech.	\$ 267,532	\$ 378,031	\$ 383,639	\$ 5,608
Legal	\$ 109,210	\$ 118,961	\$ 121,750	\$ 2,789
PW-Fleet Maint.	\$ 333,902	\$ 300,015	\$ 328,169	\$ 28,154
PW-Bldg. Maint.	\$ 513,672	\$ 525,744	\$ 694,189	\$ 168,445
Police	\$ 4,206,443	\$ 4,282,330	\$ 4,599,090	\$ 316,760
Fire	\$ 2,042,770	\$ 2,176,945	\$ 2,333,487	\$ 156,542
Development Assistance	\$ 383,897	\$ 535,122	\$ 475,390	\$ (59,732)
PW-Admin.	\$ 381,994	\$ 350,489	\$ 363,794	\$ 13,305
PW-Street & Highways	\$ 943,607	\$ 846,863	\$ 791,230	\$ (55,633)
Powell Bill	\$ 532,066	\$ 476,280	\$ 476,280	\$ -
PW-Traffic Eng.	\$ 403,141	\$ 489,007	\$ 422,589	\$ (66,418)
PW-Grounds Maint.	\$ 496,758	\$ 559,501	\$ 499,947	\$ (59,554)
PW-Patton Pool	\$ 218,340	\$ 262,670	\$ 262,888	\$ 218
Non-Departmental	\$ -	\$ 158,759	\$ 182,452	\$ 23,693
Special Appropriations	\$ 167,000	\$ 119,380	\$ 243,691	\$ 124,311
Debt Service (Transfer to)	\$ 1,047,946	\$ 1,118,791	\$ 633,723	\$ (485,068)
Transfers	\$ -	\$ 978,121	\$ 58,000	\$ (920,121)
Contingencies	\$ -	\$ 2,445	\$ 80,000	\$ 77,555
Total	\$ 13,841,912	\$ 14,958,730	\$ 14,105,954	\$ (852,776)

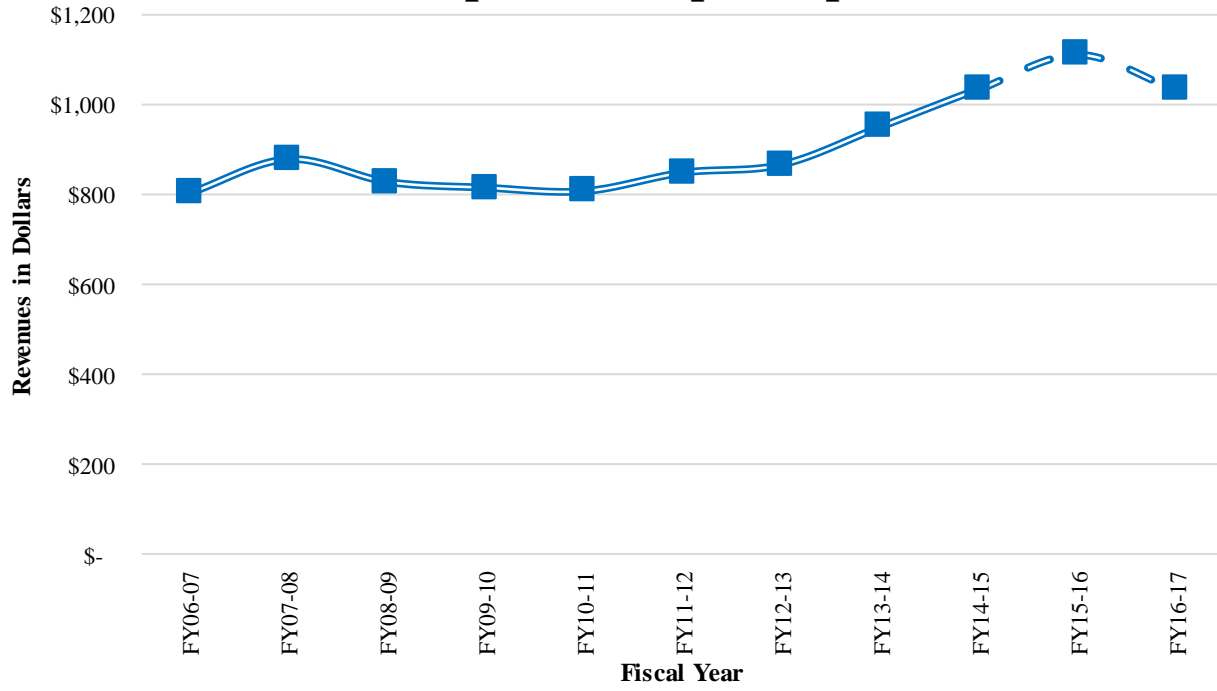
The City spends the majority of funding on public safety functions. This includes police, fire, and development assistance services. There are various increases in decreases in many of the departments. Most of the larger changes are due to capital outlay and is explained in more detail later in this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



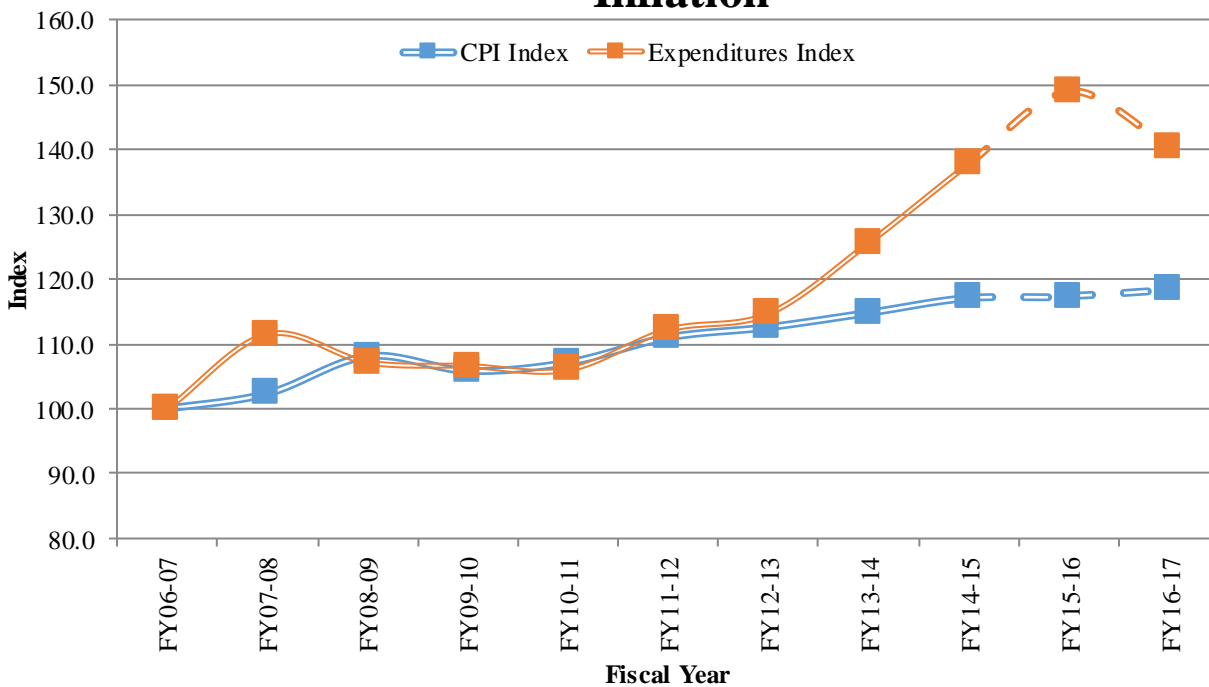
Expenditure Trends

The following charts detail General Fund expenditure trends:

Expenditures per Capita



General Fund Expenditures Controlling for Inflation



Governing Body

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

The City Council chooses one of its members to act as Mayor Pro Tempore. The Mayor Pro Tempore performs the duties of the Mayor in the Mayor's absence or disability. The Mayor Pro Tempore does not have a fixed term of office, but serves in the capacity at the pleasure of the City Council. The Mayor Pro Tem is Steve Caraker. He was selected by the City Council at their December 2015 meeting.

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

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

Meetings of the City Council

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

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





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

City Council members may receive written correspondence at:

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

City Council Contact Information:

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



FY15-16 Accomplishments

- ✓ Completed construction of phase III of the Oklawaha Greenway project.
- ✓ Engaged with the UNC School of Government's Development Finance Initiative (DFI) to evaluate the feasibility of attracting a hotel developer in the City's downtown area.
- ✓ Approved numerous residential and commercial developments in the City
- ✓ Promoted the resurfacing of over five miles of city streets
- ✓ Approved the acquisition of the Etowah Sewer System
- ✓ Adopted a vision and mission for the water and sewer system
- ✓ Maintained the appropriation of 1 penny on the tax rate to street improvements
- ✓ Adopted a purchasing policy to govern the procurement of goods by the City.

FY16-17 Goals & Initiatives

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



Governing Body Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Governing Body						
104110	517100	BOARD MEMBER WAGES	\$ 18,000	\$ 18,000	\$ 18,000	\$ -
104110	517200	CELLPHONE STIPEND	\$ 3,600	\$ 1,800	\$ 1,800	\$ -
104110	518100	FICA TAX EXPENSE	\$ 1,336	\$ 1,515	\$ 1,515	\$ -
104110	518300	GROUP MED & LIFE INS	\$ 5,703	\$ 5,646	\$ 6,117	\$ 471.00
104110	518600	WORKER'S COMP INS	\$ 101	\$ 51	\$ 40	\$ (11.00)
104110	526000	OFFICE SUPPLIES	\$ 472	\$ 1,000	\$ 1,000	\$ -
104110	532100	TELEPHONE	\$ 818	\$ -	\$ -	\$ -
104110	539400	TRAVEL	\$ 2,717	\$ 3,500	\$ 3,500	\$ -
104110	539500	TRAINING	\$ 712	\$ 2,900	\$ 2,900	\$ -
104110	545600	LIAB & PROP INS & BONDS	\$ 13,634	\$ 13,466	\$ 12,261	\$ (1,205.00)
104110	549100	DUES & SUBSCRIPTIONS	\$ 24,616	\$ 26,286	\$ 24,712	\$ (1,574.00)
104110	549600	MAYOR'S DISCRET'NARY ACCT	\$ -	\$ 400	\$ 400	\$ -
104110	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ -	\$ -
104110	549900	MISC BD EXPENSE	\$ 1,366	\$ 2,000	\$ 2,000	\$ -
104110	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104110	552000	CAPITAL OUTLAY-EQUIPMENT	\$ -	\$ -	\$ -	\$ -
104110	553000	NON-CAPITAL EQUIPMENT	\$ 1,789	\$ 2,000	\$ 2,000	\$ -
104110	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104110	569000	CONTRACTED SERVICES	\$ 54	\$ 13,466	\$ 2,000	\$ (11,466.00)
104110	598060	DEPARTMENTAL CHGS-W/S	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 74,917	\$ 92,030	\$ 78,245	\$ (13,785.00)

FY16-17 Budget Highlights

The “Contracted Services” account included enough budget for an election in FY15-16. There is no election in FY16-17 and that is why there is a drop of \$11,466. There are no other major changes.

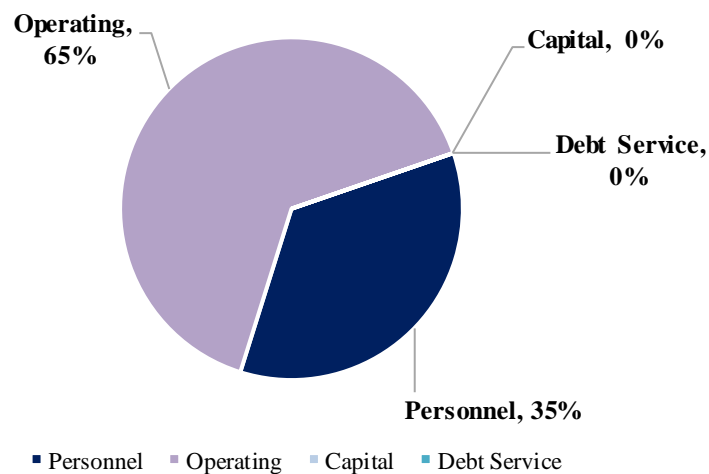


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Governing Body				
Personnel	\$ 28,739	\$ 27,012	\$ 27,472	\$ 460
Operating	\$ 46,177	\$ 65,018	\$ 50,773	\$ (14,245)
Capital	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 74,917	\$ 92,030	\$ 78,245	\$ (13,785)

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
Governing Body				
Full-Time	0.00	0.00	0.00	0.00
Part-Time	5.00	5.00	5.00	0.00
<i>Sub-Total</i>	5.00	5.00	5.00	0.00

Expenditures by Type



Administration

The administrative office of the City of Hendersonville consists of the City Manager, City Clerk, City Attorney, Human Resources Director, Human Resources Coordinator, Assistant to the City Manager, Public Information Officer, an Administrative Intern, and a Safety 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.

FY15-16 Accomplishments

- ✓ Continued implementation of parking study and its recommendations.
- ✓ Facilitated the 7th Avenue Advisory Committee adopting an organizational and operating structure.
- ✓ Continued partnership with Henderson County to improve the streetscape next to the Joint Medical Project building.
- ✓ Facilitated the implementation and revisions of the purchasing policy.
- ✓ Formed an IT Committee to address IT concerns, priorities, and issues.
- ✓ Continued Summer Internship Program.
- ✓ Worked with DFI to initiate the downtown hotel study.
- ✓ Established a variety of organizational structure changes and job description revisions.
- ✓ Supported over 10 City events.
- ✓ Received GFOA's Distinguished Budget Presentation Award for the FY15-16 Budget.

FY16-17 Goals & Initiatives

- ✓ Improve way-finding signage to move people around the City of Hendersonville
- ✓ Invest in the beautification of areas outside downtown center
- ✓ Continue the Service Excellence Program
- ✓ Begin implementing safety recommendations.
- ✓ Complete pay and classification study.
- ✓ Focus on Main Street and 7th Avenue infrastructure improvements.
- ✓ Continue to enhance relationship with HCPED.
- ✓ Enhance intergovernmental relations with Henderson County and other neighbor governments.
- ✓ Work regionally to attract high speed internet provider to the area.



Administration Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Administration						
104120	512100	SALARIES & WAGES-REG	\$ 190,102	\$ 175,754	\$ 189,333	\$ 13,579.00
104120	512900	SALARIES & WAGES-P/T	\$ 25,366	\$ 17,602	\$ 23,454	\$ 5,852.00
104120	513100	SALARIES & WAGES- CM INS PREM	\$ 5,639	\$ 3,981	\$ 3,981	\$ -
104120	517200	CELLPHONE STIPEND	\$ -	\$ 300	\$ 300	\$ -
104120	518100	FICA TAX EXPENSE	\$ 16,961	\$ 14,793	\$ 16,279	\$ 1,486.00
104120	518200	RETIREMENT EXPENSE	\$ 14,932	\$ 12,770	\$ 14,903	\$ 2,133.00
104120	518300	GROUP MED & LIFE INS	\$ 16,292	\$ 16,937	\$ 18,349	\$ 1,412.00
104120	518600	WORKER'S COMP INS	\$ 614	\$ 445	\$ 438	\$ (7.00)
104120	519000	PROF SERVICES	\$ 124,399	\$ 125,149	\$ 85,270	\$ (39,879.00)
104120	526000	OFFICE SUPPLIES	\$ 5,422	\$ 5,125	\$ 4,225	\$ (900.00)
104120	529900	SUPPLIES & MATERIALS	\$ -	\$ 1,000	\$ 1,545	\$ 545.00
104120	532100	TELEPHONE	\$ 5,063	\$ 3,170	\$ 3,500	\$ 330.00
104120	532500	POSTAGE	\$ 469	\$ 420	\$ 535	\$ 115.00
104120	535100	R & M - BULIDINGS	\$ -	\$ 10,700	\$ 4,000	\$ (6,700.00)
104120	535200	R & M - EQUIPMENT	\$ 4,164	\$ 1,365	\$ 3,365	\$ 2,000.00
104120	537000	ADVERTISING	\$ 1,072	\$ 955	\$ 1,030	\$ 75.00
104120	539400	TRAVEL	\$ 7,358	\$ 12,641	\$ 8,100	\$ (4,541.00)
104120	539500	TRAINING	\$ 5,093	\$ 7,520	\$ 10,795	\$ 3,275.00
104120	539700	LIAISON EXPENSE	\$ 194	\$ 300	\$ 300	\$ -
104120	545600	LIAB/PROP INS & BONDS	\$ 1,334	\$ 1,312	\$ 1,591	\$ 279.00
104120	549100	DUES & SUBSCRIPTIONS	\$ 3,095	\$ 4,030	\$ 4,305	\$ 275.00
104120	549750	PERMITS, LICENSE AND FEES	\$ 382	\$ 450	\$ 400	\$ (50.00)
104120	549800	FLOWERS/MEMORIALS	\$ 500	\$ 900	\$ 900	\$ -
104120	549890	MISC EVENT EXPENSES	\$ -	\$ 6,000	\$ 4,800	\$ (1,200.00)
104120	549900	MISCELLANEOUS	\$ 9,647	\$ 975	\$ -	\$ (975.00)
104120	549910	SAFETY PROGRAM	\$ -	\$ 1,000	\$ 3,650	\$ 2,650.00
104120	549920	EMPLOYEE EVENTS	\$ 13,967	\$ 13,400	\$ 6,750	\$ (6,650.00)
104120	549930	SERVICE EXCELLENCE	\$ -	\$ -	\$ 3,500	\$ 3,500.00
104120	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ 500	\$ 500.00
104120	552000	CAPITAL OUTLAY-EQUIPMENT	\$ -	\$ -	\$ -	\$ -
104120	553000	NON-CAPITAL EQUIPMENT	\$ 346	\$ 2,500	\$ 40,900	\$ 38,400.00
104120	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ 684,942	\$ 120,083	\$ -	\$ (120,083.00)
104120	558000	CAP OUTLAY-BUILDINGS	\$ -	\$ -	\$ -	\$ -
104120	569000	CONTRACTED SERVICES	\$ 720	\$ -	\$ -	\$ -
104120	598060	DEPARTMENTAL CHGS-W/S	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 1,138,072	\$ 561,577	\$ 456,998	\$ (104,579.00)

FY16-17 Budget Highlights

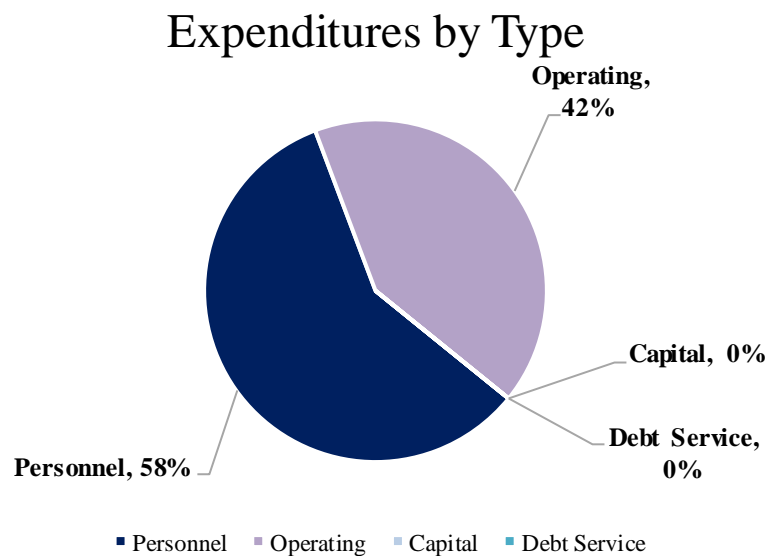
All personnel costs have increased due to normal job growth through the City’s performance pay system. The “Non-Capital Equipment” account increased to fund the renovations and new furniture in the 2nd floor suite of City Hall. There is no budget for land purchases in FY16-17.



Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Administration				
Personnel	\$ 269,906	\$ 242,582	\$ 267,037	\$ 24,455
Operating	\$ 183,225	\$ 198,912	\$ 189,961	\$ (8,951)
Capital	\$ 684,942	\$ 120,083	\$ -	\$ (120,083)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 1,138,072	\$ 561,577	\$ 456,998	\$ (104,579)

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
Administration				
Full-Time	5.00	5.00	5.00	0.00
Part-Time	2.00	3.00	3.00	0.00
<i>Sub-Total</i>	7.00	8.00	8.00	0.00



Finance

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

A Comprehensive Annual Financial Report is compiled on the ending fiscal year. The Department has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) of the United States and Canada for publishing an easily readable and efficiently organized report since 1988. The City has a "AA-" bond rating from Moody's Investors Service and a "A+" from Standard & Poor's Corporation. As financial stewards of the City, the Finance Department is dedicated to managing the City's resources in a fiscally conservative manner while maintaining an exemplary level of customer service.

FY15-16 Accomplishments

- ✓ Developed, implemented new purchasing policy.
- ✓ Implemented WEX fuel card program.
- ✓ Managed implementation and monitoring of new fuel card system. (WEX) Developed interactive report to be emailed to departments to be able to drill down and see fuel usage, mileage for department and individual users. This very helpful tool reduces the use and cuts down on number of P-Card receipts to process and eliminates the need to process fuel reimbursements for travel in City vehicles.
- ✓ Implementation of new timely posting procedure has resulted in the successful posting of P-Card batch 6 days after month end close. This enables departments to see monthly activity accurately and view budget remaining balances.
- ✓ Set up automated Workflow Process for approval of purchase requisitions, journal entries and budget input.
- ✓ Implemented Lockbox collection for Tax Bills (Fall 2015).
- ✓ Improved tax import file from County into Munis to eliminate manual corrections.
- ✓ Automated debt-set off reporting for delinquent tax bills (was done manually).

FY16-17 Goals & Initiatives

- ✓ New Auditor - RFP pending.
- ✓ Tax Collector and Deputy Tax Collector will begin certification process.
- ✓ Implement automated AP invoice workflow utilizing Laserfiche, will increase the timeliness of our payments to vendors, document approvals and reduce the number of lost invoices.
- ✓ Possibly improve time keeping processing (if software is approved in budget).
- ✓ Implement POS system at pool to improve cash controls.



- ✓ Improve Fixed Asset data base and begin physical counts of assets.
- ✓ Work with W&S to improve inventory processes to improve accuracy of reporting.
- ✓ Update Travel Policy.
- ✓ Improve payroll processes, balance liability accounts monthly.
- ✓ Create monthly checklist for each employee to ensure completeness of all tasks and let employees know what is expected of them.

Long Term Goals and Objectives

- ✓ Our goal is to administer and provide fiscally responsible control and guidance for all financial matters of the City while complying with all applicable City, State and Federal mandates.
- ✓ Goal to mail tax bills out by first week of September.
- ✓ Have all expenditures posted before 10th of each month.
- ✓ Compensated Absences reporting - goal to have completed by 7-31 each year.
- ✓ Annual Fixed Asset Schedules, Debt Schedules all completed by July of each year.
- ✓ Improve Audit schedule, Report to State by October 31, have audit presented to Council at November meeting.



Finance Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Finance						
104130	512100	SALARIES & WAGES-REG	\$ 227,588	\$ 206,695	\$ 238,139	\$ 31,444.00
104130	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ 544	\$ -	\$ (544.00)
104130	512900	SALARIES & WAGES-P/T	\$ -	\$ -	\$ -	\$ -
104130	517200	CELLPHONE STIPEND	\$ -	\$ -	\$ -	\$ -
104130	518100	FICA TAX EXPENSE	\$ 17,079	\$ 15,855	\$ 18,218	\$ 2,363.00
104130	518200	RETIREMENT EXPENSE	\$ 16,007	\$ 13,824	\$ 17,266	\$ 3,442.00
104130	518300	GROUP MED & LIFE INS	\$ 42,184	\$ 22,866	\$ 27,218	\$ 4,352.00
104130	518600	WORKER'S COMP INS	\$ 878	\$ 589	\$ 481	\$ (108.00)
104130	519000	PROF SERVICES	\$ 3,322	\$ -	\$ 4,000	\$ 4,000.00
104130	519100	PROF SERVICES - AUDIT	\$ 21,061	\$ 25,625	\$ 17,500	\$ (8,125.00)
104130	526000	OFFICE SUPPLIES	\$ 6,594	\$ 8,000	\$ 8,355	\$ 355.00
104130	532100	TELEPHONE	\$ 6,506	\$ 830	\$ 720	\$ (110.00)
104130	532500	POSTAGE	\$ 2,523	\$ 7,200	\$ 7,200	\$ -
104130	535200	R & M - EQUIPMENT	\$ 252	\$ 500	\$ 500	\$ -
104130	537000	ADVERTISING	\$ 1,276	\$ 659	\$ 1,300	\$ 641.00
104130	538200	TAX SCROLL & BILLING	\$ 25,385	\$ 27,373	\$ 25,040	\$ (2,333.00)
104130	539400	TRAVEL	\$ 4,044	\$ 4,168	\$ 8,725	\$ 4,557.00
104130	539500	TRAINING	\$ 5,261	\$ 4,711	\$ 8,285	\$ 3,574.00
104130	545600	LIAB/PROP INS & BONDS	\$ 2,054	\$ 2,998	\$ 3,846	\$ 848.00
104130	549100	DUES & SUBSCRIPTIONS	\$ 1,119	\$ 1,335	\$ 1,965	\$ 630.00
104130	549300	TAX SHORT/OVER	\$ -	\$ 100	\$ 100	\$ -
104130	549750	PERMITS, LICENSE AND FEES	\$ 50	\$ 8,622	\$ 210	\$ (8,412.00)
104130	549900	MISCELLANEOUS	\$ 128	\$ 1,260	\$ 1,000	\$ (260.00)
104130	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104130	552500	CAP OUT - SOFTWARE/INTANGIBLE	\$ -	\$ -	\$ -	\$ -
104130	553000	NON-CAPITAL EQUIPMENT	\$ 1,356	\$ 14,222	\$ 700	\$ (13,522.00)
104130	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104130	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ 37,851	\$ -	\$ (37,851.00)
104130	569000	CONTRACTED SERVICES	\$ 7,835	\$ 9,185	\$ 4,935	\$ (4,250.00)
104130	575200	BANK SERVICE CHARGES	\$ 537	\$ 13,390	\$ 14,670	\$ 1,280.00
104130	575210	CREDIT CARD PROCESSING FEES	\$ 113	\$ 4,660	\$ 5,760	\$ 1,100.00
104130	598060	DEPARTMENTAL CHGS-W/S	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 393,152	\$ 433,062	\$ 416,133	\$ (16,929.00)

FY16-17 Budget Highlights

Personnel and benefits lines have increased due to natural salary growth through the City’s performance pay program. Additionally, there are no budgeted capital projects in the Finance Department this fiscal year.

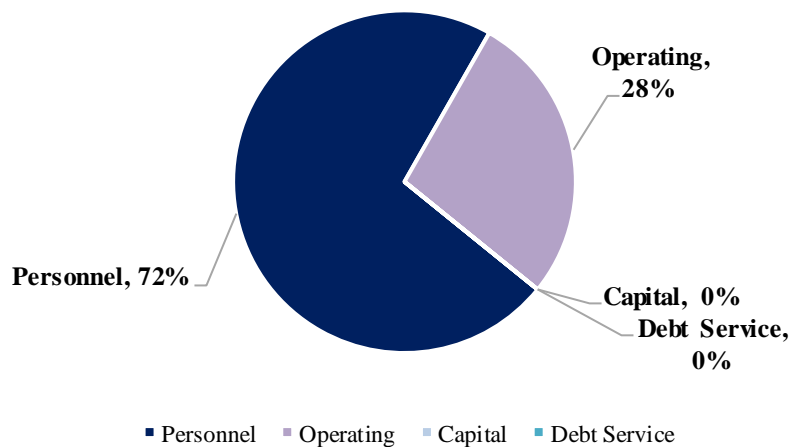


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Finance				
Personnel	\$ 303,737	\$ 260,373	\$ 301,322	\$ 40,949
Operating	\$ 89,415	\$ 134,838	\$ 114,811	\$ (20,027)
Capital	\$ -	\$ 37,851	\$ -	\$ (37,851)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 393,152	\$ 433,062	\$ 416,133	\$ (16,929)

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
Finance				
Full-Time	12.00	12.00	14.00	2.00
Part-Time	1.00	2.00	1.00	-1.00
<i>Sub-Total</i>	13.00	14.00	15.00	1.00

Expenditures by Type



City Engineer

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

Mission

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

FY15-16 Accomplishments

- ✓ Provided construction management of the Jackson Park Sewer Interceptor project. The project is complete and still within the warranty period.
- ✓ Provided construction management of the Wolfpen Sewer Interceptor project. The project is complete and still within the warranty period.
- ✓ Provided construction management of the Shepherd Creek/Atkinson Elementary Sanitary Sewer Improvements project. The project is complete and still within the warranty period.
- ✓ Provided construction management of the Oklawaha Greenway Phase 3 project. The project will likely be completed within the current budget year.
- ✓ Completed design of the US 64 Infill Sidewalk project. Bidding and construction should be commenced soon.
- ✓ Completed design and construction of the School House Water Line Extension project.
- ✓ Continued to maintain the Enterprise ArcGIS and Cityworks Servers.

FY16-17 Goals & Initiatives

- ✓ Complete construction of the Oklawaha Greenway Phase 3 project.
- ✓ Complete design and construction of Thomas property/4th Ave stormwater improvements.
- ✓ Manage the design and construction of the N Main Street Sidewalk project.
- ✓ Upon re-evaluation of the remaining Sidewalk Bond Funds, manage the design and construction of the Blythe Street Sidewalk project.



- ✓ Manage the final design, bidding and construction of the Etowah Area Water System Improvements Project.
- ✓ If directed by Council; design, bid and manage construction of the 3rd and 4th Avenues Streetscape Improvements.
- ✓ Complete a Southside Stormwater Modeling and Master Plan project.
- ✓ Complete and implement a Development and Design Manual to include checklists, flowcharts, details and specifications.
- ✓ Qualify and contract with engineers, surveyors and others as part of several general service agreements.
- ✓ Develop a City-standard construction contract.
- ✓ Design, bid and manage construction of future City water, sewer, stormwater, greenway and sidewalk projects.
- ✓ Enhance the City's NPDES stormwater program so that we are meeting all of our mapping and education/outreach requirements established in our permit.
- ✓ Continue to use advancements in technology to efficient design and administer infrastructure projects.

Long Term Goals and Objectives

- ✓ Develop additional tools to enhance the customer service aspect of design and project management and to become even more efficient and cost effective.



City Engineer Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
City Engineer						
104131	512100	SALARIES & WAGES-REG	\$ 119,888	\$ 119,998	\$ 124,066	\$ 4,068.00
104131	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ 1,043	\$ -	\$ (1,043.00)
104131	518100	FICA TAX EXPENSE	\$ 9,031	\$ 9,180	\$ 9,491	\$ 311.00
104131	518200	RETIREMENT EXPENSE	\$ 8,444	\$ 8,004	\$ 8,995	\$ 991.00
104131	518300	GROUP MED & LIFE INS	\$ 9,800	\$ 10,162	\$ 11,010	\$ 848.00
104131	518600	WORKER'S COMP INS	\$ 557	\$ 1,447	\$ 1,078	\$ (369.00)
104131	519000	PROFESSIONAL SERVICES	\$ 860	\$ 1,000	\$ 500	\$ (500.00)
104131	525100	GASOLINE & DIESEL	\$ 1,240	\$ 1,200	\$ 1,200	\$ -
104131	525200	TIRES	\$ -	\$ 800	\$ 500	\$ (300.00)
104131	525300	VEHICLE PARTS	\$ 185	\$ 250	\$ 250	\$ -
104131	525400	OIL, LUBRICATION, ETC	\$ 40	\$ 100	\$ 100	\$ -
104131	526000	OFFICE SUPPLIES	\$ 3,776	\$ 3,500	\$ 3,500	\$ -
104131	529900	SUPPLIES & MATERIALS	\$ -	\$ 500	\$ 500	\$ -
104131	532100	TELEPHONE	\$ 5,878	\$ 4,000	\$ 6,000	\$ 2,000.00
104131	532500	POSTAGE	\$ 41	\$ 50	\$ 50	\$ -
104131	535200	R & M - EQUIPMENT	\$ 16,959	\$ 14,981	\$ 1,100	\$ (13,881.00)
104131	535300	R & M - AUTO/TRUCKS	\$ -	\$ 150	\$ 150	\$ -
104131	537000	ADVERTISING	\$ -	\$ 190	\$ 190	\$ -
104131	539400	TRAVEL	\$ 1,791	\$ 2,140	\$ 3,000	\$ 860.00
104131	539500	TRAINING	\$ 3,818	\$ 4,000	\$ 4,500	\$ 500.00
104131	545600	LIAB/PROP INS & BONDS	\$ 1,712	\$ 1,958	\$ 2,390	\$ 432.00
104131	549100	DUES & SUBSCRIPTIONS	\$ 745	\$ 800	\$ 1,250	\$ 450.00
104131	549750	PERMITS, LICENSE AND FEES	\$ 234	\$ 4,504	\$ 17,500	\$ 12,996.00
104131	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104131	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ -	\$ -	\$ -
104131	552500	CAP OUT - SOFTWARE/INTANGIBLE	\$ -	\$ -	\$ -	\$ -
104131	553000	NON-CAPITAL EQUIPMENT	\$ 2,495	\$ 2,650	\$ 6,950	\$ 4,300.00
104131	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104131	598060	DEPARTMENTAL CHGS-W/S	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 187,493	\$ 192,607	\$ 204,270	\$ 11,663.00

FY16-17 Budget Highlights

The “R&M - Equipment” account line was paying for the maintenance contract of generic software used by the City. This software is now budgeted in the IT department budgets.

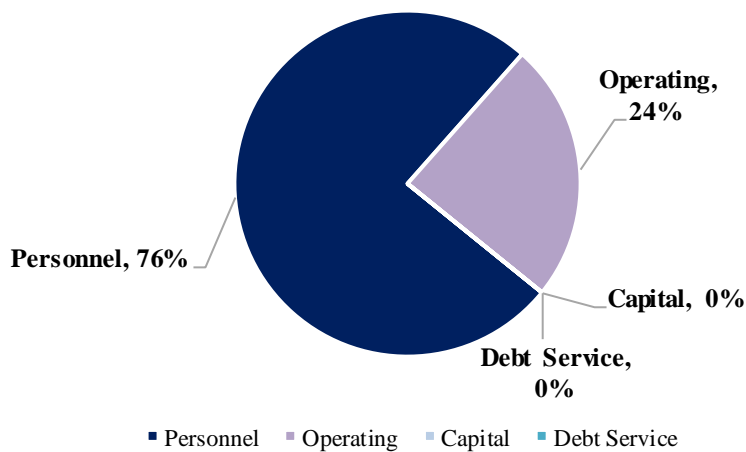


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
City Engineer				
Personnel	\$ 147,719	\$ 149,834	\$ 154,640	\$ 4,806
Operating	\$ 39,774	\$ 42,773	\$ 49,630	\$ 6,857
Capital	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 187,493	\$ 192,607	\$ 204,270	\$ 11,663

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
City Engineer				
Full-Time	6.00	6.00	7.00	1.00
Part-Time	0.00	1.00	0.00	-1.00
<i>Sub-Total</i>	6.00	7.00	7.00	0.00

Expenditures by Type



Information Technology

The Information Technology Department is responsible for the maintenance and management of all technology services for the City. The Department is managed by the City Manager, Assistant to City Manager, and IT Committee. The Department contracts with VC3 to provide IT infrastructure and support services.

Information Technology Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Information Technology						
104140	512100	SALARIES & WAGES-REG	\$ 11,665	\$ -	\$ -	\$ -
104140	518100	FICA TAX EXPENSE	\$ 1,047	\$ -	\$ -	\$ -
104140	518200	RETIREMENT EXPENSE	\$ 760	\$ -	\$ -	\$ -
104140	518300	GROUP MED & LIFE INS	\$ 284	\$ -	\$ -	\$ -
104140	518600	WORKER'S COMP INS	\$ 93	\$ -	\$ -	\$ -
104140	519000	PROFESSIONAL SERVICES	\$ -	\$ 30,864	\$ 5,000	\$ (25,864.00)
104140	526000	OFFICE SUPPLIES	\$ -	\$ -	\$ -	\$ -
104140	529900	SUPPLIES & MATERIALS	\$ -	\$ 600	\$ 5,000	\$ 4,400.00
104140	532100	TELEPHONE	\$ -	\$ 52,319	\$ 67,724	\$ 15,405.00
104140	532500	POSTAGE	\$ -	\$ -	\$ -	\$ -
104140	535200	R & M - EQUIPMENT	\$ 59,517	\$ 6,700	\$ 5,000	\$ (1,700.00)
104140	539400	TRAVEL	\$ -	\$ -	\$ -	\$ -
104140	539500	TRAINING	\$ 25	\$ -	\$ -	\$ -
104140	545600	LIAB/PROP INS & BONDS	\$ 297	\$ 117	\$ 116	\$ (1.00)
104140	549100	DUES & SUBSCRIPTIONS	\$ -	\$ -	\$ -	\$ -
104140	549750	PERMITS, LICENSE AND FEES	\$ 5,112	\$ 56,921	\$ 88,227	\$ 31,306.00
104140	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104140	552000	CAP OUTLAY-EQUIPMENT	\$ 52,403	\$ -	\$ 5,000	\$ 5,000.00
104140	552500	CAP OUT - SOFTWARE/INTANGIBLE	\$ -	\$ -	\$ -	\$ -
104140	553000	NON-CAPITAL EQUIPMENT	\$ 11,237	\$ 7,351	\$ 3,500	\$ (3,851.00)
104140	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104140	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ 41,863	\$ 25,000	\$ (16,863.00)
104140	569000	CONTRACTED SERVICES	\$ 125,092	\$ 181,296	\$ 179,072	\$ (2,224.00)
104140	598060	DEPARTMENTAL CHGS-W/S	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 267,532	\$ 378,031	\$ 383,639	\$ 5,608.00

FY15-16 Budget Highlights

The bottom line for the IT budget has not changed dramatically. However, there are major changes between account lines. Most of this is due to the recent evaluation of IT services and costs, placing those in correct account lines. This budget is a more accurate representation of City IT costs compared to prior years. The capital outlay for this account is for technology upgrades for the City Council chambers at City Hall.

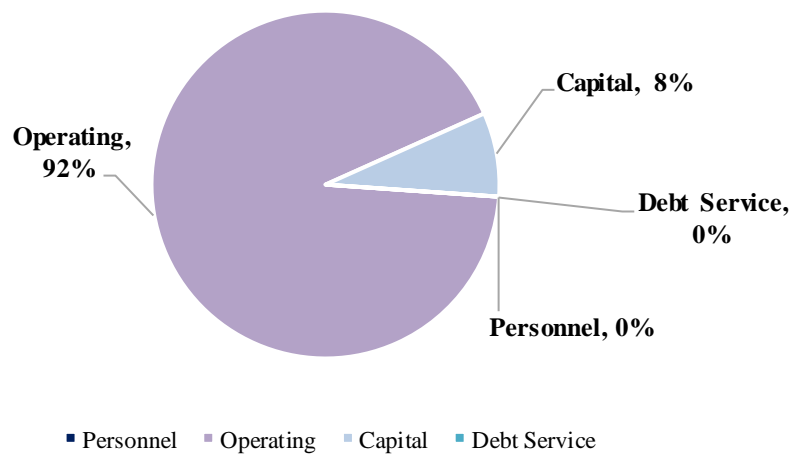


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Information Technology				
Personnel	\$ 13,849	\$ -	\$ -	\$ -
Operating	\$ 201,280	\$ 336,168	\$ 353,639	\$ 17,471
Capital	\$ 52,403	\$ 41,863	\$ 30,000	\$ (11,863)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 267,532	\$ 378,031	\$ 383,639	\$ 5,608

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
Information Technology				
Full-Time	1.00	0.00	0.00	0.00
Part-Time	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	1.00	0.00	0.00	0.00

Expenditures by Type



Legal

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

FY15-16 Accomplishments

- ✓ Prepared and carried out all training to all supervisors.
- ✓ Assisted finance department with collection of delinquent taxes.
- ✓ Worked with police and zoning on several sweepstake issues.
- ✓ Continuous review and management of contracts and lawsuits.



Legal Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Legal						
104150	512100	SALARIES & WAGES-REG	\$ 59,092	\$ 60,304	\$ 62,723	\$ 2,419.00
104150	512900	SALARIES & WAGES-P/T	\$ 20,414	\$ 19,462	\$ 21,313	\$ 1,851.00
104150	518100	FICA TAX EXPENSE	\$ 5,805	\$ 6,103	\$ 6,429	\$ 326.00
104150	518200	RETIREMENT EXPENSE	\$ 5,596	\$ 5,321	\$ 6,093	\$ 772.00
104150	518300	GROUP MED & LIFE INS	\$ 2,919	\$ 5,646	\$ 6,117	\$ 471.00
104150	518600	WORKER'S COMP INS	\$ 114	\$ 111	\$ 80	\$ (31.00)
104150	519000	PROFESSIONAL SERVICES	\$ -	\$ -	\$ -	\$ -
104150	519200	LITIGATION EXPENSE	\$ -	\$ 100	\$ 250	\$ 150.00
104150	526000	OFFICE SUPPLIES	\$ 446	\$ 600	\$ 600	\$ -
104150	529900	SUPPLIES & MATERIALS	\$ 318	\$ 250	\$ 250	\$ -
104150	532100	TELEPHONE	\$ 732	\$ -	\$ -	\$ -
104150	532500	POSTAGE	\$ 84	\$ 250	\$ 250	\$ -
104150	535200	R & M - EQUIPMENT	\$ 225	\$ 100	\$ 100	\$ -
104150	539400	TRAVEL	\$ 4,651	\$ 5,250	\$ 5,250	\$ -
104150	539500	TRAINING	\$ 1,259	\$ 2,610	\$ 2,610	\$ -
104150	545600	LIAB/PROP INS & BONDS	\$ 171	\$ 191	\$ 262	\$ 71.00
104150	549100	DUES & SUBSCRIPTIONS	\$ 2,517	\$ 4,000	\$ 7,240	\$ 3,240.00
104150	549750	PERMITS, LICENSE AND FEES	\$ 232	\$ 100	\$ 100	\$ -
104150	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104150	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104150	569000	CONTRACTED SERVICES	\$ 4,634	\$ 8,563	\$ 2,083	\$ (6,480.00)
104150	598060	DEPARTMENTAL CHGS-W/S	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 109,210	\$ 118,961	\$ 121,750	\$ 2,789.00

FY16-17 Budget Highlights

The Legal Department has not experienced many changes besides normal personnel growth. The “Contracted Services” account decreased due to LexisNexus fees being budgeted in the “Permits, License and Fees” account line.

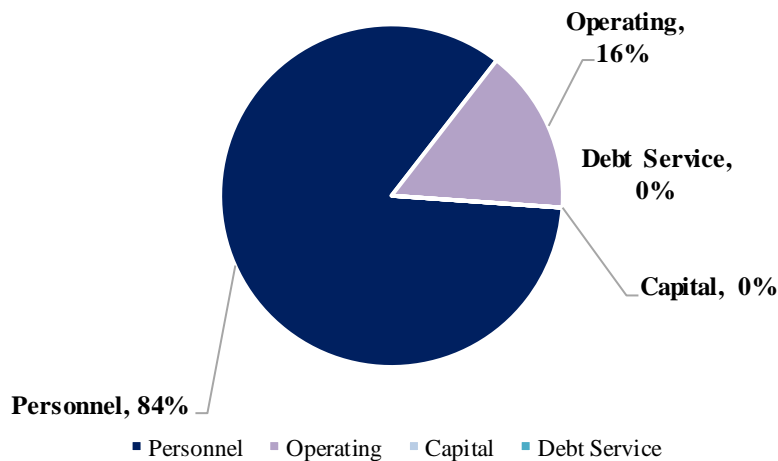


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Legal				
Personnel	\$ 93,940	\$ 96,947	\$ 102,755	\$ 5,808
Operating	\$ 15,269	\$ 22,014	\$ 18,995	\$ (3,019)
Capital	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 109,210	\$ 118,961	\$ 121,750	\$ 2,789

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
Legal				
Full-Time	1.00	1.00	1.00	0.00
Part-Time	1.00	1.00	1.00	0.00
<i>Sub-Total</i>	2.00	2.00	2.00	0.00

Expenditures by Type



Public Works-Fleet Maintenance

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

FY15-16 Accomplishments

- ✓ Installed a new electric panel to better handle the electrical needs within the shop.
- ✓ Preparing to install a backup generator (from sewer pump station) and manual switch panel.
- ✓ Planning to replace our major air compressor for the shop (rather than purchase a nitrogen compressor).
- ✓ Still working on City Works Work Order system to make improvements for the shop.
- ✓ Warehouse software needs improvements.

FY16-17 Goals & Initiatives

- ✓ Plan to remodel the offices and restroom within the shop.
- ✓ Finish installing the generator and switch gear for the shop.



Public Works-Fleet Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
PW-Fleet Maintenance						
104250	512100	SALARIES & WAGES-REG	\$ 234,814	\$ 157,174	\$ 160,525	\$ 3,351.00
104250	512200	SALARIES & WAGES-O/T	\$ 1,250	\$ 1,920	\$ 1,920	\$ -
104250	512250	HOLIDAY PAY	\$ -	\$ 1,196	\$ 1,235	\$ 39.00
104250	518100	FICA TAX EXPENSE	\$ 18,161	\$ 12,473	\$ 12,522	\$ 49.00
104250	518200	RETIREMENT EXPENSE	\$ 16,784	\$ 11,017	\$ 11,867	\$ 850.00
104250	518300	GROUP MED & LIFE INS	\$ 33,124	\$ 21,679	\$ 23,487	\$ 1,808.00
104250	518600	WORKER'S COMP INS	\$ 7,627	\$ 5,018	\$ 3,714	\$ (1,304.00)
104250	518900	RETIREE INSURANCE	\$ 3,185	\$ -	\$ -	\$ -
104250	519000	PROFESSIONAL SERVICES	\$ -	\$ 300	\$ 400	\$ 100.00
104250	521200	UNIFORMS	\$ 2,136	\$ 4,500	\$ 4,500	\$ -
104250	523000	MEDICAL SUPPLIES	\$ -	\$ 400	\$ 400	\$ -
104250	525100	GASOLINE & DIESEL	\$ 2,838	\$ 3,600	\$ 3,600	\$ -
104250	525200	TIRES	\$ 19,411	\$ 20,000	\$ -	\$ (20,000.00)
104250	525300	VEHICLE PARTS	\$ 40,484	\$ 49,600	\$ -	\$ (49,600.00)
104250	525400	OIL, LUBRICATION, ETC	\$ 11,700	\$ 16,000	\$ -	\$ (16,000.00)
104250	526000	OFFICE SUPPLIES	\$ 894	\$ 1,000	\$ 1,000	\$ -
104250	529900	SUPPLIES & MATERIALS	\$ 7,515	\$ 13,000	\$ 12,600	\$ (400.00)
104250	532100	TELEPHONE	\$ 660	\$ 930	\$ 1,350	\$ 420.00
104250	533000	UTILITIES	\$ 19,048	\$ 20,900	\$ 20,900	\$ -
104250	535100	R & M - BUILDINGS	\$ 2,486	\$ 1,400	\$ 12,000	\$ 10,600.00
104250	535200	R & M - EQUIPMENT	\$ 5,548	\$ 4,800	\$ 4,800	\$ -
104250	535300	R & M - AUTO/TRUCKS	\$ 45	\$ 800	\$ 91,400	\$ 90,600.00
104250	539400	TRAVEL	\$ -	\$ 500	\$ 500	\$ -
104250	539500	TRAINING	\$ -	\$ 1,200	\$ 1,200	\$ -
104250	545600	LIAB/PROP INS & BONDS	\$ 2,328	\$ 2,568	\$ 2,999	\$ 431.00
104250	549100	DUES & SUBSCRIPTIONS	\$ -	\$ 240	\$ 250	\$ 10.00
104250	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 100	\$ -	\$ (100.00)
104250	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104250	552000	CAPITAL OUTLAY-EQUIPMENT	\$ -	\$ 23,000	\$ -	\$ (23,000.00)
104250	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 3,900	\$ 4,000	\$ 100.00
104250	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104250	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ -	\$ 10,000	\$ 10,000.00
104250	569000	CONTRACTED SERVICES	\$ -	\$ 800	\$ 1,000	\$ 200.00
104250	598060	DEPT CHGS-FLT MAINT WRK ORDERS	\$ (33,433)	\$ -	\$ -	\$ -
104250	598068	DEPT CHGS-FLT MAINT WRK ORDERS	\$ (12,083)	\$ -	\$ -	\$ -
104250	598301	DEPT CHGS-OPERATING	\$ (50,620)	\$ (80,000)	\$ (60,000)	\$ 20,000.00
<i>Sub-Total</i>			\$ 333,902	\$ 300,015	\$ 328,169	\$ 28,154.00

FY16-17 Budget Highlights

The personnel and benefits lines see moderate growth due to the performance pay program. Additionally, one will notice that the City will be doing away with the “Gasoline & Diesel”, “Tires”, and “Vehicle Parts” accounts and including all of them under the “R&M Auto/Trucks” account. The capital outlay is for garage doors at the wash bay.

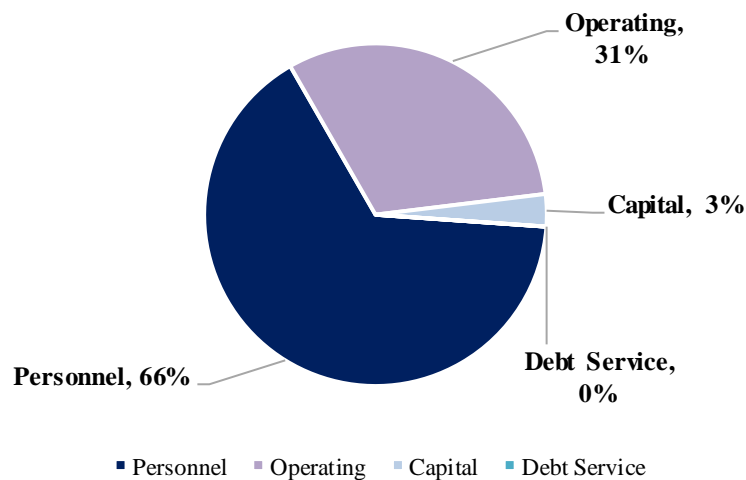


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
PW-Fleet Maintenance				
Personnel	\$ 314,944	\$ 210,477	\$ 215,270	\$ 4,793
Operating	\$ 18,958	\$ 66,538	\$ 102,899	\$ 36,361
Capital	\$ -	\$ 23,000	\$ 10,000	\$ (13,000)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 333,902	\$ 300,015	\$ 328,169	\$ 28,154

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
PW-Fleet Maintenance				
Full-Time	6.00	6.00	6.00	0.00
Part-Time	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	6.00	6.00	6.00	0.00

Expenditures by Type



Public Works-Building Maintenance

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

FY15-16 Accomplishments

- ✓ Assisted with the Azalea Parking Lot and Spruce Lot renovation project.
- ✓ Continue to make improvements at all of the parks.
- ✓ Installed an auto dialer on the boiler at City Hall to inform us when the boiler goes down.
- ✓ Continue to work on the mezzanine expansion at the Operation Center.
- ✓ Plan to wash and paint the Historic RR Depot (contract work).
- ✓ Prepare for the opening of phase 3 of the Oklawaha Greenway Trail.

FY16-17 Goals & Initiatives

- ✓ Add an additional staff person to help with our daily tasks.
- ✓ Assist with remodeling the offices and restroom at Fleet Maintenance.
- ✓ Replace the floors at the Whitmire Activity Center.
- ✓ Prep for the expansion of the Oklawaha Greenway Trail and Berkeley Mills Park - staff and equipment.
- ✓ Renovate two downtown festival (electric) panels.
- ✓ Add a roof over the bull pen roof area at City Hall.
- ✓ Add a roof area over the deck area at Fire Station #1.
- ✓ Begin replacing HVAC units at Operation Center and prep for HVAC replacement at City Hall.



Public Works-Building Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
PW-Building Maintenance						
104270	512100	SALARIES & WAGES-REG	\$ 122,968	\$ 125,084	\$ 148,059	\$ 22,975.00
104270	512200	SALARIES & WAGES-O/T	\$ 8,533	\$ 18,942	\$ 8,000	\$ (10,942.00)
104270	512250	HOLIDAY PAY	\$ -	\$ 963	\$ 1,139	\$ 176.00
104270	512600	SALARIES & WAGES-TEMP	\$ 9,520	\$ 16,050	\$ 16,200	\$ 150.00
104270	518100	FICA TAX EXPENSE	\$ 10,691	\$ 11,256	\$ 13,265	\$ 2,009.00
104270	518200	RETIREMENT EXPENSE	\$ 9,261	\$ 9,254	\$ 11,397	\$ 2,143.00
104270	518300	GROUP MED & LIFE INS	\$ 19,619	\$ 16,937	\$ 24,466	\$ 7,529.00
104270	518600	WORKER'S COMP INS	\$ 5,566	\$ 4,451	\$ 4,099	\$ (352.00)
104270	519000	PROFESSIONAL SERVICES	\$ -	\$ 200	\$ 200	\$ -
104270	521100	JANITORIAL SUPPLIES	\$ 8,680	\$ 11,000	\$ 13,000	\$ 2,000.00
104270	521200	UNIFORMS	\$ 1,228	\$ 3,760	\$ 3,000	\$ (760.00)
104270	525100	GASOLINE & DIESEL	\$ 4,944	\$ 4,600	\$ 4,500	\$ (100.00)
104270	525200	TIRES	\$ -	\$ 600	\$ -	\$ (600.00)
104270	525300	VEHICLE PARTS	\$ 289	\$ 1,800	\$ -	\$ (1,800.00)
104270	525400	OIL, LUBRICATION, ETC	\$ 20	\$ 240	\$ -	\$ (240.00)
104270	527000	RESALE ITEMS-BOYD PK	\$ 757	\$ 1,200	\$ 1,200	\$ -
104270	529900	SUPPLIES & MATERIALS	\$ 25,680	\$ 21,000	\$ 20,000	\$ (1,000.00)
104270	532100	TELEPHONE	\$ 3,841	\$ 2,955	\$ 4,575	\$ 1,620.00
104270	533000	UTILITIES	\$ 79,916	\$ 79,000	\$ 79,000	\$ -
104270	535100	R & M - BUILDINGS	\$ 92,004	\$ 41,300	\$ 32,600	\$ (8,700.00)
104270	535200	R & M - EQUIPMENT	\$ 2,660	\$ 8,000	\$ 10,000	\$ 2,000.00
104270	535300	R & M - AUTO/TRUCKS	\$ 935	\$ 1,200	\$ 3,740	\$ 2,540.00
104270	539400	TRAVEL	\$ -	\$ 500	\$ 500	\$ -
104270	539500	TRAINING	\$ -	\$ 1,210	\$ 400	\$ (810.00)
104270	544010	LEASE- BUILDING	\$ 11,150	\$ 11,200	\$ 11,150	\$ (50.00)
104270	545600	LIAB/PROP INS & BONDS	\$ 1,985	\$ 2,278	\$ 2,499	\$ 221.00
104270	549100	DUES & SUBSCRIPTIONS	\$ -	\$ -	\$ -	\$ -
104270	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 100	\$ -	\$ (100.00)
104270	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104270	552000	CAPITAL OUTLAY - EQUIPMENT	\$ 6,000	\$ -	\$ 64,000	\$ 64,000.00
104270	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 2,008	\$ -	\$ (2,008.00)
104270	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104270	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ 8,000	\$ 100,500	\$ 92,500.00
104270	569000	CONTRACTED SERVICES	\$ 87,425	\$ 120,656	\$ 116,700	\$ (3,956.00)
104270	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 513,672	\$ 525,744	\$ 694,189	\$ 168,445.00

FY16-17 Budget Highlights

The Buildings Maintenance Department personnel and benefits accounts increased substantially as a result of a new full-time employee, approved in the FY16-17 budget. Additionally, various capital outlay projects were approved, including HVAC replacement at the City Operations Center, park improvements at Boyd Park, improvements at Patton Pool, Fire Station #1 improvements, and roof patching at City Hall.

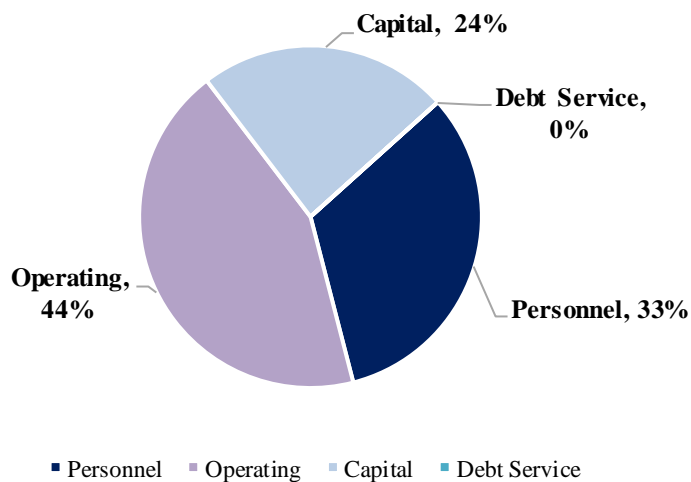


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
PW-Building Maintenance				
Personnel	\$ 186,158	\$ 202,937	\$ 226,625	\$ 23,688
Operating	\$ 321,513	\$ 314,807	\$ 303,064	\$ (11,743)
Capital	\$ 6,000	\$ 8,000	\$ 164,500	\$ 156,500
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 513,672	\$ 525,744	\$ 694,189	\$ 168,445

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
PW-Building Maintenance				
Full-Time	3.00	3.00	4.00	1.00
Part-Time	2.00	2.00	2.00	0.00
<i>Sub-Total</i>	5.00	5.00	6.00	1.00

Expenditures by Type



Police

The Police Department coordinates public safety efforts in the city. Through investigations, patrols, detective, and other efforts, the Police work to deter and prevent crime within the city. The Police Department consists of 41 full time sworn police officers, 12 civilian support staff, and approximately 12 part-time officers, support staff, and volunteers. We provide law enforcement services by contract to the Hendersonville Housing Authority.

Mission

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

Vision

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

FY15-16 Accomplishments

- ✓ HPD case clearance rate exceeds the national average.
- ✓ Drug unit continues to successfully work with the HCSO in making good drug cases that lead to seizures of monies that are returned to the department to buy equipment and provide training.
- ✓ Created the ACE team, a four member group that focused on high crime areas, illegal drug sales, and other crimes. This effort was very successful, netting several arrests and helping to solve other crimes, all while receiving compliments from the community on their efforts.
- ✓ Added a new K-9 dog "Snoopy", a bloodhound, handled by officer Jon Wing.
- ✓ Officer Jimmy Nitsche won the City MVP of the year.
- ✓ Lt. Vesely obtained grant monies from the Governors Highway Safety Commission for two motorcycles and an enclosed trailer, saving the City over \$70,000.
- ✓ Once again received grant funding and extensive media coverage for "Shop with a Cop"
- ✓ Detective Thiel was certified in cell phone downloading technology for crime investigation.
- ✓ FBI LEEDA (leadership) training started for two detectives.
- ✓ Two detectives started the Criminal Investigations Certificate program.
- ✓ Monica Howard finished her critical incident debriefing certification and has assisted in city incidents as well as incidents at surrounding agencies.
- ✓ Implemented 911 mapping in dispatch, paid for by 911 funds.



FY16-17 Goals & Initiatives

- ✓ Maintain efforts to reduce larcenies, especially vehicle larcenies and vehicle breaking and entering.
- ✓ Reboot the ACE team this spring to deal with high crime areas and illegal drugs.
- ✓ Continue specialized training for officers, detectives, and dispatchers.
- ✓ Apply new ordinances and laws to animal abuse situations.
- ✓ Conduct ongoing evaluations of department employees and resources.

Long Term Goals and Objectives

- ✓ Our long term goals are to decrease the amount of crime, increase the amount of community participation and education for crime prevention, and obtain equipment to better handle and process evidence to enhance our abilities to solve crimes.



Police Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Police						
104310	512100	SALARIES & WAGES-REG	\$ 2,261,191	\$ 2,360,587	\$ 2,426,938	\$ 66,351.00
104310	512200	SALARIES & WAGES-O/T	\$ 55,697	\$ 69,474	\$ 63,530	\$ (5,944.00)
104310	512250	HOLIDAY PAY	\$ 55,309	\$ 76,319	\$ 82,553	\$ 6,234.00
104310	512300	SAL & WAGES-STANDBY	\$ 15,133	\$ 14,560	\$ 14,560	\$ -
104310	512400	SAL & WAGES-COURT PAY	\$ 3,558	\$ 7,704	\$ 4,300	\$ (3,404.00)
104310	512500	SAL & WAGES-CROSS GDS	\$ 24,777	\$ 31,115	\$ 32,015	\$ 900.00
104310	512700	SAL & WAGES-SEP ALLOW	\$ 75,257	\$ 54,532	\$ 68,892	\$ 14,360.00
104310	512800	SAL & WAGES-DRUG ENFR	\$ 5,754	\$ 10,500	\$ 10,500	\$ -
104310	512900	SAL & WAGES-SRO GRANT	\$ (866)	\$ -	\$ -	\$ -
104310	513000	SAL & WAGES-AUX OFFS	\$ 44,746	\$ 67,000	\$ 77,000	\$ 10,000.00
104310	513200	SAL & WAGES-SRO CITY	\$ -	\$ -	\$ -	\$ -
104310	518100	FICA TAX EXPENSE	\$ 191,394	\$ 205,469	\$ 212,692	\$ 7,223.00
104310	518200	RETIREMENT EXPENSE	\$ 271,678	\$ 281,581	\$ 338,310	\$ 56,729.00
104310	518300	GROUP MED & LIFE INS	\$ 320,476	\$ 296,384	\$ 324,163	\$ 27,779.00
104310	518600	WORKER'S COMP INS	\$ 60,974	\$ 56,625	\$ 47,970	\$ (8,655.00)
104310	518900	RETIREE INSURANCE	\$ 29,437	\$ 35,163	\$ 37,152	\$ 1,989.00
104310	519000	PROFESSIONAL SERVICES	\$ 6,231	\$ 9,000	\$ 6,000	\$ (3,000.00)
104310	519300	PROF SERVICES-MEDICAL	\$ 250	\$ 4,450	\$ 3,000	\$ (1,450.00)
104310	521200	UNIFORMS	\$ 33,807	\$ 46,170	\$ 40,978	\$ (5,192.00)
104310	525100	GASOLINE & DIESEL	\$ 104,009	\$ 96,464	\$ 120,000	\$ 23,536.00
104310	525200	TIRES	\$ 7,864	\$ 10,200	\$ -	\$ (10,200.00)
104310	525300	VEHICLE PARTS	\$ 34,845	\$ 30,300	\$ -	\$ (30,300.00)
104310	525400	OIL, LUBRICATION, ETC	\$ 1,973	\$ 4,000	\$ -	\$ (4,000.00)
104310	526000	OFFICE SUPPLIES	\$ 13,642	\$ 15,000	\$ 15,000	\$ -
104310	529900	SUPPLIES & MATERIALS	\$ 80,021	\$ 80,379	\$ 64,072	\$ (16,307.00)
104310	532100	TELEPHONE	\$ 48,019	\$ 19,100	\$ 24,000	\$ 4,900.00
104310	532500	POSTAGE	\$ 1,514	\$ 1,900	\$ 1,600	\$ (300.00)
104310	535200	R & M - EQUIPMENT	\$ 82,263	\$ 79,212	\$ 18,200	\$ (61,012.00)
104310	535300	R & M - AUTO/TRUCKS	\$ 38,887	\$ 39,550	\$ 82,200	\$ 42,650.00
104310	537000	ADVERTISING	\$ 1,676	\$ 1,800	\$ 1,500	\$ (300.00)
104310	539400	TRAVEL	\$ 21,063	\$ 25,000	\$ 29,623	\$ 4,623.00
104310	539500	TRAINING	\$ 15,492	\$ 17,000	\$ 19,685	\$ 2,685.00
104310	539600	SPEC DRUG ENFORCEMENT	\$ 4,000	\$ 4,000	\$ -	\$ (4,000.00)
104310	545600	LIAB/PROP INS & BONDS	\$ 51,168	\$ 56,124	\$ 59,743	\$ 3,619.00
104310	548400	D A R E PROGRAM	\$ 4,499	\$ 4,500	\$ 4,500	\$ -
104310	548700	OUTREACH PROGRAM	\$ 2,199	\$ 3,000	\$ 2,800	\$ (200.00)
104310	549100	DUES & SUBSCRIPTIONS	\$ 7,952	\$ 11,800	\$ 15,744	\$ 3,944.00
104310	549200	UNCOLLECTIBLE ACCOUNTS	\$ -	\$ -	\$ -	\$ -
104310	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 500	\$ 57,270	\$ 56,770.00
104310	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104310	552000	CAPITAL OUTLAY-OTHER EQUIPMENT	\$ -	\$ -	\$ -	\$ -
104310	552500	CAP OUT - SOFTWARE/INTANGIBLE	\$ -	\$ -	\$ 74,500	\$ 74,500.00
104310	553000	NON-CAPITAL EQUIPMENT	\$ 90,864	\$ 30,032	\$ 2,500	\$ (27,532.00)
104310	554000	CAP OUTLAY-MOTOR VEHS	\$ 139,691	\$ 125,236	\$ 215,000	\$ 89,764.00
104310	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104310	569000	CONTRACTED SERVICES	\$ -	\$ 600	\$ 600	\$ -
<i>Sub-Total</i>			\$ 4,206,443	\$ 4,282,330	\$ 4,599,090	\$ 316,760.00



FY16-17 Budget Highlights

Besides normal personnel and benefits growth due to the performance pay program, the auxiliary officer salaries and separation accounts have seen some increase. The Department is finding its needs for additional auxiliary officers has been increasing, in part due to new housing development within the City. Additionally, there is an additional employee drawing from the Law Enforcement Officers Separation Allowance this fiscal year. Items that were budgeted in the “R&M – Equipment” account have been moved to the “Permits, License and Fees” account. Also, the Department was approved five vehicle replacements in the FY16-17 budget, two more than last fiscal year.

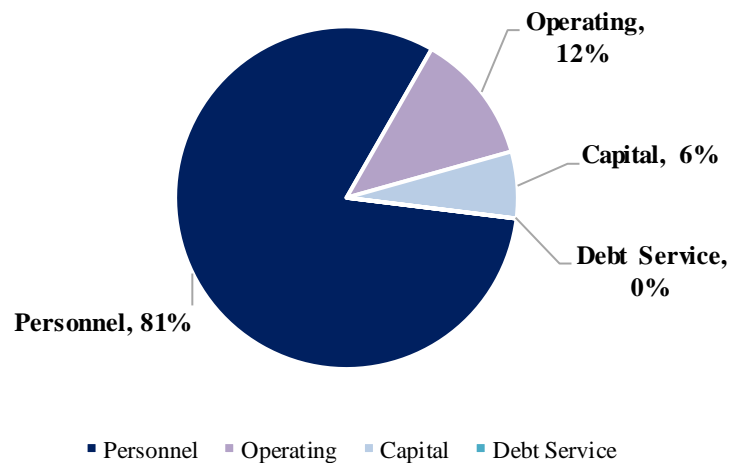


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Police				
Personnel	\$ 3,414,515	\$ 3,567,013	\$ 3,740,575	\$ 173,562
Operating	\$ 652,238	\$ 590,081	\$ 569,015	\$ (21,066)
Capital	\$ 139,691	\$ 125,236	\$ 289,500	\$ 164,264
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 4,206,443	\$ 4,282,330	\$ 4,599,090	\$ 316,760

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
Police				
Full-Time	51.00	53.00	53.00	0.00
Part-Time	16.00	16.00	16.00	0.00
<i>Sub-Total</i>	67.00	69.00	69.00	0.00

Expenditures by Type



Fire

The Hendersonville Fire Department (HFD) responded to over 4,000 calls for service in 2015, performed over 1,000 business inspections, participated in over 11,000 hours of training, and conducted over 100 public education events. The HFD operates on an annual budget of \$ 1, 987,746.49 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 mitigation, emergency medical services, hazardous material operations, 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 HFD also utilizes 13 part-time personnel to fill vacancies and limit the amount of overtime funds being used. The department has two fire stations and a North Carolina Response Rating Class 4 for its public protection classification (Hendersonville Fire Department [HFD], 2014).

Mission

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

Department Values

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

Honor

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

Professionalism

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

Pride

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



Dedication

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

Teamwork

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

FY15-16 Accomplishments

- ✓ The Hendersonville Fire Department (HFD) responded to over 4,000 calls for service in 2015, performed over 1,000 business inspections, participated in over 11,000 hours of training, and conducted over 100 public education events.
- ✓ All fire department employees are now EMT-Basic certified.
- ✓ Finalized and signed automatic aid contracts with Dana Fire & Rescue Department, Valley Hill Fire & Rescue Department, Blue Ridge Fire & Rescue Department, and Mountain Home Fire & Rescue Department.
- ✓ Performed routine staff meetings with our personnel to improve internal communication and ensure we are addressing safety concerns.
- ✓ Conducted an extensive process for the Fire Chief and hired a new Fire Chief
- ✓ Updated, revised, and created multiple standard operating guidelines and policies to aid in the overall success of the fire department.
- ✓ Created an Awards and Recognition Committee, Internal Vehicle Accident Review Board and various other committees to assist with the operations of the fire department
- ✓ Conducted both a Firefighter/EMT process and Fire Engineer process to fill vacancies in the department.
- ✓ Developed a program to perform all EMT-Basic continuing education in-house to ensure all personnel are obtaining their necessary hours and staying abreast of current and future trends related to emergency medicine.
- ✓ Revamped the way our organization performs pre-plans of businesses.
- ✓ Participated in monthly training related to service excellence to ensure we are providing efficient and effective customer service to both internal and external customers.
- ✓ The Hendersonville Fire Department canvassed neighborhoods during fire prevention month and installed over 250 smoke detectors in homes that were not equipped.
- ✓ Continued to improve data entry procedures to ensure effective reporting of fire department functions and resource usage by conducting several training sessions and creating a quality assurance review process.
- ✓ The Development Assistance Department was created by the City and the Deputy Fire Marshal was moved to N. King St to better serve the citizens of Hendersonville.



- ✓ Completed a renovation at Station 1 to include a fitness area, storage area, laundry room, IT room, and two additional offices.

FY16-17 Goals & Initiatives

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

Long Term Goals and Objectives

- ✓ Renovate Fire Station 1 to include additional bedrooms, bathrooms and storage.
- ✓ Hire a Battalion Chief of Safety and Training to oversee and manage the training program for the entire fire department. Additionally, this position would also function as the safety officer for the fire department and would be required to respond to all structure fires and high risk events within the City of Hendersonville to ensure the safety of all fire department personnel.
- ✓ Purchase land on the South side of the City for a future Fire Station.
- ✓ Consider adding additional apparatus to decrease the reliability at Fire Station 1.
- ✓ Hire additional personnel in the operations division to ensure we are meeting the two-in/two-out OSHA standard for interior firefighting. This standard requires that we have a minimum of 2 trained firefighters in full PPE anytime we send personnel into an immediately dangerous to life or health (IDLH) atmosphere. With our current staffing we cannot meet this standard. The long range goal is to hire an additional 15 personnel (5 per shift) to ensure we are meeting the OSHA standard, enhancing service delivery, and providing our staff with as much safety as possible.
- ✓ Being the Accreditation Process through the Center for public safety excellence
- ✓ Perform a cost analysis for a City owned training facility.
- ✓ Continually evaluate ways to keep fire department personnel safe.



- ✓ Evaluate the need for a Fire Apparatus Maintenance Supervisor that is trained on how to properly repair and maintain fire apparatus.
- ✓ Evaluate the need for a 3rd party consulting company to assist with preparing our organization for future DOI rating process.



Fire Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Fire						
104340	512100	SALARIES & WAGES-REG	\$ 1,108,847	\$ 1,037,660	\$ 1,225,128	\$ 187,468.00
104340	512200	SALARIES & WAGES-O/T	\$ 33,642	\$ 89,745	\$ 52,000	\$ (37,745.00)
104340	512250	HOLIDAY PAY	\$ -	\$ 41,717	\$ 42,494	\$ 777.00
104340	512600	SALARIES & WAGES-TEMP	\$ 35,329	\$ 66,500	\$ -	\$ (66,500.00)
104340	512900	SALARIES & WAGES-P/T	\$ -	\$ -	\$ 65,600	\$ 65,600.00
104340	518100	FICA TAX EXPENSE	\$ 88,543	\$ 96,534	\$ 105,970	\$ 9,436.00
104340	518200	RETIREMENT EXPENSE	\$ 80,392	\$ 84,168	\$ 95,673	\$ 11,505.00
104340	518300	GROUP MED & LIFE INS	\$ 149,451	\$ 152,426	\$ 174,314	\$ 21,888.00
104340	518600	WORKER'S COMP INS	\$ 39,701	\$ 35,063	\$ 29,013	\$ (6,050.00)
104340	518900	RETIREE INSURANCE	\$ 56,056	\$ 79,116	\$ 65,016	\$ (14,100.00)
104340	519000	PROFESSIONAL SERVICES	\$ 12,491	\$ 25,681	\$ 24,575	\$ (1,106.00)
104340	519600	FIREMEN'S RELIEF FUND PAYMENTS	\$ 46,295	\$ -	\$ -	\$ -
104340	521200	UNIFORMS	\$ 17,048	\$ 21,550	\$ 26,150	\$ 4,600.00
104340	521300	PROTECTIVE CLOTHING	\$ 18,938	\$ 36,250	\$ 38,375	\$ 2,125.00
104340	525100	GASOLINE & DIESEL	\$ 34,190	\$ 26,500	\$ 37,500	\$ 11,000.00
104340	525200	TIRES	\$ 16,085	\$ 10,000	\$ -	\$ (10,000.00)
104340	525300	VEHICLE PARTS	\$ 12,667	\$ 15,000	\$ -	\$ (15,000.00)
104340	525400	OIL, LUBRICATION, ETC	\$ 1,579	\$ 2,500	\$ -	\$ (2,500.00)
104340	526000	OFFICE SUPPLIES	\$ 2,704	\$ 5,550	\$ 5,500	\$ (50.00)
104340	528000	EDUCATIONAL SUPPLIES	\$ 9,872	\$ 15,150	\$ 18,500	\$ 3,350.00
104340	529900	SUPPLIES & MATERIALS	\$ 20,647	\$ 20,750	\$ 28,000	\$ 7,250.00
104340	532100	TELEPHONE	\$ 18,889	\$ 8,850	\$ 7,000	\$ (1,850.00)
104340	532500	POSTAGE	\$ 351	\$ 500	\$ 500	\$ -
104340	533000	UTILITIES	\$ 22,658	\$ 26,000	\$ 24,000	\$ (2,000.00)
104340	535100	R & M - BUILDINGS	\$ 12,495	\$ 19,980	\$ 26,430	\$ 6,450.00
104340	535200	R & M - EQUIPMENT	\$ 16,017	\$ 21,275	\$ 22,550	\$ 1,275.00
104340	535300	R & M - AUTO/TRUCKS	\$ 19,976	\$ 133,750	\$ 60,437	\$ (73,313.00)
104340	537000	ADVERTISING	\$ 151	\$ 3,850	\$ 2,500	\$ (1,350.00)
104340	539200	LAUNDRY	\$ 637	\$ 1,000	\$ -	\$ (1,000.00)
104340	539400	TRAVEL	\$ 11,117	\$ 13,500	\$ 20,200	\$ 6,700.00
104340	539500	TRAINING	\$ 14,200	\$ 16,000	\$ 22,380	\$ 6,380.00
104340	545600	LIAB/PROP INS & BONDS	\$ 13,685	\$ 12,847	\$ 14,739	\$ 1,892.00
104340	549100	DUES & SUBSCRIPTIONS	\$ 10,036	\$ 25,883	\$ 28,443	\$ 2,560.00
104340	549200	UNCOLLECTIBLE ACCOUNTS	\$ -	\$ -	\$ -	\$ -
104340	549750	PERMITS, LICENSE AND FEES	\$ 811	\$ 250	\$ -	\$ (250.00)
104340	549900	DONATION EXPENDITURE	\$ 3,856	\$ 1,500	\$ -	\$ (1,500.00)
104340	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ 5,500	\$ 5,500.00
104340	552000	CAPITAL OUTLAY EQUIPMENT	\$ 37,882	\$ -	\$ 8,500	\$ 8,500.00
104340	553000	NON-CAPITAL EQUIPMENT	\$ 46,126	\$ 29,900	\$ 16,500	\$ (13,400.00)
104340	554000	CAP OUTLAY-MOTOR VEHS	\$ 29,409	\$ -	\$ 40,000	\$ 40,000.00
104340	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104340	558000	CAP OUTLAY-BUILDINGS	\$ -	\$ -	\$ -	\$ -
104340	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -
104340	598043	DEPT CHGS- FIRE GRANT	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 2,042,770	\$ 2,176,945	\$ 2,333,487	\$ 156,542.00



FY16-17 Budget Highlights

The Fire Department was approved to hire two full-time employees, a Fire Marshal and Administrative Aide, and one part-time employee, a Fire Inspector. These hires in combination with natural salary growth, account for the \$187,468 increase over the prior fiscal year. Additionally, \$40,000 was budgeted for capital outlay, the purchase of a motor vehicle.

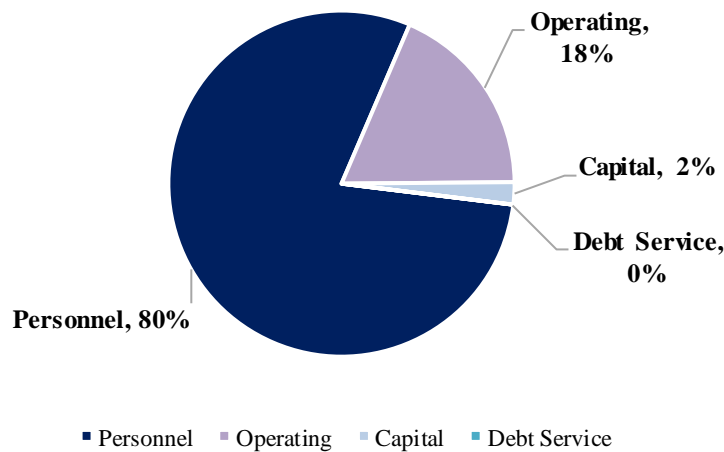


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Fire				
Personnel	\$ 1,591,960	\$ 1,682,929	\$ 1,855,208	\$ 172,279
Operating	\$ 383,520	\$ 494,016	\$ 429,779	\$ (64,237)
Capital	\$ 67,291	\$ -	\$ 48,500	\$ 48,500
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 2,042,770	\$ 2,176,945	\$ 2,333,487	\$ 156,542

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
Fire				
Full-Time	27.00	27.00	29.00	2.00
Part-Time	15.00	15.00	16.00	1.00
<i>Sub-Total</i>	42.00	42.00	45.00	3.00

Expenditures by Type



Development Assistance

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

FY15-16 Accomplishments

- ✓ Completed renovations to Development Assistance Department offices and moved all staff into renovated offices.
- ✓ Developed RFP for National Register Grant for Berkeley Mills Park.
- ✓ Developed RFP for Bicycle Plan.
- ✓ 9th Avenue Circulation Study.
- ✓ Reviewed site plans and issued special use permits for over 500 new multi-family residential units and two major grocery stores within the city.
- ✓ Continued work with the new owner and Henderson County to improve living conditions at Alpine Woods.
- ✓ Reviewed development plans and issued three development permits for projects within the special flood hazard area to minimize public and private losses due to flood conditions within flood prone areas.
- ✓ Conducted minimum housing inspections to ensure public health, safety, and welfare in so far as they are affected by the continued occupancy and maintenance of structures and premises.

FY16-17 Goals & Initiatives

- ✓ Continue to improve customer service.
- ✓ Continue to work toward voluntary compliance with codes and ordinances.
- ✓ Complete National Register Process for Berkeley Mills Park Historic Ballfield.
- ✓ Pursue additional grant opportunities.



Development Assistance Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Development Assistance						
104370	512100	SALARIES & WAGES-REG	\$ 221,178	\$ 292,182	\$ 273,552	\$ (18,630.00)
104370	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ 5,466	\$ -	\$ (5,466.00)
104370	518100	FICA TAX EXPENSE	\$ 16,283	\$ 22,352	\$ 20,927	\$ (1,425.00)
104370	518200	RETIREMENT EXPENSE	\$ 15,526	\$ 19,489	\$ 19,833	\$ 344.00
104370	518300	GROUP MED & LIFE INS	\$ 28,203	\$ 28,227	\$ 30,582	\$ 2,355.00
104370	518600	WORKER'S COMP INS	\$ 371	\$ 3,108	\$ 2,376	\$ (732.00)
104370	519000	PROFESSIONAL SERVICES	\$ 13,124	\$ 20,000	\$ 20,000	\$ -
104370	519200	PROF SERVICES-LEGAL	\$ 260	\$ 3,500	\$ 4,000	\$ 500.00
104370	521200	UNIFORMS	\$ 414	\$ 700	\$ 700	\$ -
104370	525100	GASOLINE & DIESEL	\$ 1,673	\$ 4,000	\$ 3,500	\$ (500.00)
104370	525200	TIRES	\$ 462	\$ 500	\$ 500	\$ -
104370	525300	VEHICLE PARTS	\$ 1,125	\$ 800	\$ 1,500	\$ 700.00
104370	525400	OIL, LUBRICATION, ETC	\$ 49	\$ 500	\$ 500	\$ -
104370	526000	OFFICE SUPPLIES	\$ 9,885	\$ 10,500	\$ 11,000	\$ 500.00
104370	532100	TELEPHONE	\$ 3,971	\$ 1,988	\$ 2,400	\$ 412.00
104370	532500	POSTAGE	\$ 3,762	\$ 7,200	\$ 8,000	\$ 800.00
104370	535200	R & M - EQUIPMENT	\$ 124	\$ 100	\$ 100	\$ -
104370	535300	R & M - AUTO/TRUCKS	\$ 1,288	\$ 1,400	\$ 700	\$ (700.00)
104370	537000	ADVERTISING	\$ 1,992	\$ 4,500	\$ 4,500	\$ -
104370	539400	TRAVEL	\$ 5,393	\$ 6,500	\$ 9,000	\$ 2,500.00
104370	539500	TRAINING	\$ 1,990	\$ 4,000	\$ 6,500	\$ 2,500.00
104370	544000	LEASE - EQUIPMENT	\$ -	\$ 2,000	\$ 4,000	\$ 2,000.00
104370	544010	LEASE- BUILDING	\$ -	\$ 10,000	\$ 12,000	\$ 2,000.00
104370	545600	LIAB/PROP INS & BONDS	\$ 1,561	\$ 1,760	\$ 2,120	\$ 360.00
104370	549100	DUES & SUBSCRIPTIONS	\$ 1,369	\$ 1,250	\$ 2,000	\$ 750.00
104370	549500	HISTORIC PRESERVATION COMM	\$ 6,827	\$ 6,000	\$ 10,000	\$ 4,000.00
104370	549750	PERMITS, LICENSE AND FEES	\$ 52	\$ 100	\$ 100	\$ -
104370	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104370	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 2,752	\$ -	\$ (2,752.00)
104370	554000	CAP OUTLAY-MOTOR VEHS	\$ 29,845	\$ -	\$ -	\$ -
104370	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104370	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ 49,248	\$ -	\$ (49,248.00)
104370	569400	CONT SERV-CONDM BLDGS	\$ 17,169	\$ 25,000	\$ 25,000	\$ -
<i>Sub-Total</i>			\$ 383,897	\$ 535,122	\$ 475,390	\$ (59,732.00)

FY16-17 Budget Highlights

The regular salaries account line has decreased by \$18,630. This is due to the reclassification of the Planning Director position. When the previous Director left the City the position was not filled, and instead a Planner position was filled. This provided the cost savings, depicted above. Additionally, there is no capital outlay in this Department for FY16-17, another \$49,248 decrease.

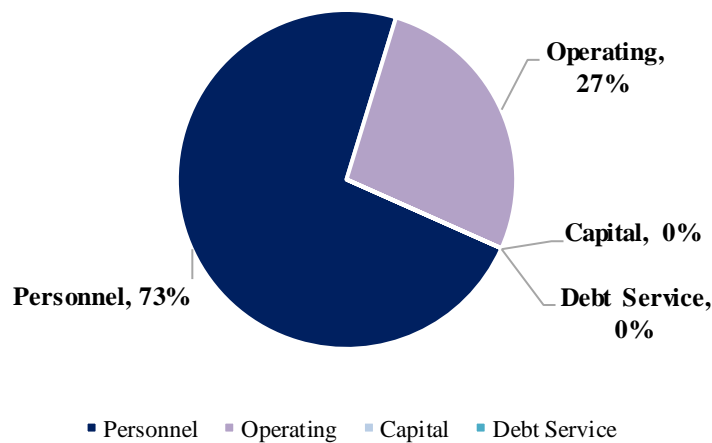


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Development Assistance				
Personnel	\$ 281,561	\$ 370,824	\$ 347,270	\$ (23,554)
Operating	\$ 72,491	\$ 115,050	\$ 128,120	\$ 13,070
Capital	\$ 29,845	\$ 49,248	\$ -	\$ (49,248)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 383,897	\$ 535,122	\$ 475,390	\$ (59,732)

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
Development Assistance				
Full-Time	4.00	5.00	5.00	0.00
Part-Time	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	4.00	5.00	5.00	0.00

Expenditures by Type



Public Works-Administration

The Administration Division is dedicated to serving the citizens of Hendersonville and customers of our facilities, grounds, and our services. The Administration Division offers staff support to the Hendersonville Tree Board, Downtown and Seventh Avenue Historic District, and City Council plus manages our building rentals, liability and property insurance claims, administration of our Environmental Services accounts, manages Oakdale Cemetery, manages our fuel supply, manages the community service work program, manages the operation of the Laura E Corn Mini Golf and Patton Pool, and manages our building cleaning contract, downtown landscape maintenance contract, our annual resurfacing program, our bridge inspections program and bridge replacement program. The division also plans, prepares, and manages the CIP and Budget for the Public Works Department. The division also manages the sale of all surplus items. The division includes the Public Works Director, Assistant Director, and 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.

FY15-16 Accomplishments

- ✓ Continue to prep for the opening of phase 3 of the Oklawaha Greenway Trail.
- ✓ Continue to utilize the additional funds for city street improvements.
- ✓ Assist with the 9th Avenue area traffic study.
- ✓ Assist with the Oak Street renovation project.
- ✓ Selected an engineering firm to design the bridge to replace bridge #440350.
- ✓ Worked with the Tree Board on several tree planting projects.
- ✓ Selected an Arborists to help maintain the trees within the MSD.

FY16-17 Goals & Initiatives

- ✓ Prep for Gateway (entrances to town) Improvements.
- ✓ Continue to search for storage solutions for multiple Public Works Departments.
- ✓ Plan to hire an additional staff person in Building Maintenance.
- ✓ Plan to contract out the cleaning of the restrooms in the parks.
- ✓ Replace Bridge #440350 on Tracey Grove Road.
- ✓ Continue to make improvements to the parks.
- ✓ Help implement the 9th Avenue area traffic study findings.
- ✓ Continue to search for parking solutions downtown.
- ✓ Prep for downtown avenue lighting improvements (renovation project)
- ✓ Add a staff person to assist with the duties and tasks of the public works department.



Public Works-Administration Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
PW-Administration						
104500	512100	SALARIES & WAGES-REG	\$ 216,321	\$ 209,219	\$ 203,256	\$ (5,963.00)
104500	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ 33	\$ -	\$ (33.00)
104500	518100	FICA TAX EXPENSE	\$ 15,883	\$ 16,006	\$ 15,550	\$ (456.00)
104500	518200	RETIREMENT EXPENSE	\$ 15,231	\$ 13,955	\$ 14,737	\$ 782.00
104500	518300	GROUP MED & LIFE INS	\$ 24,506	\$ 16,937	\$ 18,349	\$ 1,412.00
104500	518600	WORKER'S COMP INS	\$ 279	\$ 1,965	\$ 1,449	\$ (516.00)
104500	518900	RETIREE INSURANCE	\$ -	\$ 4,260	\$ 9,288	\$ 5,028.00
104500	519000	PROFESSIONAL SERVICES	\$ -	\$ 800	\$ 900	\$ 100.00
104500	521200	UNIFORMS	\$ 558	\$ 1,500	\$ 1,500	\$ -
104500	523000	MEDICAL SUPPLIES	\$ 825	\$ 1,300	\$ 1,300	\$ -
104500	525100	GASOLINE & DIESEL	\$ 2,418	\$ 2,400	\$ 2,000	\$ (400.00)
104500	525200	TIRES	\$ -	\$ 400	\$ -	\$ (400.00)
104500	525300	VEHICLE PARTS	\$ 735	\$ 1,150	\$ -	\$ (1,150.00)
104500	525400	OIL, LUBRICATION, ETC	\$ 32	\$ 100	\$ -	\$ (100.00)
104500	526000	OFFICE SUPPLIES	\$ 4,456	\$ 4,750	\$ 4,150	\$ (600.00)
104500	529900	SUPPLIES & MATERIALS	\$ 1,252	\$ 2,200	\$ 2,200	\$ -
104500	532100	TELEPHONE	\$ 5,382	\$ 2,372	\$ 3,632	\$ 1,260.00
104500	532500	POSTAGE	\$ 273	\$ 200	\$ 200	\$ -
104500	535200	R & M - EQUIPMENT	\$ 16,414	\$ 24,864	\$ -	\$ (24,864.00)
104500	535300	R & M - AUTO/TRUCKS	\$ 17	\$ 850	\$ 2,100	\$ 1,250.00
104500	537000	ADVERTISING	\$ -	\$ 1,000	\$ 1,000	\$ -
104500	539400	TRAVEL	\$ 709	\$ 2,000	\$ 2,000	\$ -
104500	539500	TRAINING	\$ 3,497	\$ 2,000	\$ 2,000	\$ -
104500	545600	LIAB/PROP INS & BONDS	\$ 1,983	\$ 2,108	\$ 2,318	\$ 210.00
104500	549100	DUES & SUBSCRIPTIONS	\$ 817	\$ 670	\$ 870	\$ 200.00
104500	549200	UNCOLLECTIBLE ACCOUNTS	\$ -	\$ -	\$ -	\$ -
104500	549400	H'VILLE TREE BOARD	\$ 10,688	\$ 10,300	\$ 13,415	\$ 3,115.00
104500	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 100	\$ 12,980	\$ 12,880.00
104500	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104500	552000	CAP OUTLAY-DP EQUIP	\$ 5,200	\$ -	\$ -	\$ -
104500	554000	CAPT OUTLAY-MOTOR VEHICLES	\$ 50,780	\$ 23,950	\$ 27,500	\$ 3,550.00
104500	569000	CONTRACTED SERVICES	\$ 3,738	\$ 3,100	\$ 21,100	\$ 18,000.00
104500	598800	INTERCOMPANY DEPT CHARGES	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 381,994	\$ 350,489	\$ 363,794	\$ 13,305.00

FY16-17 Budget Highlights

Some of the major changes include the budgeting of “Gasoline & Diesel”, “Tires”, and “Vehicle Parts” account items in “R&M – Auto/Truck” account, an increase in contracted service costs for a communication services contract, and the placement of items from the “R&M – Equipment” account into the “Permits, License and Fees” account. Capital outlay is budgeted for a motor vehicle replacement.

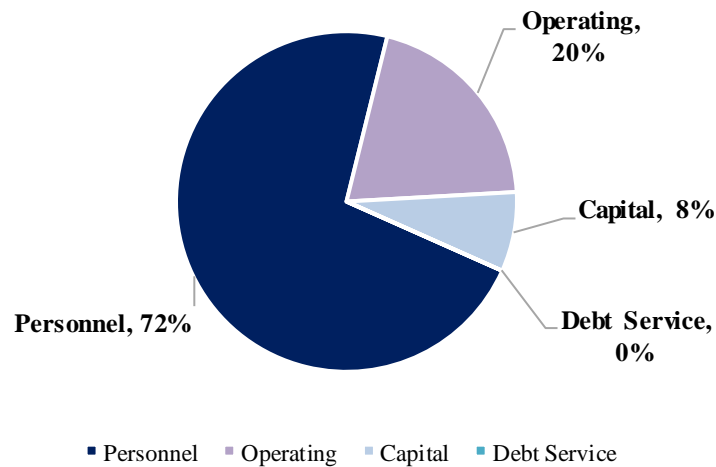


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
PW-Administration				
Personnel	\$ 272,220	\$ 262,375	\$ 262,629	\$ 254
Operating	\$ 53,794	\$ 64,164	\$ 73,665	\$ 9,501
Capital	\$ 55,980	\$ 23,950	\$ 27,500	\$ 3,550
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 381,994	\$ 350,489	\$ 363,794	\$ 13,305

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
PW-Administration				
Full-Time	3.00	3.00	3.00	0.00
Part-Time	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	3.00	3.00	3.00	0.00

Expenditures by Type



Public Works-Streets & Highways

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

FY15-16 Accomplishments

- ✓ Resurfaced miles of City streets.
- ✓ Completed SFof Full Depth Patching to city streets.
- ✓ Repaired utility cuts (SF).
- ✓ Installed feet of curb and gutter.
- ✓ Installed feet of sidewalk.
- ✓ Installed feet of storm water pipe.

FY16-17 Goals & Initiatives

- ✓ Increase our Pavement Condition Rating through additional street repairs and new maintenance techniques using the additional funds provided by City Council and the City Manager.
- ✓ Continue to fill in new sidewalks where they are needed and to replace damaged sidewalks as needed
Put strategic plan together to improve W Lake Avenue, Chadwick Avenue, Maple Street, Oak Street.
- ✓ Continue to improve and add sidewalks in town per pedestrian plan.
- ✓ Help implement the 9th Avenue area traffic study findings.



Public Works-Streets & Highways Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
PW-Streets & Highways						
104510	512100	SALARIES & WAGES-REG	\$ 267,525	\$ 243,475	\$ 238,742	\$ (4,733.00)
104510	512200	SALARIES & WAGES-O/T	\$ 7,241	\$ 15,517	\$ 6,125	\$ (9,392.00)
104510	512250	HOLIDAY PAY	\$ -	\$ 1,871	\$ 1,837	\$ (34.00)
104510	512900	SALARIES & WAGES-P/T	\$ 18,568	\$ 23,842	\$ -	\$ (23,842.00)
104510	518100	FICA TAX EXPENSE	\$ 22,126	\$ 20,896	\$ 18,873	\$ (2,023.00)
104510	518200	RETIREMENT EXPENSE	\$ 19,408	\$ 17,429	\$ 17,886	\$ 457.00
104510	518300	GROUP MED & LIFE INS	\$ 42,144	\$ 39,518	\$ 42,814	\$ 3,296.00
104510	518600	WORKER'S COMP INS	\$ 59,109	\$ 20,125	\$ 8,086	\$ (12,039.00)
104510	519000	PROFESSIONAL SERVICES	\$ 17,368	\$ 900	\$ 900	\$ -
104510	521200	UNIFORMS	\$ 3,859	\$ 6,000	\$ 6,000	\$ -
104510	524000	CONST & REPAIR SUPP	\$ 182,159	\$ 127,000	\$ 158,000	\$ 31,000.00
104510	525100	GASOLINE & DIESEL	\$ 25,853	\$ 32,000	\$ 25,600	\$ (6,400.00)
104510	525200	TIRES	\$ 4,555	\$ 7,000	\$ -	\$ (7,000.00)
104510	525300	VEHICLE PARTS	\$ 37,956	\$ 40,000	\$ -	\$ (40,000.00)
104510	525400	OIL, LUBRICATION, ETC	\$ 1,469	\$ 2,000	\$ -	\$ (2,000.00)
104510	529900	SUPPLIES & MATERIALS	\$ 24,338	\$ 28,500	\$ 25,000	\$ (3,500.00)
104510	532100	TELEPHONE	\$ 197	\$ 850	\$ 900	\$ 50.00
104510	535200	R & M - EQUIPMENT	\$ 3,606	\$ 11,000	\$ 8,000	\$ (3,000.00)
104510	535300	R & M - AUTO/TRUCKS	\$ 7,790	\$ 6,615	\$ 57,000	\$ 50,385.00
104510	539400	TRAVEL	\$ -	\$ 400	\$ 400	\$ -
104510	539500	TRAINING	\$ -	\$ 900	\$ 900	\$ -
104510	545600	LIAB/PROP INS & BONDS	\$ 18,239	\$ 15,844	\$ 16,322	\$ 478.00
104510	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 100	\$ -	\$ (100.00)
104510	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104510	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ -	\$ 129,000	\$ 129,000.00
104510	553000	NON-CAPITAL EQUIPMENT	\$ 5,363	\$ -	\$ -	\$ -
104510	555000	CAP OUTLAY-OTR EQUIP	\$ 12,399	\$ 24,000	\$ -	\$ (24,000.00)
104510	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104510	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ -	\$ -	\$ -
104510	569000	CONTRACTED SERVICES	\$ 54,169	\$ 44,215	\$ 28,845	\$ (15,370.00)
104510	569500	CONTRACT - PUB TRANS	\$ 108,164	\$ 116,866	\$ -	\$ (116,866.00)
104510	598060	DEPARTMENTAL CHGS-W/S	\$ -	\$ -	\$ -	\$ -
104510	598068	DEPARTMENTAL CHGS-SOLID WASTE	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 943,607	\$ 846,863	\$ 791,230	\$ (55,633.00)

FY16-17 Budget Highlights

There has been some turnover in this Division, resulting in a decrease in personnel and benefit costs. Additionally, funding for part-time employees was removed to provide for a new position in the Building Maintenance Division. Some funding was left in the “Contracted Services” account to provide for temporary work, as needed. Additionally, capital outlay is budgeted for the purchase of a new side-arm mower tractor replacement. The “Contract – Pub Trans” account has been moved to the Special Appropriations org. code.

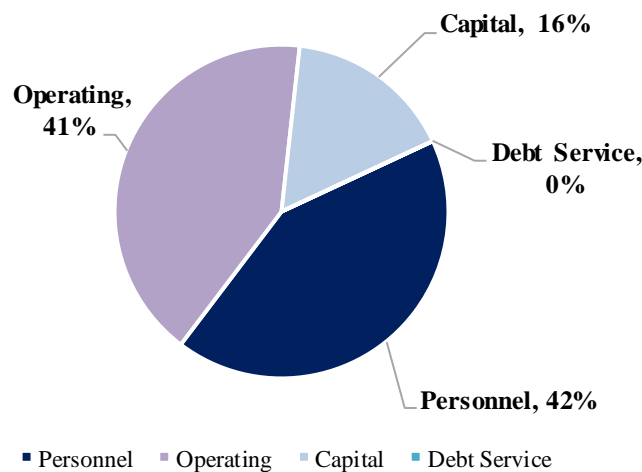


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
PW-Streets & Highways				
Personnel	\$ 436,122	\$ 382,673	\$ 334,363	\$ (48,310)
Operating	\$ 495,086	\$ 440,190	\$ 327,867	\$ (112,323)
Capital	\$ 12,399	\$ 24,000	\$ 129,000	\$ 105,000
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 943,607	\$ 846,863	\$ 791,230	\$ (55,633)

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
PW-Streets & Highways				
Full-Time	8.00	8.00	8.00	0.00
Part-Time	2.00	2.00	0.00	-2.00
<i>Sub-Total</i>	10.00	10.00	8.00	-2.00

Expenditures by Type



Powell Bill

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

Powell Bill Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
PW-Powell Bill						
104511	535400	R & M - STREET MAINT	\$ 532,066	\$ 476,280	\$ 476,280	\$ -
104511	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ -	\$ -
104511	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104511	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 532,066	\$ 476,280	\$ 476,280	\$ -

FY16-17 Budget Highlights

Powell Bill funding for the City is expected to remain the same in FY16-17 according to the North Carolina League of Municipalities. The City currently appropriates approximately one penny on the property tax rate to the Powell Bill Department, totaling \$150,000.



Public Works-Traffic Engineering

The Traffic Division is dedicated to serving the citizens of Hendersonville through operation and maintenance of our traffic signals, street name signs, regulatory signs, traffic markings, parking kiosk 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.

FY15-16 Accomplishments

- ✓ Completed the retroreflective inspections of our signs per MUTCD standards.
- ✓ Completed the preventive maintenance inspections for all city traffic signals.
- ✓ Upgraded the traffic signals and controller at 4th Avenue and Washington Street.
- ✓ Upgraded the traffic signals and controller at 5th Avenue and Fleming Street.
- ✓ Created a supervisor position to help the workflow within public works.
- ✓ Assisted with the Azalea Parking Lot and Spruce Parking Lot renovation project.

FY16-17 Goals & Initiatives

- ✓ Continue to maintain the kiosks in the city parking lots.
- ✓ Help implement the downtown parking study recommendations.
- ✓ Continue to meet the requirements of the sign retro reflectivity standards.
- ✓ Help implement the 9th Avenue area traffic study findings.
- ✓ Continue to perform yearly preventive maintenance on all city signal system.
- ✓ Add two staff people to help complete the tasks of this department.



Public Works-Traffic Engineering Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
PW-Traffic Engineering						
104520	512100	SALARIES & WAGES-REG	\$ 77,907	\$ 78,968	\$ 75,867	\$ (3,101.00)
104520	512200	SALARIES & WAGES-O/T	\$ 247	\$ 7,119	\$ 500	\$ (6,619.00)
104520	512250	HOLIDAY PAY	\$ -	\$ 608	\$ 584	\$ (24.00)
104520	512300	SAL & WAGES-STANDBY	\$ 13,370	\$ 12,500	\$ 13,000	\$ 500.00
104520	518100	FICA TAX EXPENSE	\$ 7,012	\$ 7,036	\$ 6,882	\$ (154.00)
104520	518200	RETIREMENT EXPENSE	\$ 6,523	\$ 6,135	\$ 6,522	\$ 387.00
104520	518300	GROUP MED & LIFE INS	\$ 11,735	\$ 11,291	\$ 12,233	\$ 942.00
104520	518600	WORKER'S COMP INS	\$ 15,934	\$ 12,083	\$ 8,477	\$ (3,606.00)
104520	518900	RETIREE INSURANCE	\$ 7,007	\$ 8,791	\$ 9,288	\$ 497.00
104520	519000	PROFESSIONAL SERVICES	\$ -	\$ 35,300	\$ -	\$ (35,300.00)
104520	521200	UNIFORMS	\$ 639	\$ 2,610	\$ 2,400	\$ (210.00)
104520	525100	GASOLINE & DIESEL	\$ 2,521	\$ 3,600	\$ 2,600	\$ (1,000.00)
104520	525200	TIRES	\$ 578	\$ 1,000	\$ -	\$ (1,000.00)
104520	525300	VEHICLE PARTS	\$ 929	\$ 1,400	\$ -	\$ (1,400.00)
104520	525400	OIL, LUBRICATION, ETC	\$ 37	\$ 200	\$ -	\$ (200.00)
104520	529900	SUPPLIES & MATERIALS	\$ 39,363	\$ 44,000	\$ 51,000	\$ 7,000.00
104520	532100	TELEPHONE	\$ 554	\$ 1,685	\$ 2,400	\$ 715.00
104520	533900	STREET & TRAFFIC LTS	\$ 210,047	\$ 232,780	\$ 215,480	\$ (17,300.00)
104520	535200	R & M - EQUIPMENT	\$ 346	\$ 5,400	\$ 2,400	\$ (3,000.00)
104520	535300	R & M - AUTO/TRUCKS	\$ 450	\$ 1,000	\$ 3,600	\$ 2,600.00
104520	539400	TRAVEL	\$ -	\$ 1,200	\$ 1,200	\$ -
104520	539500	TRAINING	\$ -	\$ 2,800	\$ 2,800	\$ -
104520	545600	LIAB/PROP INS & BONDS	\$ 1,027	\$ 1,210	\$ 1,356	\$ 146.00
104520	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 100	\$ -	\$ (100.00)
104520	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104520	553000	NON-CAPITAL EQUIPMENT	\$ 6,916	\$ -	\$ 4,000	\$ 4,000.00
104520	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104520	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ 9,191	\$ -	\$ (9,191.00)
104520	569000	CONTRACTED SERVICES	\$ -	\$ 1,000	\$ -	\$ (1,000.00)
<i>Sub-Total</i>			\$ 403,141	\$ 489,007	\$ 422,589	\$ (66,418.00)

FY16-17 Budget Highlights

The biggest change is a decrease in the “Professional Services” account. This City hired a consultant to provide a traffic circulation study in the 9th Avenue area of the City. This study is now complete.

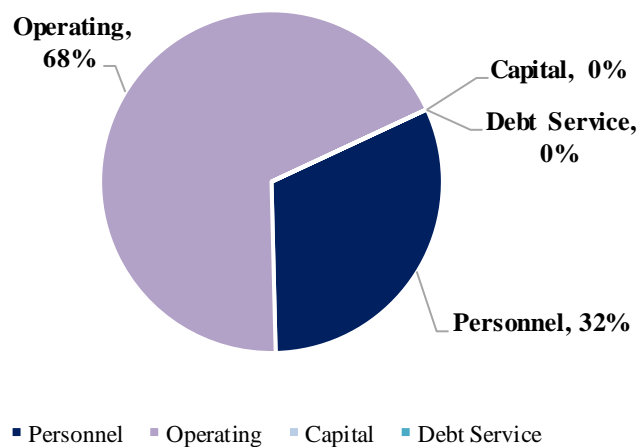


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
PW-Traffic Engineering				
Personnel	\$ 139,735	\$ 144,531	\$ 133,353	\$ (11,178)
Operating	\$ 263,406	\$ 335,285	\$ 289,236	\$ (46,049)
Capital	\$ -	\$ 9,191	\$ -	\$ (9,191)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 403,141	\$ 489,007	\$ 422,589	\$ (66,418)

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
PW-Traffic Engineering				
Full-Time	2.00	2.00	2.00	0.00
Part-Time	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	2.00	2.00	2.00	0.00

Expenditures by Type



Public Works-Grounds Maintenance

The Grounds Maintenance Division is dedicated to serving the citizens of Hendersonville through planning, maintenance and repair of all city grounds, some traffic islands, and some roadside mowing, collection of fall bulk leaves, snow removal from the streets, sidewalks, and city parking lots within the MSD. The Grounds Maintenance Division also provides support for Downtown Special Events and special events at the City's Parks. The division also performs nuisance abatements for the Development Assistance Department. The division includes a Supervisor, one Crew Leader, seven 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.

FY15-16 Accomplishments

- ✓ Continue to make improvement to the grounds at all city buildings and parks.
- ✓ Promoting the use of Patton Park over Berkeley Mills Park - Baseball Field.
- ✓ Purchasing equipment to improve our ability to maintain the baseball fields.
- ✓ Preparing for the opening of Phase 3 of the Oklawaha Greenway Trail.
- ✓ Assisted with the Azalea Parking Lot and Spruce Parking Lot renovation project.

FY16-17 Goals & Initiatives

- ✓ Prep for the opening of phase 3 of the Oklawaha Greenway Trail - Staff and Equipment.
- ✓ Prep of the expansion of Berkeley Mills Park - Staff and Equipment when that happens.
- ✓ Continue to make improvements to the grounds at all city building and parks.
- ✓ Prep for improvements to the gateway entrances into town.
- ✓ Add an additional staff person to help complete the tasks of this department.



Public Works-Grounds Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
PW-Grounds Maintenance						
104760	512100	SALARIES & WAGES-REG	\$ 279,312	\$ 256,109	\$ 264,937	\$ 8,828.00
104760	512200	SALARIES & WAGES-O/T	\$ 7,339	\$ 19,218	\$ 7,000	\$ (12,218.00)
104760	512250	HOLIDAY PAY	\$ -	\$ 1,971	\$ 2,038	\$ 67.00
104760	512900	SALARIES & WAGES-P/T	\$ 16,835	\$ 23,842	\$ -	\$ (23,842.00)
104760	518100	FICA TAX EXPENSE	\$ 22,893	\$ 21,952	\$ 20,960	\$ (992.00)
104760	518200	RETIREMENT EXPENSE	\$ 19,257	\$ 17,550	\$ 19,864	\$ 2,314.00
104760	518300	GROUP MED & LIFE INS	\$ 43,739	\$ 45,164	\$ 48,931	\$ 3,767.00
104760	518600	WORKER'S COMP INS	\$ 12,527	\$ 7,197	\$ 3,914	\$ (3,283.00)
104760	518900	RETIREE INSURANCE	\$ 3,171	\$ 8,791	\$ -	\$ (8,791.00)
104760	519000	PROFESSIONAL SERVICES	\$ -	\$ 400	\$ 400	\$ -
104760	521200	UNIFORMS	\$ 3,905	\$ 6,750	\$ 6,750	\$ -
104760	525100	GASOLINE & DIESEL	\$ 14,607	\$ 18,000	\$ 14,000	\$ (4,000.00)
104760	525200	TIRES	\$ 2,237	\$ 2,600	\$ -	\$ (2,600.00)
104760	525300	VEHICLE PARTS	\$ 11,253	\$ 13,000	\$ -	\$ (13,000.00)
104760	525400	OIL, LUBRICATION, ETC	\$ 514	\$ 800	\$ -	\$ (800.00)
104760	529900	SUPPLIES & MATERIALS	\$ 15,499	\$ 19,350	\$ 19,350	\$ -
104760	532100	TELEPHONE	\$ 186	\$ 785	\$ 900	\$ 115.00
104760	535200	R & M - EQUIPMENT	\$ 3,445	\$ 5,000	\$ 5,000	\$ -
104760	535300	R & M - AUTO/TRUCKS	\$ 4,425	\$ 2,000	\$ 18,400	\$ 16,400.00
104760	539400	TRAVEL	\$ -	\$ 400	\$ 400	\$ -
104760	539500	TRAINING	\$ -	\$ 900	\$ 900	\$ -
104760	545600	LIAB/PROP INS & BONDS	\$ 6,625	\$ 6,897	\$ 7,373	\$ 476.00
104760	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 100	\$ -	\$ (100.00)
104760	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104760	553000	NON-CAPITAL EQUIPMENT	\$ 3,260	\$ -	\$ -	\$ -
104760	555000	CAP OUTLAY-OTR EQUIP	\$ 24,510	\$ 21,925	\$ 14,000	\$ (7,925.00)
104760	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ 40,500	\$ -	\$ (40,500.00)
104760	569000	CONTRACTED SERVICES	\$ 1,566	\$ 18,300	\$ 44,830	\$ 26,530.00
104760	598400	REIMB PUB WORKS DEPT	\$ (345)	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 496,758	\$ 559,501	\$ 499,947	\$ (59,554.00)

FY16-17 Budget Highlights

Personnel and benefits costs have increases slightly due to natural growth. The part-time salaries account has decreased to provide for the additional full-time position in the Building Maintenance Division. Similar to the Streets & Highways Division, they have funding in contracted services for temporary employment, as needed. There is little capital outlay in this account, a decrease over the prior year. Additionally, the “Gasoline & Diesel”, “Tires”, and “Vehicle Parts” accounts have all been moved to “R&M – Auto/Trucks”.

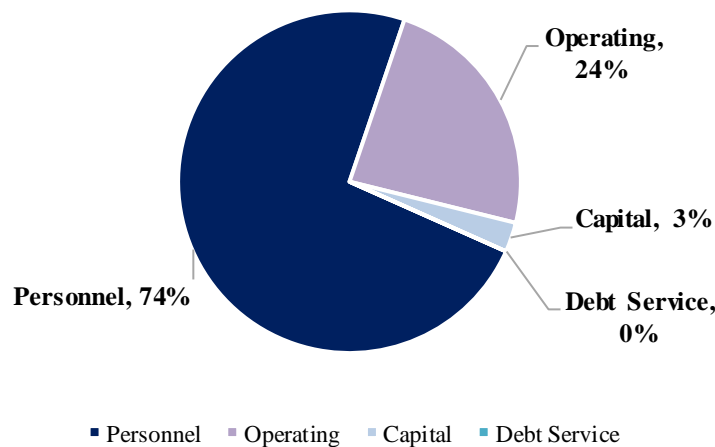


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
PW-Grounds Maintenance				
Personnel	\$ 405,072	\$ 401,794	\$ 367,644	\$ (34,150)
Operating	\$ 67,176	\$ 95,282	\$ 118,303	\$ 23,021
Capital	\$ 24,510	\$ 62,425	\$ 14,000	\$ (48,425)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 496,758	\$ 559,501	\$ 499,947	\$ (59,554)

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
PW-Grounds Maintenance				
Full-Time	8.00	8.00	8.00	0.00
Part-Time	2.00	2.00	0.00	-2.00
<i>Sub-Total</i>	10.00	10.00	8.00	-2.00

Expenditures by Type



Public Works-Patton Pool

Patton Pool is dedicated to serving the customers of Patton Pool with friendly services and goods at reasonable prices. The pool provides both private and group swim lessons, water aerobics, lap swim time, open swim time, a kiddy pool, picks up trash in the park, and helps clean the public restrooms. Patton Pool consists of a Pool Manager, four Assistant Managers, eight Head Life Guards, twelve Life Guards, one Concessions and Gate Manager, and six Concessions and Gate Staff. We plan to utilize a new point of sale system to help with membership sales, lesson registration, concessions inventory, pool admittance audits and general sales to the public. Budget management for Patton Pool is completed by the Public Works Administrative Staff. Patton Pool is located 114 E. Clairmont Drive. For additional information, please contact Tom Wooten at 697-3084.

FY15-16 Accomplishments

- ✓ Moving to a point of sale system to better control our inventory in concessions, improve our pass sales, lessons registration, and aerobics registration.
- ✓ We continue to look for ways to generate additional revenue (family Fridays, movie nights).
- ✓ Served approximately 19,867 visitors at the pool this season.

FY16-17 Goals & Initiatives

- ✓ Consider adding new features to draw additional people to the pool (slide or splash area).
- ✓ Consider opening on weekends after labor day until later in the year (need additional staff funding).
- ✓ Continue to improve our point of sale system and ability to serve the public.
- ✓ Consider expanding movie night, family Fridays or DJ night.
- ✓ Consider offering additional items in concessions (burgers or sandwiches).
- ✓ Consider skate board and helmet and possibly bike rental through concessions.
- ✓ Add large umbrellas for the convenience of our customers (shade for the sun).
- ✓ Continue to replace lounge chairs each year.
- ✓ Add shower stalls in the men's showers.



Public Works-Patton Pool Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
PW-Patton Pool						
106170	512100	SALARIES & WAGES-REG	\$ (345)	\$ -	\$ -	\$ -
106170	512900	SALARIES & WAGES-P/T	\$ 127,485	\$ 117,152	\$ 123,752	\$ 6,600.00
106170	518100	FICA TAX EXPENSE	\$ 9,631	\$ 8,963	\$ 9,468	\$ 505.00
106170	518600	WORKER'S COMP INS	\$ 20	\$ 6,405	\$ 1,768	\$ (4,637.00)
106170	519000	PROFESSIONAL SERVICES	\$ 300	\$ 1,000	\$ 1,000	\$ -
106170	521200	UNIFORMS	\$ 2,636	\$ 2,400	\$ 2,400	\$ -
106170	527000	PURCH FOR RESALE-POOL	\$ 18,576	\$ 16,000	\$ 20,000	\$ 4,000.00
106170	529900	SUPPLIES & MATERIALS	\$ 30,657	\$ 40,800	\$ 27,200	\$ (13,600.00)
106170	532100	TELEPHONE	\$ 251	\$ 600	\$ 1,100	\$ 500.00
106170	533000	UTILITIES	\$ 17,910	\$ 24,600	\$ 24,600	\$ -
106170	535100	R & M - BUILDINGS	\$ 3,563	\$ 8,000	\$ 10,000	\$ 2,000.00
106170	535200	R & M - EQUIPMENT	\$ 3,972	\$ 2,200	\$ 5,500	\$ 3,300.00
106170	545600	LIAB/PROP INS & BONDS	\$ -	\$ -	\$ -	\$ -
106170	549300	POOL/ MINI GOLF SHORT/OVER	\$ 3,056	\$ 7,650	\$ -	\$ (7,650.00)
106170	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 100	\$ 1,700	\$ 1,600.00
106170	549999	MISCELLANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
106170	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ -	\$ -	\$ -
106170	555000	CAP OUTLAY-OTR EQUIP	\$ -	\$ 20,400	\$ 17,000	\$ (3,400.00)
106170	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
106170	569000	CONTRACTED SERVICES	\$ 628	\$ 6,400	\$ 17,400	\$ 11,000.00
<i>Sub-Total</i>			\$ 218,340	\$ 262,670	\$ 262,888	\$ 218.00

FY16-17 Budget Highlights

The personnel costs for the PW-Patton Pool Department were budgeted based on average number of hours worked for a three year period for each level of employee (lifeguard, gate attendant, head guard, etc...). There is a slight increase in salaries due to the approval of \$0.25 raises for returning employees. The increase in the “Contracted Services” account line is for fence repair and a point-of-sale system installation.

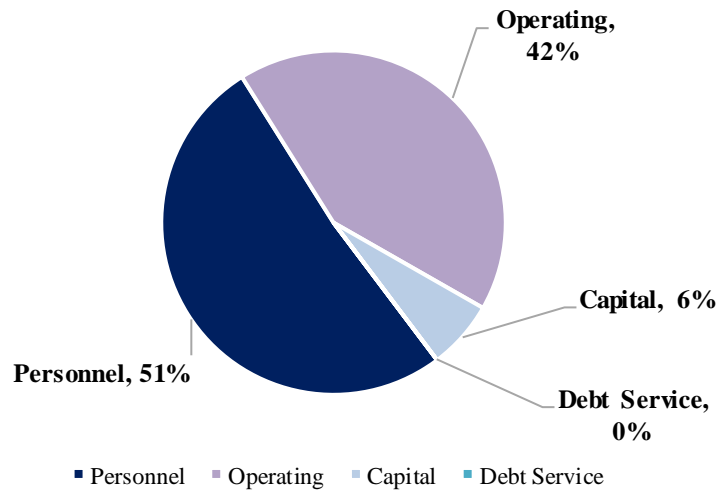


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
PW-Patton Pool				
Personnel	\$ 136,791	\$ 132,520	\$ 134,988	\$ 2,468
Operating	\$ 81,550	\$ 109,750	\$ 110,900	\$ 1,150
Capital	\$ -	\$ 20,400	\$ 17,000	\$ (3,400)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 218,340	\$ 262,670	\$ 262,888	\$ 218

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
PW-Patton Pool				
Full-Time	0.00	0.00	0.00	0.00
Part-Time	34.00	34.00	34.00	0.00
<i>Sub-Total</i>	34.00	34.00	34.00	0.00

Expenditures by Type



Non-Departmental

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

Non-Departmental Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Non-Departmental						
109619	500024	DRUG TESTING	\$ -	\$ 2,000	\$ 2,000	\$ -
109619	500028	EMPLOYEE ASSIST PROG	\$ -	\$ 1,750	\$ 3,000	\$ 1,250.00
109619	500029	WELLNESS COMMITTEE	\$ -	\$ -	\$ -	\$ -
109619	500030	TUITION REIMBURSEMENT PROGRAM	\$ -	\$ 4,009	\$ 3,000	\$ (1,009.00)
109619	518500	STATE UNEMPLOYMNT INS	\$ -	\$ 7,000	\$ 11,000	\$ 4,000.00
109619	518800	EMPLOYEE DEATH BENEFIT	\$ -	\$ 5,000	\$ 5,000	\$ -
109619	519000	PROFESSIONAL SERVICES	\$ -	\$ -	\$ -	\$ -
109619	539700	LIAISON/PUBLIC RELATIONS	\$ -	\$ -	\$ -	\$ -
109619	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
109619	561100	CONTRIBUTION TO ESF	\$ -	\$ -	\$ -	\$ -
109619	561200	CONTRIBUTION TO WSF	\$ -	\$ -	\$ -	\$ -
109619	561400	CONTRIBUTION TO 7TH	\$ -	\$ -	\$ -	\$ -
109619	598880	CONTR TO H&W FUND	\$ -	\$ 139,000	\$ 158,452	\$ 19,452.00
<i>Sub-Total</i>			\$ -	\$ 158,759	\$ 182,452	\$ 23,693.00

FY16-17 Budget Highlights

At year-end, anything that is in Non-Departmental is moved out to specific departments during the audit. With this in mind, the City has budgeted as many items as specifically as possible. The “Contr to H&W Fund” account accounts for health insurance claims that are managed through the City’s Health and Welfare Fund, which is an internal service fund. Claims have been increasing and the General Fund needs to contribute more to the Health and Welfare Fund in FY16-17.



Special Appropriations

A special appropriation is a provision within an expenditure line item that provides authority to spend money for particular purposes, for example, to finance a particular project or to make payments to other funds.

Special Appropriations Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Special Appropriations						
109620	500010	LEGAL SVC-DOMESTIC VIOLENCE	\$ 1,500	\$ 1,500	\$ 4,000	\$ 2,500.00
109620	500011	CHILDREN & FAMILY RESOURCE CNT	\$ 4,000	\$ 3,700	\$ 5,000	\$ 1,300.00
109620	500012	MOUNTAIN COMMUNITY SCHOOL	\$ -	\$ -	\$ -	\$ -
109620	500013	CHAMBER OF COMMERCE	\$ 10,000	\$ 10,000	\$ -	\$ (10,000.00)
109620	500014	FLAT ROCK PLAYHOUSE	\$ 80,000	\$ 11,800	\$ 16,000	\$ 4,200.00
109620	500015	MAYORS ADV COUNCIL	\$ 500	\$ 500	\$ 500	\$ -
109620	500016	HANDS ON GALLERY	\$ 2,000	\$ 600	\$ 2,000	\$ 1,400.00
109620	500017	HEND CO RESCUE SQUAD	\$ -	\$ -	\$ -	\$ -
109620	500018	HERITAGE MUSEUM	\$ 5,000	\$ -	\$ 3,800	\$ 3,800.00
109620	500019	HEND CO DISPUTE CENTR	\$ 500	\$ 500	\$ 1,000	\$ 500.00
109620	500020	CONTR TO PUBLIC TRANSIT	\$ -	\$ -	\$ 126,691	\$ 126,691.00
109620	500021	THE HEALING PLACE	\$ 1,500	\$ 1,500	\$ -	\$ (1,500.00)
109620	500022	SISTER CITIES PROGRAM	\$ 2,300	\$ 900	\$ 1,500	\$ 600.00
109620	500023	MEDICAL LOAN CLOSET	\$ 1,000	\$ 1,200	\$ 3,000	\$ 1,800.00
109620	500026	TEAM ECCO	\$ 4,000	\$ 23,600	\$ -	\$ (23,600.00)
109620	500027	BOYS & GIRLS CLUB	\$ 15,000	\$ 15,000	\$ 20,000	\$ 5,000.00
109620	500032	HENDERSONVILLE SYMPHONY	\$ 2,000	\$ 2,000	\$ 3,000	\$ 1,000.00
109620	500033	BLUE RIDGE COMM COLLEGE ED	\$ -	\$ 400	\$ 1,200	\$ 800.00
109620	500034	HENDERSONVILLE LITTLE THEATER	\$ -	\$ 800	\$ 3,000	\$ 2,200.00
109620	500035	INTERFAITH ASSISTANCE MINISTRY	\$ -	\$ 3,000	\$ 4,000	\$ 1,000.00
109620	500036	AMERICA IN BLOOM	\$ -	\$ 500	\$ 700	\$ 200.00
109620	500037	CAMPLIFY	\$ -	\$ -	\$ 1,000	\$ 1,000.00
109620	500038	BLUE RIDGE COMM HEALTH SERVICE	\$ -	\$ -	\$ 6,000	\$ 6,000.00
109620	500039	ST GERARD HOUSE	\$ -	\$ -	\$ 2,400	\$ 2,400.00
109620	500048	ARTS COUNCIL	\$ 1,500	\$ 1,400	\$ 1,600	\$ 200.00
109620	523200	MAINSTAY PROGRAM	\$ -	\$ 6,000	\$ -	\$ (6,000.00)
109620	541800	SHUFFLEBOARD CLUB	\$ 1,200	\$ 880	\$ 1,200	\$ 320.00
109620	561300	MINERAL & LAP MUSEUM	\$ 3,000	\$ 2,600	\$ 2,200	\$ (400.00)
109620	561600	P'SHIP ECON DEVELOPMT	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
109620	561700	HENDERSON CO. AGRI-BUS	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
109620	569200	COMM P'SHIP FOR PETS	\$ 10,000	\$ 9,000	\$ 11,900	\$ 2,900.00
109620	569700	MERCHANTS & BUSINESS ASSOC	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
<i>Sub-Total</i>			\$ 167,000	\$ 119,380	\$ 243,691	\$ 124,311.00

FY16-17 Budget Highlights

The Special Appropriations budget has increased by \$124,311 due to the coding of the City's contribution to public transit in this org. code rather than in the Streets & Highways Division.



Debt Service

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

Debt Service Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Debt Service						
109621	573008	PRIN- 2008 S/WALK BDS	\$ 100,000	\$ 100,000	\$ -	\$ (100,000.00)
109621	573098	PRIN- 1998 S/WALK BDS	\$ 90,000	\$ 90,000	\$ -	\$ (90,000.00)
109621	573303	PRIN- CITY HALL RENOVATE	\$ 233,333	\$ 233,350	\$ -	\$ (233,350.00)
109621	573413	PRIN - FIRE & MAIN ST	\$ 300,000	\$ 300,000	\$ -	\$ (300,000.00)
109621	573414	PRIN-BB&T CAPITAL EQUIP LOAN	\$ -	\$ 95,576	\$ -	\$ (95,576.00)
109621	574008	INT - 2008 S/WALK BDS	\$ 69,100	\$ 65,350	\$ -	\$ (65,350.00)
109621	574098	INT - 1998 S/WALK BDS	\$ 18,000	\$ 13,500	\$ -	\$ (13,500.00)
109621	574303	INT - CITY HALL RENOVATE	\$ 41,230	\$ 31,610	\$ -	\$ (31,610.00)
109621	574413	INT - FIRE & MAIN ST	\$ 196,283	\$ 185,843	\$ -	\$ (185,843.00)
109621	574414	INT - BB&T CAPITAL EQUIP LOAN	\$ -	\$ 3,562	\$ -	\$ (3,562.00)
109621	575200	BANK SERVICE CHARGES	\$ -	\$ -	\$ -	\$ -
Sub-Total			\$ 1,047,946	\$ 1,118,791	\$ -	\$ (1,118,791.00)

FY16-17 Budget Highlights

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



Transfers

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

Transfer Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Transfers						
109900	999015	TRANSFER TO DEBT SERVICE FUND	\$ -	\$ 564,847	\$ 633,723	\$ 68,876.00
109900	999021	TRANSFER OUT TO 7TH	\$ -	\$ 5,000	\$ -	\$ (5,000.00)
109900	999110	TRANSFER TO MOTOR UNIT	\$ -	\$ -	\$ -	\$ -
109900	999115	TRANSFER OUT TO HPC FUND	\$ -	\$ -	\$ -	\$ -
109900	999120	TRANSFER OUT TO RAD FUND	\$ -	\$ -	\$ -	\$ -
109900	999130	TRANSFER TO NEEDY PERSONS	\$ -	\$ -	\$ -	\$ -
109900	999140	TRANSFER TO DARE FUND 140	\$ -	\$ -	\$ -	\$ -
109900	999150	TRANSFER TO YOUTH EXPLORERS	\$ -	\$ -	\$ -	\$ -
109900	999160	TRANSFER TO KENNEL FUND	\$ -	\$ -	\$ -	\$ -
109900	999190	TRANSFER TO DRUG FORFEITURE	\$ -	\$ -	\$ -	\$ -
109900	999330	TRANSFER TO BIKEPED GRANT	\$ -	\$ 5,000	\$ -	\$ (5,000.00)
109900	999355	TRANS TO BERKELEY MILLS BALLPA	\$ -	\$ 4,000	\$ -	\$ (4,000.00)
109900	999404	TRANSFER TO TRACEY GROVE	\$ -	\$ 150,000	\$ 58,000	\$ (92,000.00)
109900	999405	TRANSFER TO BERKELEY	\$ -	\$ -	\$ -	\$ -
109900	999435	TRANSFER TO N. OAK ST.	\$ -	\$ 249,274	\$ -	\$ (249,274.00)
<i>Sub-Total</i>			\$ -	\$ 978,121	\$ 691,723	\$ (286,398.00)

FY16-17 Budget Highlights

Take notice of the transfer to the City’s Debt Service Fund, totaling \$633,723. This should be considered the General Fund’s debt service payment for FY16-17. Additionally, there is a final transfer to the Tracey Grove Bridge Project Fund in the amount of \$58,000.



Contingencies

Governments establish reserves for unforeseen contingencies to provide funding in times of emergencies or disasters. A contingency reserve provides a readily available pool of funding to ensure continuation of city operations during an emergency, and it buys time while the city or county assesses the impact of the emergency or disaster. Many governments establish a separate contingency reserve in each major fund. In North Carolina any fund’s contingency appropriation may not exceed 5% of the total fund’s budget.

Contingencies Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Contingencies						
109910	599100	CONTINGENCIES	\$ -	\$ 2,445	\$ 80,000	\$ 77,555.00
<i>Sub-Total</i>			\$ -	\$ 2,445	\$ 80,000	\$ 77,555.00

FY16-17 Budget Highlights

Contingencies are transferred out to different departments each year, so historical data on this account is not extremely useful without context. The current year, FY15-16, the City budgeted \$100,000 in contingencies. This year the adopted budget totals \$80,000.



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Revenues

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

Some advantages of service charges are:

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

Revenues by Source

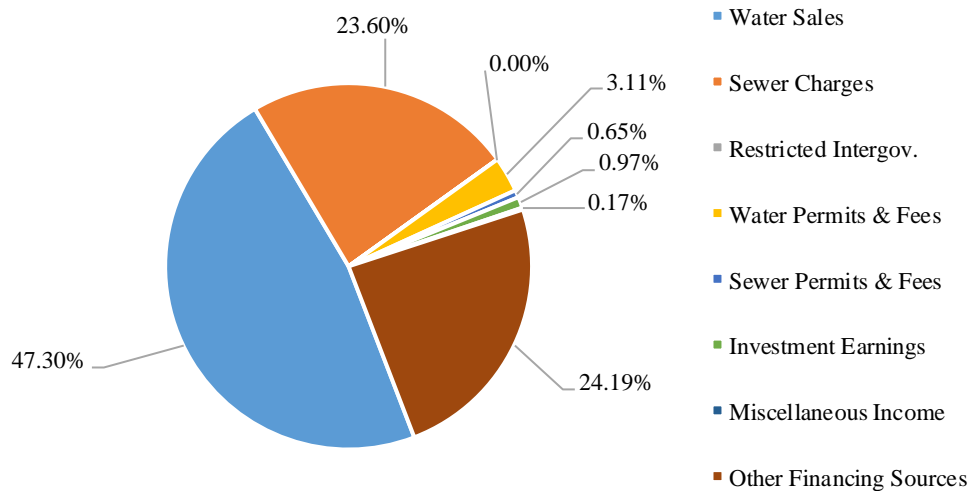
The following tables and charts detail the City's Water and Sewer Fund revenues by source:

REVENUE SOURCE	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Water Sales	\$ (9,032,673)	\$ (9,066,000)	\$ (9,263,997)	\$ (197,997)
Sewer Charges	\$ (4,493,859)	\$ (4,415,000)	\$ (4,622,362)	\$ (207,362)
Restricted Intergov.	\$ (65,000)	\$ -	\$ -	\$ -
Water Permits & Fees	\$ (1,014,293)	\$ (574,410)	\$ (609,000)	\$ (34,590)
Sewer Permits & Fees	\$ (136,456)	\$ (126,850)	\$ (128,250)	\$ (1,400)
Investment Earnings	\$ (153,113)	\$ (190,000)	\$ (190,000)	\$ -
Miscellaneous Income	\$ (50,237)	\$ (79,200)	\$ (33,400)	\$ 45,800
Other Financing Sources	\$ (8,396,557)	\$ (7,763,899)	\$ (4,736,626)	\$ 3,027,273
Total	\$ (23,342,187)	\$ (22,215,359)	\$ (19,583,635)	\$ 2,631,724

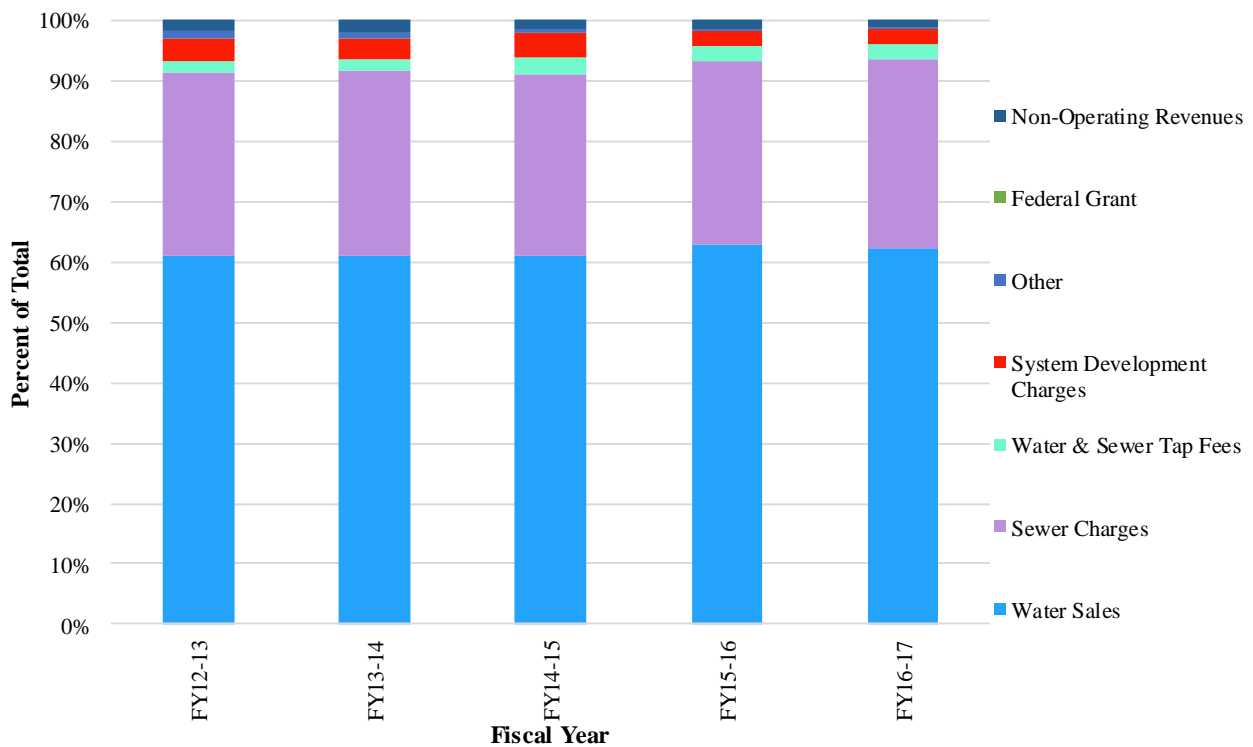


The following charts detail Water and Sewer Fund revenues by source:

Water & Sewer Fund Revenues by Source FY16-17



Water & Sewer Revenues by Source



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



Revenues by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Water Sales						
600012	451100	WATER SALES - GENERAL	\$ (9,030,631)	\$ (8,965,000)	\$ (9,211,997)	\$ (246,997.00)
600012	451150	WATER SEWER LATE FEES	\$ -	\$ (100,000)	\$ (50,000)	\$ 50,000.00
600012	451200	WATER SALES - MISCELLANEOUS	\$ (2,042)	\$ (1,000)	\$ (2,000)	\$ (1,000.00)
		<i>Sub-Total</i>	\$ (9,032,673)	\$ (9,066,000)	\$ (9,263,997)	\$ (197,997.00)
Sewer Charges						
600013	451300	SEWER CHARGES	\$ (4,356,067)	\$ (4,300,000)	\$ (4,502,362)	\$ (202,362.00)
600013	451350	ETOWAH SEWER CHARGES	\$ -	\$ -	\$ -	\$ -
600013	451400	SEPTIC TANK DISPOSAL	\$ (137,792)	\$ (115,000)	\$ (120,000)	\$ (5,000.00)
		<i>Sub-Total</i>	\$ (4,493,859)	\$ (4,415,000)	\$ (4,622,362)	\$ (207,362.00)
Restricted Intergovernmental						
600040	447060	HEN CO FIRE DEPT CONTRIBUTION	\$ (65,000)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (65,000)	\$ -	\$ -	\$ -
Water Permits & Fees						
600050	445200	WATER PERMITS & FEES	\$ 605	\$ (2,000)	\$ (2,000)	\$ -
600050	452100	WATER TAP FEES	\$ (377,138)	\$ (175,000)	\$ (225,000)	\$ (50,000.00)
600050	452200	WATER CUSTOMER PART	\$ -	\$ (2,000)	\$ (2,000)	\$ -
600050	452300	DISCONNECT/RECONNECT ADMIN FEE	\$ (27,207)	\$ (50,000)	\$ (40,000)	\$ 10,000.00
600050	452400	TURN ON SERVICE CHG	\$ (53,123)	\$ (15,000)	\$ (30,000)	\$ (15,000.00)
600050	452500	WATER SYS DEV CHARGES	\$ (515,675)	\$ (285,410)	\$ (275,000)	\$ 10,410.00
600050	452600	BRIGHTWATER FEES	\$ (41,756)	\$ (45,000)	\$ (35,000)	\$ 10,000.00
		<i>Sub-Total</i>	\$ (1,014,293)	\$ (574,410)	\$ (609,000)	\$ (34,590.00)
Sewer Permits & Fees						
600055	453000	SEWER PERMITS & FEES	\$ (1,970)	\$ (1,350)	\$ (2,000)	\$ (650.00)
600055	453100	SEWER TAP FEES	\$ (26,880)	\$ (20,000)	\$ (25,000)	\$ (5,000.00)
600055	453200	SEWER CUSTOMER PART	\$ (5,530)	\$ (6,500)	\$ (4,000)	\$ 2,500.00
600055	453300	SEWER BILLING SERVICE CHARGES	\$ (11,703)	\$ (10,500)	\$ (10,500)	\$ -
600055	453400	SEWER SURCHARGES	\$ (8,609)	\$ (6,000)	\$ (5,000)	\$ 1,000.00
600055	453500	SEWER SYS DEV CHARGES	\$ (80,030)	\$ (80,000)	\$ (80,000)	\$ -
600055	453600	SWR PRETREAT COST REC	\$ (1,735)	\$ (2,500)	\$ (1,750)	\$ 750.00
		<i>Sub-Total</i>	\$ (136,456)	\$ (126,850)	\$ (128,250)	\$ (1,400.00)
Investment Earnings						
600070	483100	INTEREST INCOME	\$ (153,113)	\$ (190,000)	\$ (190,000)	\$ -
		<i>Sub-Total</i>	\$ (153,113)	\$ (190,000)	\$ (190,000)	\$ -
Miscellaneous Income						
600080	443660	SALE OF F/ASSETS-W/S	\$ (6,000)	\$ (5,000)	\$ -	\$ 5,000.00
600080	443661	WARRANTY FEES UTIL SRVC PTRNS	\$ (9,577)	\$ (11,200)	\$ (11,200)	\$ -
600080	443800	DISCOUNTS EARNED	\$ (26,797)	\$ (25,000)	\$ (16,000)	\$ 9,000.00
600080	443900	MISCELLANEOUS INCOME	\$ (6,865)	\$ (9,000)	\$ (5,000)	\$ 4,000.00
600080	444000	INSURANCE SETTLEMENTS	\$ -	\$ (29,000)	\$ -	\$ 29,000.00
600080	444160	EPA GRANTS	\$ -	\$ -	\$ -	\$ -
600080	444200	CNG REIMBURSEMENT	\$ -	\$ -	\$ -	\$ -
600080	444400	RENTAL INCOME	\$ (998)	\$ -	\$ (1,200)	\$ (1,200.00)
		<i>Sub-Total</i>	\$ (50,237)	\$ (79,200)	\$ (33,400)	\$ 45,800.00
Other Financing Sources						
600090	498210	OPER TRANS FR GEN FD	\$ -	\$ -	\$ -	\$ -
600090	499100	PROCEEDS OF DEBT	\$ (3,986,106)	\$ -	\$ -	\$ -
600090	499200	FUND BALANCE APPROP	\$ (4,410,073)	\$ (7,763,899)	\$ (2,472,873)	\$ 5,291,026.00
600090	499800	OPER TRANS FR CR FUND	\$ -	\$ -	\$ (2,263,753)	\$ (2,263,753.00)
600090	499999	PRIOR PERIOD ADJUSTMENT	\$ (378)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (8,396,557)	\$ (7,763,899)	\$ (4,736,626)	\$ 3,027,273.00
		GRAND TOTAL	\$ (23,342,187)	\$ (22,215,359)	\$ (19,583,635)	\$ 2,631,724.00



Expenditures

The Hendersonville Water and Sewer Department provides water services to more than 65,000 residents and businesses in Henderson County and sewer services to more than 21,000 residents and businesses. The Department is also responsible for the operation and maintenance of over 653 miles of water mains (ranging in size from 2-inches to 24-inches), 55 water pumping stations, 24 water storage tanks (ranging in size from 80,000-gallons to 5,000,000-gallons), over 177 miles of sewer mains (ranging in size from 3-inches to 42-inches) and 31 sewer pumping stations. The Department has a staff of 69 employees making up seven divisions including: Administration, Facilities Maintenance, Water Treatment, Meter Services and Utilities Support, Water Distribution/Maintenance, Wastewater Treatment and Sewer Collection/Maintenance.

The Administration division is responsible for the overall management of the Department, recommending policy to City Council, overseeing projects, capital improvements planning, grant writing, upkeep and maintenance of departmental GIS data, budgeting and purchasing oversight. This division consists of four employees including the Utilities Director, Utilities Engineer, Administrative Aide and Administrative Assistant.

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

Originally constructed in 1963, the City's water treatment plant, located in the Town of Mills River takes raw water from three sources, two of which are located in the Pisgah National Forest and the main source is located on the Mills River. This water undergoes conventional treatment using various chemical and mechanical processes and is then pumped into the City's distribution system from a pump station located at the WTP. The average daily production for 2015 has been 7.39-MGD (7,390,000-gallons per day) or approximately 61% of our treatment capacity. The City is required to analyze water provided to consumers for a wide range of potential contaminants and water quality parameters. Frequencies for these analyses range from hourly to daily to annually to once every four years depending on the potential contaminant. The latest renovation to the water treatment plant was in 2010.

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



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

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

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



FY15-16 Accomplishments

- ✓ Completed three major gravity sewer projects.
- ✓ Continued implementation of an AMR (Automated Meter Reading) system.
- ✓ Responded to increased leak detection capabilities with the AMR system in conjunction with AquaHawk Alerting
- ✓ Glenbrook sewer - an "inside" City community maintaining their own sewer pump station - City to provide gravity sewer.
- ✓ Began a water system master plan.
- ✓ Identified over 31-miles of water line in need of repair or replacement utilizing GIS analysis.
- ✓ Identified over 6-miles of substandard sewer lines in need of repair or replacement utilizing GIS analysis.
- ✓ Requested and received approval for a line maintenance repair crew to follow the leak detection crew and fix leaks as they are identified.
- ✓ Automatic Bank Draft - Greatly increased number of customers signed up for Automatic Bank Draft by having a promotional credit, waiver of deposit requirements. This reduces lockbox costs and staff time to process payments manually.
- ✓ Implemented General Billing module, took over collections of Parking Ticket receipts,
- ✓ New Phone system allows customer service calls to be tracked, Customer Service dept. used this information to determine peak call times and to staff phones accordingly and better tweak the call routing to insure that customer calls were routed more efficiently with reduced hold times.
- ✓ Implemented Cityworks/Munis import capabilities. Work orders will now import automatically into Cityworks from Munis every 5 minutes. This greatly decreases the amount of time employees were previously using to manually type orders into both systems.
- ✓ Set up submission of delinquent utility customer balances to Debt Set off program. Utility bills had never been sent before (tax had previously been done). In addition, established file download and upload capability to automate filing and payment update processes. This will save time and allow the City to recoup revenues that previously would have been lost or cost a % to the outside debt collection agency.
- ✓ Improved processing of Brightwater special assessments so that balances could easily be tracked inside the system.
- ✓ Modified and automated customer cut-off processes, worked with operations department to improve processes between departments.
- ✓ Changed collection agency to improve collection rates, this also makes sure that we comply with Red-Flag rules.
- ✓ Created new customer service application which now have SS#, signature and other information that allows for better collection of accounts.



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

FY16-17 Goals & Initiatives

- ✓ Implement Leak Detection and Inflow Infiltration Reduction Program - begin a much more aggressive and dedicated effort.
- ✓ Continue design and permitting required to upgrade WTP high service pump station.
- ✓ Complete final design and bidding required to construct Etowah Water System Improvements project.
- ✓ Initiate engineer selection, design and permitting process for the Northside Water System Improvements project (Fletcher).
- ✓ Initiate integrator selection, design and installation process for SCADA for the remaining pump stations without SCADA .
- ✓ Continue development of potential sewer system expansion project with Somersby Park
- ✓ Design, permit and complete gravity sewer extension to Glenbrook to eliminate pump station.
- ✓ Continue to keep repair/replacement/construction crew engaged.
- ✓ Engage water distribution system and sewer collection system hydraulic models.
- ✓ Evaluate and potentially replace existing granular-media, gravity filter at WWTP with a cloth-media filtration system.
- ✓ Design, permit, select contractor and replacement of Hunter's Glen hydro pneumatic pump station.
- ✓ Design, permit, select contractor and construct new hydro pneumatic pump station for Cobblestone.
- ✓ Design, permit and complete gravity sewer extension to Garden Lane to eliminate pump station.
- ✓ Initiate preliminary design and permitting for Rutledge Rd. water system improvements
- ✓ Design, permit, select contractor and construct new water main interconnection on Rugby Dr.
- ✓ Initiate preliminary design and permitting for Rutledge Rd. water system improvements.
- ✓ Initiate ROW acquisition for phase 2 of the Eastside Water System Improvements project.
- ✓ Top priority is to be able to answer more phone calls to improve Customer Service response time, reduce the number of customers who must leave a voice mail
- ✓ Continue to Research better method or location for customer service windows/better customer access.
- ✓ Implement new payment plan module which will make a more consistent method of administration of payment plans.



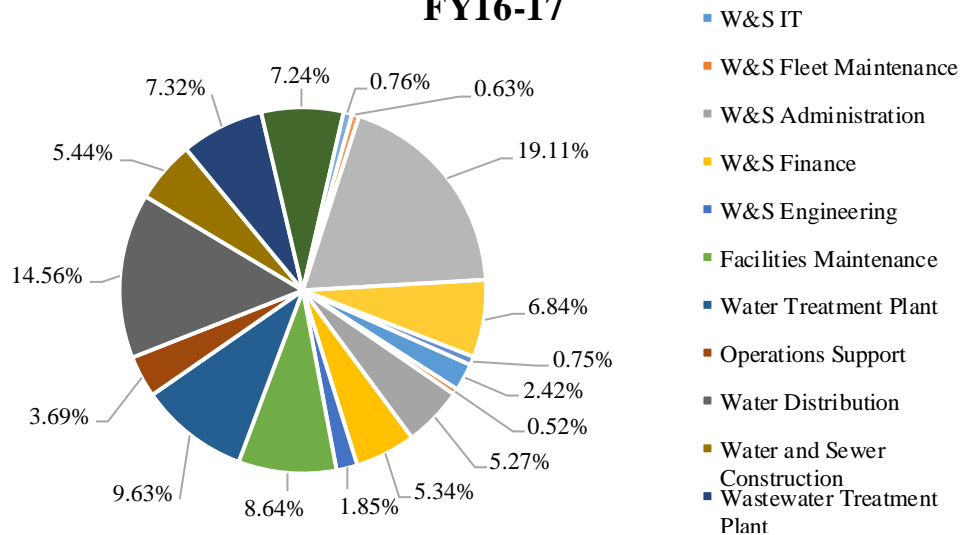
- ✓ Streamlining Customer Self-Service module, working with Paymentus (vendor) to make it easier for customers to pay-on line. Current set up causes a lot of customer confusion and frustration.
- ✓ Working on creating additional past-due letters.
- ✓ Create on-line fillable customer service forms on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



Expenditures by Function

EXPENDITURE FUNCTION	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
W&S IT	\$ 237,041	\$ 347,135	\$ 473,889	\$ 126,754
W&S Fleet Maintenance	\$ 1,907	\$ 97,542	\$ 100,909	\$ 3,367
W&S Administration	\$ 982,402	\$ 936,271	\$ 1,031,306	\$ 95,035
W&S Finance	\$ 864,116	\$ 1,001,437	\$ 1,044,848	\$ 43,411
W&S Engineering	\$ 26,084	\$ 343,215	\$ 362,232	\$ 19,017
Facilities Maintenance	\$ 1,113,185	\$ 1,608,860	\$ 1,692,897	\$ 84,037
Water Treatment Plant	\$ 1,661,271	\$ 2,118,299	\$ 1,886,513	\$ (231,786)
Operations Support	\$ 794,318	\$ 890,039	\$ 723,519	\$ (166,520)
Water Distribution	\$ 2,472,793	\$ 2,547,343	\$ 2,851,176	\$ 303,833
Water and Sewer Construction	\$ -	\$ -	\$ 1,065,209	\$ 1,065,209
Wastewater Treatment Plant	\$ 1,378,251	\$ 1,448,885	\$ 1,433,178	\$ (15,707)
Sewer Collection	\$ 986,244	\$ 1,826,010	\$ 1,417,800	\$ (408,210)
Non-Departmental	\$ 5,854	\$ 140,200	\$ 147,926	\$ 7,726
Special Appropriations	\$ 76,130	\$ 126,130	\$ 123,500	\$ (2,630)
Debt Service (Transfer to)	\$ 3,253,824	\$ 3,761,032	\$ 3,742,622	\$ (18,410)
Transfers	\$ 9,488,767	\$ 5,020,247	\$ 1,338,800	\$ (3,681,447)
Contingencies	\$ -	\$ 2,714	\$ 147,311	\$ 144,597
Total	\$ 23,342,187	\$ 22,215,359	\$ 19,583,635	\$ (2,631,724)

Water & Sewer Fund Expenditures by Function
FY16-17



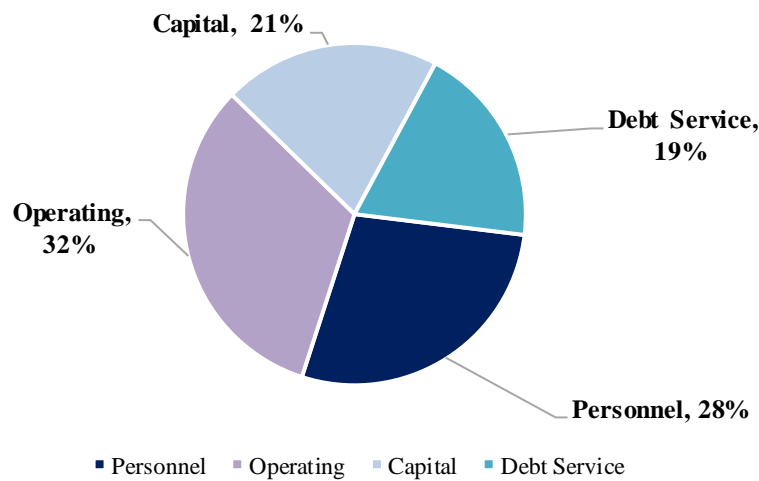
Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Water & Sewer Fund				
Personnel	\$ 4,471,638	\$ 5,272,467	\$ 5,488,493	\$ 216,026
Operating	\$ 4,970,846	\$ 7,003,231	\$ 6,331,587	\$ (671,644)
Capital	\$ 10,645,879	\$ 6,178,629	\$ 4,020,933	\$ (2,157,696)
Debt Service	\$ 3,253,824	\$ 3,761,032	\$ 3,742,622	\$ (18,410)
<i>Sub-Total</i>	\$ 23,342,187	\$ 22,215,359	\$ 19,583,635	\$ (2,631,724)

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
Water & Sewer Fund				
Full-Time	65.00	68.00	72.00	4.00
Part-Time	1.00	1.00	1.00	0.00
<i>Sub-Total</i>	66.00	69.00	73.00	4.00

One FTE listed in General Fund Finance

Expenditures by Type



Water & Sewer IT Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
W/S-Information Technology						
604140	512100	SALARIES & WAGES-REG	\$ -	\$ -	\$ -	\$ -
604140	518100	FICA TAX EXPENSE	\$ -	\$ -	\$ -	\$ -
604140	518200	RETIREMENT EXPENSE	\$ -	\$ -	\$ -	\$ -
604140	518300	GROUP MED & LIFE INS	\$ -	\$ -	\$ -	\$ -
604140	518600	WORKER'S COMP INS	\$ -	\$ -	\$ -	\$ -
604140	519000	PROFESSIONAL SERVICES	\$ -	\$ 7,000	\$ 5,000	\$ (2,000)
604140	526000	OFFICE SUPPLIES	\$ -	\$ -	\$ -	\$ -
604140	529900	SUPPLIES & MATERIALS	\$ -	\$ 300	\$ 5,000	\$ 4,700
604140	532100	TELEPHONE	\$ -	\$ 46,798	\$ 62,116	\$ 15,318
604140	532500	POSTAGE	\$ -	\$ -	\$ -	\$ -
604140	535200	R & M - EQUIPMENT	\$ 51,546	\$ 4,700	\$ 7,000	\$ 2,300
604140	539400	TRAVEL	\$ -	\$ -	\$ -	\$ -
604140	539500	TRAINING	\$ -	\$ -	\$ -	\$ -
604140	545600	LIAB/PROP INS & BONDS	\$ -	\$ -	\$ -	\$ -
604140	549100	DUES & SUBSCRIPTIONS	\$ -	\$ -	\$ -	\$ -
604140	549750	PERMITS, LICENSE AND FEES	\$ 7,635	\$ 58,837	\$ 179,641	\$ 120,804
604140	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
604140	552000	CAP OUTLAY-EQUIPMENT	\$ -	\$ -	\$ 5,000	\$ 5,000
604140	552500	CAP OUT - SOFTWARE/INTANGIBLE	\$ -	\$ -	\$ -	\$ -
604140	553000	NON-CAPITAL EQUIPMENT	\$ 1,710	\$ 8,859	\$ 2,500	\$ (6,359)
604140	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
604140	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ 41,845	\$ 25,000	\$ (16,845)
604140	569000	CONTRACTED SERVICES	\$ 176,150	\$ 178,796	\$ 182,632	\$ 3,836
604140	598060	DEPARTMENTAL CHGS-W/S	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 237,041	\$ 347,135	\$ 473,889	\$ 126,754

FY16-17 Budget Highlights

The Information Technology Department supports all funds and a portion of costs are appropriated to the Water and Sewer Fund. The major cost is the VC3 contract which is budgeted for in the “Contracted Services” account line. The “Permits, License and Fees” account is budgeting for all IT related licenses and fees, where in prior years, these were budgeted in individual divisions.



Water & Sewer Fleet Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
W/S-Fleet Maintenance						
604250	512100	SALARIES & WAGES - REGULAR	\$ 1,907	\$ 72,982	\$ 75,246	\$ 2,264
604250	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ 900	\$ 900	\$ -
604250	512250	HOLIDAY PAY	\$ -	\$ 561	\$ 579	\$ 18
604250	518100	FICA TAX EXPENSE	\$ -	\$ 5,741	\$ 5,870	\$ 129
604250	518200	RETIREMENT EXPENSE	\$ -	\$ 5,078	\$ 5,563	\$ 485
604250	518300	GROUP MED & LIFE INS	\$ -	\$ 10,162	\$ 11,010	\$ 848
604250	518600	WORKER'S COMP INS	\$ -	\$ 2,118	\$ 1,741	\$ (377)
604250	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 1,907	\$ 97,542	\$ 100,909	\$ 3,367

FY16-17 Budget Highlights

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



Water & Sewer Admin. Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
W/S-Administration						
607110	512100	SALARIES & WAGES-REG	\$ 579,643	\$ 499,463	\$ 512,054	\$ 12,591
607110	512200	SALARIES & WAGES-O/T	\$ -	\$ 386	\$ -	\$ (386)
607110	512600	SALARIES & WAGES-TEMP	\$ -	\$ -	\$ -	\$ -
607110	512900	SALARIES & WAGES - P/T	\$ 31,675	\$ 31,159	\$ 35,743	\$ 4,584
607110	513100	SALARIES & WAGES - AUTO ALLOW	\$ -	\$ 3,981	\$ 3,981	\$ -
607110	517100	BOARD MEMBER WAGES	\$ -	\$ -	\$ 18,000	\$ 18,000
607110	517200	CELLPHONE STIPEND	\$ -	\$ 2,100	\$ 2,100	\$ -
607110	518100	FICA TAX EXPENSE	\$ 45,148	\$ 40,751	\$ 43,424	\$ 2,673
607110	518200	RETIREMENT EXPENSE	\$ 41,317	\$ 34,475	\$ 39,845	\$ 5,370
607110	518300	GROUP MED & LIFE INS	\$ 49,818	\$ 50,810	\$ 55,047	\$ 4,237
607110	518600	WORKER'S COMP INS	\$ 7,243	\$ 2,051	\$ 2,219	\$ 168
607110	519000	PROF SERVICES	\$ 92,190	\$ 51,300	\$ 23,750	\$ (27,550)
607110	519200	PROF SERVICES - LEGAL	\$ -	\$ -	\$ 5,000	\$ 5,000
607110	519400	PROF SERVICES-ENGRING	\$ 59,737	\$ 30,000	\$ 40,000	\$ 10,000
607110	521100	JANITORIAL SUPPLIES	\$ 7,469	\$ 6,700	\$ 8,000	\$ 1,300
607110	521200	UNIFORMS	\$ 24	\$ 200	\$ 200	\$ -
607110	525100	GASOLINE & DIESEL	\$ 559	\$ 1,000	\$ 1,000	\$ -
607110	526000	OFFICE SUPPLIES	\$ 1,986	\$ 3,000	\$ 3,100	\$ 100
607110	529900	SUPPLIES & MATERIALS	\$ 202	\$ 1,000	\$ 1,000	\$ -
607110	532100	TELEPHONE	\$ 2,230	\$ 689	\$ 1,500	\$ 811
607110	532500	POSTAGE	\$ 200	\$ 300	\$ 300	\$ -
607110	533000	UTILITIES	\$ 37,563	\$ 37,400	\$ 39,400	\$ 2,000
607110	535100	R & M - BUILDINGS	\$ 374	\$ 2,300	\$ 2,000	\$ (300)
607110	535200	R & M - EQUIPMENT	\$ 613	\$ 1,000	\$ 1,000	\$ -
607110	535300	R & M -AUTO/TRUCKS	\$ 128	\$ 150	\$ 1,500	\$ 1,350
607110	537000	ADVERTISING	\$ 1,142	\$ -	\$ 1,000	\$ 1,000
607110	539400	TRAVEL	\$ -	\$ 3,100	\$ 3,100	\$ -
607110	539500	TRAINING	\$ 406	\$ 1,500	\$ 2,000	\$ 500
607110	545600	LIAB/PROP INS & BONDS	\$ 1,746	\$ 1,766	\$ 2,423	\$ 657
607110	549100	DUES & SUBSCRIPTIONS	\$ 1,866	\$ 250	\$ 80	\$ (170)
607110	549750	PERMITS, LICENSE AND FEES	\$ 1,038	\$ 11,540	\$ 6,840	\$ (4,700)
607110	549910	SAFETY PROGRAM	\$ -	\$ -	\$ 3,650	\$ 3,650
607110	549920	EMPLOYEE EVENTS	\$ -	\$ -	\$ 6,750	\$ 6,750
607110	549930	SERVICE EXCELLENCE	\$ -	\$ -	\$ 3,500	\$ 3,500
607110	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
607110	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 3,000	\$ -	\$ (3,000)
607110	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ -	\$ 102,000	\$ 102,000
607110	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ 500	\$ 60,000	\$ -	\$ (60,000)
607110	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ -	\$ 22,000	\$ 22,000
607110	569000	CONTRACTED SERVICES	\$ 17,583	\$ 54,900	\$ 37,800	\$ (17,100)
607110	598010	DEPARTMENTAL CHGS-G/F	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 982,402	\$ 936,271	\$ 1,031,306	\$ 95,035



FY16-17 Budget Highlights

The largest changes in this Division are in capital outlay lines “Cap Outlay-Motor Vehs” and “Land,ROW,and Land Improvement”. There are no budgeted land purchases in FY16-17. Additionally, two vehicle replacements are budgeted for FY16-17.



Water & Sewer Finance Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
W/S-Finance						
607113	512100	SALARIES & WAGES - REGULAR	\$ 298,504	\$ 365,554	\$ 380,828	\$ 15,274
607113	512900	SALARIES & WAGES - P/T	\$ 28,259	\$ 31,424	\$ 23,135	\$ (8,289)
607113	518100	FICA TAX EXPENSE	\$ 24,489	\$ 30,180	\$ 30,904	\$ 724
607113	518200	RETIREMENT EXPENSE	\$ 21,326	\$ 26,314	\$ 29,288	\$ 2,974
607113	518300	GROUP MED & LIFE INS	\$ 31,186	\$ 48,270	\$ 51,377	\$ 3,107
607113	518600	WORKER'S COMP INS	\$ -	\$ 841	\$ 716	\$ (125)
607113	519000	PROFESSIONAL SERVICES	\$ 33,800	\$ 12,000	\$ 9,120	\$ (2,880)
607113	519100	PROF SERVICES - AUDIT	\$ 21,000	\$ 25,625	\$ 17,500	\$ (8,125)
607113	526000	OFFICE SUPPLIES	\$ 9,277	\$ 18,640	\$ 14,200	\$ (4,440)
607113	532100	TELEPHONE	\$ 190	\$ -	\$ -	\$ -
607113	532500	POSTAGE	\$ 134,085	\$ 134,500	\$ 129,675	\$ (4,825)
607113	535200	R & M - EQUIPMENT	\$ 205	\$ 1,000	\$ 1,000	\$ -
607113	537000	ADVERTISING	\$ 419	\$ 2,023	\$ 1,200	\$ (823)
607113	539400	TRAVEL	\$ 4,985	\$ 4,525	\$ 4,250	\$ (275)
607113	539500	TRAINING	\$ 1,100	\$ 8,266	\$ 6,766	\$ (1,500)
607113	545600	LIAB/PROP INS & BONDS	\$ -	\$ -	\$ -	\$ -
607113	549100	DUES & SUBSCRIPTIONS	\$ 150	\$ 700	\$ 600	\$ (100)
607113	549200	UNCOLLECTIBLE ACCOUNTS	\$ 84,856	\$ 35,000	\$ 35,000	\$ -
607113	549300	CASH SHORT/OVER	\$ 21	\$ 400	\$ 350	\$ (50)
607113	549350	WRITE OFF	\$ -	\$ 100	\$ -	\$ (100)
607113	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 8,742	\$ 19,462	\$ 10,720
607113	549999	MISCELANEOUS EXPENSE	\$ -	\$ 1,000	\$ 1,000	\$ -
607113	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ -	\$ -	\$ -
607113	552500	CAP OUT - SOFTWARE/INTANGIBLE	\$ -	\$ -	\$ 43,137	\$ 43,137
607113	553000	NON-CAPITAL EQUIPMENT	\$ 13,851	\$ 32,639	\$ 5,100	\$ (27,539)
607113	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
607113	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -
607113	569000	CONTRACTED SERVICES	\$ 57,497	\$ 97,200	\$ 118,400	\$ 21,200
607113	575200	BANK SERVICE CHARGES	\$ 19,156	\$ 116,494	\$ 121,840	\$ 5,346
607113	595760	DRAFT INCENTIVE	\$ 79,758	\$ -	\$ -	\$ -
607113	598800	INTERCOMPANY DEPT CHARGES	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 864,116	\$ 1,001,437	\$ 1,044,848	\$ 43,411

FY16-17 Budget Highlights

There are not many major changes or highlights for this Division. The most important highlight is the budget for Munis UBCIS, a software upgrade, budgeted in the “Cap Out-Software/Intangible” account.



Water & Sewer City Engineer Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
W/S-City Engineer						
607114	512100	SALARIES & WAGES-REG	\$ 6,722	\$ 256,588	\$ 265,177	\$ 8,589
607114	512900	SALARIES & WAGES - P/T	\$ -	\$ 4,200	\$ -	\$ (4,200)
607114	518100	FICA TAX EXPENSE	\$ -	\$ 19,850	\$ 20,287	\$ 437
607114	518200	RETIREMENT EXPENSE	\$ -	\$ 17,115	\$ 19,226	\$ 2,111
607114	518300	GROUP MED & LIFE INS	\$ -	\$ 23,711	\$ 25,689	\$ 1,978
607114	518600	WORKER'S COMP INS	\$ -	\$ 3,101	\$ 2,303	\$ (798)
607114	519000	PROFESSIONAL SERVICES	\$ -	\$ -	\$ 500	\$ 500
607114	535200	R & M - EQUIPMENT	\$ 19,362	\$ 14,500	\$ 1,100	\$ (13,400)
607114	545600	LIAB/PROP INS & BONDS	\$ -	\$ -	\$ -	\$ -
607114	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 1,500	\$ 25,300	\$ 23,800
607114	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
607114	552500	CAP OUT - SOFTWARE/INTANGIBLE	\$ -	\$ -	\$ -	\$ -
607114	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 2,650	\$ 2,650	\$ -
607114	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
607114	598800	INTERCOMPANY DEPT CHARGES	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 26,084	\$ 343,215	\$ 362,232	\$ 19,017

FY16-17 Budget Highlights

The City Engineer Department is yet another source of internal service employees that incur indirect costs through salary splits. In addition to personnel accounts, the Water and Sewer Fund also covers specific pieces of equipment and software that are used for the benefit of the Fund. Department specific permits and licenses are budgeted in the “Permits, License and Fees” account for FY16-17.



Facilities Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
W/S-Facilities Maintenance						
607123	512100	SALARIES & WAGES-REG	\$ 283,869	\$ 284,210	\$ 312,952	\$ 28,742
607123	512200	SALARIES & WAGES-O/T	\$ 8,958	\$ 14,943	\$ 8,500	\$ (6,443)
607123	512250	HOLIDAY PAY	\$ -	\$ 1,000	\$ 2,408	\$ 1,408
607123	512300	SALARIES & WAGES - STANDBY PAY	\$ -	\$ 15,434	\$ 15,434	\$ -
607123	512600	SALARIES & WAGES-TEMP	\$ -	\$ 31,500	\$ 15,750	\$ (15,750)
607123	518100	FICA TAX EXPENSE	\$ 21,979	\$ 25,524	\$ 25,956	\$ 432
607123	518200	RETIREMENT EXPENSE	\$ 20,626	\$ 20,154	\$ 24,599	\$ 4,445
607123	518300	GROUP MED & LIFE INS	\$ 30,919	\$ 33,872	\$ 42,814	\$ 8,942
607123	518600	WORKER'S COMP INS	\$ 899	\$ 15,403	\$ 6,175	\$ (9,228)
607123	518900	RETIREE INSURANCE	\$ 5,517	\$ 8,791	\$ 9,288	\$ 497
607123	519000	PROFESSIONAL SERVICES	\$ -	\$ 200	\$ 500	\$ 300
607123	521200	UNIFORMS	\$ 2,036	\$ 3,300	\$ 3,900	\$ 600
607123	525100	GASOLINE & DIESEL	\$ 14,449	\$ 30,000	\$ 26,000	\$ (4,000)
607123	529900	SUPPLIES & MATERIALS	\$ 27,062	\$ 40,000	\$ 40,000	\$ -
607123	532100	TELEPHONE	\$ 6,794	\$ 8,997	\$ 8,500	\$ (497)
607123	533000	UTILITIES	\$ 242,078	\$ 245,900	\$ 234,900	\$ (11,000)
607123	535100	R & M - BUILDINGS	\$ 102	\$ 60,000	\$ 25,000	\$ (35,000)
607123	535200	R & M - EQUIPMENT	\$ 41,819	\$ 190,000	\$ 80,000	\$ (110,000)
607123	535300	R & M - AUTO/TRUCKS	\$ 12,292	\$ 12,000	\$ 8,000	\$ (4,000)
607123	539400	TRAVEL	\$ -	\$ 1,260	\$ 1,000	\$ (260)
607123	539500	TRAINING	\$ 708	\$ 3,040	\$ 2,000	\$ (1,040)
607123	543900	RENT - EQUIPMENT	\$ -	\$ 3,000	\$ 3,000	\$ -
607123	545600	LIAB/PROP INS & BONDS	\$ 6,695	\$ 7,282	\$ 7,186	\$ (96)
607123	549100	DUES & SUBSCRIPTIONS	\$ 470	\$ 200	\$ -	\$ (200)
607123	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 650	\$ 435	\$ (215)
607123	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
607123	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ -	\$ 350,000	\$ 350,000
607123	553000	NON-CAPITAL EQUIPMENT	\$ 12,240	\$ 1,300	\$ 4,500	\$ 3,200
607123	554000	CAP OUTLAY-MTR VEHS	\$ -	\$ -	\$ -	\$ -
607123	555000	CAP OUTLAY-OTR EQUIP	\$ 140,454	\$ 305,200	\$ -	\$ (305,200)
607123	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ 50,000	\$ -	\$ (50,000)
607123	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ -	\$ 225,000	\$ 225,000
607123	569000	CONTRACTED SERVICES	\$ 80,354	\$ 100,900	\$ 109,100	\$ 8,200
607123	595600	ISSUES FROM INVENTORY	\$ 152,865	\$ 94,800	\$ 100,000	\$ 5,200
607123	595800	CUSTOMER PARTICIPATE	\$ -	\$ -	\$ -	\$ -
607123	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 1,113,185	\$ 1,608,860	\$ 1,692,897	\$ 84,037

FY16-17 Budget Highlights

The Facilities Maintenance Department was approved one additional employees and this is reflected in the personnel account lines for FY16-17. Other major highlights include capital outlay accounts, which have increased and decreased in FY16-17. This reflects various capital projects that are further detailed in the *CIP* section of this document.



Water Treatment Plant Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
W/S-Water Treatment Plant						
607124	512100	SALARIES & WAGES-REG	\$ 432,777	\$ 439,102	\$ 456,071	\$ 16,969
607124	512200	SALARIES & WAGES-O/T	\$ 18,727	\$ 35,698	\$ 10,000	\$ (25,698)
607124	512250	HOLIDAY PAY	\$ -	\$ 18,578	\$ 16,626	\$ (1,952)
607124	512600	SALARIES & WAGES - TEMPORARY	\$ -	\$ -	\$ -	\$ -
607124	512900	SALARIES & WAGES - P/T	\$ -	\$ -	\$ 14,985	\$ 14,985
607124	513400	SALARIES & WAGES - SHIFT DIFF	\$ -	\$ 7,800	\$ 7,800	\$ -
607124	518100	FICA TAX EXPENSE	\$ 34,108	\$ 34,953	\$ 38,670	\$ 3,717
607124	518200	RETIREMENT EXPENSE	\$ 30,751	\$ 30,476	\$ 35,561	\$ 5,085
607124	518300	GROUP MED & LIFE INS	\$ 61,033	\$ 62,100	\$ 67,279	\$ 5,179
607124	518600	WORKER'S COMP INS	\$ 34,328	\$ 17,267	\$ 9,982	\$ (7,285)
607124	519000	PROFESSIONAL SERVICES	\$ -	\$ -	\$ 700	\$ 700
607124	519400	PROF SERVICES-ENGRING	\$ 53,884	\$ 1,100	\$ 1,500	\$ 400
607124	521100	JANITORIAL SUPPLIES	\$ 1,697	\$ 3,000	\$ 3,000	\$ -
607124	521200	UNIFORMS	\$ 5,790	\$ 6,000	\$ 7,000	\$ 1,000
607124	523000	MEDICAL SUPPLIES	\$ -	\$ 325	\$ 200	\$ (125)
607124	525100	GASOLINE & DIESEL	\$ 10,589	\$ 10,000	\$ 10,000	\$ -
607124	526000	OFFICE SUPPLIES	\$ 1,631	\$ 2,000	\$ 2,000	\$ -
607124	526100	LABORATORY SUPPLIES	\$ 30,077	\$ 28,000	\$ 30,000	\$ 2,000
607124	529000	CHEMICALS	\$ 438,063	\$ 440,000	\$ 450,000	\$ 10,000
607124	529900	SUPPLIES & MATERIALS	\$ 16,001	\$ 17,600	\$ 19,000	\$ 1,400
607124	532100	TELEPHONE	\$ 9,571	\$ 3,050	\$ 4,200	\$ 1,150
607124	532500	POSTAGE	\$ 62	\$ 200	\$ 300	\$ 100
607124	533000	UTILITIES	\$ 296,619	\$ 341,665	\$ 361,100	\$ 19,435
607124	535100	R & M - BUILDINGS	\$ 10,033	\$ 27,500	\$ 24,000	\$ (3,500)
607124	535200	R & M - EQUIPMENT	\$ 53,158	\$ 75,000	\$ 96,000	\$ 21,000
607124	535300	R & M - AUTO/TRUCKS	\$ 4,579	\$ 4,900	\$ 3,000	\$ (1,900)
607124	539400	TRAVEL	\$ 1,745	\$ 3,000	\$ 4,500	\$ 1,500
607124	539500	TRAINING	\$ 3,574	\$ 3,900	\$ 4,000	\$ 100
607124	545600	LIAB/PROP INS & BONDS	\$ 18,320	\$ 17,655	\$ 18,279	\$ 624
607124	549100	DUES & SUBSCRIPTIONS	\$ 860	\$ -	\$ -	\$ -
607124	549750	PERMITS, LICENSE AND FEES	\$ 12,009	\$ 11,430	\$ 10,260	\$ (1,170)
607124	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
607124	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ -	\$ 15,000	\$ 15,000
607124	553000	NON-CAPITAL EQUIPMENT	\$ 6,793	\$ 4,400	\$ 2,500	\$ (1,900)
607124	554000	CAP OUTLAY-MOTOR VEHS	\$ 34,236	\$ -	\$ -	\$ -
607124	555000	CAP OUTLAY-OTR EQUIP	\$ -	\$ 12,000	\$ -	\$ (12,000)
607124	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
607124	559900	CAP OUTLAY-OTR IMPMTS	\$ 7,090	\$ 308,000	\$ -	\$ (308,000)
607124	569000	CONTRACTED SERVICES	\$ 32,105	\$ 46,000	\$ 46,000	\$ -
607124	569100	SLUDGE MANAGEMENT	\$ 1,061	\$ 105,600	\$ 117,000	\$ 11,400
<i>Sub-Total</i>			\$ 1,661,271	\$ 2,118,299	\$ 1,886,513	\$ (231,786)

FY16-17 Budget Highlights

The largest highlight is the decrease in the “Cap Outlay-Otr Impmts” account which was for a Centrifuge replacement.



Shop Operations Center Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
W/S-Operations Support						
607125	512100	SALARIES & WAGES-REG	\$ 426,883	\$ 461,814	\$ 461,195	\$ (619)
607125	512200	SALARIES & WAGES-O/T	\$ 4,149	\$ 11,087	\$ 3,000	\$ (8,087)
607125	512250	HOLIDAY PAY	\$ -	\$ 250	\$ -	\$ (250)
607125	512900	SALARIES & WAGES - P/T	\$ -	\$ 2,800	\$ -	\$ (2,800)
607125	518100	FICA TAX EXPENSE	\$ 32,486	\$ 35,754	\$ 35,511	\$ (243)
607125	518200	RETIREMENT EXPENSE	\$ 30,255	\$ 30,987	\$ 33,655	\$ 2,668
607125	518300	GROUP MED & LIFE INS	\$ 59,125	\$ 62,099	\$ 67,279	\$ 5,180
607125	518600	WORKER'S COMP INS	\$ 2,746	\$ 10,936	\$ 7,964	\$ (2,972)
607125	518900	RETIREE INSURANCE	\$ 7,007	\$ 8,791	\$ 9,288	\$ 497
607125	519000	PROFESSIONAL SERVICES	\$ -	\$ 2,400	\$ 700	\$ (1,700)
607125	521200	UNIFORMS	\$ 2,107	\$ 3,400	\$ 3,800	\$ 400
607125	523000	MEDICAL SUPPLIES	\$ 113	\$ 180	\$ -	\$ (180)
607125	525100	GASOLINE & DIESEL	\$ 18,609	\$ 19,000	\$ 22,000	\$ 3,000
607125	525200	TIRES	\$ -	\$ 500	\$ 1,000	\$ 500
607125	526000	OFFICE SUPPLIES	\$ 5,775	\$ 4,500	\$ 6,000	\$ 1,500
607125	529900	SUPPLIES & MATERIALS	\$ 12,266	\$ 19,000	\$ 16,000	\$ (3,000)
607125	532100	TELEPHONE	\$ 27,675	\$ 16,893	\$ 11,000	\$ (5,893)
607125	533000	UTILITIES	\$ -	\$ 1,000	\$ -	\$ (1,000)
607125	535100	R & M - BUILDINGS	\$ 72	\$ 500	\$ 500	\$ -
607125	535200	R & M - EQUIPMENT	\$ 1,293	\$ 3,100	\$ 4,500	\$ 1,400
607125	535300	R & M - AUTO/TRUCKS	\$ 7,103	\$ 9,000	\$ 12,000	\$ 3,000
607125	539400	TRAVEL	\$ 3,660	\$ 2,800	\$ 3,500	\$ 700
607125	539500	TRAINING	\$ 2,919	\$ 3,200	\$ 3,000	\$ (200)
607125	545600	LIAB/PROP INS & BONDS	\$ 6,385	\$ 8,425	\$ 8,207	\$ (218)
607125	549100	DUES & SUBSCRIPTIONS	\$ 12,781	\$ 2,143	\$ 1,250	\$ (893)
607125	549750	PERMITS, LICENSE AND FEES	\$ 30	\$ 10,680	\$ 12,170	\$ 1,490
607125	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
607125	553000	NON-CAPITAL EQUIPMENT	\$ 7,158	\$ 10,400	\$ -	\$ (10,400)
607125	554000	CAP OUTLAY-MTR VEHS	\$ -	\$ 25,800	\$ -	\$ (25,800)
607125	555000	CAP OUTLAY-OTR EQUIP	\$ 11,337	\$ -	\$ -	\$ -
607125	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
607125	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -
607125	569000	CONTRACTED SERVICES	\$ 112,383	\$ 122,600	\$ -	\$ (122,600)
607125	598010	DEPARTMENTAL CHGS-G/F	\$ -	\$ -	\$ -	\$ -
607125	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 794,318	\$ 890,039	\$ 723,519	\$ (166,520)

FY16-17 Budget Highlights

Various contract and license fees that were budgeted in this division under the “Contracted Services” account have been moved to the IT Department. There are no other major changes to be addressed.



Water Distribution Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
W/S-Water Distribution						
607126	512100	SALARIES & WAGES-REG	\$ 477,378	\$ 512,286	\$ 482,678	\$ (29,608)
607126	512200	SALARIES & WAGES-O/T	\$ 37,391	\$ 58,503	\$ 27,223	\$ (31,280)
607126	512250	HOLIDAY PAY	\$ -	\$ 750	\$ 3,713	\$ 2,963
607126	512300	SALARIES & WAGES - STANDBY PAY	\$ -	\$ 6,646	\$ 6,646	\$ -
607126	517200	CELLPHONE STIPEND	\$ -	\$ -	\$ 1,500	\$ 1,500
607126	518100	FICA TAX EXPENSE	\$ 38,078	\$ 42,606	\$ 39,915	\$ (2,691)
607126	518200	RETIREMENT EXPENSE	\$ 35,935	\$ 37,147	\$ 37,828	\$ 681
607126	518300	GROUP MED & LIFE INS	\$ 79,166	\$ 84,682	\$ 85,628	\$ 946
607126	518600	WORKER'S COMP INS	\$ 2,644	\$ 14,353	\$ 8,522	\$ (5,831)
607126	519000	PROFESSIONAL SERVICES	\$ 91,253	\$ 6,500	\$ 62,500	\$ 56,000
607126	519400	PROF SERVICES-ENGRING	\$ -	\$ 140,000	\$ 2,500	\$ (137,500)
607126	521200	UNIFORMS	\$ 5,429	\$ 9,000	\$ 8,800	\$ (200)
607126	525100	GASOLINE & DIESEL	\$ 39,437	\$ 43,000	\$ 35,000	\$ (8,000)
607126	529900	SUPPLIES & MATERIALS	\$ 62,321	\$ 97,928	\$ 100,000	\$ 2,072
607126	532100	TELEPHONE	\$ 2,595	\$ 4,888	\$ 6,000	\$ 1,112
607126	535200	R & M - EQUIPMENT	\$ 56,634	\$ 22,000	\$ 15,000	\$ (7,000)
607126	535250	R&M-LINES	\$ -	\$ 509,058	\$ -	\$ (509,058)
607126	535300	R & M - AUTO/TRUCKS	\$ 23,019	\$ 39,000	\$ 20,000	\$ (19,000)
607126	539400	TRAVEL	\$ 57	\$ 1,000	\$ 1,000	\$ -
607126	539500	TRAINING	\$ 4,185	\$ 3,500	\$ 4,000	\$ 500
607126	545600	LIAB/PROP INS & BONDS	\$ 31,768	\$ 29,703	\$ 29,317	\$ (386)
607126	549100	DUES & SUBSCRIPTIONS	\$ 2,774	\$ 5,500	\$ 5,700	\$ 200
607126	549750	PERMITS, LICENSE AND FEES	\$ 26	\$ 880	\$ 310	\$ (570)
607126	549950	DAMAGES TO OTHER UTILITIES	\$ -	\$ 15,000	\$ 10,000	\$ (5,000)
607126	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
607126	552000	CAPITAL OUTLAY - EQUIPMENT	\$ 24,000	\$ 27,000	\$ 156,000	\$ 129,000
607126	553000	NON-CAPITAL EQUIPMENT	\$ 3,587	\$ 100,720	\$ -	\$ (100,720)
607126	554000	CAP OUTLAY-MTR VEHS	\$ -	\$ 29,597	\$ -	\$ (29,597)
607126	555000	CAP OUTLAY-OTR EQUIP	\$ 444,329	\$ 10,000	\$ -	\$ (10,000)
607126	556000	CAP OUTLAY-MTRZED EQ	\$ -	\$ 68,000	\$ -	\$ (68,000)
607126	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ 5,800	\$ -	\$ -	\$ -
607126	559600	CAP OUTLAY-LINE UPGRD	\$ 250,870	\$ -	\$ -	\$ -
607126	559700	CAP OUTLAY-WATER LINES	\$ 23,663	\$ -	\$ 1,292,396	\$ 1,292,396
607126	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ 262,396	\$ -	\$ (262,396)
607126	569000	CONTRACTED SERVICES	\$ 425,409	\$ 36,100	\$ 29,000	\$ (7,100)
607126	595600	ISSUES FROM INVENTORY	\$ 254,496	\$ 204,600	\$ 300,000	\$ 95,400
607126	595800	CUSTOMER PORTION	\$ -	\$ -	\$ -	\$ -
607126	598500	PAVING CUT REPAIRS	\$ 50,549	\$ 125,000	\$ 80,000	\$ (45,000)
607126	598600	REIMBURSE WATER DEPT	\$ -	\$ -	\$ -	\$ -
607126	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 2,472,793	\$ 2,547,343	\$ 2,851,176	\$ 303,833

FY16-17 Budget Highlights

Major highlights for this Division include the reallocation of \$509,058 from the “R&M-Lines” account to a new Division, Water/Sewer Maintenance and Construction. Additionally, \$1,292,396 is budgeted for a reimbursement to be paid to the NCDOT for work performed on Highway 64.



Water/Sewer Maintenance & Construction Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
W/S-Maintenance & Construction						
607127	512100	SALARIES & WAGES-REG	\$ -	\$ -	\$ 143,419	\$ 143,419
607127	512200	SALARIES & WAGES-O/T	\$ -	\$ -	\$ 9,334	\$ 9,334
607127	512250	HOLIDAY PAY	\$ -	\$ -	\$ 1,104	\$ 1,104
607127	512300	SALARIES & WAGES - STANDBY PAY	\$ -	\$ -	\$ 6,646	\$ 6,646
607127	517200	CELLPHONE STIPEND	\$ -	\$ -	\$ 300	\$ 300
607127	518100	FICA TAX EXPENSE	\$ -	\$ -	\$ 12,183	\$ 12,183
607127	518200	RETIREMENT EXPENSE	\$ -	\$ -	\$ 11,545	\$ 11,545
607127	518300	GROUP MED & LIFE INS	\$ -	\$ -	\$ 24,466	\$ 24,466
607127	518600	WORKER'S COMP INS	\$ -	\$ -	\$ 8,522	\$ 8,522
607127	519000	PROFESSIONAL SERVICES	\$ -	\$ -	\$ 2,000	\$ 2,000
607127	519400	PROF SERVICES-ENGRING	\$ -	\$ -	\$ 30,000	\$ 30,000
607127	521200	UNIFORMS	\$ -	\$ -	\$ 2,400	\$ 2,400
607127	525100	GASOLINE & DIESEL	\$ -	\$ -	\$ 15,000	\$ 15,000
607127	529900	SUPPLIES & MATERIALS	\$ -	\$ -	\$ 100,000	\$ 100,000
607127	532100	TELEPHONE	\$ -	\$ -	\$ 816	\$ 816
607127	535200	R & M - EQUIPMENT	\$ -	\$ -	\$ 10,000	\$ 10,000
607127	535250	R&M-LINES	\$ -	\$ -	\$ 612,394	\$ 612,394
607127	535300	R & M - AUTO/TRUCKS	\$ -	\$ -	\$ 8,000	\$ 8,000
607127	539400	TRAVEL	\$ -	\$ -	\$ 500	\$ 500
607127	539500	TRAINING	\$ -	\$ -	\$ 1,500	\$ 1,500
607127	545600	LIAB/PROP INS & BONDS	\$ -	\$ -	\$ -	\$ -
607127	549100	DUES & SUBSCRIPTIONS	\$ -	\$ -	\$ -	\$ -
607127	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ 80	\$ 80
607127	549950	DAMAGES TO OTHER UTILITIES	\$ -	\$ -	\$ 5,000	\$ 5,000
607127	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
607127	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ -	\$ -	\$ -
607127	554000	CAP OUTLAY-MTR VEHS	\$ -	\$ -	\$ -	\$ -
607127	555000	CAP OUTLAY-OTR EQUIP	\$ -	\$ -	\$ -	\$ -
607127	556000	CAP OUTLAY-MTRZED EQ	\$ -	\$ -	\$ -	\$ -
607127	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
607127	559600	CAP OUTLAY-LINE UPGRD	\$ -	\$ -	\$ -	\$ -
607127	559700	CAP OUTLAY-LINES	\$ -	\$ -	\$ -	\$ -
607127	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ -	\$ -	\$ -
607127	569000	CONTRACTED SERVICES	\$ -	\$ -	\$ -	\$ -
607127	595600	ISSUES FROM INVENTORY	\$ -	\$ -	\$ -	\$ -
607127	595800	CUSTOMER PORTION	\$ -	\$ -	\$ -	\$ -
607127	598500	PAVING CUT REPAIRS	\$ -	\$ -	\$ 60,000	\$ 60,000
607127	598600	REIMBURSE WATER DEPT	\$ -	\$ -	\$ -	\$ -
607127	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ -	\$ -	\$ 1,065,209	\$ 1,065,209

FY16-17 Budget Highlights

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



Wastewater Treatment Plant Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
W/S-Wastewater Treatment Plant						
607134	512100	SALARIES & WAGES-REG	\$ 443,874	\$ 465,034	\$ 435,873	\$ (29,161)
607134	512200	SALARIES & WAGES-O/T	\$ 1,028	\$ 4,480	\$ 1,500	\$ (2,980)
607134	512250	HOLIDAY PAY	\$ -	\$ 3,086	\$ 3,258	\$ 172
607134	513400	SALARIES & WAGES - SHIFT DIFF	\$ -	\$ 3,120	\$ 3,120	\$ -
607134	518100	FICA TAX EXPENSE	\$ 33,438	\$ 35,929	\$ 33,947	\$ (1,982)
607134	518200	RETIREMENT EXPENSE	\$ 31,505	\$ 31,326	\$ 32,172	\$ 846
607134	518300	GROUP MED & LIFE INS	\$ 57,860	\$ 56,454	\$ 61,163	\$ 4,709
607134	518600	WORKER'S COMP INS	\$ 24,242	\$ 12,703	\$ 8,838	\$ (3,865)
607134	518900	RETIREE INSURANCE	\$ 6,877	\$ 8,791	\$ 9,288	\$ 497
607134	519000	PROFESSIONAL SERVICES	\$ 5,934	\$ 1,700	\$ 2,500	\$ 800
607134	521100	JANITORIAL SUPPLIES	\$ -	\$ 3,000	\$ 3,000	\$ -
607134	521200	UNIFORMS	\$ 4,537	\$ 5,250	\$ 6,000	\$ 750
607134	523000	MEDICAL SUPPLIES	\$ -	\$ 300	\$ 300	\$ -
607134	525100	GASOLINE & DIESEL	\$ 5,851	\$ 6,500	\$ 6,500	\$ -
607134	526000	OFFICE SUPPLIES	\$ 1,615	\$ 2,000	\$ 2,500	\$ 500
607134	526100	LABORATORY SUPPLIES	\$ 12,231	\$ 18,000	\$ 18,000	\$ -
607134	529000	CHEMICALS	\$ 22,770	\$ 20,000	\$ 20,000	\$ -
607134	529900	SUPPLIES & MATERIALS	\$ 3,545	\$ 8,000	\$ 8,000	\$ -
607134	532100	TELEPHONE	\$ 3,338	\$ -	\$ 5,400	\$ 5,400
607134	532500	POSTAGE	\$ 1,192	\$ 1,500	\$ 1,500	\$ -
607134	533000	UTILITIES	\$ 267,040	\$ 358,600	\$ 318,000	\$ (40,600)
607134	535100	R & M - BUILDINGS	\$ 7,907	\$ 6,000	\$ 10,000	\$ 4,000
607134	535200	R & M - EQUIPMENT	\$ 107,520	\$ 114,500	\$ 115,000	\$ 500
607134	535300	R & M - AUTO/TRUCKS	\$ 2,170	\$ 3,500	\$ 3,500	\$ -
607134	537000	ADVERTISING	\$ -	\$ 500	\$ 500	\$ -
607134	539400	TRAVEL	\$ 1,838	\$ 1,200	\$ 1,200	\$ -
607134	539500	TRAINING	\$ 1,618	\$ 3,000	\$ 3,000	\$ -
607134	545600	LIAB/PROP INS & BONDS	\$ 13,777	\$ 13,312	\$ 13,919	\$ 607
607134	549100	DUES & SUBSCRIPTIONS	\$ 7,910	\$ 350	\$ -	\$ (350)
607134	549700	PRETREATMENT PROGRAM	\$ -	\$ 3,800	\$ 7,000	\$ 3,200
607134	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 8,000	\$ 8,200	\$ 200
607134	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
607134	554000	CAP OUTLAY-MTR VEHS	\$ -	\$ -	\$ -	\$ -
607134	555000	CAP OUTLAY-OTR EQUIP	\$ 11,445	\$ -	\$ -	\$ -
607134	556000	CAP OUTLAY-MTRZED EQ	\$ -	\$ -	\$ -	\$ -
607134	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
607134	569000	CONTRACTED SERVICES	\$ 16,377	\$ 27,600	\$ 23,000	\$ (4,600)
607134	569100	SLUDGE MANAGEMENT	\$ 280,812	\$ 221,350	\$ 267,000	\$ 45,650
<i>Sub-Total</i>			\$ 1,378,251	\$ 1,448,885	\$ 1,433,178	\$ (15,707)

FY16-17 Budget Highlights

There are no major changes or highlights to report for this Division. Regular salaries decreased due to the retirement of a long-time employee (35+ years).



Sewer Collection Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
W/S-Sewer Collection						
607136	512100	SALARIES & WAGES-REG	\$ 353,658	\$ 392,233	\$ 398,229	\$ 5,996
607136	512200	SALARIES & WAGES-O/T	\$ 19,494	\$ 32,826	\$ 20,000	\$ (12,826)
607136	512250	HOLIDAY PAY	\$ -	\$ 1,000	\$ 3,064	\$ 2,064
607136	512300	SALARIES & WAGES - STANDBY PAY	\$ -	\$ 4,622	\$ 6,552	\$ 1,930
607136	517200	CELLPHONE STIPEND	\$ -	\$ -	\$ 1,200	\$ 1,200
607136	518100	FICA TAX EXPENSE	\$ 27,801	\$ 32,119	\$ 32,822	\$ 703
607136	518200	RETIREMENT EXPENSE	\$ 26,291	\$ 28,004	\$ 31,106	\$ 3,102
607136	518300	GROUP MED & LIFE INS	\$ 59,024	\$ 62,100	\$ 67,279	\$ 5,179
607136	518600	WORKER'S COMP INS	\$ 1,573	\$ 9,478	\$ 8,605	\$ (873)
607136	519000	PROFESSIONAL SERVICES	\$ -	\$ 32,100	\$ 42,500	\$ 10,400
607136	519400	PROF SERVICES-ENGRING	\$ -	\$ 20,600	\$ 27,500	\$ 6,900
607136	521200	UNIFORMS	\$ 4,499	\$ 5,400	\$ 7,000	\$ 1,600
607136	525100	GASOLINE & DIESEL	\$ 24,713	\$ 32,000	\$ 32,000	\$ -
607136	529900	SUPPLIES & MATERIALS	\$ 59,528	\$ 76,000	\$ 90,000	\$ 14,000
607136	532100	TELEPHONE	\$ 3,402	\$ 8,100	\$ 5,200	\$ (2,900)
607136	535200	R & M - EQUIPMENT	\$ 38,845	\$ 115,500	\$ 20,000	\$ (95,500)
607136	535250	R&M-LINES	\$ -	\$ 345,192	\$ -	\$ (345,192)
607136	535300	R & M - AUTO/TRUCKS	\$ 41,340	\$ 30,000	\$ 30,000	\$ -
607136	539400	TRAVEL	\$ 38	\$ 1,000	\$ 1,000	\$ -
607136	539500	TRAINING	\$ 2,802	\$ 3,000	\$ 4,500	\$ 1,500
607136	543900	RENT - EQUIPMENT	\$ -	\$ 1,000	\$ 1,000	\$ -
607136	545600	LIAB/PROP INS & BONDS	\$ 12,813	\$ 14,065	\$ 13,453	\$ (612)
607136	549100	DUES & SUBSCRIPTIONS	\$ 1,827	\$ 1,200	\$ 1,300	\$ 100
607136	549750	PERMITS, LICENSE AND FEES	\$ 26	\$ 1,910	\$ 1,890	\$ (20)
607136	549950	DAMAGES TO OTHER UTILITIES	\$ -	\$ 15,000	\$ 10,000	\$ (5,000)
607136	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
607136	552000	CAPITAL OUTLAY - EQUIPMENT	\$ 29,499	\$ 5,200	\$ -	\$ (5,200)
607136	553000	NON-CAPITAL EQUIPMENT	\$ 16,636	\$ 21,320	\$ -	\$ -
607136	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ 46,211	\$ 15,000	\$ (31,211)
607136	555000	CAP OUTLAY-OTR EQUIP	\$ 92,029	\$ -	\$ -	\$ -
607136	556000	CAP OUTLAY-MTRZED EQ	\$ 68,665	\$ -	\$ -	\$ -
607136	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ 15,000	\$ -	\$ (15,000)
607136	559600	CAP OUTLAY-I/I UPGRD	\$ 11,272	\$ -	\$ -	\$ -
607136	559700	CAP OUTLAY-LINE UPGRD	\$ 66	\$ -	\$ -	\$ -
607136	559900	CAP OUTLAY-OTR IMPMTS	\$ 6,581	\$ 354,730	\$ 431,600	\$ 76,870
607136	569000	CONTRACTED SERVICES	\$ 40,458	\$ 34,100	\$ 30,000	\$ (4,100)
607136	595600	ISSUES FROM INVENTORY	\$ 15,845	\$ 30,000	\$ 30,000	\$ -
607136	598500	PAVING CUT REPAIRS	\$ 27,519	\$ 55,000	\$ 55,000	\$ -
607136	598600	REIMBURSE SEWER DEPT	\$ -	\$ -	\$ -	\$ -
607136	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 986,244	\$ 1,826,010	\$ 1,417,800	\$ (408,210)

FY16-17 Budget Highlights

Much like the Water Distribution Division, the Sewer Collection Division has appropriated its “R&M-Lines” account to the newly formed Water/Sewer Maintenance and Construction Division. There are various capital outlay changes that are detailed in the *CIP* section of this document.



Non-Departmental Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
W/S-Non-Departmental						
609619	500024	DRUG TESTING	\$ 533	\$ 1,200	\$ 1,200	\$ -
609619	500028	EMPLOYEE ASSISTANCE PROGRAM	\$ 2,964	\$ 3,000	\$ 3,000	\$ -
609619	500030	TUITION REIMBURSEMENT PROGRAM	\$ 452	\$ 2,000	\$ 2,000	\$ -
609619	518500	STATE UNEMPLOYMNT INS	\$ 19	\$ 11,000	\$ 11,000	\$ -
609619	518800	EMPLOYEE DEATH BENEFIT	\$ -	\$ 10,000	\$ 10,000	\$ -
609619	518900	RETIREE INSURANCE	\$ -	\$ -	\$ -	\$ -
609619	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
609619	560200	OPER TRANS TO CR FUND	\$ -	\$ -	\$ -	\$ -
609619	598030	GOVERNING BODY	\$ -	\$ -	\$ -	\$ -
609619	598031	ADMIN - CITY HALL	\$ 1,886	\$ -	\$ -	\$ -
609619	598032	CITY ENGINEER	\$ -	\$ -	\$ -	\$ -
609619	598033	IT DEPARTMENT	\$ -	\$ -	\$ -	\$ -
609619	598034	LEGAL DEPARTMENT	\$ -	\$ -	\$ -	\$ -
609619	598880	CONTR TO H&W FUND	\$ -	\$ 113,000	\$ 120,726	\$ 7,726
<i>Sub-Total</i>			\$ 5,854	\$ 140,200	\$ 147,926	\$ 7,726

FY16-17 Budget Highlights

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



Special Appropriations Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
W/S-Special Appropriations						
609620	560200	OTHER AGENCIES	\$ 76,130	\$ 76,130	\$ 73,500	\$ (2,630)
609620	561600	P'ship for Econ. Development	\$ -	\$ 50,000	\$ 50,000	\$ -
<i>Sub-Total</i>			\$ 76,130	\$ 126,130	\$ 123,500	\$ (2,630)

FY16-17 Budget Highlights

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



Debt Service Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
W/S-Debt Service						
609621	571100	PRIN - SRLF SWR LINES	\$ 100,880	\$ 100,880	\$ 100,880	\$ -
609621	571200	PRIN - SRLF WWTP PROJ	\$ 662,500	\$ 662,500	\$ 662,500	\$ -
609621	571300	PRIN - BRIGHTWTR PROJ	\$ 28,590	\$ 28,589	\$ 28,589	\$ (1)
609621	571400	PRIN - JP MORGAN AMR SYSTEM	\$ 776,230	\$ 776,230	\$ 776,230	\$ -
609621	571500	PRIN - BB&T WTP UPGRADE	\$ 1,073,692	\$ 1,115,974	\$ 1,159,921	\$ 86,229
609621	571600	PRIN - SRLF JACKSON PARK	\$ -	\$ 217,030	\$ 217,030	\$ 217,030
609621	571700	PRIN - SRLF WOLFPEN SEWER	\$ -	\$ 143,380	\$ 139,249	\$ 139,249
609621	571800	PRIN - SRLF SHEPHERD CREEK	\$ -	\$ 90,750	\$ 90,750	\$ 90,750
609621	572100	INT - SRLF SWR LINES	\$ 13,850	\$ 6,920	\$ 3,460	\$ (10,390)
609621	572200	INT - SRLF WWTP PROJ	\$ 173,090	\$ 134,951	\$ 115,673	\$ (57,417)
609621	572300	INT - SRLF BRIGHTWTR PROJ	\$ 12,770	\$ 11,344	\$ 10,635	\$ (2,135)
609621	572400	INT- JPMORGAN AMR SYSTEM	\$ 247,127	\$ 228,821	\$ 210,515	\$ (36,612)
609621	572500	INT-BB&T WTP UPGRADE	\$ 143,558	\$ 101,266	\$ 57,319	\$ (86,239)
609621	572600	INT-SRLF JACKSON PARK	\$ -	\$ 66,833	\$ 82,471	\$ 82,471
609621	572700	INT-SRLF WOLFPEN SEWER	\$ -	\$ 43,839	\$ 52,915	\$ 52,915
609621	572800	INT-SRLF SHEPHERD CREEK	\$ -	\$ 31,725	\$ 34,485	\$ 34,485
609621	575200	BANK SERVICE CHARGES	\$ 21,537	\$ -	\$ -	\$ (21,537)
<i>Sub-Total</i>			\$ 3,253,824	\$ 3,761,032	\$ 3,742,622	\$ (18,410)

FY16-17 Budget Highlights

The “Bank Service Charges” account has been moved to the W/S Finance Department.



Transfers Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
W/S-Transfers						
609900	999080	TRANSFER OUT TO H&W FUND	\$ -	\$ -	\$ -	\$ -
609900	999378	TRANSFER TO ACADEMY RD	\$ (36,338)	\$ -	\$ -	\$ -
609900	999401	TRANSFER TO FLETCHER	\$ -	\$ 468,180	\$ -	\$ (468,180)
609900	999402	TRANSFER TO EASTSIDE	\$ -	\$ 400,000	\$ -	\$ (400,000)
609900	999403	TRANSFER TO HIGH SERVICE	\$ -	\$ 2,164,000	\$ -	\$ (2,164,000)
609900	999410	TRANSFER TO SCADA	\$ -	\$ 793,000	\$ 793,000	\$ -
609900	999415	TRANSFER TO RUGBY RD.	\$ -	\$ -	\$ -	\$ -
609900	999420	TRANSFER TO RUTLEDGE	\$ -	\$ 30,200	\$ 445,800	\$ 415,600
609900	999425	TRANSFER TO GRAVITY FILTER	\$ -	\$ 125,000	\$ -	\$ (125,000)
609900	999430	TRANSFER TO ETOWAH	\$ 3,819,200	\$ -	\$ -	\$ -
609900	999435	TRANSFER TO N. OAK ST.	\$ -	\$ 138,947	\$ -	\$ (138,947)
609900	999440	TRANSFER TO GLENBROOK SEWER	\$ -	\$ 400,000	\$ -	\$ (400,000)
609900	999445	TRANSFER TO WWTP GENERATOR/ATS	\$ -	\$ -	\$ 100,000	\$ 100,000
609900	999473	TRANSFER TO WOLFPEN	\$ 1,475,152	\$ 172,391	\$ -	\$ (172,391)
609900	999474	TRANSFER TO JACKSON PARK	\$ 2,907,203	\$ 124,058	\$ -	\$ (124,058)
609900	999475	TRANSFER TO SHEPHERD/ATKINSON	\$ 1,323,550	\$ 204,471	\$ -	\$ (204,471)
<i>Sub-Total</i>			\$ 9,488,767	\$ 5,020,247	\$ 1,338,800	\$ (3,681,447)

FY16-17 Budget Highlights

The Transfers budget details the total cost of all the transfers to capital project ordinances for FY16-17.



Contingencies Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
W/S-Contingencies						
609910	599100	CONTINGENCIES	\$ -	\$ 2,714	\$ 147,311	\$ 144,597
<i>Sub-Total</i>			\$ -	\$ 2,714	\$ 147,311	\$ 144,597

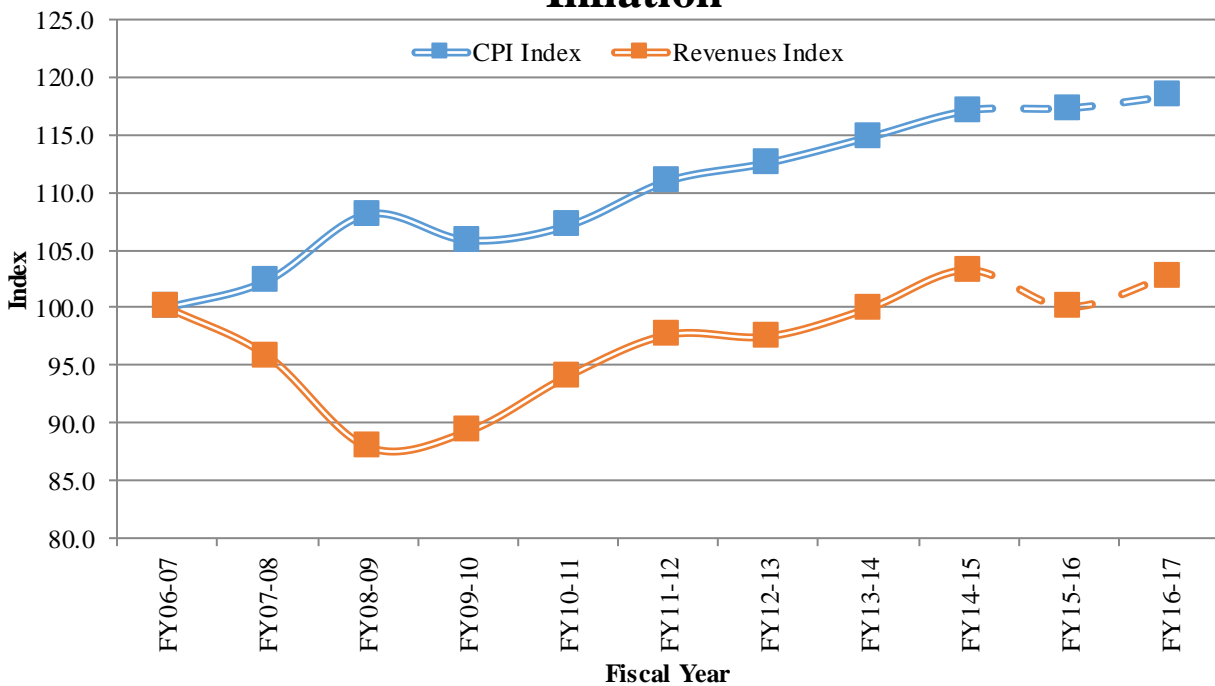
FY16-17 Budget Highlights

Contingencies for the Water and Sewer Fund total \$147,311 for FY16-17.

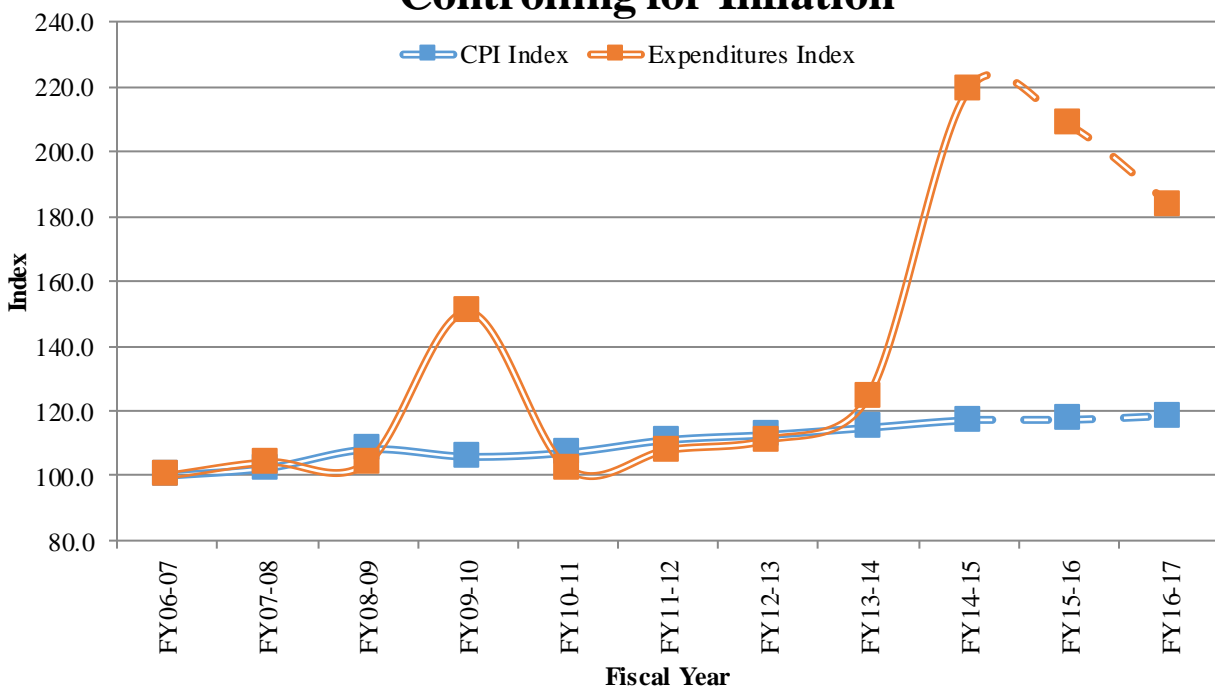


Revenue and Expenditure Trends

Water & Sewer Fund Revenues Controlling for Inflation



Water & Sewer Fund Expenditures Controlling for Inflation



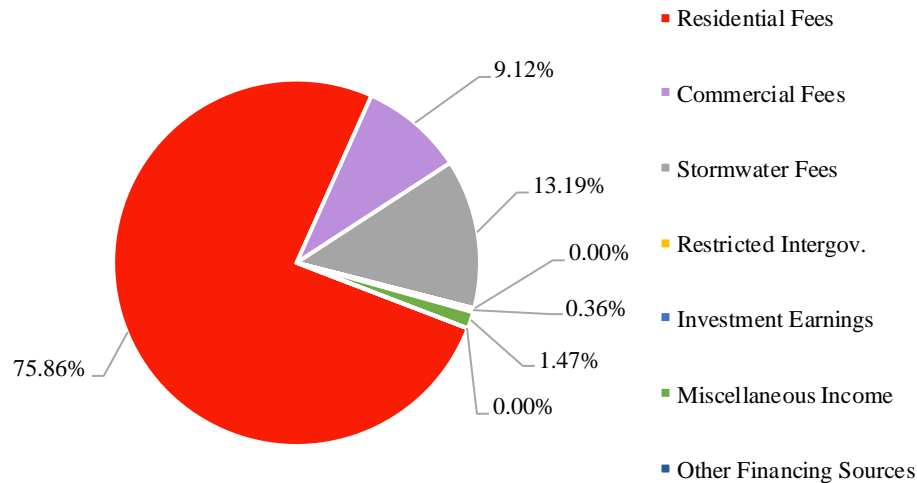
Revenues

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

Revenues by Source

REVENUE SOURCE	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Residential Fees	\$ (949,806)	\$ (965,552)	\$ (1,055,003)	\$ (89,451)
Commercial Fees	\$ (115,456)	\$ (113,596)	\$ (126,766)	\$ (13,170)
Stormwater Fees	\$ (82,853)	\$ (164,250)	\$ (183,391)	\$ (19,141)
Restricted Intergov.	\$ -	\$ (8,000)	\$ -	\$ 8,000
Investment Earnings	\$ (4,654)	\$ (5,000)	\$ (5,000)	
Miscellaneous Income	\$ (8,463)	\$ (6,000)	\$ (20,500)	
Other Financing Sources	\$ (15,535)	\$ (239,065)	\$ -	\$ 239,065
Total	\$ (1,176,767)	\$ (1,501,463)	\$ (1,390,660)	\$ 110,803

Environmental Services Fund Revenues by Source FY16-17



Revenues by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
ESF Fees						
680014	451500	WASTE DISPSL FEES-RESIDENTAL	\$ (921,112)	\$ (957,552)	\$ (1,047,003)	\$ (89,451)
680014	451600	WASTE DISPSL FEES-COMMERCIAL	\$ (115,456)	\$ (113,596)	\$ (126,766)	\$ (13,170)
680014	451700	SOLID WASTE DISPOSAL TAX -DOR	\$ (28,694)	\$ (8,000)	\$ (8,000)	\$ -
680014	451800	STORMWATER FEE	\$ (82,853)	\$ (164,250)	\$ (183,391)	\$ (19,141)
		<i>Sub-Total</i>	\$ (1,148,115)	\$ (1,243,398)	\$ (1,365,160)	\$ (121,762)
Restricted Intergovernmental						
680040	434990	GRANT REVENUE	\$ -	\$ (8,000)	\$ -	\$ 8,000
		<i>Sub-Total</i>	\$ -	\$ (8,000)	\$ -	\$ 8,000
Investment Earnings						
680070	483100	INTEREST INCOME	\$ (4,654)	\$ (5,000)	\$ (5,000)	\$ -
		<i>Sub-Total</i>	\$ (4,654)	\$ (5,000)	\$ (5,000)	\$ -
Miscellaneous Income						
680080	443668	SALE OF FIXED ASSETS - SW FUND	\$ -	\$ -	\$ -	\$ -
680080	443800	DISCOUNTS EARNED	\$ -	\$ (1,000)	\$ (500)	\$ 500
680080	443900	MISCELLANEOUS INCOME	\$ (8,463)	\$ (5,000)	\$ (5,000)	\$ -
680080	498207	DONATIONS/CONTRIBUTIONS	\$ -	\$ -	\$ (15,000)	\$ (15,000)
		<i>Sub-Total</i>	\$ (8,463)	\$ (6,000)	\$ (20,500)	\$ (14,500)
Other Financing Sources						
680090	498210	OPER TRANS FR GEN FD	\$ -	\$ -	\$ -	\$ -
680090	499100	PROCEEDS OF DEBT	\$ -	\$ (223,000)	\$ -	\$ 223,000
680090	499200	FUND BALANCE APPROP	\$ -	\$ (16,065)	\$ -	\$ 16,065
680090	499999	PRIOR PERIOD ADJUSTMENT	\$ (15,535)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (15,535)	\$ (239,065)	\$ -	\$ 239,065
GRAND TOTAL			\$ (1,176,767)	\$ (1,501,463)	\$ (1,390,660)	\$ 110,803



Expenditures

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

FY15-16 Accomplishments

- ✓ Assisted with community shredding events for the public.
- ✓ Received a grant to create a recycling booklet, purchase door hangers, garbage and recycling violation stickers, and an art contest that will finish with a wrap on two of our garbage trucks.
- ✓ Purchased a new truck.
- ✓ Continue to focus on and improve customer service in every way possible.
- ✓ Purchased Samsung Tablets for our six trucks to map out our current routes, collect and share brush pile, appliance, leaf pile, excessive trash piles...data with other trucks and office staff via city works. This project is not working as expected and we are working to make improvements. If the improvement don't change rather quickly we will make the decision to use a different software package.
- ✓ Offer additional recycling options by offering a commercial customer - recycling collection option for \$10 per month (up to four 65 gallon carts) and for extremely heavy commercial recyclers, we offer twice per week collection for \$20 per month (up to four carts).

FY16-17 Goals & Initiatives

- ✓ Finalize and distribute a recycling information booklet for our customers.
- ✓ Improve our tablet utilization software (freance AVL).
- ✓ Continue to promote our recycling program.
- ✓ Work with our customers on proper recycling and bagging of all garbage.
- ✓ We plan to offer special collection events for all City Residents.
- ✓ Continue to help with the community shredding events.
- ✓ Continue to focus on employee safety and injury prevention.

Long Term Goals and Objectives

- ✓ Continue to improve our efficiency for all routes (garbage, recycling, brush, and special collections).

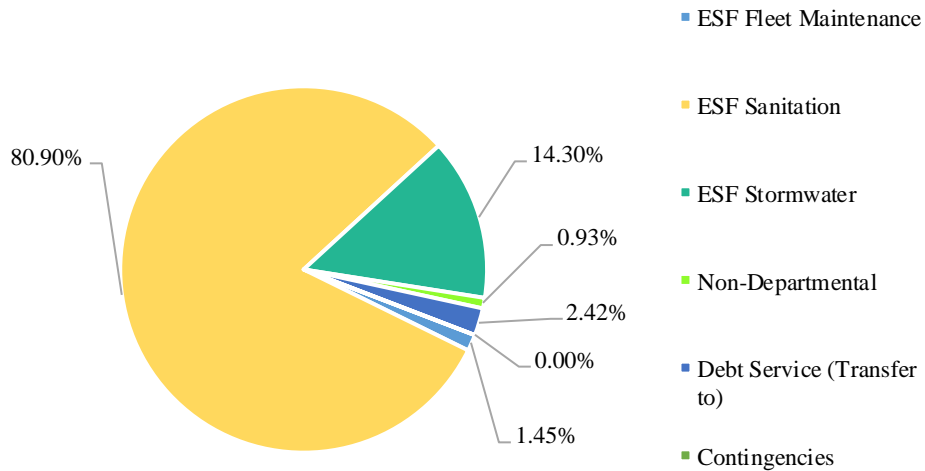


- ✓ Continue to search for revenue generating opportunities with recyclables (mulch, leaves, and scrap metals).
- ✓ Continue to replace equipment on a regular schedule.

Expenditures by Function

EXPENDITURE FUNCTION	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
ESF Fleet Maintenance	\$ 381	\$ 19,428	\$ 20,184	\$ 756
ESF Sanitation	\$ 1,042,685	\$ 1,382,837	\$ 1,125,001	\$ (257,836)
ESF Stormwater	\$ 50,880	\$ 56,567	\$ 198,902	\$ 142,335
Non-Departmental	\$ 65	\$ 8,615	\$ 12,945	\$ 4,330
Debt Service (Transfer to)	\$ 2,739	\$ 34,016	\$ 33,628	\$ (388)
Contingencies	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,096,750	\$ 1,501,463	\$ 1,390,660	\$ (110,803)

Environmental Services Fund Expenditures by Function FY16-17



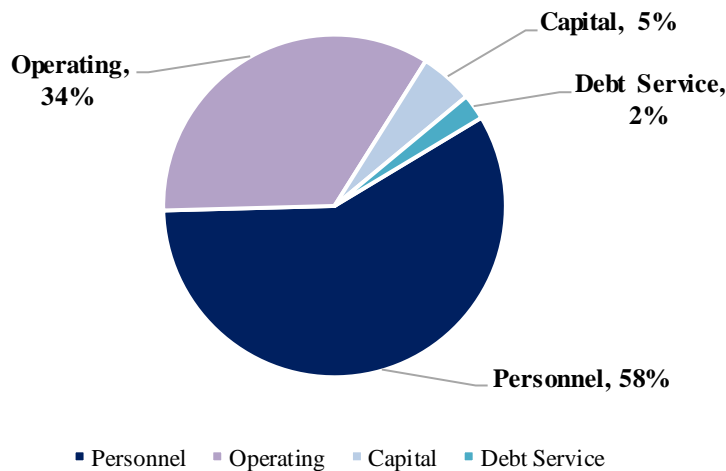
Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Environmental Services Fund				
Personnel	\$ 624,452	\$ 736,183	\$ 809,231	\$ 73,048
Operating	\$ 472,298	\$ 455,249	\$ 477,801	\$ 22,552
Capital	\$ -	\$ 276,015	\$ 70,000	\$ (206,015)
Debt Service	\$ -	\$ 34,016	\$ 33,628	\$ (388)
<i>Sub-Total</i>	\$ 1,096,750	\$ 1,501,463	\$ 1,390,660	\$ (110,803)

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
Environmental Services Fund				
Full-Time	14.00	14.00	14.00	0.00
Part-Time	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	14.00	14.00	14.00	0.00

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

Expenditures by Type



Environmental Services Fleet Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
ESF-Fleet Maintenance						
684250	512100	SALARIES & WAGES - REGULAR	\$ 381	\$ 14,567	\$ 15,050	\$ 483
684250	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ 180	\$ 180	\$ -
684250	512250	HOLIDAY PAY	\$ -	\$ 113	\$ 116	\$ 3
684250	518100	FICA TAX EXPENSE	\$ -	\$ 1,129	\$ 1,174	\$ 45
684250	518200	RETIREMENT EXPENSE	\$ -	\$ 984	\$ 1,113	\$ 129
684250	518300	GROUP MED & LIFE INS	\$ -	\$ 2,033	\$ 2,202	\$ 169
684250	518600	WORKER'S COMP INS	\$ -	\$ 422	\$ 349	\$ (73)
684250	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 381	\$ 19,428	\$ 20,184	\$ 756

FY16-17 Budget Highlights

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



Environmental Services Administration Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
ESF-Sanitation						
684710	512100	SALARIES & WAGES-REG	\$ 444,325	\$ 437,228	\$ 452,494	\$ 15,266
684710	512200	SALARIES & WAGES-O/T	\$ 11,982	\$ 20,956	\$ 12,000	\$ (8,956)
684710	512250	HOLIDAY PAY	\$ -	\$ 16,817	\$ 17,404	\$ 587
684710	512900	SALARIES & WAGES-P/T	\$ -	\$ 4,200	\$ -	\$ (4,200)
684710	518100	FICA TAX EXPENSE	\$ 34,015	\$ 34,587	\$ 36,866	\$ 2,279
684710	518200	RETIREMENT EXPENSE	\$ 32,127	\$ 29,964	\$ 34,938	\$ 4,974
684710	518300	GROUP MED & LIFE INS	\$ 70,844	\$ 79,036	\$ 85,628	\$ 6,592
684710	518600	WORKER'S COMP INS	\$ 15,691	\$ 17,418	\$ 14,825	\$ (2,593)
684710	518900	RETIREE INSURANCE	\$ 14,007	\$ 17,582	\$ 18,576	\$ 994
684710	519000	PROFESSIONAL SERVICES	\$ -	\$ 1,344	\$ 1,000	\$ (344)
684710	519100	AUDIT FEES	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
684710	521200	UNIFORMS	\$ 5,378	\$ 7,350	\$ 10,400	\$ 3,050
684710	525100	GASOLINE & DIESEL	\$ 51,675	\$ 48,794	\$ 50,000	\$ 1,206
684710	525200	TIRES	\$ 8,550	\$ 12,000	\$ 12,000	\$ -
684710	525300	VEHICLE PARTS	\$ 38,666	\$ 42,000	\$ 30,000	\$ (12,000)
684710	525400	OIL, LUBRICATION, ETC	\$ 3,688	\$ 3,200	\$ 3,000	\$ (200)
684710	526000	OFFICE SUPPLIES	\$ 2	\$ 1,000	\$ 1,000	\$ -
684710	529900	SUPPLIES & MATERIALS	\$ 9,850	\$ 30,600	\$ 30,000	\$ (600)
684710	532100	TELEPHONE	\$ 4,006	\$ 4,815	\$ 6,450	\$ 1,635
684710	532500	POSTAGE	\$ 53	\$ 200	\$ 200	\$ -
684710	535200	R & M - EQUIPMENT	\$ 128	\$ 3,000	\$ 3,000	\$ -
684710	535300	R & M - AUTO/TRUCKS	\$ 10,313	\$ 8,000	\$ 15,000	\$ 7,000
684710	539400	TRAVEL	\$ 711	\$ 1,200	\$ 1,200	\$ -
684710	539500	TRAINING	\$ 50	\$ 150	\$ 900	\$ 750
684710	545600	LIAB/PROP INS & BONDS	\$ 5,820	\$ 6,601	\$ 7,620	\$ 1,019
684710	549020	GRANT EXP DENR RECYCLE	\$ -	\$ 10,190	\$ -	\$ (10,190)
684710	549200	UNCOLLECTIBLE ACCOUNTS	\$ 8,959	\$ 5,000	\$ 5,000	\$ -
684710	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 1,110	\$ -	\$ (1,110)
684710	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
684710	552000	CAPITAL OUTLAY - EQUIPMENT	\$ 2,000	\$ 54,025	\$ -	\$ (54,025)
684710	553000	NON-CAPITAL EQUIPMENT	\$ 1,000	\$ -	\$ -	\$ -
684710	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ 221,996	\$ -	\$ (221,996)
684710	555000	CAP OUTLAY-OTHER	\$ -	\$ -	\$ -	\$ -
684710	557000	LAND,ROW,AND LAND IMPROVEMEN	\$ -	\$ -	\$ -	\$ -
684710	569000	CONTRACTED SERVICES	\$ 67,213	\$ 58,990	\$ 62,500	\$ 3,510
684710	569300	TIPPING FEES	\$ 191,543	\$ 200,000	\$ 211,000	\$ 11,000
684710	575200	BANK SERVICE CHARGES	\$ -	\$ 2,484	\$ 1,000	\$ (1,484)
684710	598300	REIMB G/F FLEET MAINT	\$ 9,090	\$ -	\$ -	\$ -
684710	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 1,042,685	\$ 1,382,837	\$ 1,125,001	\$ (257,836)

FY16-17 Budget Highlights

The largest highlight is the decrease in cost for capital outlay, which included a new garbage truck and knuckle boom in FY15-16.



Stormwater Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
ESF-Stormwater						
684720	512100	SALARIES & WAGES - REGULAR	\$ 1,080	\$ 41,821	\$ 86,019	\$ 44,198
684720	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ 875	\$ 875	\$ -
684720	512250	HOLIDAY PAY	\$ -	\$ 322	\$ 333	\$ 11
684720	518100	FICA TAX EXPENSE	\$ -	\$ 3,267	\$ 6,673	\$ 3,406
684720	518200	RETIREMENT EXPENSE	\$ -	\$ 2,848	\$ 6,324	\$ 3,476
684720	518300	GROUP MED & LIFE INS	\$ -	\$ 5,646	\$ 12,233	\$ 6,587
684720	518600	WORKER'S COMP INS	\$ -	\$ 1,788	\$ 1,459	\$ (329)
684720	529900	SUPPLIES & MATERIALS	\$ -	\$ -	\$ 14,986	\$ 14,986
684720	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ -	\$ -
684720	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
684720	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ -	\$ -	\$ -
684720	557000	LAND,ROW,AND LAND IMPROVEMEN	\$ -	\$ -	\$ -	\$ -
684720	559900	CAP OUTLAY-OTHER IMPROVEMENTS	\$ -	\$ -	\$ 70,000	\$ 70,000
684720	598035	DEPT CHGS-STRMWTR-G/F	\$ 49,800	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 50,880	\$ 56,567	\$ 198,902	\$ 142,335

FY16-17 Budget Highlights

The increase in the regular salaries account is the result of an approved Stormwater Quality Specialist position, in the budget for FY16-17. Additionally, there are two capital outlay projects which are outlined in the *CIP* section of this document.



Non-Departmental Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
ESF-Non-Departmental						
689619	500024	DRUG TESTING	\$ 65	\$ 1,000	\$ 1,000	\$ -
689619	500030	TUITION REIMBURSEMENT PROGRAM	\$ -	\$ -	\$ 2,000	\$ 2,000
689619	518500	STATE UNEMPLOYMNT INS	\$ -	\$ 2,400	\$ 2,400	\$ -
689619	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
689619	598880	CONTR TO H&W FUND	\$ -	\$ 5,215	\$ 7,545	\$ 2,330
<i>Sub-Total</i>			\$ 65	\$ 8,615	\$ 12,945	\$ 4,330

FY16-17 Budget Highlights

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



Debt Service Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
ESF-Debt Service						
689621	571000	PRIN -GARBAGE TRUCK LOAN	\$ -	\$ 31,753	\$ 30,135	\$ (1,618)
689621	572000	INT -GARBAGE TRUCK LOAN	\$ -	\$ 2,263	\$ 3,493	\$ 1,230
689621	575200	BANK SERVICE CHARGES	\$ 2,739	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 2,739	\$ 34,016	\$ 33,628	\$ (388)

FY16-17 Budget Highlights

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



Contingencies Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
ESF-Contingencies						
689910	599100	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ -	\$ -	\$ -	\$ -

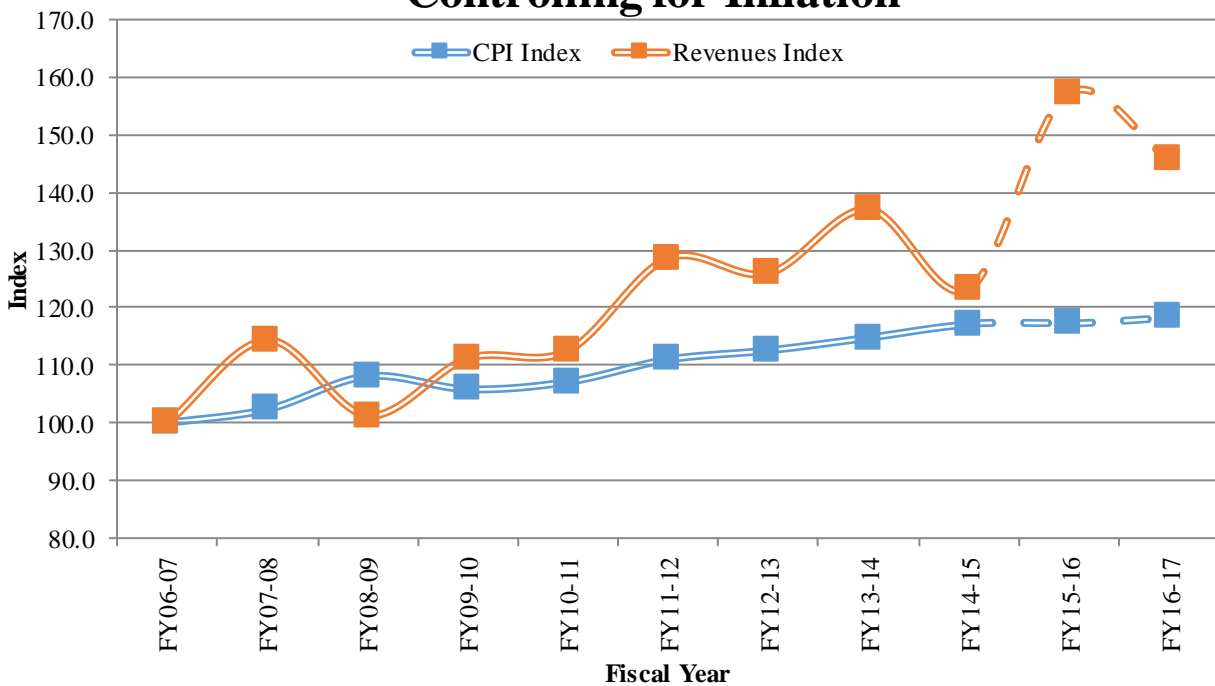
FY16-17 Budget Highlights

There are no contingencies in the Environmental Services Fund for FY16-17.

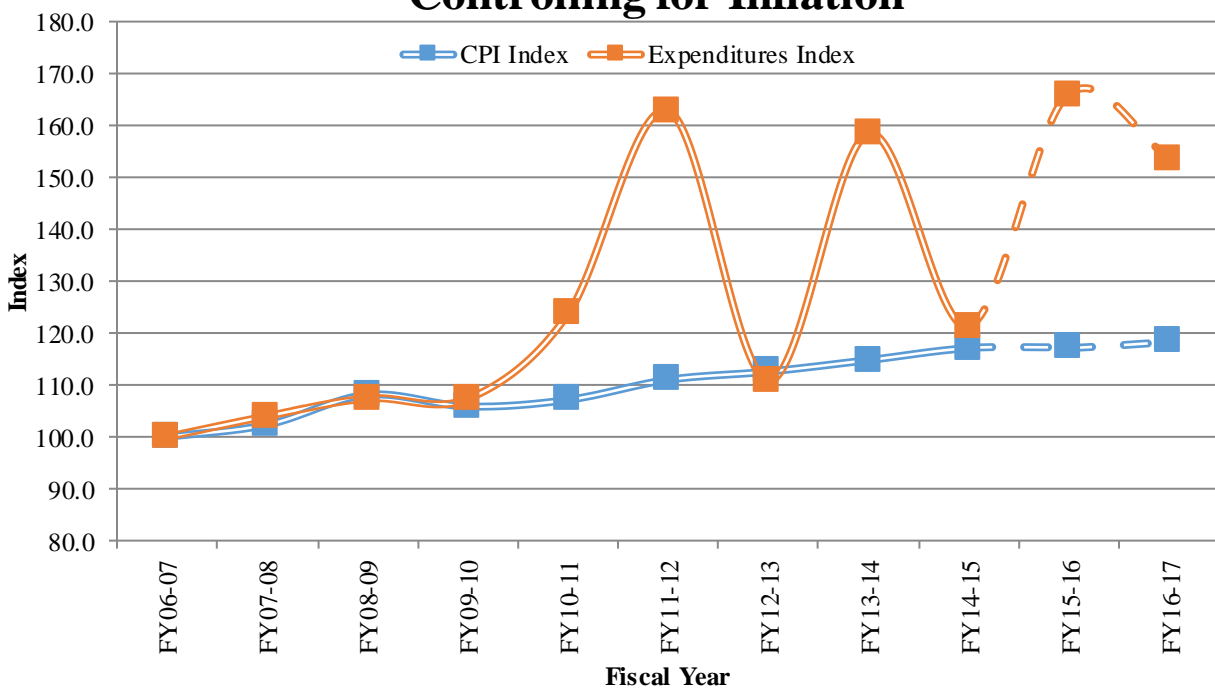


Revenue and Expenditure Trends

**Environmental Services Fund Revenues
Controlling for Inflation**



**Environmental Services Fund Expenditures
Controlling for Inflation**



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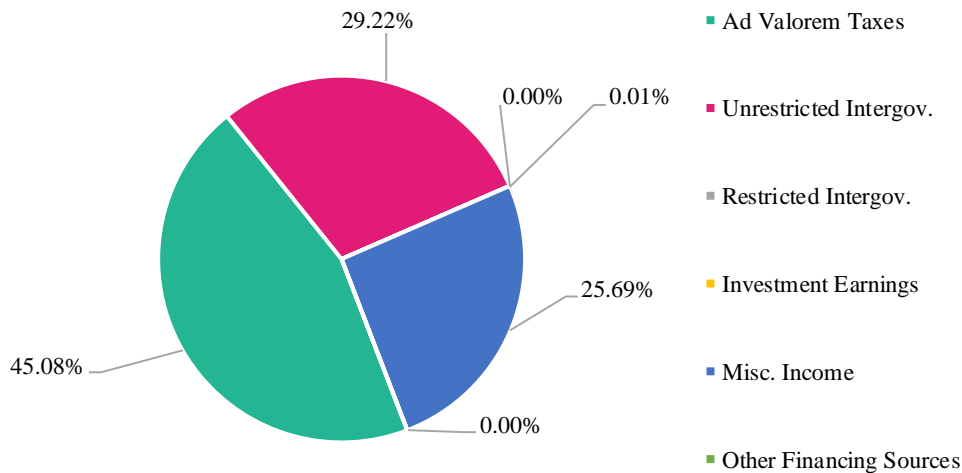
Revenues

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

Revenues by Source

REVENUE SOURCE	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes	\$ (226,726)	\$ (249,564)	\$ (237,725)	\$ 11,839
Unrestricted Intergov.	\$ (100,600)	\$ (100,000)	\$ (154,086)	\$ (54,086)
Restricted Intergov.	\$ -	\$ (96,000)	\$ -	\$ 96,000
Investment Earnings	\$ (497)	\$ (50)	\$ (50)	\$ -
Misc. Income	\$ (169,455)	\$ (143,236)	\$ (135,500)	\$ 7,736
Other Financing Sources	\$ 82,975	\$ (86,531)	\$ -	\$ 86,531
	\$ (414,303)	\$ (675,381)	\$ (527,361)	\$ 148,020

**Main Street MSD Fund Revenues by Source
FY16-17**



Revenues by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes						
200010	410000	TAX REFUNDS	\$ -	\$ -	\$ -	\$ -
200010	411100	TAX LATE LIST >5 YEARS	\$ -	\$ (50)	\$ (50)	\$ -
200010	411300	TAX LL PRIOR 2008, ADV	\$ (1)	\$ (100)	\$ (50)	\$ 50
200010	411400	TAX - INTEREST	\$ (599)	\$ (1,550)	\$ (1,000)	\$ 550
200010	420100	2001 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
200010	420101	AD VAL TAX - MTR VEHS	\$ (2,856)	\$ (2,700)	\$ (2,250)	\$ 450
200010	420600	2006 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
200010	420700	2007 AD VAL TAX - R/P	\$ (7)	\$ (50)	\$ -	\$ 50
200010	420800	2008 AD VAL TAX - R/P	\$ (186)	\$ (50)	\$ (25)	\$ 25
200010	420900	2009 AD VAL TAX - R/P	\$ -	\$ (50)	\$ (25)	\$ 25
200010	421000	2010 AD VAL TAX - R/P	\$ -	\$ (50)	\$ (25)	\$ 25
200010	421100	2011 AD VAL TAX-R/P	\$ (117)	\$ (50)	\$ (50)	\$ -
200010	421200	2012 AS VAL TAX - R/P	\$ (76)	\$ (500)	\$ (250)	\$ 250
200010	421300	2013 AD VAL TAX - R/P	\$ (1,425)	\$ (5,000)	\$ (500)	\$ 4,500
200010	421400	2014 AD VAL TAX R/P	\$ (221,460)	\$ (7,500)	\$ (1,000)	\$ 6,500
200010	421500	2015 AD VAL TAX R/P	\$ -	\$ (231,914)	\$ (2,500)	\$ 229,414
200010	421600	2016 AD VAL TAX R/P	\$ -	\$ -	\$ (230,000)	\$ (230,000)
		<i>Sub-Total</i>	\$ (226,726)	\$ (249,564)	\$ (237,725)	\$ 11,839
Unrestricted Intergovernmental						
200030	432300	S&U TAX REIMBURSEMENT	\$ (100,600)	\$ (100,000)	\$ (154,086)	\$ (54,086)
		<i>Sub-Total</i>	\$ (100,600)	\$ (100,000)	\$ (154,086)	\$ (54,086)
Restricted Intergovernmental						
200040	447100	STATE REIMBURSEMENT	\$ -	\$ (96,000)	\$ -	\$ 96,000
		<i>Sub-Total</i>	\$ -	\$ (96,000)	\$ -	\$ 96,000
Investment Earnings						
200070	483100	INTEREST INCOME	\$ (497)	\$ (50)	\$ (50)	\$ -
		<i>Sub-Total</i>	\$ (497)	\$ (50)	\$ (50)	\$ -
Miscellaneous Income						
200080	443200	SPECIAL EVENTS - TAXABLE	\$ (3,620)	\$ -	\$ -	\$ -
200080	443210	SPECIAL EVENTS - NONTAXABLE	\$ -	\$ -	\$ -	\$ -
200080	444310	SPONSORSHIPS & DONATIONS	\$ -	\$ (2,300)	\$ (1,000)	\$ 1,300
204755	443215	BEARFOOTIN' BEAR SALES	\$ (29,248)	\$ (37,351)	\$ (28,000)	\$ 9,351
204755	444310	SPONSORSHIPS & DONATIONS	\$ (15,267)	\$ (16,085)	\$ (16,000)	\$ 85
204756	443220	RHYTHM & BREWS SALES	\$ (46,455)	\$ (38,500)	\$ (42,000)	\$ (3,500)
204756	443300	R&B VENDOR PERMITS	\$ (500)	\$ (1,250)	\$ (1,500)	\$ (250)
204756	444310	SPONSORSHIPS & DONATIONS	\$ (48,500)	\$ (40,000)	\$ (40,000)	\$ -
204757	443300	SIDEWALK VENDOR FEES	\$ (4,240)	\$ (5,000)	\$ (4,000)	\$ 1,000
204757	444310	SPONSORSHIPS & DONATIONS	\$ (2,000)	\$ (2,250)	\$ (2,000)	\$ 250
204758	444310	SPONSORSHIPS & DONATIONS	\$ -	\$ (500)	\$ (1,000)	\$ (500)
204761	443220	SALES	\$ (8,246)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (158,076)	\$ (143,236)	\$ (135,500)	\$ 7,736
Other Financing Sources						
200090	499100	PROCEEDS OF DEBT	\$ -	\$ (79,000)	\$ -	\$ 79,000
200090	499200	FUND BALANCE APPROP	\$ -	\$ (7,531)	\$ -	\$ 7,531
200090	499999	PRIOR PERIOD ADJUSTMENT	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ -	\$ (86,531)	\$ -	\$ 86,531
		GRAND TOTAL	\$ (485,899)	\$ (675,381)	\$ (527,361)	\$ 148,020

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



Expenditures

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

Using the National Trust for Historic Preservation's Main Street Four Point Approach, the Advisory Committees seek to support and build upon inherent strengths in the City's two historic commercial districts. The Main Street Four Point approach includes Organization, Design, Economic Restructuring and Promotions. The City of Hendersonville's Downtown Economic Development program is staffed by the Downtown Economic Development Director, the part time Promotions Coordinator and two part Downtown Ambassadors.

The two historic commercial districts that are part of the City of Hendersonville's Downtown Economic Development Program are each defined by Municipal Service Districts. The Main Street municipal service district is bounded by Church and King Streets to the west and east and 7th Avenue and Allen Street to the north and south. This special tax district (\$0.28 per \$100 tax value) funds the varied work of the City and the Downtown Advisory Committee as it relates to supporting a vibrant Main Street district.

The 7th Avenue District's boundary encompasses the Avenue from Four Seasons Boulevard east to the Oklawaha Greenway and extends down Locust Street at its intersection with 7th north to 9th Avenue. The special tax district (\$0.12 per \$100 tax value) funds the varied work of the City and the Seventh Avenue Advisory Committee as it relates to supporting a vibrant Seventh Avenue district.

The Downtown Economic Development Program has established three project teams which work in concert with the two advisory committees on shared challenges. The Infrastructure Team is currently focused on identifying ways to promote redevelopment in underused historic structures in the two districts. The Community Character Team is seeking to identify opportunities for better understanding the cross generational appeal of the district so that can continue to be capitalized upon. Finally the Events Team conducts existing events and reviews and pursues targeted additional events for the two districts.



FY15-16 Accomplishments

- ✓ On-going implementation of Dixon Resource Study, addition of Downtown Ambassadors, enhanced parking revenue, on-going lease agreement improvements.
- ✓ NC Main Street - Best Streetscape Improvement Award for Downtown Streetscape revitalization.
- ✓ Continued implementation of the Henderson County Tourism Development Authority wayfinding signage program, with initial signage installation expected over the course of the 2016-2017 budget year.
- ✓ Friend's of Downtown volunteer database continues to grow and is being applied in a variety of ways moving forward.
- ✓ Over 1,600 hours of volunteer time contributed to the program, an over \$35,000 value according to Independent Sector. This is a 12.5% increase in total hours contributed to the program over 2014.
- ✓ Planned organized and executed 12 downtown events, including the Downtown Designer Showcase.
- ✓ Have 21 Sponsors for the 2016 version of Bearfootin', including the first ever 7th Avenue Bear.
- ✓ Saw an over \$20,000 donation to local non-profits via the 2015 Bearfootin' Auction.
- ✓ Saw 5 net new businesses open in downtown during the 2014-2015 fiscal year and 2 business expansions.
- ✓ Continued to grow sponsorship support for the variety of downtown events throughout the community.

FY16-17 Goals & Initiatives

- ✓ See installation on stage one of vehicular wayfinding signage in the City of Hendersonville.
- ✓ Complete comprehensive Business & Property Owner Database, including business plan survey and property information survey.
- ✓ Relocate Bearfootin' Auction.

Long Term Goals and Objectives

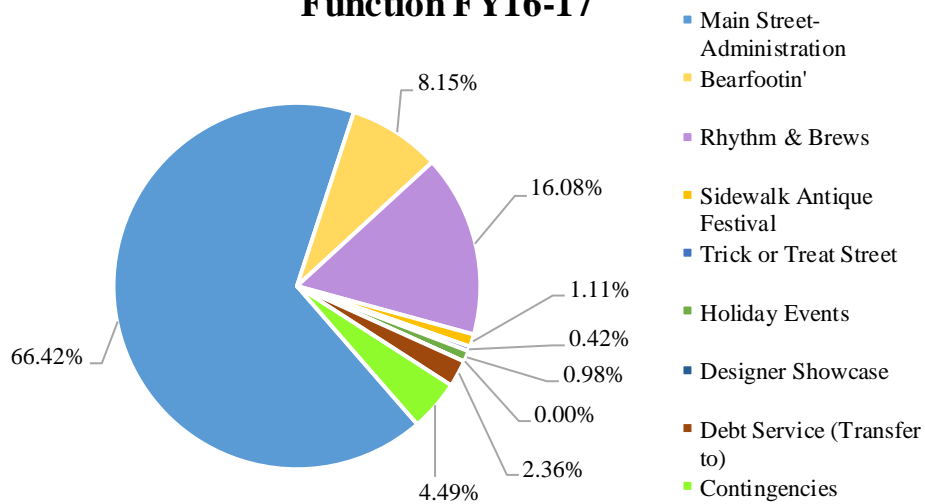
- ✓ Develop a strategy for driving 5 new Building Redevelopment projects in the districts.
- ✓ Build synergy and strengthen relationships between downtown businesses, property owners and residents.
- ✓ Produce annual events that contribute to our character and support our entrepreneurial environment.



Expenditures by Function

EXPENDITURE FUNCTION	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Main Street-Administration	\$ 381,101	\$ 502,457	\$ 350,259	\$ (152,198)
Bearfootin'	\$ 37,416	\$ 50,276	\$ 43,000	\$ (7,276)
Rhythm & Brews	\$ 72,002	\$ 84,875	\$ 84,775	\$ (100)
Sidewalk Antique Festival	\$ 6,231	\$ 6,850	\$ 5,850	\$ (1,000)
Trick or Treat Street	\$ 2,315	\$ 2,850	\$ 2,200	\$ (650)
Holiday Events	\$ 4,987	\$ 5,800	\$ 5,150	\$ (650)
Designer Showcase	\$ 10,150	\$ -	\$ -	\$ -
Debt Service (Transfer to)	\$ -	\$ 12,399	\$ 12,438	\$ 39
Contingencies	\$ -	\$ 9,874	\$ 23,689	\$ 13,815
Total	\$ 514,203	\$ 675,381	\$ 527,361	\$ (148,020)

Main Street MSD Fund Expenditures by Function FY16-17

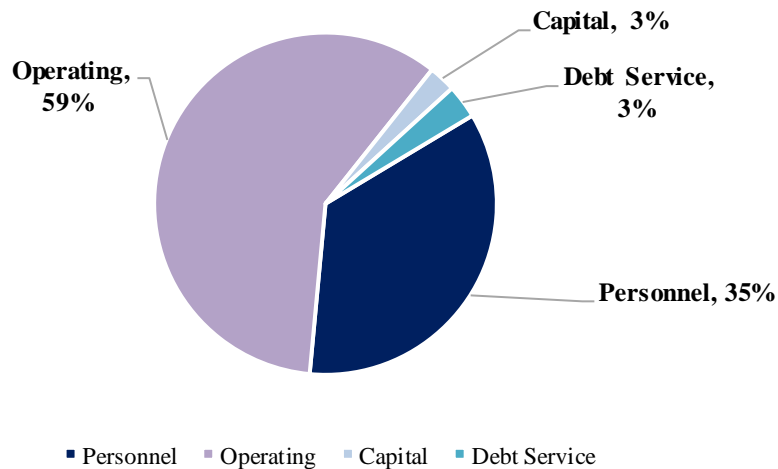


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Main Street MSD Fund				
Personnel	\$ 83,996	\$ 116,679	\$ 137,847	\$ 21,168
Operating	\$ 275,750	\$ 201,037	\$ 232,576	\$ 31,539
Capital	\$ -	\$ 182,057	\$ 10,000	\$ (172,057)
Debt Service	\$ -	\$ 12,399	\$ 12,438	\$ 39
<i>Sub-Total</i>	\$ 359,747	\$ 512,172	\$ 392,861	\$ (119,311)

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
Main Street MSD Fund				
Full-Time	1.00	1.00	1.00	0.00
Part-Time Perm.	1.00	1.00	1.00	0.00
Part-Time Non-Perm.	0.00	2.00	2.00	0.00
<i>Sub-Total</i>	1.00	3.00	3.00	0.00

Expenditures by Type



Main Street MSD Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 REQUESTED	DOLLAR CHANGE
Main Street-Administration						
204750	512100	SALARIES & WAGES-REG	\$ 68,352	\$ 63,165	\$ 60,456	\$ (2,709)
204750	512900	SALARIES & WAGES - P/T	\$ 76	\$ 32,977	\$ 48,983	\$ 16,006
204750	517200	CELLPHONE STIPEND	\$ -	\$ 960	\$ 884	\$ (76)
204750	518100	FICA TAX EXPENSE	\$ 5,250	\$ 7,217	\$ 8,440	\$ 1,223
204750	518200	RETIREMENT EXPENSE	\$ 4,818	\$ 5,605	\$ 6,853	\$ 1,248
204750	518300	GROUP MED & LIFE INS	\$ 5,079	\$ 5,646	\$ 11,273	\$ 5,627
204750	518600	WORKER'S COMP INS	\$ 93	\$ 1,109	\$ 958	\$ (151)
204750	519000	PROFESSIONAL SERVICES	\$ 20,860	\$ 7,000	\$ 9,750	\$ 2,750
204750	519100	AUDIT FEES	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
204750	525100	GASOLINE & DIESEL	\$ -	\$ 500	\$ 300	\$ (200)
204750	525300	VEHICLE PARTS	\$ -	\$ 500	\$ 500	\$ -
204750	526000	OFFICE SUPPLIES	\$ 285	\$ 1,000	\$ 1,000	\$ -
204750	529900	SUPPLIES & MATERIALS	\$ 16,986	\$ 17,500	\$ 21,500	\$ 4,000
204750	532100	TELEPHONE	\$ 2,963	\$ 2,700	\$ -	\$ (2,700)
204750	532500	POSTAGE	\$ 96	\$ 450	\$ 400	\$ (50)
204750	533000	UTILITIES	\$ 23,942	\$ 21,000	\$ 21,000	\$ -
204750	535200	R & M - EQUIPMENT	\$ -	\$ 5,430	\$ -	\$ (5,430)
204750	535300	R & M - TRUCKS	\$ -	\$ 500	\$ -	\$ (500)
204750	536000	FACADE GRANT EXPENSE	\$ -	\$ -	\$ -	\$ -
204750	537000	ADVERTISING	\$ 2,160	\$ 3,500	\$ 5,000	\$ 1,500
204750	539400	TRAVEL	\$ 1,354	\$ 1,550	\$ 1,000	\$ (550)
204750	539500	TRAINING	\$ 394	\$ 700	\$ 1,500	\$ 800
204750	545600	LIAB & PROP INS & BONDS	\$ 171	\$ 291	\$ 262	\$ (29)
204750	549100	DUES & SUBSCRIPTIONS	\$ 725	\$ 1,450	\$ 950	\$ (500)
204750	549750	PERMITS & FEES -ORGANIZATIONAL	\$ -	\$ 800	\$ 800	\$ -
204750	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
204750	552000	CAP OUTLAY - EQUIPMENT	\$ -	\$ -	\$ -	\$ -
204750	555000	CAP OUTLAY-OTR EQUIP	\$ -	\$ 76,057	\$ -	\$ (76,057)
204750	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
204750	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ 106,000	\$ 10,000	\$ (96,000)
204750	560300	TAX INCENTIVE PROGRAMS	\$ 869	\$ 9,000	\$ 9,000	\$ -
204750	561600	MAIN ST SPEC EVENTS	\$ -	\$ -	\$ -	\$ -
204750	569000	CONTRACTED SERVICES	\$ 125,227	\$ 128,450	\$ 128,000	\$ (450)
204750	575200	BANK SERVICE CHARGES	\$ 403	\$ 400	\$ 450	\$ 50
204750	575320	OPER TRAN TO GEN FD	\$ 100,000	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 381,101	\$ 502,457	\$ 350,259	\$ (152,198)

FY16-17 Budget Highlights

The most notable highlights from FY15-16 to FY16-17 are the decreases in capital outlay accounts. In FY15-16 the City took out a loan to finance the purchase of parking kiosks, reflected in the "Cap Outlay-Otr Equip" account. Additionally, the City received a grant for the improvements of a downtown parking lot, reflected in the "Cap Outlay-Otr Impmts" account.



Bearfootin' Public Art Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 REQUESTED	DOLLAR CHANGE
Main Street-Bearfootin'						
204755	443215	BEARFOOTIN' BEAR SALES	\$ (29,248)	\$ (37,351)	\$ (28,000)	\$ 9,351
204755	444310	SPONSORSHIPS & DONATIONS	\$ (15,267)	\$ (16,085)	\$ (16,000)	\$ 85
204755	519000	BEARFOOTIN' PROFESSIONAL SVCS	\$ 4,080	\$ 6,725	\$ 7,000	\$ 275
204755	527000	PURCHASE FOR RESALE-BEARS	\$ 15,775	\$ 15,775	\$ 15,000	\$ (775)
204755	529900	SUPPLIES & MATERIALS-BEARS	\$ 144	\$ 400	\$ 500	\$ 100
204755	537000	BEARFOOTIN' ADVERTISING	\$ 6,017	\$ 5,500	\$ 5,500	\$ -
204755	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ -	\$ -
204755	561700	CONTRIBUTION OF % BEAR SALES	\$ 11,400	\$ 21,876	\$ 15,000	\$ (6,876)
<i>Sub-Total</i>			\$ (7,098)	\$ (3,160)	\$ (1,000)	\$ 2,160

FY16-17 Budget Highlights

The Bearfootin' event is expected to bring in \$44,000 in revenue, from bear sales and sponsorships. The expenditures include costs such as, bear shipping, brochures, music, and donations (50% of bear sales go to non-profits). The net bottom line for the event is a budgeted \$1,000 gain (revenue) for FY16-17.



Rhythm & Brews Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 REQUESTED	DOLLAR CHANGE
Main Street-Rhythm & Brews						
204756	443220	RHYTHM & BREWS SALES	\$ (46,455)	\$ (38,500)	\$ (42,000)	\$ (3,500)
204756	443300	R&B VENDOR PERMITS	\$ (500)	\$ (1,250)	\$ (1,500)	\$ (250)
204756	444310	SPONSORSHIPS & DONATIONS	\$ (48,500)	\$ (40,000)	\$ (40,000)	\$ -
204756	512100	SALARIES & WAGES - REGULAR	\$ 220	\$ -	\$ -	\$ -
204756	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ -	\$ -	\$ -
204756	518100	FICA TAX EXPENSE	\$ 42	\$ -	\$ -	\$ -
204756	518200	RETIREMENT EXPENSE	\$ 68	\$ -	\$ -	\$ -
204756	519000	PROFESSIONAL SVCS R & BREWS	\$ 40,891	\$ 47,775	\$ 50,625	\$ 2,850
204756	527000	PURCH FOR RESALE- R & BREWS	\$ 22,170	\$ 16,150	\$ 21,150	\$ 5,000
204756	529900	SUPPLIES & MATERIALS - R & B	\$ 875	\$ 9,700	\$ 2,250	\$ (7,450)
204756	537000	ADVERTISING-R & BREWS	\$ 4,747	\$ 7,500	\$ 7,000	\$ (500)
204756	549750	PERMITS & LICENSE FEES- R & B	\$ 2,988	\$ 3,750	\$ 3,750	\$ -
204756	549999	MISCELLANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ (23,454)	\$ 5,125	\$ 1,275	\$ (3,850)

FY16-17 Budget Highlights

The Rhythm and Brews event is expected to bring in \$83,500 in revenue for FY16-17. This increase includes a \$3,500 increase in sales and a \$250 increase in permits. The expenditures include the cost of a stage, bands, waste management, restrooms, signage, marketing, and fees. The total net cost of the event is \$1,275 for FY16-17.



Sidewalk Antique Festival Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 REQUESTED	DOLLAR CHANGE
Main Street-Sidewalk Antique Festival						
204757	443300	SIDEWALK VENDOR FEES	\$ (4,240)	\$ (5,000)	\$ (4,000)	\$ 1,000
204757	444310	SPONSORSHIPS & DONATIONS	\$ (2,000)	\$ (2,250)	\$ (2,000)	\$ 250
204757	519000	PROFESSIONAL SVCS - SIDEWALK	\$ 1,834	\$ 1,600	\$ 1,350	\$ (250)
204757	529900	SUPPLIES & MATERIALS -SIDEWALK	\$ -	\$ 500	\$ 500	\$ -
204757	537000	ADVERTISING-SIDEWALK	\$ 4,397	\$ 4,000	\$ 4,000	\$ -
204757	549750	PERMITS VENDOR FEES - SIDEWALK	\$ -	\$ 750	\$ -	\$ (750)
204757	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ (9)	\$ (400)	\$ (150)	\$ 250

FY16-17 Budget Highlights

The Sidewalk Antique Festival event is expected to bring in \$6,000 in revenue for FY16-17. This includes a \$1,000 decrease in vendor fees. Expenditures for this event includes marketing, restroom rentals, and permits. The total net cost of the event is (\$150) for FY16-17.



Trick or Treat Downtown Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 REQUESTED	DOLLAR CHANGE
Main Street-Trick or Treat						
204758	444310	SPONSORSHIPS & DONATIONS	\$ -	\$ (500)	\$ (1,000)	\$ (500)
204758	519000	PROF SVCS TREAT OR TREAT	\$ 750	\$ 1,000	\$ 1,050	\$ 50
204758	529900	SUPPLIES & MAT -TREAT OR TREAT	\$ 24	\$ 250	\$ 150	\$ (100)
204758	537000	ADVERTISING-TRICK OR TREAT	\$ 1,542	\$ 1,500	\$ 1,000	\$ (500)
204758	549750	PERMITS VENDOR FEE-TRICK TREAT	\$ -	\$ 100	\$ -	\$ (100)
204758	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 2,315	\$ 2,350	\$ 1,200	\$ (1,150)

FY16-17 Budget Highlights

The Trick or Treat event is expected to raise \$1,000 in revenue for FY16-17 through sponsorships and donations. The costs for the event include marketing, supplies, and vendor fees. The total net cost of the event is \$1,200 for FY16-17.



Holiday Events Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 REQUESTED	DOLLAR CHANGE
Main Street-Holiday Events						
204759	519000	PROFESSIONAL SVCS HOLIDAY	\$ 1,649	\$ 2,000	\$ 2,000	\$ -
204759	529900	SUPPLIES & MATERIALS - HOLIDAY	\$ 223	\$ 250	\$ 150	\$ (100)
204759	537000	ADVERTISING-HOLIDAY EVENTS	\$ 3,115	\$ 3,500	\$ 3,000	\$ (500)
204759	549750	PERMITS & VENDOR FEES-HOLIDAY	\$ -	\$ 50	\$ -	\$ (50)
<i>Sub-Total</i>			\$ 4,987	\$ 5,800	\$ 5,150	\$ (650)

FY16-17 Budget Highlights

The Holiday Events event provides lighting at Christmas time as well as other events such as, the Christmas tree lighting, caroling, and Santa Clause. The total net cost of the event is \$5,150 for FY16-17.



Designer Showcase Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 REQUESTED	DOLLAR CHANGE
Main Street-Designer Showcase						
204761	443220	SALES	\$ (8,246)	\$ -	\$ -	\$ -
204761	519000	PROFESSIONAL SERVICES	\$ 3,575	\$ -	\$ -	\$ -
204761	529900	SUPPLIES & MATERIALS	\$ 15	\$ -	\$ -	\$ -
204761	537000	ADVERTISING	\$ 6,561	\$ -	\$ -	\$ -
204761	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ -	\$ -
204761	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 1,904	\$ -	\$ -	\$ -

FY16-17 Budget Highlights

The Designer Showcase event will not be held for FY16-17.



Debt Service Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 REQUESTED	DOLLAR CHANGE
Main Street-Debt Service						
209621	570100	PRIN - PARKING KIOSKS	\$ -	\$ 11,745	\$ 11,146	\$ (599)
209621	570200	INT - PARKING KIOSKS	\$ -	\$ 654	\$ 1,292	\$ 638
		<i>Sub-Total</i>	\$ -	\$ 12,399	\$ 12,438	\$ 39

FY16-17 Budget Highlights

The City will finance the purchase of six parking kiosks to be installed in the Main Street MSD parking lots. Payment will continue until the note is paid in full, in five fiscal years.



Contingencies Expenditures by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 REQUESTED	DOLLAR CHANGE
Main Street-Contingencies						
209910	599100	CONTINGENCIES	\$ -	\$ 9,874	\$ 23,689	\$ 13,815
		<i>Sub-Total</i>	\$ -	\$ 9,874	\$ 23,689	\$ 13,815

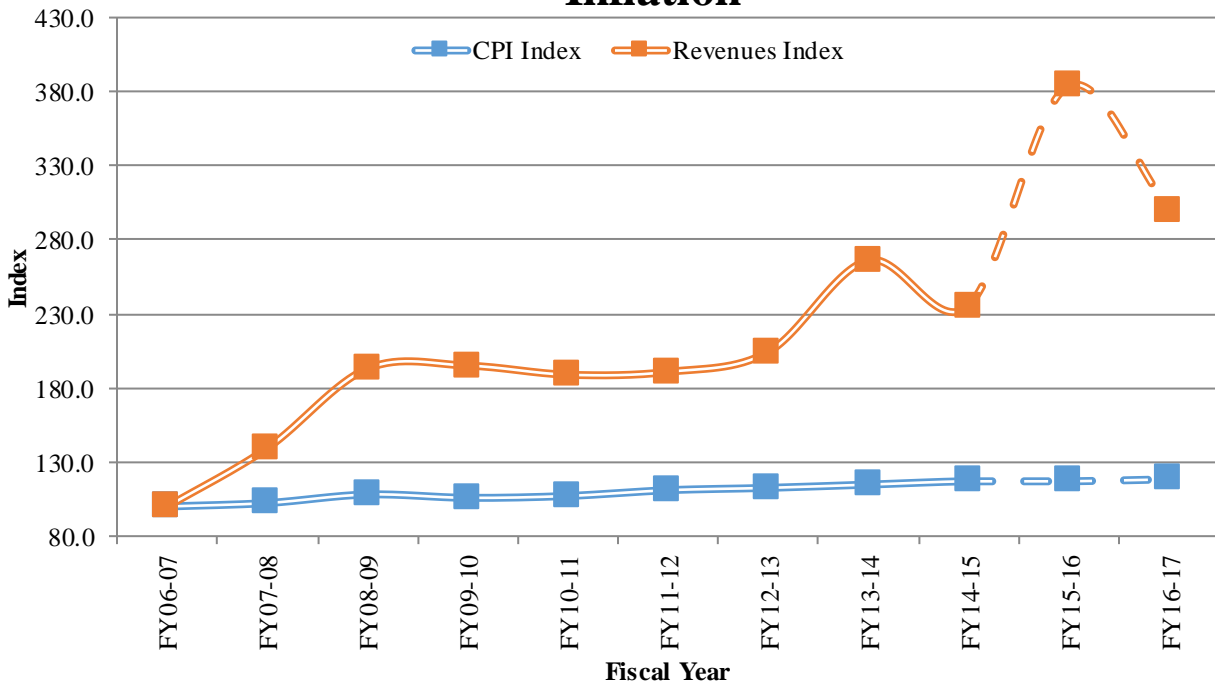
FY16-17 Budget Highlights

The Main Street MSD has \$23,689 budgeted for contingencies in FY16-17. It is estimated that a portion of this budget will be needed to help support wayfinding signage costs.

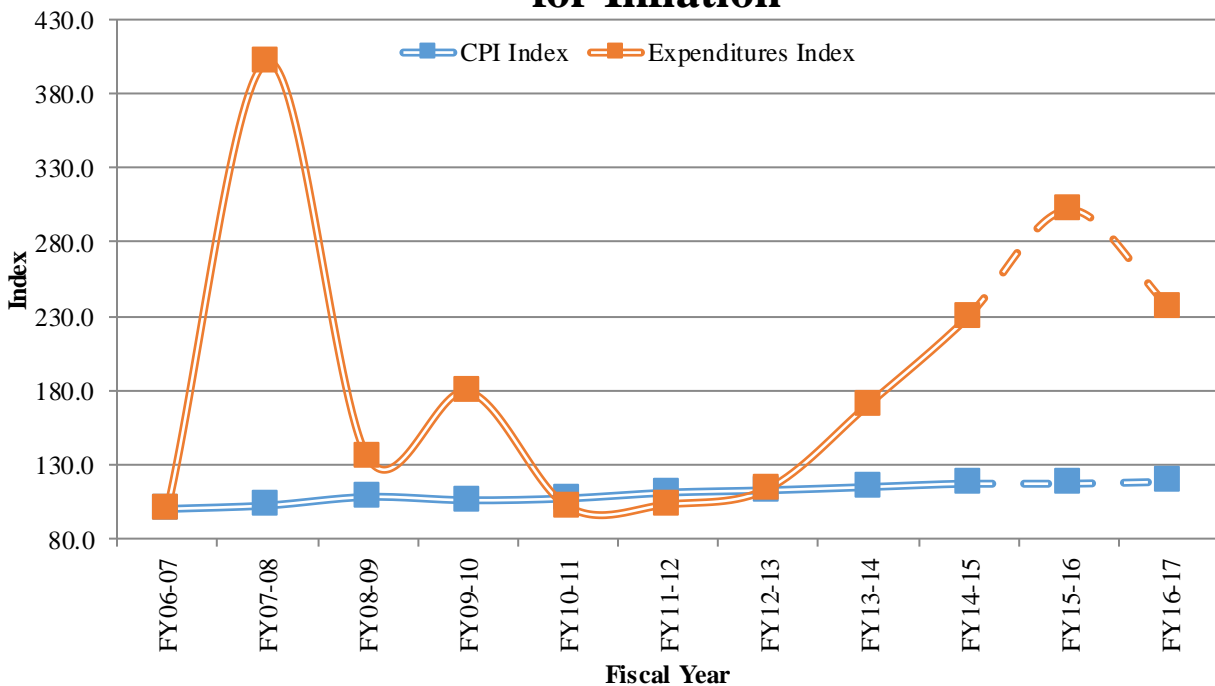


Revenue and Expenditure Trends

Main St. MSD Fund Revenues Controlling for Inflation



Main St. MSD Fund Expenditures Controlling for Inflation



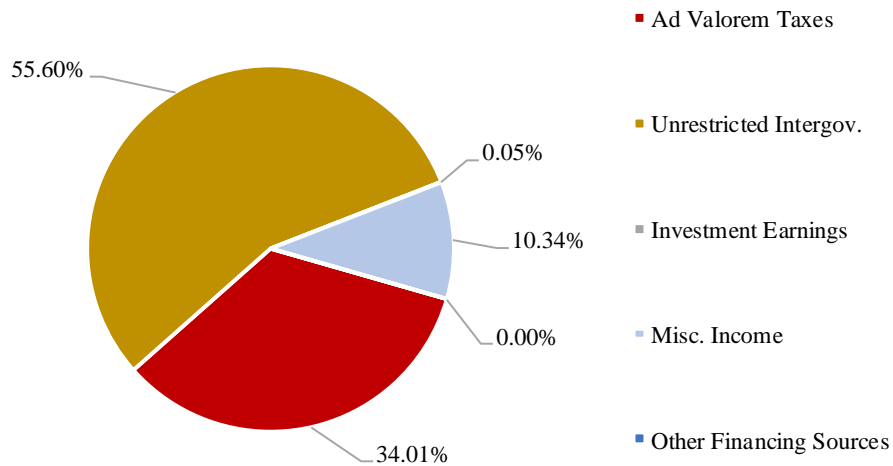
Revenues

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

Revenues by Source

REVENUE SOURCE	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes	\$ (11,565)	\$ (17,014)	\$ (16,775)	\$ 239
Unrestricted Intergov.	\$ (2,500)	\$ (6,650)	\$ (27,428)	\$ (20,778)
Investment Earnings	\$ (13)	\$ (25)	\$ (25)	\$ -
Misc. Income	\$ (76)	\$ (150)	\$ (5,100)	\$ (4,950)
Other Financing Sources	\$ (3,345)	\$ (36,826)	\$ -	\$ 36,826
	\$ (17,498)	\$ (60,665)	\$ (49,328)	\$ 11,337

**7th Avenue MSD Fund Revenues by Source
FY16-17**



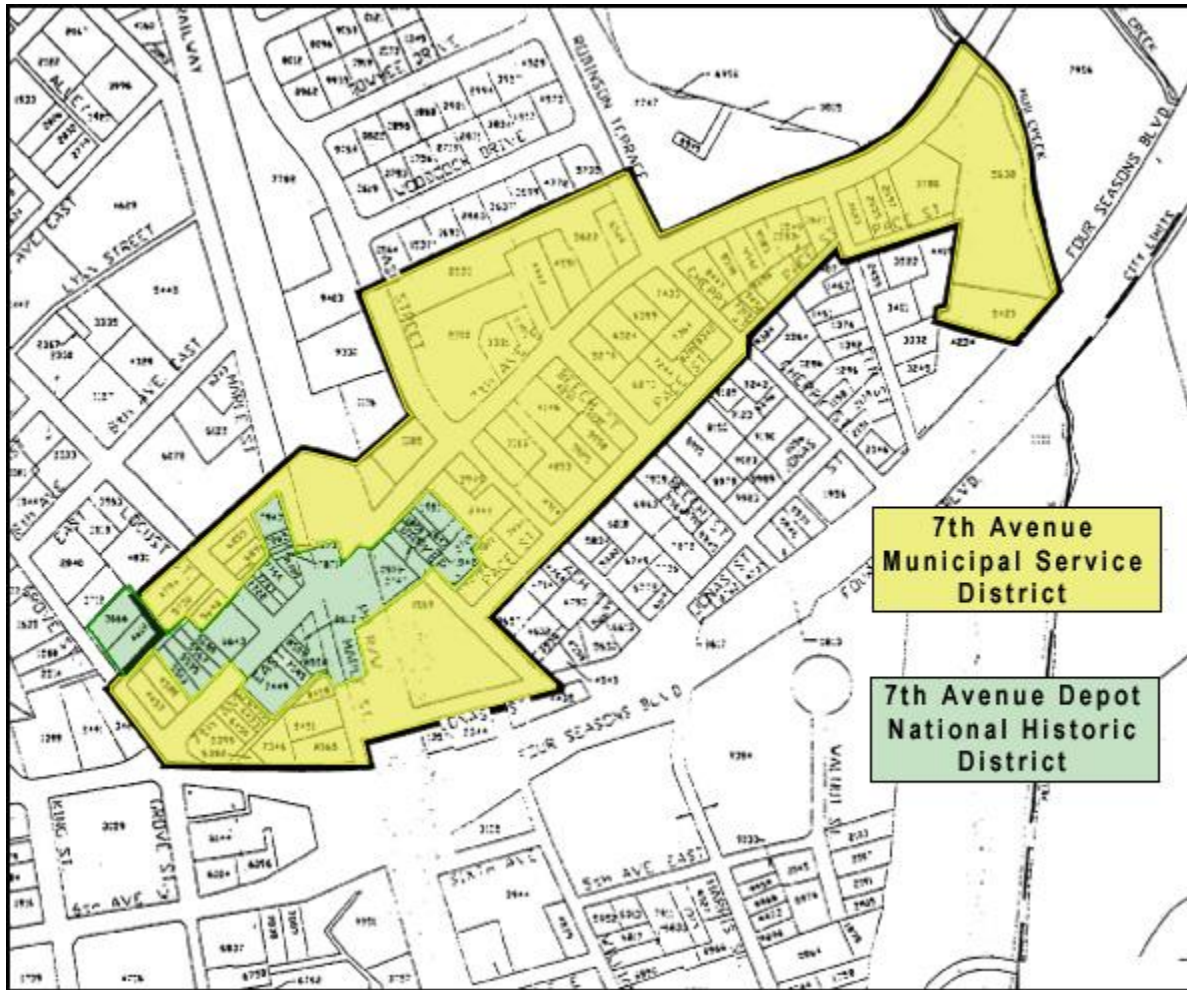
Revenues by Line Item

Org.	Obj.	Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes						
210010	411300	TAX LL PRIOR 2008, ADV	\$ -	\$ (10)	\$ -	\$ 10
210010	411400	TAX - INTEREST	\$ (72)	\$ (100)	\$ (50)	\$ 50
210010	420101	AD VAL TAX - MTR VEHS	\$ (1,069)	\$ (550)	\$ (550)	\$ -
210010	420800	2008 AD VAL TAX - R/P	\$ -	\$ (10)	\$ -	\$ 10
210010	420900	2009 AD VAL TAX - R/P	\$ -	\$ (10)	\$ -	\$ 10
210010	421000	2010 AD VAL TAX - R/P	\$ -	\$ (10)	\$ -	\$ 10
210010	421100	2011 AD VAL TAX - R/P	\$ -	\$ (10)	\$ -	\$ 10
210010	421200	2012 AS VAL TAX-R/P	\$ (56)	\$ (10)	\$ -	\$ 10
210010	421300	2013 AD VAL TAX - R/P	\$ (151)	\$ (100)	\$ -	\$ 100
210010	421400	2014 AD VAL TAX R/P	\$ (10,218)	\$ (150)	\$ (25)	\$ 125
210010	421500	2015 AD VAL TAX R/P	\$ -	\$ (16,054)	\$ (50)	\$ 16,004
210010	421600	2016 AD VAL TAX R/P	\$ -	\$ -	\$ (16,100)	\$ (16,100)
		<i>Sub-Total</i>	\$ (11,565)	\$ (17,014)	\$ (16,775)	\$ 239
Unrestricted Intergovernmental						
210030	432300	S&U TAX REIMBURSEMENT	\$ (2,500)	\$ (6,650)	\$ (27,428)	\$ (20,778)
		<i>Sub-Total</i>	\$ (2,500)	\$ (6,650)	\$ (27,428)	\$ (20,778)
Investment Earnings						
210070	483100	INTEREST INCOME	\$ (13)	\$ (25)	\$ (25)	\$ -
		<i>Sub-Total</i>	\$ (13)	\$ (25)	\$ (25)	\$ -
Miscellaneous Income						
210080	443900	MISCELLANEOUS INCOME	\$ (76)	\$ (150)	\$ (100)	\$ 50
210080	444000	INSURANCE SETTLEMENTS	\$ -	\$ -	\$ -	\$ -
210080	444400	LEASE INCOME	\$ -	\$ -	\$ (5,000)	\$ (5,000)
		<i>Sub-Total</i>	\$ (76)	\$ (150)	\$ (5,100)	\$ (4,950)
Other Financing Sources						
210090	498207	DONATIONS/CONTRIBUTIONS	\$ -	\$ (31,826)	\$ -	\$ 31,826
210090	498210	OPER TRANS FR GEN FD	\$ -	\$ (5,000)	\$ -	\$ 5,000
210090	499200	FUND BALANCE APPROP	\$ (3,345)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (3,345)	\$ (36,826)	\$ -	\$ 36,826
GRAND TOTAL			\$ (17,498)	\$ (60,665)	\$ (49,328)	\$ 11,337



Expenditures

Seventh Avenue East developed as a commercial district during the late 19th and early 20th century around Hendersonville’s first depot, established in 1879. The majority of the buildings are simple one and two-story brick commercial and warehouse structures in the typical pattern of buildings connecting to each other. There are thirty-two contributing structures.



FY15-16 Accomplishments

- ✓ Annual Clean-up day was held.
- ✓ Building Improvements were made & Zoning Violations were enforced
- ✓ Adopted a new org. structure to link with overall Downtown Hendersonville.
- ✓ Created a Main Street Advisory Liaison

FY16-17 Goals & Initiatives

- ✓ Integrate the 7th Avenue District into our annual Downtown Business Directory.
- ✓ Integrate the 7th Avenue District into the "Downtown Hendersonville" brand/webpage.
- ✓ Continue implementing some or all of the results of the UNC Final Report.
- ✓ Add 1 event to the 7th Avenue slate of annual events.
- ✓ Integrate 7th Avenue members onto the 3 working teams, Events, Infrastructure & Community Character.
- ✓ Generate ideas and plans for a link to Main Street.
- ✓ Continue to work with the Mission.
- ✓ Provide Façade and Incentive Grant funding.
- ✓ Generate a plan for improving newly incorporated areas of the MSD.

Long Term Goals and Objectives

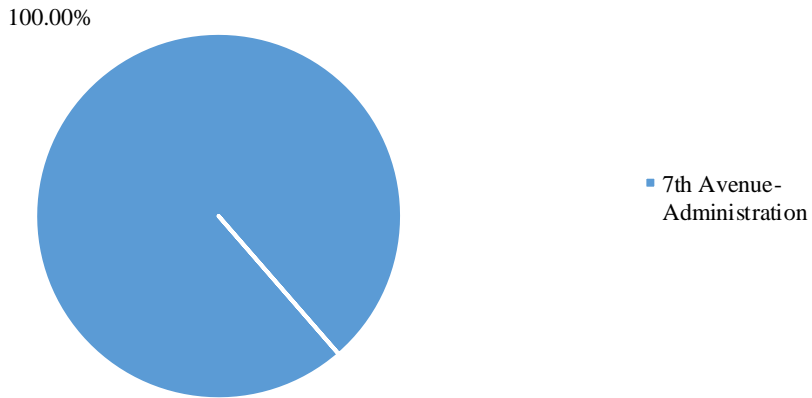
- ✓ Develop a strategy for driving 5 new Building Redevelopment projects in the districts.
- ✓ Build synergy and strengthen relationships between downtown businesses, property owners and residents.
- ✓ Produce annual events that contribute to our character and support our entrepreneurial environment.



Expenditures by Function

EXPENDITURE FUNCTION	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
7th Avenue-Administration	\$ 17,498	\$ 60,665	\$ 49,328	\$ (11,337)
Total	\$ 17,498	\$ 60,665	\$ 49,328	\$ (11,337)

7th Avenue MSD Fund Expenditures by Function FY16-17



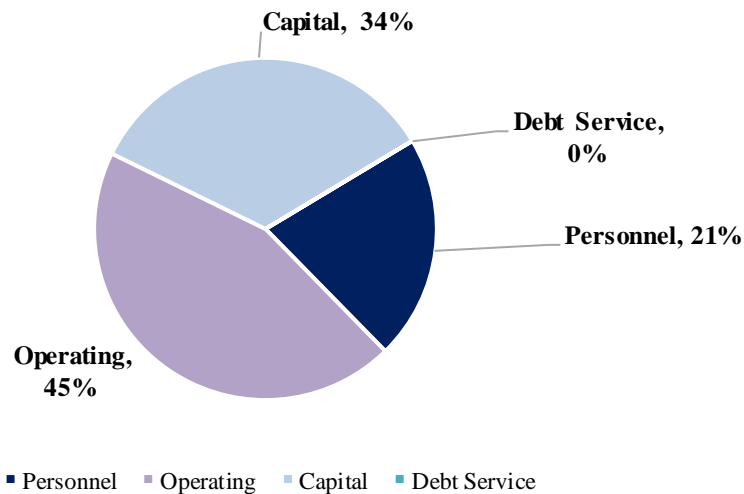
Budget Summary - Type, Personnel Count, & Type Chart

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	DOLLAR CHANGE
7th Avenue MSD Fund				
Personnel	\$ -	\$ -	\$ 10,496	\$ 10,496
Operating	\$ 17,498	\$ 60,665	\$ 22,000	\$ (38,665)
Capital	\$ -	\$ -	\$ 16,832	\$ 16,832
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 17,498	\$ 60,665	\$ 49,328	\$ (11,337)

Description	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE
Main Street MSD Fund				
Full-Time	0.00	0.00	1.00	1.00
Part-Time Perm.	0.00	0.00	1.00	1.00
Part-Time Non-Perm.	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	0.00	0.00	1.00	1.00

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

Expenditures by Type



Expenditures by Line Item

Org.	Obj.	Description	FY13-14 ACTUAL	FY14-15 REVISED BUD	FY15-16 ADOPTED	DOLLAR CHANGE
7th-Administration						
214751	500005	ORGANIC GARDEN EXPENSES	\$ -	\$ 3,690	\$ -	\$ (3,690)
214751	512100	SALARIES & WAGES - REGULAR	\$ -	\$ -	\$ 5,257	\$ 5,257
214751	512900	SALARIES & WAGES - P/T	\$ -	\$ -	\$ 2,886	\$ 2,886
214751	517200	CELLPHONE STIPEND	\$ -	\$ -	\$ 77	\$ 77
214751	518100	FICA TAX EXPENSE	\$ -	\$ -	\$ 629	\$ 629
214751	518200	RETIREMENT EXPENSE	\$ -	\$ -	\$ 596	\$ 596
214751	518300	GROUP MED & LIFE INS	\$ -	\$ -	\$ 979	\$ 979
214751	518600	WORKER'S COMP INS	\$ -	\$ -	\$ 72	\$ 72
214751	526000	OFFICE SUPPLIES	\$ -	\$ -	\$ -	\$ -
214751	529900	PW SUPPLIES & MATERIALS	\$ 3,883	\$ 6,500	\$ 6,500	\$ -
214751	533900	STREET/TRAFFIC LIGHTS	\$ 11,246	\$ 11,000	\$ 10,000	\$ (1,000)
214751	535200	R & M - WEBSITE	\$ 180	\$ -	\$ -	\$ -
214751	536000	FACADE GRANT EXPENSE	\$ -	\$ 10,000	\$ -	\$ (10,000)
214751	537000	ADVERTISING	\$ 2,050	\$ 3,000	\$ 5,000	\$ 2,000
214751	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ 250	\$ 250
214751	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ -	\$ -	\$ -
214751	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
214751	559900	CAP OUTLAY-OTR IMPMTS	\$ -	\$ -	\$ 16,832	\$ 16,832
214751	560500	7TH AVE DEVELOP PROGM	\$ -	\$ -	\$ -	\$ -
214751	569000	CONTRACTED SERVICES	\$ -	\$ -	\$ -	\$ -
214751	575200	BANK SERVICE CHARGES	\$ 138	\$ -	\$ 250	\$ 250
214751	599100	CONTINGENCIES	\$ -	\$ 26,475	\$ -	\$ (26,475)
<i>Sub-Total</i>			\$ 17,498	\$ 60,665	\$ 49,328	\$ (11,337)
GRAND TOTAL			\$ 17,498	\$ 60,665	\$ 49,328	\$ (11,337)

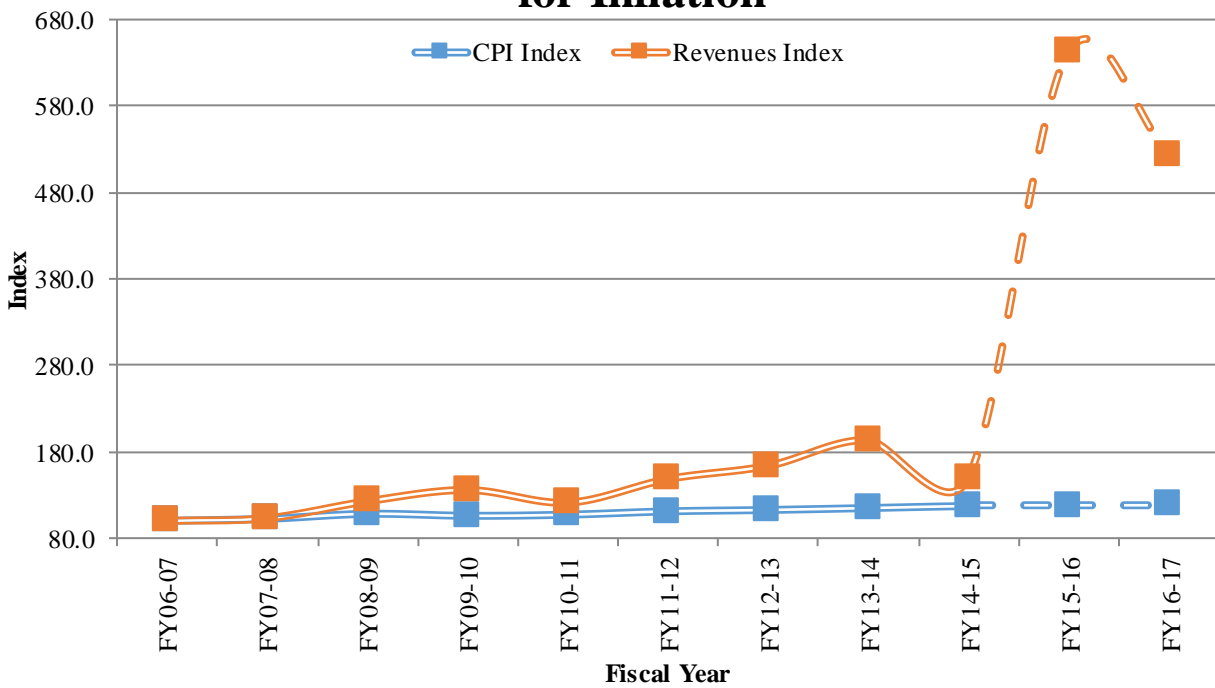
FY16-17 Budget Highlights

The 7th Avenue MSD Fund’s budget totals \$49,328 for FY16-17. Due to an increase in sales tax revenue, the Fund now has a budget that will support capital improvements in the MSD. Additionally, the Fund is now paying for a portion of two employee’s salaries that work for the MSD Funds in Downtown Hendersonville.

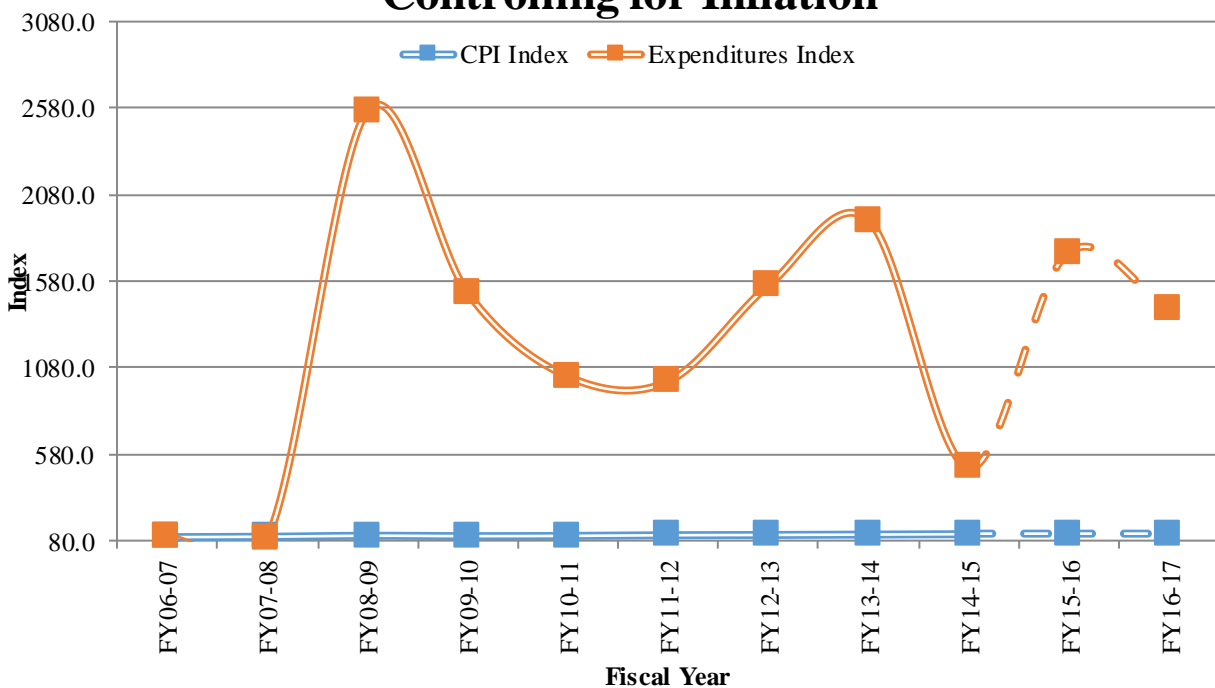


Revenue and Expenditure Trends

7th Avenue MSD Fund Revenues Controlling for Inflation



7th Avenue MSD Fund Expenditures Controlling for Inflation



Other Special Revenue Funds

The following section will briefly describe the various special revenue funds budgeted for the City of Hendersonville in FY16-17.

Capital Reserve – WS

This special revenue fund was created to serve as a capital reserve for the Water and Sewer Fund. However, it was never formally adopted, following the requirements set forth in the Local Government Budget and Fiscal Control Act. The budget in FY16-17 is transferring the funds that had been transferred into the fund in the past, back into the Water and Sewer Fund. In the future, if the City wishes to create a capital reserve, it will utilize the legal process provided in the North Carolina General Statutes. The transfer totals \$2,263,753 in FY16-17.

Debt Service

This special revenue fund was created to pay for debt service notes incurred by the City of Hendersonville. Currently, the Fund only budgets and pays for debt service notes incurred by the City's General Fund. In the future, it may serve all City debt. The General Fund transfers a set amount to cover debt service associated with the Fund. The total budget for the Debt Service Fund is \$1,086,718 for FY16-17.

Fire Car Seat

The Fire Department provides car seat purchase and installation services upon request. This Fund provides an avenue to purchase car seats and accrue revenue for future car seat purchases. The total budget is \$2,250 for FY16-17.

Fire Community

The Fire Community Fund provides an avenue for donations that directly benefit the City's Fire Department. It allows for money to accrue overtime and be spent on a variety of Fire Department needs. The total budget for FY16-17 is \$200.

Health and Welfare Fund

This special revenue fund is an internal service fund, meaning that it provides a service to other funds and receives revenues from those funds in the form of transfers to pay for those services. This Fund budgets for the City's Wellness Program and health insurance claims. The total budget for this Fund is \$299,973 for FY16-17.

Historic Preservation

This special revenue fund operates to serve the Historic Preservation Committee's goals and objectives. It budgets for historic tours, historic banners and memorials, and other miscellaneous costs like advertising and contracted services. The total budget for this Fund is \$15,000 for FY16-17.



Police DARE

The Police DARE Fund was created to provide budget for the DARE program in the City. DARE is a program operating to deter drug abuse among youth in the community. DARE stands for Drug Abuse Resistance Education. This Fund totals \$2,000 for FY16-17.

Police Drug Enforcement

The Police Drug Enforcement Fund is used to account for restricted revenues provided from the State of North Carolina, to be used in drug enforcement related expenditures. This Fund's budget totals \$80,000 for FY16-17.

Police Kennel Club

The Police Kennel Club Fund is a special revenue fund operating on donations and event related revenues. The Fund provides funding for Police canine supplies and materials. The Fund's budget for FY16-17 is 7,000.

Police Motor Unit

This special revenue fund was created to utilize donations and event related revenues to provide for training and supplies for the City's Police Motor Unit. The total budget for FY16-17 is \$800.

Police Needy Persons

The Police Needy Persons Fund is a special revenue fund that provides philanthropic related services to the community. An example of the things this Fund provides for are charitable donations around holidays. This Fund's budget totals \$8,000 for FY16-17.

Police RAD

The Police RAD Fund is a special revenue fund that provides classes and systems against rape aggression for the community. RAD stands for Rape Aggression Defense and is a common system around the nation. This Fund's budget totals \$1,900 for FY16-17.

Police Youth Explorers

The Police Youth Explorers Fund is a special revenue fund that provides a program designed for youth that are interested in a career in law enforcement. Explorers learn about basic police procedures, techniques and tactics, receive hands-on training, and compete in competitions with other law enforcement post's. This Fund's budget totals \$2,000 for FY16-17.



Capital Planning & Budget Process

A capital budget is a financial plan for the construction, improvement, or acquisition of capital assets such as land, buildings, and equipment. The planning process for the acquisition of capital assets is called capital budgeting. A capital budget is a key element in the organization's master budget, which also includes an operating budget. Although the building blocks of the operating budget are organizational units or programs, it is projects that are the typical units of analysis in the capital budget.

The model for the City of Hendersonville's capital budgeting will be presented below:

1. Planning Stage
 - Submission of capital requests
 - Classification and analysis of capital requests
 - Ranking capital requests into priority
 - Preparation of CIP that schedules capital requests for approval, funding, and implementation over a 5-year planning period
 - Forecast of financial resources that will be available to fund the capital requests (for a specific CIP period)
2. Budget Stage
 - Project evaluation (determines whether to undertake a capital project or purchase a capital item)
 - Selection of financing for approved capital request
 - Approval and appropriation of funding
3. Implementation Stage
 - Acquiring, managing, and investing the funds available for capital requests
 - Purchasing equipment, land, and/or other capital assets
 - Designing, contracting for, and/or supervising projects

The following steps constitute the complete capital budget process for the City of Hendersonville.

Planning Stage

Identification and initial analysis of a capital request is the backbone of the Capital Improvement Program. The Program hinges on identification and planning of capital acquisitions several years in advance of execution. This permits the City to have a planning stage in its capital budget process and to carefully evaluate individual capital requests.

To start, the City has detailed how their Capital Request Form will look. An important factor to understand when gauging this form is life cycle costing or the total cost of ownership. Life cycle costing is an analytical technique used to determine the total cost of ownership over the lifetime of the asset. This is the sum of all monies attributed to the asset or project from its conception to its disposal or termination. A life cycle cost is presented as a simple formula:

$$\text{Life cycle cost} = A + O + M + D$$

Where:

A = Acquisition cost of a project; including initial expenditures for facilities and equipment, system design, engineering, and installation.

O = Operating costs; including labor costs, energy costs, material costs, and any other overhead costs discounted over the life of the project [All cost must be converted to their net present value (NPV)].

M = Maintenance costs; including total maintenance and repair discounted over the life of the project.

D = Disposal costs include restoration of the local environment and disposal of services. They equal the cost or value of an asset at the end of the economic life discounted to its present value.

Submission of Capital Requests

The City's Capital Request Forms do not mirror this method exactly but do keep life cycle costs in mind. The form provides expected operating costs including personnel, maintenance, materials, supplies, and other costs as well as, project costs which include land, equipment, construction, and professional services. The City's forms also include a section detailing which Council goals the request addresses as well as, the matrix score it receives from the City's two-dimension rating system. The forms provide an area for financing methods which can range from installment purchases to general obligation bonds. It also provides the total funds requested including interest.



Below is a blank City of Hendersonville Capital Request Form:

City of Hendersonville Capital Request Form							
Project Title							
Department		Division					
Budget Code(s)							
Council Goals Addressed		<input type="checkbox"/> Economic Vitality <input type="checkbox"/> Sound Infrastructure <input type="checkbox"/> Great Public Services <input type="checkbox"/> Strong Partnerships <input type="checkbox"/> Numerous Amenities <input type="checkbox"/> Financial Sustainability		Matrix Score			
Total Funds Requested (including interest)	Approp. to Date	Year 1 FY12-13	Year 2 FY13-14	Year 3 FY14-15	Year 4 FY15-16	Year 5 FY16-17	Future Years 2017+
Project Description							
Project Justification							
Impact on Operating Budget							
Expenditure	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	Future Yrs	Total
Salaries & Benefits							\$0
Materials & Supplies							\$0
Repair & Maintenance							\$0
Other							\$0
<i>Total Operating Impact</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Project Costs							
Activity	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	Future Yrs	Total
Professional Services							\$0
Land / ROW / Easement							\$0
Construction							\$0
Equipment / Machinery							\$0
<i>Total Capital Cost</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating + Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Method(s)							
Funding Source(s)	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	Future Yrs	Total
							\$0
							\$0
							\$0
							\$0
							\$0
Total Project Financing	\$0	\$0	\$0	\$0	\$0	\$0	\$0



Ranking of Capital Requests

Another important aspect of the planning phase is priority setting. Since no organization has sufficient resources to meet all capital needs the development of a ranking system is critical in the capital planning process. The City has developed a two-dimension rating system. With a two-dimension system, two types of priorities are established, the categories for each are ranked and assigned a numeric score, and the scores for the categories from one dimension are multiplied by the scores for the categories from the other dimension to produce a matrix of ratings. The two dimensions used in the City’s matrix are the degree of urgency and the priority of the function. Each category has subsets ranked from high to low.

Below is a copy of the City’s rating system:

City of Hendersonville Two-Dimension Rating Matrix							
Degree of Urgency	Priority of Function						
	1	2	3	4	5	6	7
	Protection	Environmental Health	General Government	Maintenance	Community Development	Recreation	History/Culture
1 Legislation	1	2	3	4	5	6	7
2 Hazard	2	4	6	8	10	12	14
3 Efficiency	3	6	9	12	15	18	21
4 Economic Advantage	4	8	12	16	20	24	28
5 Expand Service	5	10	15	20	25	30	35
6 New Program or Convenience	6	12	18	24	30	36	42

A low rating from this matrix would indicate a high priority for the City while a high ranking would indicate a low priority. Matrices are useful in providing a common framework for decision makers to rank requests. It is particularly helpful in ranking medium priority requests since most high and low priority requests are readily apparent. Problems can arise in using rating systems, making the selection of criteria extremely important. A ranking or rating is system is not likely to work if the decision makers disagree significantly about the priorities, or if the categories are changed to accommodate individual requests.

The following details the categories selected and used by the City of Hendersonville:

Degrees of Urgency

- Legislation: Required by legislation or regulation of federal or state government.
- Hazard: Removes an obvious or potential hazard to public health or safety.
- Efficiency: Replaces equipment or a facility that is obsolete, or would be too costly to repair, or maintains and better utilizes existing equipment and facilities.
- Economic Advantage: Directly benefits the City’s economic base by increasing property values or other revenue potential.
- Expand Service: Expands or increase a service or improves a standard of service.



- New Program or Convenience: Makes possible a new service or increase convenience or comfort.

Priority of Function

- Protection of persons and property: police, fire, rescue, inspections, etc...
- Environmental Health: water, sewer, sanitation, public health, etc...
- General Government: office facilities, central services, etc...
- Maintenance: general maintenance of City owned property.
- Community Development: public housing, rehabilitation, etc...
- Recreation: Parks, athletic programs, etc...
- Heritage/Culture: education, libraries, historic districts, etc...

Preparation of CIP

The City of Hendersonville prepares a five-year CIP to function as a planning tool for capital improvements. Only the current year schedule, when adopted by City Council, becomes part of the operating budget. The CIP schedule beyond the current fiscal year is subject to adjustments upon annual review by staff and Council. Future forecasts in the CIP serve the City by helping plan for capital repairs, replacements, and acquisitions, which aids in financial planning to ensure the City's fiscal health and credit.

A Capital Request Form needs to be submitted for any major asset that has a value over \$5,000 and a useful life expectancy of five years or more. This includes buildings, construction projects, equipment, vehicles, land acquisition, and major renovations. Most assets less than \$5,000 and greater than \$1,000 are budgeted annually under capital outlay – non depreciable. Items under \$1,000 are budgeted under office supplies or supplies and materials in a department budget.

The essential feature of the City's CIP is the appropriation of capital expenditures among the years covered by the CIP. The CIP will include a detail summary sheet of all projects and Capital Request Forms. The summary sheet will include the project title, which department/fund it belongs to, total project expenditures, each year (of 5) expenditures, and expenditures beyond the years of the CIP. A calendar, in accordance with the budget calendar, will be produced detailing the CIP schedule for the coming year.



The calendar below details the CIP schedule for FY16-17:

City of Hendersonville CIP Calendar FY16-17	
Description	Date
Departments begin meeting internally to develop CIP project requests	October
Departments submit CIP project requests to Finance & Administration	November 30th, 2015
City Manager & Finance Officer review CIP project request	December 4th, 2015
Department Head discuss CIP project requests with City Manager & Finance Officer	December 14th - 18th, 2015
CIP project impact & financial analysis is prepared	By January 22nd, 2016
City Council Budget Preview (Includes CIP Estimates)	February 11th, 2016

After the CIP preparation process is complete the City Manager will present the preliminary project list to Council in a goal setting/priority meeting in early 2015. It is important that department heads are educated on the Capital Request Forms and the dates by which they need to be submitted. The CIP will set the stage for the annual budget process.

Financial Projections

Projections will be made to provide an estimate of the financial resources available for capital outlay purposes for the same period that the CIP covers. This also means that future operating needs will have to be projected. There are four major factors that play a role in predicting available resources for capital purposes. These are annual operating revenues and expenditures, outstanding debt, annual debt service payments, and intergovernmental aid and grants.

Predicting revenues and expenditures is done through trends analyses. These forecasts will also include foreseen tax/rate increases, legislative decisions, property valuations, population growth, cost of living adjustments, contractual services, new positions, and a wide variety of other factors. What should be understood is that if operating revenues are expected to greatly exceed operating expenditures in a particular year, the sum can be transferred to the capital budget to finance capital improvements and outlays. The excess can also be reverted to the fund balance. Fund balances may also build to amounts greater than needed and then drawn down to finance capital projects. Fund balances should be considered when forecasting resources for the CIP.



Debt is another avenue for financing capital programs. This makes projecting outstanding debt and annual debt service an important aspect in capital program planning.

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

General Obligation Bonds

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

Revenue Bonds

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

Installment Purchase Agreements

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

Certificates of Participation

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

Tax Increment Financing Bonds

Tax Increment Financing (TIF) bonds are high risk for investors because the debt is secured on anticipated increases in property value. A TIF project begins by designating an area as a TIF district and determining a base property value. The base valuation is set for a specific number of years, during which time public and private investments should improve the property. The



increase in value over the base valuation is the increment. Local governments continue to accrue taxes levied on the base valuation for normal operations. Additional taxes levied on the increment are for the repayment of debt service or other qualifying needs associated with the TIF. At the end of the specified time, all debt associated with the TIF is amortized and all tax revenues can be used at the discretion of the local government. A successful TIF project is dependent upon an increase in property value of the designated district. The inherent risk in TIF is the assumption that property values will increase enough to repay the associated debt. TIF bonds can be financed up to thirty years.

Bond Anticipation Notes

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

A final forecast should be based on intergovernmental aid and grants. These options can be significant sources of financing for local government capital projects. However, forecasting the availability of such grants and aid can be problematic. Many grants and aid are subject to reductions because of federal and state budget shortages and changes in federal and state administrations. Even for the aid or grant programs for which this does not occur, legal and administrative provisions governing the distribution of the aid often change. Considering the aforementioned, grants and aid should be considered but not counted on in a forecast of guaranteed financial resources for a capital improvement program.

Budget Stage

The budget stage of a CIP involves feasibility studies, selection of financing methods, and appropriating moneys to fund capital requests.

Project Evaluation

Evaluation refers to a detailed and often technical study of a capital outlay request. It is a precursor to the approval and ranking of a project. As such, it relates more to capital budgeting than to capital planning. Project evaluation is typically done one of two ways, in house or contracted out, depending on the size. The purpose of the evaluation is to help determine the need for and/or economic viability of the project. It may also involve preparation of general plans and project specifications. There are a variety of techniques available for program evaluation ranging from quantitative analysis to informed judgment.

Project Financing

This stage of the CIP process differs from planning in that it involves the actual selection of the financing method and how heavily the City should rely on said method. As discussed before there are a wide variety of funding mechanisms for capital projects. One of the most popular and



advantageous methods to financing capital projects is commonly referred to as pay-as-you-go. This type of financing encourages responsible spending by requiring the same officials who approve projects to also raise the revenues to pay for them. It also avoids paying the interest charges involved with debt. Another advantage is avoiding the accumulation of large, fixed debt service payments in the operating budget. A wealth of information exists on capital financing, it is up to the City to decide what is the best avenue for financing their projects in this stage of the Capital Improvement Program.

Authorization of Capital Projects

The final step in the budget stage is the authorization and appropriation of funds for the capital requests. This is typically done by the governing body through:

- The annual budget ordinance,
- A capital projects ordinance that provides funding for all capital requests approved in a year,
- Or one or more bond orders approved by the governing board and perhaps by the voters.

Each of the aforementioned appropriating vehicles has their own advantages and disadvantages.

Implementation Stage

The final step in the capital planning and budget process is implementation. Financial plans and arrangements are either a success or a failure in this stage. A key facet in ensuring successful implementation is the management and investment of revenue available for financing. A locality may have revenue accumulated to finance a project well before the revenue must be spent. It is beneficial to plan for investing in funds so that they become available to meet payments required by a capital project.

It is important to keep in mind that in keeping a separate capital budget process:

1. The unit faces large capital needs requiring the expenditure of substantial amounts of money.
2. Meeting these needs is likely to shape or alter the basic features of the community.
3. Debt will be required to meet at least some of the needs.
4. Other procedures will probably not guarantee that the needs are met in an orderly and fiscally sound manner.

CIP Policy

The CIP helps the City manage capital expenditures to meet the following goals:

- ✓ Eliminate hazards and risks to public health and safety
- ✓ Promote economic development
- ✓ Improve service effectiveness and efficiency
- ✓ Maintain financial stability

To achieve these goals, the following policies and finance strategies guide staff in CIP development:

- ✓ A capital project is a physical asset with an initial cost greater than \$5,000 and a projected useful life greater than 5 years or a non-recurring operating expenditure greater than \$5,000 directly related to service delivery. Capital assets may include infrastructure, buildings, vehicles, or information technology equipment and software. Planning and design costs associated with the request should be included in the projected costs when applicable.
- ✓ Similar projects costing less than \$5,000 should not be lumped together to form a single project greater than \$5,000. Such smaller projects should be included within the upcoming operating budget.
- ✓ The term of any City debt issue shall not exceed the useful life of the asset for which the debt is issued.
- ✓ The capital program will recognize the borrowing limitation of the City to maintain fiscal stability.
- ✓ The City will search for all possible outside funding sources for CIP projects to help offset City debt, including grants, private-partnerships, and intergovernmental agreements.
- ✓ A financial analysis will accompany the CIP to illustrate the City's capacity to repay debt and identify the effects on financial indicators.
- ✓ The City will seek to maintain financial indicators within an acceptable level as compared to peer cities.
- ✓ The City will attempt to utilize pay-as-you-go financing when possible, particularly for capital assets with costs less than \$75,000



Capital Improvements Plan – Summary Table

Budget FY16-17

YEAR	PROJECT	TOTAL COST	FUNDING MECHANISM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	FUTURE YEARS
7TH AVENUE									
FY16-17	Locust & 7th Improvements	\$15,000	Cash	\$15,000	\$0	\$0	\$0	\$0	\$0
FY16-17	All Projects	\$15,000		\$15,000	\$0	\$0	\$0	\$0	\$0
All	7TH AVENUE	\$15,000		\$15,000	\$0	\$0	\$0	\$0	\$0
CITY ENGINEER									
FY16-17	Blythe Street Sidewalks	\$115,000	Bond	\$115,000	\$0	\$0	\$0	\$0	\$0
FY16-17	Highway 64 Sidewalks	\$260,000	Fed Aid/Bond	\$260,000	\$0	\$0	\$0	\$0	\$0
FY16-17	N. Main St. Sidewalks	\$800,000	Bond	\$800,000	\$0	\$0	\$0	\$0	\$0
FY16-17	All Projects	\$1,175,000		\$1,175,000	\$0	\$0	\$0	\$0	\$0
FY17-18	Permitting/Inspection Software	\$100,000	GF/WS Cash	\$0	\$50,000	\$50,000	\$0	\$0	\$0
FY17-18	All Projects	\$100,000		\$0	\$50,000	\$50,000	\$0	\$0	\$0
All	CITY ENGINEER	\$1,275,000		\$1,175,000	\$50,000	\$50,000	\$0	\$0	\$0
DOWNTOWN									
FY16-17	Electric Panel Upgrade on Main Street	\$30,000	DT Cash	\$10,000	\$5,000	\$0	\$0	\$0	\$15,000
FY16-17	All Projects	\$30,000		\$10,000	\$5,000	\$0	\$0	\$0	\$15,000
FY17-18	Hanging Baskets on King Street	\$12,000	DT Cash	\$0	\$12,000	\$0	\$0	\$0	\$0
FY17-18	Holiday Fire Pits	\$28,500	DT Cash	\$0	\$28,500	\$0	\$0	\$0	\$0
FY17-18	Upgraded Holiday Plantar Lighting	\$18,500	DT Cash	\$0	\$18,500	\$0	\$0	\$0	\$0
FY17-18	All Projects	\$59,000		\$0	\$59,000	\$0	\$0	\$0	\$0
FY18-19	Avenue Sidewalks & Street Lights	\$1,400,000	GF/ESF/WS Cash	\$0	\$0	\$700,000	\$700,000	\$0	\$0
FY18-19	All Projects	\$1,400,000		\$0	\$0	\$700,000	\$700,000	\$0	\$0
All	DOWNTOWN	\$1,489,000		\$10,000	\$64,000	\$700,000	\$700,000	\$0	\$15,000
ENVIRONMENTAL SERVICES									
FY16-17	4th Avenue Stormwater	\$30,000	ESF Cash	\$30,000	\$0	\$0	\$0	\$0	\$0
FY16-17	Maple Street Stormwater	\$40,000	ESF Cash	\$40,000	\$0	\$0	\$0	\$0	\$0
FY16-17	All Projects	\$70,000		\$70,000	\$0	\$0	\$0	\$0	\$0
FY17-18	Truck Replacement Schedule	\$960,000	Loan	\$0	\$230,000	\$0	\$0	\$230,000	\$500,000
FY17-18	All Projects	\$960,000		\$0	\$230,000	\$0	\$0	\$230,000	\$500,000
All	ENVIRONMENTAL SERVICES	\$1,030,000		\$70,000	\$230,000	\$0	\$0	\$230,000	\$500,000
FINANCE									
FY16-17	Munis UBCSI	\$43,137	WS Cash	\$43,137	\$0	\$0	\$0	\$0	\$0
FY16-17	All Projects	\$43,137		\$43,137	\$0	\$0	\$0	\$0	\$0
All	FINANCE	\$43,137		\$43,137	\$0	\$0	\$0	\$0	\$0
FIRE									
FY16-17	Purchase Fire Marshal Vehicle	\$40,000	GF Cash	\$40,000	\$0	\$0	\$0	\$0	\$0
FY16-17	Replacement of Engine 4	\$700,000	Loan	\$700,000	\$0	\$0	\$0	\$0	\$0
FY16-17	Upgrade Radio Equipment	\$22,500	GF Cash	\$8,500	\$14,000	\$0	\$0	\$0	\$0
FY16-17	All Projects	\$762,500		\$748,500	\$14,000	\$0	\$0	\$0	\$0
FY17-18	Akron Quick Attack Monitor Nozzle	\$16,000	GF Cash	\$0	\$16,000	\$0	\$0	\$0	\$0
FY17-18	Paratech Vehicle Stabilization Kit	\$7,500	GF Cash	\$0	\$7,500	\$0	\$0	\$0	\$0
FY17-18	Replace Chevy Astro Van	\$40,000	GF Cash	\$0	\$40,000	\$0	\$0	\$0	\$0
FY17-18	Replace/Repair Front Apron Station 1	\$80,000	GF Cash	\$0	\$80,000	\$0	\$0	\$0	\$0
FY17-18	Replacement of AED's	\$40,000	GF Cash	\$0	\$40,000	\$0	\$0	\$0	\$0
FY17-18	Station 2 Office Remodel	\$40,000	GF Cash	\$0	\$40,000	\$0	\$0	\$0	\$0
FY17-18	Thermal Imaging Cameras	\$13,000	GF Cash	\$0	\$13,000	\$0	\$0	\$0	\$0
FY17-18	All Projects	\$236,500		\$0	\$236,500	\$0	\$0	\$0	\$0
FY18-19	Renovate Station 1 Deck Enclosure	\$600,000	GF Cash	\$0	\$0	\$600,000	\$0	\$0	\$0
FY18-19	Replacement of Self-Contained Breathing Apparatus	\$200,000	GF Cash	\$0	\$0	\$40,000	\$40,000	\$40,000	\$80,000
FY18-19	All Projects	\$800,000		\$0	\$0	\$640,000	\$40,000	\$40,000	\$80,000
FY20-21	Replace Deputy Fire Chief Vehicle	\$45,000	GF Cash	\$0	\$0	\$0	\$0	\$45,000	\$0
FY20-21	Replacement of Ladder 1	\$1,500,000	Loan	\$0	\$0	\$0	\$0	\$1,500,000	\$0
FY20-21	All Projects	\$1,545,000		\$0	\$0	\$0	\$0	\$1,545,000	\$0
FY21+	Training Facility	\$500,000	Loan	\$0	\$0	\$0	\$0	\$0	\$500,000
FY21+	All Projects	\$500,000		\$0	\$0	\$0	\$0	\$0	\$500,000
All	FIRE	\$3,844,000		\$748,500	\$250,500	\$640,000	\$40,000	\$1,585,000	\$580,000



Capital Improvements Plan – Summary Table

Budget FY16-17

YEAR	PROJECT	TOTAL COST	FUNDING MECHANISM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	FUTURE YEARS
INFORMATION TECHNOLOGY									
FY16-17	Council Chamber Technology Upgrade	\$50,000	GF/WS Cash	\$50,000	\$0	\$0	\$0	\$0	\$0
FY16-17	Key Access System Can	\$10,000	GF/WS Cash	\$10,000	\$0	\$0	\$0	\$0	\$0
FY16-17	<i>All Projects</i>	\$60,000		\$60,000	\$0	\$0	\$0	\$0	\$0
All	INFORMATION TECHNOLOGY	\$60,000		\$60,000	\$0	\$0	\$0	\$0	\$0
POLICE									
FY16-17	Police Mobile System Server & Software	\$125,000	GF/SDF Cash	\$125,000	\$0	\$0	\$0	\$0	\$0
FY16-17	Police Vehicle Replacements	\$1,102,000	GF Cash	\$215,000	\$213,000	\$213,000	\$213,000	\$213,000	\$0
FY16-17	<i>All Projects</i>	\$1,192,000		\$340,000	\$213,000	\$213,000	\$213,000	\$213,000	\$0
FY17-18	EnCase Forensic Computer Data Recovery System	\$16,000	GF Cash	\$0	\$16,000	\$0	\$0	\$0	\$0
FY17-18	Police Computer Systems	\$62,000	GF Cash	\$0	\$19,000	\$21,000	\$22,000	\$0	\$0
FY17-18	Police Mobile Computers	\$44,000	GF Cash	\$0	\$22,000	\$22,000	\$0	\$0	\$0
FY17-18	<i>All Projects</i>	\$122,000		\$0	\$57,000	\$43,000	\$22,000	\$0	\$0
All	POLICE	\$1,314,000		\$340,000	\$270,000	\$256,000	\$235,000	\$213,000	\$0
PUBLIC WORKS									
FY16-17	Boyd Park Improvements	\$88,000	GF Cash	\$88,000	\$0	\$0	\$0	\$0	\$0
FY16-17	City Hall Roof Improvements	\$5,500	GF Cash	\$5,500	\$0	\$0	\$0	\$0	\$0
FY16-17	City Ops HVAC	\$82,000	GF/WS Cash	\$44,000	\$0	\$0	\$0	\$38,000	\$0
FY16-17	Fire Station #1 Patio Improvements	\$7,000	GF Cash	\$7,000	\$0	\$0	\$0	\$0	\$0
FY16-17	Garage Doors at Wash Bay	\$10,000	GFCash	\$10,000	\$0	\$0	\$0	\$0	\$0
FY16-17	Wayfinding Signs	\$86,000	GF/DT Cash	\$50,000	\$12,000	\$12,000	\$12,000	\$0	\$0
FY16-17	Old Tracey Grove Road Bridge Replacement Project	\$58,000	GF Cash/CPO	\$58,000	\$0	\$0	\$0	\$0	\$0
FY16-17	Pallet Racking & Shelving	\$10,000	GF Cash	\$10,000	\$0	\$0	\$0	\$0	\$0
FY16-17	Patton Pool Lights	\$17,000	GF Cash	\$17,000	\$0	\$0	\$0	\$0	\$0
FY16-17	Powell Bill Improvements	\$3,306,280	Powell Bill Fund/Cash	\$476,280	\$500,000	\$330,000	\$500,000	\$500,000	\$1,000,000
FY16-17	Salt Spreaders	\$28,000	GF Cash	\$14,000	\$14,000	\$0	\$0	\$0	\$0
FY16-17	Sidearm Mower and Tractor Replacement	\$105,000	GF Cash	\$105,000	\$0	\$0	\$0	\$0	\$0
FY16-17	Snow Blades	\$30,000	GF Cash	\$10,000	\$10,000	\$10,000	\$0	\$0	\$0
FY16-17	Vehicle Replacements	\$402,500	GF Cash	\$27,500	\$55,000	\$0	\$55,000	\$55,000	\$210,000
FY16-17	Zero Turn Mower	\$28,000	GF Cash	\$14,000	\$0	\$0	\$0	\$0	\$0
FY16-17	<i>All Projects</i>	\$4,263,280		\$936,280	\$591,000	\$352,000	\$567,000	\$593,000	\$1,210,000
FY17-18	Berkeley Park Improvements	\$750,000	GF Cash	\$0	\$300,000	\$250,000	\$200,000	\$0	\$0
FY17-18	Maple Street Improvements	\$230,000	Powell Bill Fund	\$0	\$230,000	\$0	\$0	\$0	\$0
FY17-18	Patton Park Pond	\$32,000	GF Cash	\$0	\$32,000	\$0	\$0	\$0	\$0
FY17-18	Patton Park Pedestrian Bridge and Vehicular Bridge Replacement	\$50,000	GF Cash	\$0	\$50,000	\$0	\$0	\$0	\$0
FY17-18	Patton Pool Umbrellas	\$20,000	GF Cash	\$0	\$20,000	\$0	\$0	\$0	\$0
FY17-18	Pavement Condition Survey	\$17,000	GF Cash	\$0	\$17,000	\$0	\$0	\$0	\$0
FY17-18	Resurface Whitmire Building Parking Lot	\$20,000	GF Cash	\$0	\$20,000	\$0	\$0	\$0	\$0
FY17-18	Tom's Park Pedestrian Bridge	\$30,000	GF Cash	\$0	\$30,000	\$0	\$0	\$0	\$0
FY17-18	Whitmire Building Floor Replacement	\$30,000	GF Cash	\$0	\$30,000	\$0	\$0	\$0	\$0
FY17-18	<i>All Projects</i>	\$1,179,000		\$0	\$729,000	\$250,000	\$200,000	\$0	\$0
FY18-19	Fleet Maintenance Lot Resurfacing	\$65,000	GF Cash	\$0	\$0	\$65,000	\$0	\$0	\$0
FY18-19	Grounds Maintenance Equipment Storage	\$40,000	GF Cash	\$0	\$0	\$40,000	\$0	\$0	\$0
FY18-19	Streets Dept Walk Saw	\$6,000	GF Cash	\$0	\$0	\$6,000	\$0	\$0	\$0
FY18-19	Sullivan Park Improvements	\$25,000	GF Cash	\$0	\$0	\$25,000	\$0	\$0	\$0
FY18-19	<i>All Projects</i>	\$136,000		\$0	\$0	\$136,000	\$0	\$0	\$0
FY19-20	Air Compressor	\$18,000	GF Cash	\$0	\$0	\$0	\$18,000	\$0	\$0
FY19-20	Asphalt Roller	\$65,000	GF Cash	\$0	\$0	\$0	\$65,000	\$0	\$0
FY19-20	Hendersonville Gateway Park	\$110,000	GF Cash	\$0	\$0	\$0	\$110,000	\$0	\$0
FY19-20	Patton Park Tennis Court Lights	\$36,000	GF Cash	\$0	\$0	\$0	\$36,000	\$0	\$0
FY19-20	<i>All Projects</i>	\$229,000		\$0	\$0	\$0	\$229,000	\$0	\$0
FY20-21	Bucket Truck Replacement	\$100,000	GF Cash	\$0	\$0	\$0	\$0	\$100,000	\$0
FY20-21	Rotary Park Playground Equipment	\$15,000	Rotary Donation	\$0	\$0	\$0	\$0	\$15,000	\$0
FY20-21	<i>All Projects</i>	\$115,000		\$0	\$0	\$0	\$0	\$115,000	\$0
FY21+	Columbarium at Oakdale Cemetery	\$18,000	GF Cash	\$0	\$0	\$0	\$0	\$0	\$18,000
FY21+	Splash Pad or Water Slide	\$130,000	GF Cash	\$0	\$0	\$0	\$0	\$0	\$130,000
FY21+	<i>All Projects</i>	\$148,000		\$0	\$0	\$0	\$0	\$0	\$148,000
All	PUBLIC WORKS	\$6,070,280		\$936,280	\$1,320,000	\$738,000	\$996,000	\$708,000	\$1,358,000



Capital Improvements Plan – Summary Table

Budget FY16-17

YEAR	PROJECT	TOTAL COST	FUNDING MECHANISM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	FUTURE YEARS
WATER & SEWER									
FY16-17	ATV for Inspecting Outfalls	\$15,000	WS Cash	\$15,000	\$0	\$0	\$0	\$0	\$0
FY16-17	Cobblestone Hydro Pump Station	\$200,000	WS Cash	\$200,000	\$0	\$0	\$0	\$0	\$0
FY16-17	Cornerstone/Comet Dr. Sanitary Sewer Improvements	\$12,600	WS Cash	\$12,600	\$0	\$0	\$0	\$0	\$0
FY16-17	District Metering & Pump Station Metering	\$500,000	WS Cash	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$0
FY16-17	Dump Truck Replacement - Water	\$473,000	WS Cash	\$156,000	\$92,000	\$0	\$0	\$0	\$225,000
FY16-17	Eastside Transmission Main, Phase 2	\$2,556,000	WS Cash/CPO	\$154,000	\$2,402,000	\$0	\$0	\$0	\$0
FY16-17	Equipment Shed	\$250,000	WS Cash	\$250,000	\$0	\$0	\$0	\$0	\$0
FY16-17	Garden Lane Pump Station Deck	\$540,000	WS Cash	\$25,000	\$0	\$0	\$515,000	\$0	\$0
FY16-17	Generators and ATS	\$2,250,000	WS Cash	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$1,500,000
FY16-17	Gravity Filter Replacement	\$1,047,000	WS Cash/CPO	\$125,000	\$922,000	\$0	\$0	\$0	\$0
FY16-17	Highway 64 Relocation NCDOT	\$1,030,000	WS Cash/CRF	\$1,030,000	\$0	\$0	\$0	\$0	\$0
FY16-17	Inflow and Filtration Improvements	\$2,000,000	WS Cash	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$1,500,000
FY16-17	Motor Vehicle Replacements	\$2,040,000	WS Cash	\$102,000	\$102,000	\$102,000	\$102,000	\$102,000	\$1,530,000
FY16-17	Northside (Fletcher Area) Water System Improvements	\$2,441,180	WS Cash/CPO	\$468,180	\$1,973,000	\$0	\$0	\$0	\$0
FY16-17	Pump Station Metering and Weather Stations	\$500,000	WS Cash	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$0
FY16-17	Rutledge Rd. Water System Improvements	\$476,000	WS Cash/CPO	\$476,000	\$0	\$0	\$0	\$0	\$0
FY16-17	SCADA System Upgrade	\$793,000	WS Cash/CPO	\$793,000	\$0	\$0	\$0	\$0	\$0
FY16-17	Sewer Repairs and Replacements	\$7,056,197	WS Cash	\$256,197	\$150,000	\$200,000	\$200,000	\$250,000	\$6,000,000
FY16-17	Spartanburg Highway Sanitary Sewer Improvements	\$169,000	WS Cash	\$169,000	\$0	\$0	\$0	\$0	\$0
FY16-17	Upward Road NCDOT	\$262,395	WS Cash/CRF	\$262,395	\$0	\$0	\$0	\$0	\$0
FY16-17	Water Repairs and Replacements	\$7,056,197	WS Cash	\$256,197	\$150,000	\$200,000	\$200,000	\$250,000	\$6,000,000
FY16-17	WTP Lawnmower	\$15,000	WS Cash	\$15,000	\$0	\$0	\$0	\$0	\$0
FY16-17	WWTP Generator & ATS	\$934,000	WS Cash/Loan/CPO	\$100,000	\$834,000	\$0	\$0	\$0	\$0
FY16-17	<i>All Projects</i>	\$32,616,569		\$5,315,569	\$7,075,000	\$952,000	\$1,467,000	\$1,052,000	\$16,755,000
FY17-18	36-inch Asphalt Saw	\$27,000	Loan/Grant	\$0	\$27,000	\$0	\$0	\$0	\$0
FY17-18	Backhoe/Excavator Replacements - Water	\$362,000	WS Cash	\$0	\$73,000	\$0	\$0	\$0	\$289,000
FY17-18	French Broad River Raw Water Intake and Pump Station, Phase 2	\$5,098,000	WS Cash/Loan	\$0	\$5,098,000	\$0	\$0	\$0	\$0
FY17-18	Howard Gap Rd. Water Extension, Phase 1	\$1,489,000	WS Cash	\$0	\$243,000	\$1,246,000	\$0	\$0	\$0
FY17-18	Mud Creek Sewer Replacement, Phase 3	\$1,144,000	WS Cash	\$0	\$176,000	\$968,000	\$0	\$0	\$0
FY17-18	N. Main St. Sanitary Sewer and Water Improvements	\$1,047,000	WS Cash	\$0	\$1,047,000	\$0	\$0	\$0	\$0
FY17-18	Pathways of Solomon Jones Hydro Pump Station	\$205,000	WS Cash	\$0	\$205,000	\$0	\$0	\$0	\$0
FY17-18	Smokey Ridge Apartments Sewer Pump Station Elimination	\$418,000	WS Cash	\$0	\$65,000	\$353,000	\$0	\$0	\$0
FY17-18	Trench Roller/Compactor	\$62,000	WS Cash	\$0	\$62,000	\$0	\$0	\$0	\$0
FY17-18	U.S. Highway 64 E / Highland Square Sanitary Sewer Improvements	\$146,000	WS Cash	\$0	\$23,000	\$123,000	\$0	\$0	\$0
FY17-18	Williams St. / 4th Avenue E Sanitary Sewer Replacement	\$342,000	WS Cash	\$0	\$42,000	\$300,000	\$0	\$0	\$0
FY17-18	WTP Centrifuge	\$816,000	Loan	\$0	\$816,000	\$0	\$0	\$0	\$0
FY17-18	WTP Relocate Raw Water Intake - MR	\$469,000	WS Cash	\$0	\$89,000	\$348,000	\$0	\$0	\$32,000
FY17-18	<i>All Projects</i>	\$11,625,000		\$0	\$7,966,000	\$3,338,000	\$0	\$0	\$321,000
FY18-19	Air Compressor Replacements - Water	\$38,000	WS Cash	\$0	\$0	\$19,000	\$0	\$0	\$19,000
FY18-19	Dump Truck Replacement - Sewer	\$174,000	WS Cash	\$0	\$0	\$92,000	\$0	\$0	\$82,000
FY18-19	Florida Avenue Sanitary Sewer and Water Improvements	\$1,033,000	WS Cash	\$0	\$0	\$159,000	\$874,000	\$0	\$0
FY18-19	Howard Gap Rd. Water Main Extension, Phase 2	\$2,366,000	WS Cash	\$0	\$0	\$385,000	\$1,981,000	\$0	\$0
FY18-19	Large Skid Steer	\$100,000	WS Cash	\$0	\$0	\$100,000	\$0	\$0	\$0
FY18-19	LongJohn Mountain Interconnect, Pump Stations and Storage Tank	\$3,676,000	WS Cash	\$0	\$0	\$857,000	\$2,819,000	\$0	\$0
FY18-19	Oakland St. and Fleming St. Sanitary Sewer and Water Improvements	\$2,188,000	WS Cash	\$0	\$0	\$336,000	\$1,852,000	\$0	\$0
FY18-19	SCADA System Servers	\$108,000	WS Cash	\$0	\$0	\$27,000	\$0	\$0	\$81,000
FY18-19	S. Rugby Road Water Main Interconnection	\$1,888,000	WS Cash	\$0	\$0	\$358,000	\$1,530,000	\$0	\$0
FY18-19	WTP Bradley Creek Reservoir Dredging	\$641,000	WS Cash	\$0	\$0	\$44,000	\$597,000	\$0	\$0
FY18-19	WWTP Lawnmower	\$18,500	WS Cash	\$0	\$0	\$18,500	\$0	\$0	\$0
FY18-19	WWTP Sludge Drying System	\$4,010,000	WS Cash	\$0	\$0	\$233,000	\$3,777,000	\$0	\$0
FY18-19	<i>All Projects</i>	\$12,230,500		\$0	\$0	\$2,628,500	\$13,430,000	\$0	\$182,000



Capital Improvements Plan – Summary Table

Budget FY16-17

YEAR	PROJECT	TOTAL COST	FUNDING MECHANISM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	FUTURE YEARS
WATER & SEWER									
FY19-20	Brookwood Sewer Pump Station Replacement	\$315,000	WS Cash	\$0	\$0	\$0	\$315,000	\$0	\$0
FY19-20	Dana Rd. Water Main Extension	\$1,458,000	WS Cash	\$0	\$0	\$0	\$230,000	\$1,228,000	\$0
FY19-20	Eastside Improvements - Phase 3	\$2,229,000	WS Cash	\$0	\$0	\$0	\$362,000	\$1,867,000	\$0
FY19-20	Pace Rd. Water Main Extension and Interconnect	\$883,000	WS Cash	\$0	\$0	\$0	\$43,000	\$840,000	\$0
FY19-20	Willow Rd., Cherokee Dr., Park St. Sanitary Sewer and Water Improvements	\$3,198,000	WS Cash	\$0	\$0	\$0	\$492,000	\$2,706,000	\$0
FY19-20	WTP Expansions, 12-MGD to 15-MGD	\$5,331,000	Loan	\$0	\$0	\$0	\$231,000	\$0	\$5,100,000
FY19-20	<i>All Projects</i>	<i>\$13,414,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$1,673,000</i>	<i>\$6,641,000</i>	<i>\$5,100,000</i>
FY20-21	Backhoe/Excavator Replacement - Sewer	\$194,000	WS Cash	\$0	\$0	\$0	\$0	\$73,000	\$121,000
FY20-21	Equipment Trailer Replacements - Water	\$46,000	WS Cash	\$0	\$0	\$0	\$0	\$46,000	\$0
FY20-21	Finley Cove Rd. Pump Station	\$194,000	WS Cash	\$0	\$0	\$0	\$0	\$58,000	\$136,000
FY20-21	Replace Equipment Trailers - Water	\$32,000	WS Cash	\$0	\$0	\$0	\$0	\$16,000	\$16,000
FY20-21	<i>All Projects</i>	<i>\$466,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$193,000</i>	<i>\$273,000</i>
FY21+	1st Avenue W and Oak St. Sanitary Sewer and Water Improvements	\$739,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$739,000
FY21+	16-inch Transmission Water Main from WTP to Ewart Hill Slip Lining	\$2,063,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$2,063,000
FY21+	24-PCCP Transmission Main Replacement	\$8,000,000	Loan	\$0	\$0	\$0	\$0	\$0	\$8,000,000
FY21+	7th Avenue Residential Sanitary Sewer and Water Improvements	\$883,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$883,000
FY21+	AMI Metering Infrastructure Replacement	\$11,846,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$11,846,000
FY21+	Bradley Creek Raw Water Line Slip Lining	\$1,505,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$1,505,000
FY21+	CCTV Sewer Inspection Vehicle	\$482,000	Loan	\$0	\$0	\$0	\$0	\$0	\$482,000
FY21+	Druid Hills Sanitary Sewer and Water Improvements	\$4,116,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$4,116,000
FY21+	Ewart Hill 5-MG Storage Reservoir Replacement	\$3,750,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$3,750,000
FY21+	Fairgrounds Avenue (E. Flat Rock Area) - Repair and Replacement Project	\$1,605,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$1,605,000
FY21+	Fruitland Rd. Water Main Extension	\$1,519,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$1,519,000
FY21+	Mud Creek Interceptor Replacement, Phase 1	\$1,281,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$1,281,000
FY21+	Mud Creek Interceptor Replacement, Phase 2	\$850,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$850,000
FY21+	NC Highway 191 30-inch Water Transmission Upgrade (NCDOT)	\$2,151,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$2,151,000
FY21+	N. Highland Lake Rd. Interconnection	\$708,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$708,000
FY21+	North Fork Raw Water Line Slip Lining	\$2,063,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$2,063,000
FY21+	S. Mills Gap Rd. Water Main Extension	\$1,152,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$1,152,000
FY21+	Sewer Vactor Truck Replacement	\$736,000	Loan	\$0	\$0	\$0	\$0	\$0	\$736,000
FY21+	Skid Steer ROW Clearing Equipment	\$84,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$84,000
FY21+	Southside Water System Improvements	\$3,052,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$3,052,000
FY21+	Tapping Machine (4" to 12")	\$62,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$62,000
FY21+	U.S. Highway 64 E / Highland Square Sanitary Sewer Improvements	\$142,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$142,000
FY21+	US Highway 64 West 30-inch Transmission Main	\$8,822,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$8,822,000
FY21+	WTP Expansions, 15-MGD to 18-MGD	\$8,653,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$8,653,000
FY21+	WWTP Expansion, 6.0 MGD	\$205,000	WS Cash	\$0	\$0	\$0	\$0	\$0	\$205,000
FY21+	<i>All Projects</i>	<i>\$66,469,000</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$66,469,000</i>
All	WATER & SEWER	\$136,821,069		\$5,315,569	\$15,041,000	\$6,918,500	\$16,570,000	\$7,886,000	\$89,100,000

The total budget, all funds, for capital outlay in FY16-17 is **\$8,713,486**.



General Fund

City Engineer

Blythe Street Sidewalks: \$115,000

The City is utilizing the remaining funds, \$115,000, from a 2008 Sidewalk Bond to improve the sidewalks along Blythe Street from 5th Avenue to 4th Avenue.

Highway 64 Sidewalks: \$260,000

The City is utilizing remaining funds, \$260,000, from a 2008 Sidewalk Bond to improve the sidewalk, crosswalk, and pedestrian signal construction along US 64 from Dana Road to Orrs Camp Road.

North Main Street Sidewalks: \$800,000

The City is utilizing the remaining funds, \$800,000, from a 2008 Sidewalk Bond to improve the sidewalks along the east side of North Main Street from O’Cain Ct. to the City limits (railroad).

Finance

Munis UBCSI: \$43,137

Update current utility billing software to the UBCSI module in Munis. This software upgrade will increase efficiency in intercompany billing, customer account information on one screen instead of having to go to several different areas to obtain information. It will provide more detailed reporting. It has the ability to restrict employees from adjusting accounts without approval from supervisor within the system. Employees can schedule work orders to print during the night so they will be available first thing in the morning for the work crews, currently we are printing each one individually during the day.

Fire

Purchase Fire Marshal Vehicle: \$40,000

Purchase a vehicle for the Fire Marshal position. This price includes the cost of a vehicle, lights, radio, and lettering. The City Council approved the new Fire Inspection Fee Schedule, and additional personnel will be required to implement the program. The Fire Marshal will need a vehicle to efficiently and effectively perform his/her job functions. The Fire Marshal will also respond to various emergencies 24 hours a day 7 days a week in order to assist with mitigation efforts.

Replacement of Engine 4: \$700,000

Replace Engine 4 with a new engine that meets the needs of our organization as well as the community we serve. Fire Engine 4 is currently 24 years old and continues to require further



repair and maintenance each year. The manufacturer of the truck is American LaFrance which recently went out of business. This is making it difficult to find replacement parts and keep the truck operating efficiently. Engine 4 also has seats that are not enclosed, which means personnel could possibly fall out of the apparatus while the truck is in motion. Replacement of this apparatus is essential and will be a significant savings due to the annual projected purchase costs, maintenance costs, and repair costs associated with maintaining a 24 year old fire apparatus.

Upgrade Radio Equipment: \$8,500

Upgrade radio equipment on Pardee Hospital location and add an additional location on Carolina village. The County is upgrading their radio system and will be switching to the new system within the next couple of months. When the system switches over our equipment will not be compatible. We will not have the ability to communicate efficiently and effectively without upgrading our current repeater site. Once the current repeater is upgraded we may also need an additional site closer to Station 2 to ensure we can communicate and transmit on that side of the City.

Information Technology

Council Chamber Technology Upgrade: \$50,000

The Council Chambers and Assembly Room at the City Operations Center have dated technology. This includes switchboards/mixers, displays/screens, docking stations, speakers, wiring/surge protection, etc... The FY16-17 budget contains \$50,000 for the City Hall Council Chambers to be upgraded. The Assembly Room at the City Operations Center was upgraded last year, in FY15-16.

Key Access System Can: \$10,000

Purchase an additional can, device that communicates with key card access scanners, to provide for additional scanners at doors at the City Operations Center.

Police

Police Mobile System Server & Software Upgrade: \$125,000

A mobile computer system that allows police officers in vehicles to access calls for service, report writing, criminal checks, driver's license and tags, and other functions vital to their duties and safety.

Police Vehicle Replacements: \$215,000

The police vehicles must be replaced when they have ended their useful life, which is calculated by the City's rating system. Our average ten year cycle is five (5) vehicles per year. *This is a turnkey cost that includes all the equipment needed for the vehicle.



Public Works

Boyd Park Improvements: \$88,000

Improvements to the City’s Boyd Park including lighting upgrades, tennis court resurfacing, and new landscaping and fences.

City Hall Roof Improvements: \$5,500

Patching to address various leaks in City Hall’s roof which is causing damage to the interior structure.

City Ops HVAC: \$44,000

Replace heating and cooling units and adding one new unit. We have 4 of these units that are 13 years old and have a life expectancy of 18-20 yrs. However, two of the four have been giving us a significant amount of problem. Not only that, they are "R22" units and the refrigerant get progressively scare each year since the EPA banned its use in new units and began phasing out its production for maintenance a few years ago. We are adding one new unit to hear and cool some new office space in the building.

Fire Station #1 Patio Improvements: \$7,000

Improvements to Fire Station #1 outside patio to alleviate leaks that have begun to form and are damaging the building and materials in the bays below.

Garage Doors at Wash Bay: \$10,000

Add garage doors at the motor pools wash bay. Enclosing the wash bay will improve the warmth of the wash bay during winter months and ensure that equipment is secure behind closed doors.

Wayfinding Signs: \$50,000

This project will help visitors and residents find their way around town to specific locations. We are working jointly with Henderson County Travel and Tourism, Historic Seventh Avenue District, and the Downtown Advisory Committee on this project. The cost is for fabrication and installation.

Old Tracey Grove Bridge Replacement Project: \$58,000

Replacement of Bridge \$440350 on Old Tracey Grove Road. The bridge was last inspected two years ago and received a 34.8 sufficiency rating and "structurally deficient" status rating. We have requested that this project be placed on the STIP which will enable us to receive funding from FHWA for 80% of the cost of replacing the bridge. The City will still be responsible for the other 20%. The project number is STIP # B-5929.



Capital Improvements Plan – Capital Expenditure Detail Budget FY16-17

Pallet Racking and Shelving: \$10,000

Shelving and racking for mezzanine addition at City Operations. Mezzanine addition is for storage of Traffic related signs and equipment.

Patton Pool Lights: \$17,000

Replace pool deck lights. Existing lights are very old, inefficient, and in need of upgrades. Project to replace the fixture heads with LED fixtures.

Powell Bill Improvements: \$476,280

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

Salt Spreaders: \$14,000

Replace 1997 Flink Salt Spreader, and 2001 Swensen Salt Spreader with new Stainless Steel Salt Spreaders. Current spreaders are steel which accelerates their deterioration and increases maintenance costs. Stainless Steel should result in greater longevity.

Sidearm Mower and Tractor Replacement: \$105,000

Replace our tractor and sidearm mower. Our existing tractor #42-09 is a 2005 New Holland tractor with an Alamo sidearm mower that will be ready for replacement in in 2016. This mower is used to mow some of our rights of way and roadside mowing. It is not the ideal method of mowing our rights of ways but it is the most efficient method that we have at this time (the mower does not properly trim the tree limbs back, it cuts them off with a large blade and splinters the limbs).

Snow Blades: \$10,000

Replace 1998 Meyers Snow Plows. The snow plows we are currently using are older and have had many repairs done to them over the years. Furthermore, they do not fit the newer dump trucks without considerable modification. We propose replacing two per year for the next two years.

Vehicle Replacements: \$27,500

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

Zero Turn Mower: \$14,000

Replace 2003 John Deere 1446 and 2005 Kubota ZD-18 mowers. These units are either at or very near the end of their useful life without having excessive maintenance costs.



Main Street MSD Fund

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

Several electric panels on Main Street need to be upgraded in order to handle the vendors during City special events. We plan to upgrade three panels the first year and three panels the second year.

7th Avenue MSD Fund

Locust Street and 7th Avenue Improvements: \$15,000

Budget to provide for various streetscape and landscaping improvements along Locust Street and 7th Avenue.

Water & Sewer Fund

ATV for Inspecting Outfalls: \$15,000

Purchase an ATV for water and sewer personnel to use when inspecting outfalls in areas that are difficult to access via a regular car or truck.

Cobblestone Hydro Pump Station: \$200,000

This project includes the installation of a duplex, hydrpneumatic pump station in the Cobblestone development adjacent to the ground storage tank, located on Pinnacle Mountain Rd., serving this development. Homes in the area are below the 30-psi (State minimum) and this hydro station would allow the City to provide a more adequate pressure, above the minimum level.

Cornerstone/Comet Drive Sanitary Sewer Improvements: \$12,600

Project consists of the replacement of an existing sewer line that crosses a stream and is being compromised by erosion of the stream banks. The existing sewer line is being undermined by bank erosion. This project will reroute the sewer alignment thereby avoiding the stream entirely. This results in avoidance of a potential failure of the sewer.

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

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

Dump Truck Replacement – Water: \$156,000

Single-axle and triaxle dump truck replacements. This equipment has a 10-15-year useful life and will needed to be replaced from time to time.



Capital Improvements Plan – Capital Expenditure Detail Budget FY16-17

Eastside Transmission Main, Phase II: \$154,000

This project will provide approximately 20,450-lf of 16-in. water transmission main on the east side of U.S. Interstate 26 from U.S. Highway 64 East to Blue House Rd. This project will extend off of U.S. Highway 64 East project (Phase 1) and will place this portion of the City's water distribution on a higher pressure gradient thus relieving some of the existing flow and low pressure concerns in this part of the water distribution system. This project will allow the removal of 2-3 existing hydropneumatic pump stations and 1 booster pumping station (Sugarloaf Rd. - serving Dana Elementary School); as recommended in the 2006 Water Distribution System Analysis prepared by Arcadis; will provide interconnection with the City's existing 8-in. water main at Dana Elementary School.

Equipment Shed: \$250,000

Construction of a heated 50ft. x 60ft. storage building for storing Vactor and other equipment that require temperature controlled environments.

Garden Lane Pump Station Deck: \$25,000

Install a secure deck around the Garden Lane pump station. The existing structure is old and has become a safety concern.

Generators and ATS: \$150,000

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

Gravity Filter Replacement: \$125,000

Replace existing gravity sand filters with a new technology, utilizing membrane. These filters are approaching 12 years of use. We would like to have an evaluation performed on the existing filters before proceeding with new filters.

Highway 64 Relocation NCDOT: \$1,030,000

Reimbursement to the NCDOT for water and sewer utility work completed during the NCDOT's widening and improvements project along U.S. Highway 64W from Blythe St. to Buncombe St.

Inflow and Infiltration Improvements: \$100,000

Repair and replacement work associated with inflow and infiltration of sewer collection system.

Motor Vehicle Replacements: \$102,000

Regular replacement of water/sewer motor vehicles. Two vehicles are budgeted to be replaced in FY16-17.



Capital Improvements Plan – Capital Expenditure Detail Budget FY16-17

Northside Water System Improvements: \$468,180

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

Pump Station Metering and Weather Stations: \$100,000

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

Rutledge Road Water System Improvements: \$476,000

This will complete a system loop that will connect Rutledge Dr. with Trenholm Subdivision and with Greenville Highway 225 thus improving pressure and providing an additional feed to the Flat Rock area helping to reduce outages when the line has to be shut down for repairs. The total cost of the project is \$476,000.

SCADA System Upgrade: \$793,000

This project will allow departmental staff to remotely monitor and control all water and sewer infrastructure including pump stations, storage tanks, and metering vaults from either treatment plant or the City Operations Center. Staff is currently installing the upgrades site by site and at the current pace will take 5+ years to complete. This request will hire a contractor complete the installation in a two year period, total cost \$1,436,000.

Sewer Repair and Replacements: \$256,197

Repair and replace or upgrade the sewer infrastructure in the City's sewer system including hydraulic flow modeling and determination if lines are adequate for current and future flow conditions and demands. To eliminate undersized sewer mains and substandard materials and account for needed upgrades of the lines and infrastructure due to growth in the City's water system since the lines were originally installed; some lines were installed during the early 1900s; far exceeding the life expectancy of 50-years.

Spartanburg Highway Sanitary Sewer Improvements: \$169,000

Project consists of the replacement of existing force main along Spartanburg Highway. Construction will include 8-inch PVC sewer. The existing force main is no longer necessary and will be replaced with a gravity sewer line, which will decrease operation and maintenance costs.



Capital Improvements Plan – Capital Expenditure Detail Budget FY16-17

Upward Road NCDOT: \$262,395

Reimbursement to the NCDOT for water and sewer utility relocation and improvements being proposed to be included with the NCDOT's widening and improvements project along Upward Rd. from Spartanburg Hwy. to Howard Gap Rd.; costs at this point are merely a construction estimate; actual costs unknown until complete.

Water Repair and Replacements: \$256,197

Repair and replace or upgrade the water infrastructure in the City's water system including hydraulic flow modeling and determination if lines are adequate for current and future flow conditions and demands. To eliminate undersized and leaking water mains and account for needed upgrades of the lines and infrastructure due to growth in the City's water system since the lines were originally installed; some lines were installed during the late 1800s and are currently well over 100-yrs. in age; far exceeding the life expectancy of 50-years.

WTP Lawnmower: \$15,000

Replacement of an existing mower at the City's water treatment plant.

WWTP Generator & ATS: \$100,000

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



Operational Impacts

The following section will identify significant financial impacts upon current and future years that are likely to result from the nonrecurring capital projects listed in this year’s CIP budget.

The largest impacts that effect the General Fund from year-to-year occur in the City’s Public Works Departments. The Streets & Highways, Traffic Engineering, Building Maintenance, and Grounds Maintenance divisions provide a variety of maintenance services and most recreation, facility, and sidewalk projects impact their day-to-day work. One major project, a county-wide initiative, is the installation of wayfinding signage. These will all be new signs within the City of Hendersonville and will generate new maintenance needs when they age. The additional signs are not expected to have a major impact on needed additional personnel, however they will have operating impacts in future years. Another project that will have significant impact on these divisions is the improvements scheduled for 7th Avenue and Locust Street. This will include the addition of banners and streetscape that will require annual maintenance. This single project will add a burden on the number of City personnel. It is not likely that one single project will signal the need for additional personnel but each addition of property or facility and added maintenance will reach a critical mass overtime. It is important for the City to continue to develop its performance measurement system, enhancing its ability to determine when additional personnel are needed to address growing workloads. The estimated operating impacts for the two projects listed above are depicted below:

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Wayfinding Signs					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	\$ -	\$ -	\$ 500	\$ 1,000	\$ 1,000
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Locust & 7th Improvements					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	\$ -	\$ 250	\$ 500	\$ 500	\$ 500
Other	\$ -	\$ -	\$ -	\$ -	\$ -

It is equally important to understand cost savings that are produced by CIP projects. The composition of the CIP for FY16-17 is one that provides many replacements and maintenance improvements. These types of projects will typically result in cost savings, where installation or acquisition of new assets will require additional costs. Some projects that are expected to provide cost savings as a result are, the installation of upgraded electric panels on Main Street, the replacement of Fire Engine #4, the replacement of five police vehicles, improvements to Boyd Park, the replacement of Old Tracey Grove Bridge, mower replacements, and replacing old snow blades and salt spreaders.

Another major area of the City’s budget that is effected by CIP projects are the Water and Sewer Fund operations. The addition or expansion of water and sewer lines adds additional repair and



maintenance needs. We have also seen that without a proactive leak detection program, these leaks in old parts of the system can build up and quickly create a much more expensive repair project (sometimes full replacement). One major project listed on the CIP to start in FY16-17 is the Northside Water System Improvements project. This project will increase pressures dramatically in the northern area of the system, and with increased pressures we will see an increase in breaks and leaks. The repair and maintenance costs will most likely spike upon completion of this project. It is not expected to generate enough additional work that a new line repair crew would be needed. Another large project is the acquisition and installation of a generator and ATS for the wastewater treatment plant. This piece of equipment will require maintenance as it ages and eventual replacement. A final major nonrecurring project that will create operational impacts is the gravity filter replacement at the wastewater treatment plant. It will initially generate some cost savings. Where the old filter was sand based and required regular maintenance, the new filter will be a screen that will last much longer and require less maintenance overtime. However, as it ages it will require operating costs for maintenance as well. The estimated operating impacts are listed below:

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Northside Water System Improvements					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 7,500
Other	\$ -	\$ -	\$ -	\$ -	\$ -
WWTP Generator & ATS					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	\$ -	\$ -	\$ 500	\$ 1,000	\$ 1,000
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Gravity Filter Replacement					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	\$ -	\$ -	\$ -	\$ -	\$ 500
Other	\$ -	\$ -	\$ -	\$ -	\$ -

Again, these are estimated operating impacts from major nonrecurring capital projects. Due to the nature of the adopted CIP for FY16-17 many projects are repairs and/or replacements and will not have significant operating impacts on future budgets. It is important to reiterate that the City’s performance measurement initiative, once fully established, will help identify trends and enhance forecasting operating impacts in future budgets.



Personnel Summary

The following will provide an overview and detail of the City of Hendersonville's position allocation to salary range, position counts, and position distribution within the range:

Position Allocation to Range Summary

GRADE	HIRING RATE	MIN	MID	MAX
1	\$ 20,554.51	\$21,582.24	\$27,267.19	\$ 31,278.62
2	\$ 21,585.53	\$22,664.81	\$27,214.78	\$ 32,844.04
3	\$ 22,662.66	\$23,795.79	\$28,572.72	\$ 34,482.78
4	\$ 23,794.27	\$24,983.99	\$30,000.34	\$ 36,206.40
5	\$ 24,985.61	\$26,234.89	\$31,501.82	\$ 38,018.03
6	\$ 26,235.62	\$27,547.41	\$33,077.70	\$ 39,919.77
7	\$ 27,546.41	\$28,923.73	\$34,731.11	\$ 41,915.81
8	\$ 28,924.26	\$30,370.47	\$36,467.82	\$ 44,011.39
9	\$ 30,370.21	\$31,888.72	\$38,293.07	\$ 46,215.94
10	\$ 31,888.45	\$33,482.88	\$40,204.24	\$ 48,520.03
11	\$ 33,483.19	\$35,157.35	\$42,215.48	\$ 50,947.76
12	\$ 35,156.52	\$36,914.34	\$44,315.25	\$ 53,494.94
13	\$ 36,916.80	\$38,762.64	\$46,544.42	\$ 56,172.05
14	\$ 38,763.01	\$40,701.16	\$48,870.52	\$ 58,978.03
15	\$ 40,698.28	\$42,733.19	\$51,314.49	\$ 61,930.70
16	\$ 42,734.13	\$44,870.84	\$53,879.48	\$ 65,024.83
17	\$ 44,869.53	\$47,113.01	\$56,572.30	\$ 68,275.07
18	\$ 47,113.90	\$49,469.59	\$59,402.91	\$ 71,691.92
19	\$ 49,471.43	\$51,945.00	\$62,372.35	\$ 75,273.27
20	\$ 51,943.16	\$54,540.32	\$65,489.52	\$ 79,035.88
21	\$ 54,540.64	\$57,267.67	\$68,766.49	\$ 82,992.34
22	\$ 57,265.94	\$60,129.24	\$72,202.72	\$ 87,139.49
23	\$ 58,978.03	\$61,926.93	\$75,237.64	\$ 91,497.25
24	\$ 63,136.71	\$66,293.54	\$79,604.83	\$ 96,072.95
25	\$ 66,296.84	\$69,611.69	\$83,585.39	\$100,873.93
26	\$ 69,612.05	\$73,092.66	\$87,767.64	\$105,923.23



Position Allocation to Range Detail

GRADE	HIRING RATE	MIN	MID	MAX	Position
1	20,554.51	21,582.24	27,267.19	31,278.62	
2	21,585.53	22,664.81	27,214.78	32,844.04	
3	22,662.66	23,795.79	28,572.72	34,482.78	
4	23,794.27	24,983.99	30,000.34	36,206.40	Street Maintenance Worker I Environmental Services Worker I Property Maintenance Worker I
5	24,985.61	26,234.89	31,501.82	38,018.03	Street Maintenance Worker II Environmental Services Worker II
6	26,235.62	27,547.41	33,077.70	39,919.77	Line Maintenance Mechanic Equipment Service Attendant Facilities Maintenance Technician
7	27,546.41	28,923.73	34,731.11	41,915.81	Meter Maintenance Mechanic Administrative Support Specialist Customer Services Specialist Equipment Operator Police Support Specialist
8	28,924.26	30,370.47	36,467.82	44,011.39	Facility Maintenance Mechanic Police Telecommunicator Property Maintenance Crewleader Traffic Enforcement Officer Utility Locations Specialist Warehouse Specialist Senior Line Maintenance Mechanic Sr. Police Support Specialist Treatment Plant Operator I
9	30,370.21	31,888.72	38,293.07	46,215.94	Accounting Technician Building Maintenance Technician Equipment Mechanic Firefighter/EMT Lead Telecommunicator



GRADE	HIRING RATE	MIN	MID	MAX	Position
10	31,888.45	33,482.88	40,204.24	48,520.03	Street Maintenance Crewleader
					Police Officer
					Parking Services Supervisor
					Senior Administrative Support Specialist
					Senior Accounting Technician
					Senior Facility Maintenance Mechanic
					Traffic Control Technician
					Utility Operations Support Specialist
					Telecommunications Supervisor
					Environmental Services Crew Leader
Treatment Plant Operator II					
11	33,483.19	35,157.35	42,215.48	50,947.76	Equipment Services Specialist
					Fire Engineer
					Line Maintenance Crewleader
					Zoning Code Enforcement Officer
					Property Maintenance Supervisor
					Inflow & Infiltration Technician
					Leak Detection Technician
					Traffic Control Supervisor
					Public Information Officer
Promotions Coordinator					
12	35,156.52	36,914.34	44,315.25	53,494.94	Utility Operations Support Supervisor
					Police Detective
					Laboratory Technician
					Environmental Services Coordinator
					Budget & Management Analyst
					Payroll Benefits Coordinator
					Treatment Plant Operator III
13	36,916.80	38,762.64	46,544.42	56,172.05	Administrative Aide
					Building Maintenance Supervisor
					Fire Lieutenant
					Human Resources Coordinator
					Deputy Fire Marshal
					Fleet Maintenance Supervisor
					Meter Services Supervisor
					Police Sergeant
					Environmental Services Supervisor
					Street Maintenance Supervisor
GIS Analyst					
14	38,763.01	40,701.16	48,870.52	58,978.03	Collections & Distribution Systems Supervisor
					Police Communications & Technology Manager
					Laboratory Supervisor
					Treatment Plant Supervisor
					Quality Excellence Coordinator
					Paralegal



GRADE	HIRING RATE	MIN	MID	MAX	Position
15	40,698.28	42,733.19	51,314.49	61,930.70	Fire Captain
					Investigations Lieutenant
					Police Lieutenant
					Planner
					Facility Maintenance Superintendent
					Accountant
					Engineering Technician
					Stormwater Quality Specialist
Construction Inspector					
16	42,734.13	44,870.84	53,879.48	65,024.83	Electrical and Instruction Technician
					City Clerk
					Police 1st Lieutenant
					Main Street / Economic Development Director
17	44,869.53	47,113.01	56,572.30	68,275.07	Fire Marshal
					Treatment Plant Superintendent
					Senior Accounting Supervisor
					Revenue Accounting Supervisor
					Senior Planner
18	47,113.90	49,469.59	59,402.91	71,691.92	Assistant Finance Director
					Police Captain
19	49,471.43	51,945.00	62,372.35	75,273.27	
20	51,943.16	54,540.32	65,489.52	79,035.88	Assistant Police Chief
					Assistant Public Works Director
					Deputy Fire Chief
					Technology and Metering Manager
21	54,540.64	57,267.67	68,766.49	82,992.34	Civil Engineer
					GIS Administrator
					Utilities Engineer
22	57,265.94	60,129.24	72,202.72	87,139.49	Assistant Utilities Director
					Human Resources Director
23	58,978.03	61,926.93	75,237.64	91,497.25	Information Technology Director
					Assistant to City Manager/Budget & Eval. Director
					Downtown Economic Development Director
24	63,136.71	66,293.54	79,604.83	96,072.95	Finance Director
					Public Works Director
					Police Chief
					Fire Chief
					City Engineer
					Development Assistance Director
25	66,296.84	69,611.69	83,585.39	100,873.93	
26	69,612.05	73,092.66	87,767.64	105,923.23	Utilities Director



Position Count Detail

POSITION	POSITION TYPE	SALARY GRADE	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE	FY16-17 F.T.E
<i>Governing Body</i>							
Mayor	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
Mayor Pro-Tem.	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
Council Member	P/T-NON-PERMANENT	N/A	3.00	3.00	3.00	0.00	0.00
<i>Sub-Total</i>			5.00	5.00	5.00	0.00	0.00
<i>Administration</i>							
City Manager	F/T	N/A	1.00	1.00	1.00	0.00	1.00
City Clerk	F/T	16	1.00	1.00	1.00	0.00	1.00
Human Resources Director	F/T	22	1.00	1.00	1.00	0.00	1.00
Assistant to City Manager/Budget & Eval. Director	F/T	23	1.00	1.00	1.00	0.00	1.00
Public Information Officer	P/T-PERMANENT	11	1.00	1.00	1.00	0.00	0.50
Downtown Economic Development Director	F/T	23	1.00	1.00	1.00	0.00	1.00
Promotions Coordinator	P/T-PERMANENT	11	1.00	1.00	1.00	0.00	0.50
Parking Ambassador	P/T-NON-PERMANENT	N/A	0.00	2.00	2.00	0.00	0.00
Administrative Intern	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
<i>Sub-Total</i>			8.00	10.00	10.00	0.00	6.00
<i>Finance</i>							
Finance Director	F/T	24	1.00	1.00	1.00	0.00	1.00
Senior Accounting Supervisor	F/T	17	1.00	1.00	1.00	0.00	1.00
Revenue Accounting Supervisor	F/T	17	1.00	1.00	1.00	0.00	1.00
City Tax Collector	F/T	10	1.00	0.00	0.00	0.00	0.00
Accountant	F/T	15	1.00	2.00	2.00	0.00	2.00
Payroll Benefits Coordinator	F/T	12	1.00	1.00	1.00	0.00	1.00
Accounting Technician	F/T	9	1.00	1.00	1.00	0.00	1.00
Quality Excellence Coordinator	F/T	14	1.00	1.00	1.00	0.00	1.00
Customer Services Specialist	F/T	7	4.00	4.00	6.00	2.00	6.00
Customer Services Specialist	P/T-PERMANENT	7	1.00	2.00	1.00	-1.00	0.50
<i>Sub-Total</i>			13.00	14.00	15.00	1.00	14.50
<i>City Engineer</i>							
City Engineer	F/T	24	1.00	1.00	1.00	0.00	1.00
Civil Engineer	F/T	21	1.00	1.00	1.00	0.00	1.00
GIS Administrator	F/T	21	1.00	1.00	1.00	0.00	1.00
Construction Inspector	F/T	15	2.00	2.00	2.00	0.00	2.00
Engineering Technician	F/T	15	1.00	1.00	1.00	0.00	1.00
Stormwater Quality Specialist	F/T	15	0.00	0.00	1.00	1.00	1.00
Engineering Intern	P/T-NON-PERMANENT	N/A	0.00	1.00	0.00	-1.00	0.00
<i>Sub-Total</i>			6.00	7.00	7.00	0.00	7.00
<i>Legal</i>							
City Attorney	F/T	N/A	1.00	1.00	1.00	0.00	1.00
Paralegal	P/T-PERMANENT	14	1.00	1.00	1.00	0.00	0.50
<i>Sub-Total</i>			2.00	2.00	2.00	0.00	1.50
<i>Public Works-Fleet Maintenance</i>							
Fleet Maintenance Superintendent	F/T	13	1.00	1.00	1.00	0.00	1.00
Equipment Services Specialist	F/T	11	1.00	1.00	1.00	0.00	1.00
Equipment Mechanic	F/T	9	4.00	4.00	4.00	0.00	4.00
<i>Sub-Total</i>			6.00	6.00	6.00	0.00	6.00
<i>Public Works-Building Maintenance</i>							
Building Maintenance Supervisor	F/T	13	1.00	1.00	1.00	0.00	1.00
Building Maintenance Technician	F/T	9	2.00	2.00	3.00	1.00	3.00
Mini-Golf Attendant	P/T-NON-PERMANENT	N/A	2.00	2.00	2.00	0.00	0.00
<i>Sub-Total</i>			5.00	5.00	6.00	1.00	4.00



Supplemental Information – Position Detail

Budget FY16-17

POSITION	POSITION TYPE	SALARY GRADE	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE	FY16-17 F.T.E
<i>Police</i>							
<i>Police-Sworn Officers</i>							
Police Chief	F/T	24	1.00	1.00	1.00	0.00	1.00
Assistant Police Chief	F/T	20	0.00	1.00	1.00	0.00	1.00
Police Captain	F/T	18	2.00	1.00	1.00	0.00	1.00
Police Lieutenant	F/T	15	6.00	6.00	6.00	0.00	6.00
Police Sergeant	F/T	13	5.00	5.00	5.00	0.00	5.00
Police Detective	F/T	12	5.00	5.00	5.00	0.00	5.00
Police Officer	F/T	10	18.00	20.00	20.00	0.00	20.00
School Resource Officer	F/T	N/A	2.00	2.00	2.00	0.00	2.00
<i>Police-Civilian Staff</i>							
Police Communications & Technology Manager	F/T	14	1.00	1.00	1.00	0.00	1.00
Administrative Aide	F/T	13	1.00	1.00	1.00	0.00	1.00
Lead Telecommunicator	F/T	9	1.00	1.00	1.00	0.00	1.00
Police Telecommunicator	F/T	8	4.00	4.00	4.00	0.00	4.00
Sr. Police Support Specialist	F/T	8	1.00	1.00	1.00	0.00	1.00
Traffic Enforcement Officer	F/T	8	1.00	1.00	1.00	0.00	1.00
Police Support Specialist	F/T	7	3.00	3.00	3.00	0.00	3.00
<i>Police-Part-Time</i>							
Crossing Guard	P/T-NON-PERMANENT	N/A	7.00	7.00	7.00	0.00	0.00
Reserve Telecommunications	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
Reserve Officer	P/T-NON-PERMANENT	N/A	6.00	6.00	6.00	0.00	0.00
<i>Sub-Total</i>			65.00	67.00	67.00	0.00	53.00
<i>Fire</i>							
Fire Chief	F/T	23	1.00	1.00	1.00	0.00	1.00
Deputy Fire Chief	F/T	18	1.00	1.00	1.00	0.00	1.00
Fire Marshal	F/T	17	0.00	0.00	1.00	1.00	1.00
Deputy Fire Marshal	F/T	13	1.00	1.00	1.00	0.00	1.00
Fire Captain	F/T	15	3.00	3.00	3.00	0.00	3.00
Fire Lieutenant	F/T	13	6.00	6.00	6.00	0.00	6.00
Fire Engineer	F/T	11	9.00	9.00	9.00	0.00	9.00
Firefighter/EMT	F/T	9	6.00	6.00	6.00	0.00	6.00
Administrative Aide	F/T	13	0.00	0.00	1.00	1.00	1.00
P/T Fire Inspector	P/T-NON-PERMANENT	N/A	0.00	0.00	1.00	1.00	0.00
Reserve Firefighter	P/T-NON-PERMANENT	N/A	15.00	15.00	15.00	0.00	0.00
<i>Sub-Total</i>			42.00	42.00	45.00	3.00	29.00
<i>Development Assistance</i>							
Development Assistance Director	F/T	24	1.00	1.00	1.00	0.00	1.00
Planning Director	F/T	24	1.00	0.00	0.00	0.00	0.00
Senior Planner	F/T	17	0.00	1.00	1.00	0.00	1.00
Planner	F/T	15	0.00	1.00	1.00	0.00	1.00
Zoning Code Enforcement Officer	F/T	11	0.00	0.00	1.00	1.00	1.00
Administrative Aide	F/T	13	2.00	2.00	1.00	-1.00	1.00
<i>Sub-Total</i>			4.00	5.00	5.00	0.00	5.00
<i>Public Works-Administration</i>							
Public Works Director	F/T	24	1.00	1.00	1.00	0.00	1.00
Assistant Public Works Director	F/T	20	1.00	1.00	1.00	0.00	1.00
Administrative Aide	F/T	13	1.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>			3.00	3.00	3.00	0.00	3.00



POSITION	POSITION TYPE	SALARY GRADE	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE	FY16-17 F.T.E
<i>Public Works-Streets & Highways</i>							
Street Maintenance Supervisor	F/T	13	1.00	1.00	1.00	0.00	1.00
Street Maintenance Crewleader	F/T	10	1.00	1.00	1.00	0.00	1.00
Equipment Operator	F/T	7	2.00	2.00	2.00	0.00	2.00
Street Maintenance Worker II	F/T	5	2.00	2.00	2.00	0.00	2.00
Street Maintenance Worker I	F/T	4	2.00	2.00	2.00	0.00	2.00
Temporary Worker	P/T-NON-PERMANENT	N/A	2.00	2.00	1.00	-1.00	0.00
<i>Sub-Total</i>			10.00	10.00	9.00	-1.00	8.00
<i>Public Works-Traffic Engineering</i>							
Traffic Control Supervisor	F/T	11	0.00	1.00	1.00	0.00	1.00
Traffic Control Technician	F/T	10	2.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>			2.00	1.00	1.00	0.00	2.00
<i>Public Works-Grounds Maintenance</i>							
Property Maintenance Supervisor	F/T	11	1.00	1.00	1.00	0.00	1.00
Property Maintenance Crewleader	F/T	8	2.00	2.00	2.00	0.00	2.00
Property Maintenance Worker I	F/T	4	5.00	5.00	5.00	0.00	5.00
Temporary Worker	P/T-NON-PERMANENT	N/A	2.00	2.00	1.00	-1.00	0.00
<i>Sub-Total</i>			10.00	10.00	9.00	-1.00	8.00
<i>Public Works-Patton Pool</i>							
Pool Manager	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
Assistant Manager	P/T-NON-PERMANENT	N/A	2.00	2.00	2.00	0.00	0.00
Gate/Concessions Manager	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
Head Guard	P/T-NON-PERMANENT	N/A	9.00	9.00	9.00	0.00	0.00
Aerobics Instructor	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
Lifeguard	P/T-NON-PERMANENT	N/A	12.00	12.00	12.00	0.00	0.00
Gate/Concessions Operator	P/T-NON-PERMANENT	N/A	9.00	9.00	9.00	0.00	0.00
<i>Sub-Total</i>			35.00	35.00	35.00	0.00	0.00
<i>W/S Administration</i>							
Utilities Director	F/T	26	1.00	1.00	1.00	0.00	1.00
Environmental Services Coordinator	F/T	12	1.00	1.00	1.00	0.00	1.00
Administrative Aide	F/T	13	1.00	1.00	1.00	0.00	1.00
Administrative Support Specialist	F/T	7	0.00	1.00	1.00	0.00	1.00
Utilities Engineer	F/T	21	0.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>			3.00	5.00	5.00	0.00	5.00
<i>W/S Facilities Maintenance</i>							
Electrical and Instrum Technician	F/T	16	1.00	1.00	1.00	0.00	1.00
Facility Maintenance Superintendent	F/T	15	1.00	1.00	1.00	0.00	1.00
Senior Facility Maintenance Mechanic	F/T	10	2.00	2.00	2.00	0.00	2.00
Facility Maintenance Mechanic	F/T	8	2.00	2.00	2.00	0.00	2.00
Facilities Maintenance Technician	F/T	6	0.00	0.00	1.00	1.00	1.00
<i>Sub-Total</i>			6.00	6.00	7.00	1.00	7.00
<i>Water Treatment Plant</i>							
Treatment Plant Superintendent	F/T	17	1.00	1.00	1.00	0.00	1.00
Treatment Plant Supervisor	F/T	14	1.00	1.00	1.00	0.00	1.00
Treatment Plant Operator III	F/T	12	4.00	4.00	4.00	0.00	4.00
Treatment Plant Operator II	F/T	10	1.00	1.00	1.00	0.00	1.00
Treatment Plant Operator I	F/T	8	4.00	4.00	4.00	0.00	4.00
Temporary Treatment Plant Operator	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
<i>Sub-Total</i>			12.00	12.00	12.00	0.00	11.00



POSITION	POSITION TYPE	SALARY GRADE	FY14-15 ACTUAL	FY15-16 REVISED BUD	FY16-17 ADOPTED	COUNT CHANGE	FY16-17 F.T.E
<i>Shop Operations Center</i>							
Technology and Metering Manager	F/T	20	1.00	1.00	1.00	0.00	1.00
Meter Services Supervisor	F/T	13	1.00	1.00	1.00	0.00	1.00
GIS Analyst	F/T	13	1.00	1.00	1.00	0.00	1.00
Utility Operations Support Supervisor	F/T	12	1.00	1.00	1.00	0.00	1.00
Utility Operations Support Specialist	F/T	10	1.00	1.00	1.00	0.00	1.00
Warehouse Specialist	F/T	8	1.00	1.00	1.00	0.00	1.00
Utility Locations Specialist	F/T	8	2.00	2.00	2.00	0.00	2.00
Meter Maintenance Mechanic	F/T	7	3.00	3.00	3.00	0.00	3.00
GIS Intern	P/T-NON-PERMANENT	N/A	0.00	1.00	1.00	0.00	0.00
<i>Sub-Total</i>			11.00	12.00	12.00	0.00	11.00
<i>Water Distribution</i>							
Collections & Distribution Systems Supervisor	F/T	14	1.00	1.00	1.00	0.00	1.00
Line Maintenance Crewleader	F/T	11	1.00	1.00	2.00	1.00	2.00
Senior Line Maintenance Mechanic	F/T	8	4.00	4.00	4.00	0.00	4.00
Line Maintenance Mechanic	F/T	6	8.00	8.00	10.00	2.00	10.00
Leak Detection Technician	F/T	11	0.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>			14.00	15.00	18.00	3.00	18.00
<i>Wastewater Treatment Plant</i>							
Treatment Plant Superintendent	F/T	17	1.00	1.00	1.00	0.00	1.00
Laboratory Supervisor	F/T	14	1.00	1.00	1.00	0.00	1.00
Laboratory Technician	F/T	12	1.00	1.00	1.00	0.00	1.00
Treatment Plant Supervisor	F/T	14	1.00	1.00	1.00	0.00	1.00
Treatment Plant Operator III	F/T	12	2.00	2.00	2.00	0.00	2.00
Treatment Plant Operator II	F/T	10	2.00	2.00	2.00	0.00	2.00
Treatment Plant Operator I	F/T	8	1.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>			9.00	9.00	9.00	0.00	9.00
<i>Wastewater Collection</i>							
Collections & Distribution Systems Supervisor	F/T	14	1.00	1.00	1.00	0.00	1.00
Line Maintenance Crewleader	F/T	11	1.00	1.00	1.00	0.00	1.00
Senior Line Maintenance Mechanic	F/T	8	2.00	2.00	2.00	0.00	2.00
Line Maintenance Mechanic	F/T	6	6.00	6.00	6.00	0.00	6.00
Inflow & Infiltration Technician	F/T	11	0.00	0.00	1.00	1.00	1.00
<i>Sub-Total</i>			10.00	10.00	11.00	1.00	11.00
<i>Environmental Services</i>							
Environmental Services Supervisor	F/T	13	1.00	1.00	1.00	0.00	1.00
Administrative Support Specialist	F/T	7	1.00	1.00	1.00	0.00	1.00
Environmental Services Crew Leader	F/T	10	0.00	1.00	0.00	-1.00	0.00
Equipment Operator	F/T	7	7.00	6.00	7.00	1.00	7.00
Environmental Services Worker II	F/T	5	1.00	1.00	1.00	0.00	1.00
Environmental Services Worker I	F/T	4	4.00	4.00	4.00	0.00	4.00
<i>Sub-Total</i>			14.00	14.00	14.00	0.00	14.00
TOTAL			295.00	305.00	313.00	8.00	233.00

Note that the count includes part-time employees represented by “1.00” full count

Note the F.T.E. column includes F/T as “1.00”, P/T-Permanent as “0.50”, and P/T-Non-Permanent as “0.00”



The increase in total number of employees by a count of “8.00” is a result of the following additions:

1. Two full-time “Customer Service Specialist” positions,

The City Council adopted the conversion of a part-time position and the addition of an additional full-time position to assist the Finance Department’s customer service and utility billing functions. The positions are needed to address the growing number of utility customers the City has and the number of customer service calls that are going unanswered. Currently, around 45% of customer calls go to voicemail.

2. One full-time “Building Maintenance Technician” position,

The City’s demand for facilities and buildings maintenance has grown in the past ten years and continues to expand. The City Council adopted the additionally Building Maintenance Technician position in the budget. This position was funded with a new revenue source (cellular tower lease) and the removal of one temporary worker from the Grounds Maintenance division and one temporary worker from the Streets & Highways division.

3. One full-time “Fire Marshal”, one full-time “Administrative Aide”, and one part-time “P/T Fire Inspector” positions,

As discussed in the *Budget Message* section of this document, the City is implementing a Fire Inspection Program that will generate enough revenue to provide for the listed positions above.

4. One full-time “Facilities Maintenance Technician” position,

The Facilities Maintenance division of the Water and Sewer Department is responsible for the repair and maintenance of all water and sewer facilities. With the system growing as it has been maintaining old infrastructure has become a challenge. This additional position will assist with this growing burden.

5. Two full-time “Line Maintenance Mechanic” and one full-time “Line Maintenance Crew Leader” position,

Also discussed in the *Budget Message* section of this document the City Water and Sewer Department is taking a more aggressive approach in its leak detection and repair program. Currently, the leak detection crew searches out and finds leaks. This additional crew is the second phase of this plan and will follow the leak detection crew, repairing leak as they are identified.

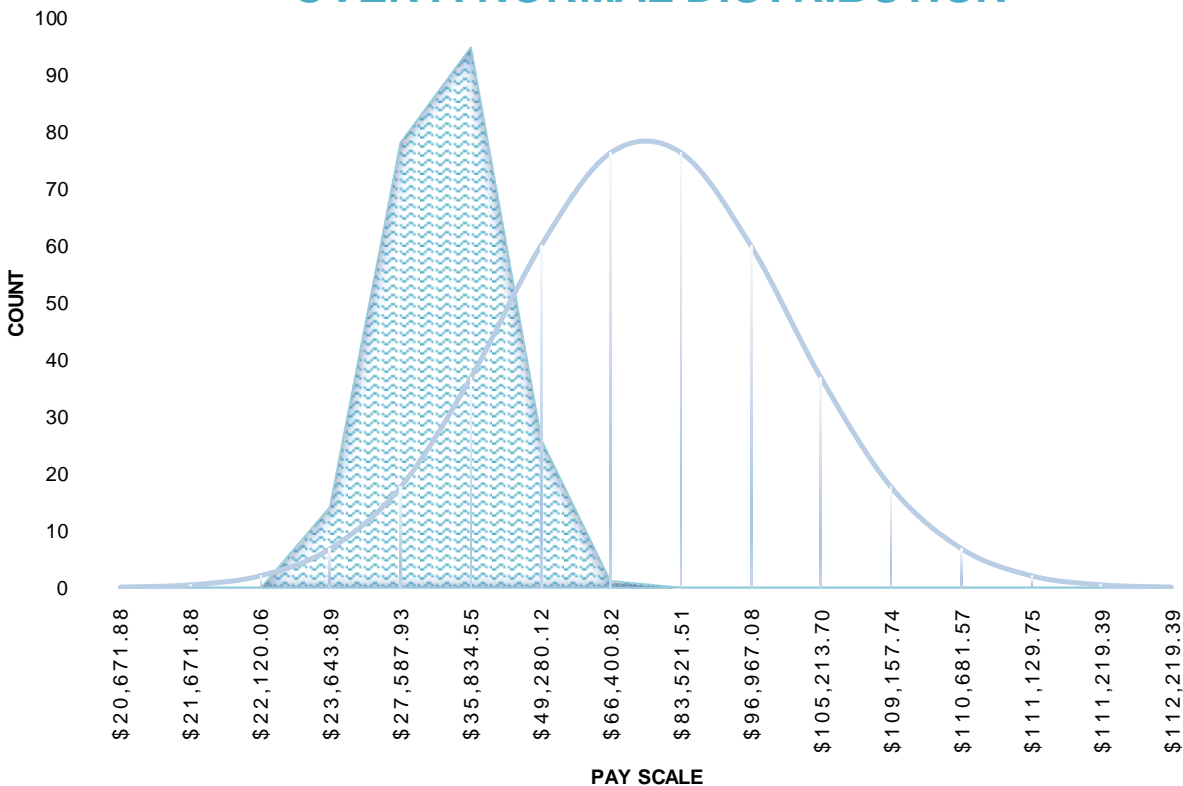


Position Allocation Distribution Summary

The following chart details the City’s position allocation distributed over a normal distribution. In general, when we gather data, we expect to see a particular pattern to the data. A normal distribution is one where the data is evenly distributed around the mean, which when plotted as a histogram will result in a bell curve. The closer a value is to the mean, the more you’ll see it, and the number of values on either side of the mean at any particular distance are equal.

Ideally, the salaries of City employees will represent something similar to a normal distribution. Anything that is compressed towards either end of the pay range is considered pay or salary compression. Pay compression is the situation that occurs when there is only a small difference in pay between employees regardless of their skills or experience. Pay compression is the result of the market-rate for a given job outpacing the increases historically given by the organization to high tenure employees. Therefore, newcomers can only be recruited by offering them as much or more than senior professionals.

**CITY OF HENDERSONVILLE
EMPLOYEE SALARY DISTRIBUTION
OVER A NORMAL DISTRIBUTION**



The chart represents all permanent employees overlapping a normal distribution of the entire pay range. As the chart details, there is slight compression towards the front of the range. Ideally, about 68% of employees would fall between the -1 and +1 standard deviation.



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2016 - 2017

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
ADMINISTRATION	
Application for Certificate of Public Convenience & Necessity (taxicab)	\$60.00
CDs	\$1.00
Copy Charges (per page)	
Black	\$0.15
Color	\$0.25
Special Event Vendors: (per day)	
Food Vendors	\$30.00
Non-Food Vendors	\$15.00
DEVELOPMENT ASSISTANCE	
Administrative Review	No Charge
Annexation Waiver, Voluntary (contiguous or satellite)	\$26.00
Comprehensive Plan (per page)	
Black	\$0.15
Color	\$0.25
Conditional Use	\$200.00
Copy Charges (per page)	
Black	\$0.15
Color	\$0.25
Large Format Copy	\$10.00
Demolition Admin Fee	\$100.00
Floodplain Development Permit	\$300.00
Non-Conforming Use	\$100.00
Nuisance Fee (Admin. Cost Doubles for each Offense within a Year)	Cost + \$100 Admin. Cost
Sign Permits (based on cost of sign)	
Minimum	\$40.00
\$1,000	\$45.00
\$2,000	\$50.00
\$3,000	\$55.00
\$4,000	\$60.00
\$5,000	\$65.00
\$6,000	\$70.00
\$7,000	\$75.00
\$8,000	\$80.00
\$9,000	\$85.00
\$10,000	\$90.00
Over \$10,000	\$40.00 per \$1000 over \$10,000
Site Plan Reviews & Amendments	
Commercial, Industrial or Institutional	
5,000 - 19,999 square feet in floor area	\$300.00
20,000 - 50,000 square feet in floor area	\$450.00
Minor Planned Residential Developments	
3 - 10 dwellings	\$300.00
11 - 50 dwellings	\$450.00
Special Use Reviews & Amendments	\$100/acre (\$500 minimum)



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2016 - 2017

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
DEVELOPMENT ASSISTANCE	
Street Closing Petition (\$1000 deposit)	Actual Cost
Subdivision Ordinance (per page)	\$0.15
Subdivision Plats	\$20/lot
Telecommunications Towers, Antennas and Equipment	
Basic Permit (C-3, I-1)	\$450.00
Special Use Permit	\$2500.00 ¹
Temporary Use Permit	\$60.00
Traffic Impact Analysis Study	\$1,000.00
Variance	\$75.00
Zoning Map	\$5.00
Zoning Ordinance (per page)	\$0.15
Zoning Ordinance Map Amendment (Legislative Rezoning)	
Commercial or Industrial	\$275.00
Residential < 3 acres	\$175.00
Residential > 3 acres	\$225.00
Zoning Ordinance Text Amendments	\$175.00
Zoning Permit	\$50.00

¹Applicable only to applications required to meet the additional standards contained in Section 16-4-23.4.
Fees for towers proposed for siting in PCD or PID district are included in the fee for special use review.

FIRE DEPARTMENT	
Operational Permits	
ABC License Fee	\$50.00
Amusement Buildings	\$50.00
Carnival and Fairs	\$50.00
Covered Mall Buildings	\$50.00
Exhibits and trade shows (per event)	\$50.00
Explosives	\$100.00
Fire Hydrants and Valves	\$50.00
Flammable and Combustible Liquids	\$100.00
Fumigation and thermal insecticide fogging	\$100.00
Private Hydrants	\$50.00
Pyrotechnic special effects material	\$100.00
Spraying and Dipping	\$100.00
Temporary membrane structures, tents, and canopies (excludes special events)	\$50.00
Construction Permits	
Automatic fire extinguishing systems	\$100.00
Compressed gas	\$100.00
Fire alarm and detection systems and related equipment	\$100.00
Fire pumps and related equipment	\$100.00
Flammable and Combustible liquids	\$100.00
Hazardous Materials	\$100.00
Industrial Ovens	\$100.00
LP Gas	\$100.00
Private fire hydrant	\$100.00
Spraying and Dipping	\$100.00
Standpipe systems	\$100.00
Temporary membrane structures, tents, canopies (Fee per site) (excludes special events)	\$50.00



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2015 - 2016

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
FIRE DEPARTMENT	
Construction Plans Review	
Commercial hood suppression systems	\$100.00
Explosives and fireworks	\$100.00
Petroleum tanks and appurtenances	\$100.00
Sprinkler systems and fire alarm systems:	
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
Work without a permit	\$250.00
Fire Inspection Fees	
Minimum up to 1,000 square feet	\$50.00
1,001 - 5,000 square feet	\$100.00
5,001 - 10,000 square feet	\$150.00
10,001 - 25,000 square feet	\$200.00
25,001 - 50,000 square feet	\$250.00
50,001 - 100,000 square feet	\$300.00
100,001 - 200,000 square feet	\$350.00
Over 200,000 square feet	\$400.00
Re-inspection Fee (Follow-up) per re-inspection	\$100.00
Hazardous Material Response Fees	
Engine Company Response - per engine (per hr.)	\$150.00
Ladder/Truck Response - per ladder/truck (per hr.)	\$200.00
Chief Officer - per officer (per hr.)	\$75.00
Fire Marshal/Deputy Fire Marshal - per person (per hr.)	\$50.00
Materials/Supplies Used	Actual replacement cost
Off Duty/Call Back Personnel	Average hourly rate x 1.5
Site Assessment Fee	\$50.00
FINANCE	
Credit Card Processing Fee (per transaction) for Tax Payments	2.75%
Credit Card Processing Fee (per \$300) for Water & Sewer Bills	\$2.95
Returned item fee	\$25.00
Itinerant Merchant/Peddlers Fee	\$100.00
POLICE	
Fingerprinting	\$10.00
Precious Metals Dealer Background Check	\$75.00



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2015 - 2016

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
POLICE	
<u>Parking Fees, Fines & Penalties:</u>	
All Other Parking Violations C.O. 50	\$25.00
Construction parking permit (per day)	\$5.00
Crosswalk	\$25.00
Fire Lane	\$100.00
Fire Hydrant	\$100.00
Habitual Offender (3 Tickets or more in 30 days)	\$100.00
Handicapped	\$250.00
Limited Zone (Same Block Parking)	\$50.00
Loading Zone/15 minute parking	\$25.00
Monthly Parking Space - G Permit Interior	\$40.00
Monthly Parking Space - G Permit Exterior	\$30.00
Monthly Parking Space - R Permit Interior	\$30.00
Monthly Parking Space - R Permit Exterior	\$20.00
Monthly Parking Space - S Permit Interior	\$20.00
Monthly Parking Space - S Permit Exterior	\$10.00
Overtime/Expired meter	\$25.00
Parking meter (per 1/2 hour)	\$0.50
Penalty after 15 days	\$25.00
Penalty after 30 days additional	\$50.00
Subsequent overtime	\$50 + Doubles each O/T
PUBLIC WORKS	
<u>Boyd Park Mini-Golf Admission</u>	
Adults	\$3.00
Children	\$2.00
<u>Miscellaneous</u>	
Backhoe (per hour)	\$80.00
Building Maintenance Fees (per hour)	\$45.00
Bush Hogs/Tractor Mowing (per hour)	\$80.00
Electrical Usage for Special Events - 20 Amps or Less	\$25/per day
Electrical Usage for Special Events - 21 Amps - 50 Amps	\$50/per day
Electrical Usage for Special Events - over 50 Amps	\$100/per day
Encroachment Permit Fee	\$10.00
Fleet Maintenance Fees (per hour)	\$45.00
Gas Utility Cuts (per 5' X 5' cut)	\$300.00
Water/Flusher Truck (per load)	\$100.00
Water/Sewer Utility Cuts	\$300.00
Weed Eater/Hedge Trimmer (per hour)	\$40.00
<u>Mulch/Composted Leaves</u>	
2.5 CY (small truck or small trailer)	\$10.00
10 CY (single axle dump truck or equivalent)	\$40.00
<i>We will sell to residents, non-residents and businesses. (2.5 CY = one scoop of backhoe loader front bucket.)</i>	
<u>Oakdale Cemetery Lots (per grave space)</u>	
City Resident	\$500.00
Out of City Resident	\$1,000.00



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2015 - 2016

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
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
Park Usage	
Berkeley Park - Large Pavilion (May through September)	\$50/half day
Berkeley Park - Field Usage for Organized Groups (per player per season)	\$20.00
Patton Park - Small Pavilion	\$25/half day
Patton Park - Large Pavilion (May through September)	\$50/half day
Patton Park - Field Usage for Organized Groups (per player per season)	\$10.00
Patton Pool	
Daily Admittance Fee (adults)	\$5.00
Daily Admittance Fee (children) (3yrs or younger will be free with adult)	\$4.00
Daily Admittance Fee (non-swimmer)	\$2.00
Lap Swim	\$4.00
Punch Pass - Adult - City Resident (15 admissions)	\$38.00
Punch Pass - Adult - Non City Resident (15 admissions)	\$60.00
Punch Pass - Youth - City Resident (15 admissions)	\$30.00
Punch Pass - Youth - Non City Resident (15 admissions)	\$45.00
Season Pass - Family - City Resident	\$150.00
Season Pass - Family - Non City Resident	\$300.00
Season Pass - Individual Adult - City Resident	\$75.00
Season Pass - Individual Adult - Non City Resident	\$150.00
Season Pass - Individual Senior - City Resident	\$60.00
Season Pass - Individual Senior - Non City Resident	\$120.00
Season Pass - Individual Youth - City Resident	\$60.00
Season Pass - Individual Youth - Non City Resident	\$120.00
Sanitation Services	
<i>Commercial Services</i>	
Commercial Recycling Collection (up to four 65 gallon carts emptied once per week)	\$12.00
Commercial Recycling Collection (up to four 65 gallon carts emptied twice per week)	\$22.00
Commercial-Business refuse pickup per can (96-gal)	\$27.50
Commercial-Business refuse pickup per can (96-gal) (Actively Recycles)	\$24.00
<i>Residential Services</i>	
Residential - 96-gal container (non recycler)	\$22.00
Residential - 96-gal container (actively recycles)	\$18.50
Residential - 32-gal container (non recycler)	\$20.00
Residential - 32-gal container (actively recycles)	\$16.25
Small Special load (collected with pickup truck and city staff)	\$50.00
Special Loads (tipping fee added to special fee) (collected with knuckleboom using city staff)	\$150.00
Stolen/Damaged Cart Replacement Fee	\$100.00
Stormwater Services	
Stormwater Monthly Fee	\$2.00
Stormwater Permit Fee	\$500.00



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2015 - 2016

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
WATER AND SEWER	
Water Rate Schedule	
Deposits	
Water & Sewer Service Deposit	\$100.00
<i>Inside City Limits</i>	
Residential	
Base Charge per Account	\$5.79 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$2.80 per 1000 gallons
> 40,000 gallons	\$3.08 per 1000 gallons
Commercial/Industrial	
Base Charge per Account	\$5.79 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$2.80 per 1000 gallons
40,000 - 200,000 gallons	\$2.14 per 1000 gallons
> 200,000 gallons	\$2.21 per 1000 gallons
Irrigation	
Base Charge per Account	\$6.26 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$3.08 per 1000 gallons
> 40,000 gallons	\$3.39 per 1000 gallons
<i>Outside City Limits</i>	
Residential	
Base Charge per Account	\$8.42 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$4.35 per 1000 gallons
> 40,000 gallons	\$4.78 per 1000 gallons
Commercial/Industrial	
Base Charge per Account	\$8.42 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$4.35 per 1000 gallons
40,000 - 200,000 gallons	\$3.28 per 1000 gallons
> 200,000 gallons	\$3.12 per 1000 gallons
Municipal	
Base Charge per Account	\$8.42 per month
Rate per 1,000 Gallons	
All Usage	\$2.83 per 1000 gallons
Irrigation	
Base Charge per Account	\$9.17 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$4.78 per 1000 gallons
> 40,000 gallons	\$5.26 per 1000 gallons
Bulk Water Sales	
Base Charge per Account	\$9.17 per month
Rate per 1,000 Gallons	
0 - 40,000 gallons	\$4.78 per 1000 gallons
> 40,000 gallons	\$5.26 per 1000 gallons



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2015 - 2016

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
WATER AND SEWER	
<i>Water Fee Schedule</i>	
Taps & Connections	
Water Tap, 5/8"	\$1,000.00
Water Tap, 1"	\$1,400.00
Water Taps > 1"	Cost plus 10%
Water - Stub Out	\$600.00
Irrigation Tee, 5/8"	\$600.00
Meters	
Turn On/Set Meter During Business Hours	\$40.00
Turn On/Set Meter After Business Hours	\$100.00
Meter Tampering Fee	\$250.00
Test Meter, at customer's request (<1-in.); if meter faulty - No Charge	\$45.00
Test Meter, at customer's request (>1-in.); if meter faulty - No Charge	Cost plus 10%
System Development Charges (SDC)	
System Development Charges (SDC) - New Customers (Residential and Commercial)	
Meter Size, Inches	Meter Equivalent
5/8"	1
1"	3
1-1/2"	5
2"	7
3"	10
4"	16
6"	40
8"	70
10"	100
Cost	
	\$1,430.00
	\$2,330.00
	\$4,650.00
	\$7,500.00
	\$14,930.00
	\$23,400.00
	\$46,730.00
	\$74,780.00
	\$107,480.00
*System Development Charges (SDC) - Existing Customers (Residential Only)	
5/8"	1
1"	3
	\$950.00
	\$1,550.00
<i>*Eligible for financing SDCs up to 36-months</i>	
<i>Fees - associated with financing of System Development Charges (SDC):</i>	
Title Search for SDC financing agreement	\$250.00
Note & Deed of Trust Document Preparation for SDC financing agreement	\$200.00
Subordination agreement preparation-per recorded lien for SDC financing	\$50.00
County Register of Deeds Recording fee per document -SDC financing	\$26.00
Copies - .25 per page for copies from Register of Deeds - SDC financing	\$0.25
Engineering Review Fees	
Line Extensions	\$300.00
Pump Stations	\$75.00
Storage Tanks	\$75.00



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2015 - 2016

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
WATER AND SEWER	
Miscellaneous Fees	
Credit Card Processing Fee (per \$300)	\$2.95
Administrative Disconnection Fee	\$40.00
Reconnection for Non-Payment - After Business Hours	\$100.00
Reconnection of Service at Main	Cost plus 10%
Replace Removed Meter due to additional usage after non-payment cut-off	
During Business Hours	\$75.00
After Business Hours	\$100.00
Premise Visit	\$40.00
Fire Hydrant Installation	Cost plus 10%
Assist with Fire Hydrant Flow/Pressure Testing Conducted by Others	\$50.00
Illegal Use of Fire Hydrant/Tampering Fee	\$500 + Damages
Drill for Main Tap, Cost/Inch of Diameter	\$150.00
Chemical Analysis of Water	Cost plus 10%
Water Conservation Incentives Program Rebate Schedule	
Clothes Washer (\$75 min; \$150 max) - Limit one per account	15% of purchase price
High-Efficiency Toilet (\$25 min; \$100 max) - Limit 2 per residential account	15% of purchase price
Customer-Side Shut-Off Valve - Limit one per account	\$75.00
Weather-Based Irrigation System Controller - Limit one per account	**50% of purchase price or \$200, whichever is less
<i>Limited number of rebates offered annually.</i>	



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2015 - 2016

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE	
WATER AND SEWER		
Sewer Rate Schedule		
All Customers - Inside		
Base Charge per Account	\$6.47 per month	
Rate per 1,000 Gallons	\$4.46 per 1000-gallons	
All Customers - Outside		
Base Charge per Account	\$9.50 per month	
Rate per 1,000 Gallons	\$6.96 per 1000-gallons	
Municipal		
Base Charge per Account	\$9.50 per month	
Rate per 1,000 Gallons	\$6.63 per 1000-gallons	
<i>Note: These sewer rates are not applicable to the Cane Creek Sanitary Sewer District</i>		
Sewer Fee Schedule		
Taps and Connections		
Sewer Taps, 4" gravity sewer tap	\$1,500.00	
Fee per 6" gravity sewer tap	\$1,800.00	
Fee per 8" gravity sewer tap	\$2,000.00	
System Development Charges (SDC)		
System Development Charges (SDC) - New Customers (Residential and Commercial)		
Meter Size, Inches	Meter Equivalent	Cost
5/8"	1	\$1,280.00
1"	3	\$2,100.00
1-1/2"	5	\$4,200.00
2"	7	\$6,750.00
3"	10	\$13,500.00
4"	16	\$21,080.00
6"	40	\$42,080.00
8"	70	\$67,350.00
10"	100	\$96,830.00
*System Development Charges (SDC) - Existing Customers (Residential Only)		
5/8"	1	\$850.00
1"	3	\$1,400.00
<i>*Eligible for financing SDCs up to 36-months</i>		
<i>Fees - associated with financing of System Development Charges (SDC):</i>		
Title Search for SDC financing agreement		\$250.00
Note & Deed of Trust Document Preparation for SDC financing agreement		\$200.00
Subordination agreement preparation-per recorded lien for SDC financing		\$50.00
County Register of Deeds Recording fee per document -SDC financing		\$26.00
Copies - .25 per page for copies from Register of Deeds - SDC financing		\$0.25



CITY OF HENDERSONVILLE FEE SCHEDULE
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2015 - 2016

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
WATER AND SEWER	
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
**Sewer system development charge (SDC) calculated using residential equivalent unit (REU) of 360-gallons per day.	
Equipment Usage (hourly rates)	
Rubber-Tired Backhoe, Small	\$33.00
Rubber-Tired Backhoe, Large	\$38.00
Mini-Excavator, 8,000-lb	\$18.00
Mini-Excavator, 12,000-lb	\$39.00
Excavator, 30,000-lb	\$65.00
Vac Truck	\$75.00
Dump Truck (single-axle), Small	\$20.00
Dump Truck (single-axle), Large	\$35.00
Dump Truck (triaxle)	\$65.00
Pick-Up Truck	\$14.00
Harben	\$25.00
Camera Truck	\$75.00
Air Compressor	\$20.00
Air Hammer/Pusher	\$0.65
Soil Tamp	\$20.00



Glossary of Terms

Accrual Basis of Accounting (or Full Accrual)

Accounting method for proprietary funds that recognizes revenues in the accounting period in which they are earned and become measurable. Expenses are recognized in the period incurred, if measurable.

Ad Valorem Tax

A tax levied in proportion to the value of property.

Amortization

Paying the principal amount of a debt issue through periodic payments. Amortization payments include interest and any payment no principal.

Appropriation

Authorization granted by City Council to obligate and expend resources for purposes specified in the budget document.

Assessed Valuation

The value of real estate or personal property as determined by tax assessors and used as a bases for levying taxes.

Authorized Bond

Bonds that have been legally approved but may or may not have been sold.

Balanced Budget

A budget in which planned expenditures equal anticipated revenues. North Carolina state law requires municipalities to adopt a balanced operating budget.

Base Budget

Those resources necessary to meet an established and existing service level.

Basis of Accounting

Accounting method that determines when revenues, expenditures, expenses, and transfers (and the related assets and liabilities) are recognized in accounts and reported in financial statements. The two bases of governmental accounting include accrual (or full accrual) and modified accrual.

Benchmarking

The process of identifying best practices of “best in class” performers that can be adopted or adapted to improve performance.

Bond

A written promise to pay a specific amount of money with interest within a specific time, usually long-term.



Bond Rating

A grade indicating a governmental unit's investment qualities. Generally, the higher the bond rating, the less risk investor assume resulting in more favorable interest rate and lower cost of financing capital projects for the governmental unit.

Budget

A plan for the coordination of resources and expenditures. The budget document outlines the City's financial plan for a fiscal year indicating how the City intends to allocate resources to support goals, objectives, and desired service levels.

Budget Amendment

A legal procedure used by City staff and City Council to revise a budget appropriation.

Budget Calendar

The schedule of key dates that the City departments follow in the preparation, adoption, and administration of the budget.

Budget Message

A written overview of the proposed budget from the City Manager to the Mayor and City Council and the public that discusses the major budget items, changes from the current and previous fiscal years, and the City's financial condition.

Budget Ordinance

The official enactment by City Council to establish legal authority for City officials to obligate and expend resources.

Budgetary Control

The control or management of a governmental unit in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

Capital Assets

Tangible property that is not easily converted into cash and is usually held for a long period, such as property, machinery, vehicles, equipment, etc...

Capital Improvement Plan (CIP)

A multi-year plan for the construction or acquisition of major capital items. The plan usually outlines spending needs, the financing source or sources expected, and the impact of the CIP on future annual operating budgets.

Capital Outlay

Expenditure expected to have a useful life greater than one year or a total value of \$10,000 or more resulting in the acquisition of or addition to a fixed asset.



Capital Project

A capital improvement that usually requires a major initial investment, and a significant and continuing financial commitment in the form of operating costs.

Capital Project Fund

A fund used to account for the acquisition and construction of major capital facilities.

Capital Reserve

An account used to indicate that a portion of a fund's balance is restricted for a specific capital purpose and is not available for general appropriation.

Cash Accounting

An accounting method where receipts are recorded during the period they are received, and the expenses in the period in which they are actually paid.

Cash Management

The management of cash necessary to pay for governmental services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflow and outflows of cash, mobilizing cash to improve its availability for investment, and establishing and maintaining banking relationships.

Certificates of Participation (COPS)

A security created as a part of a lease-purchase agreement. The lender, the holder of the certificate, owns a right to participate in periodic lease payments (interest and return of principal) as they are paid.

Community Development Block Grants (CDBG)

An entitlement grant from the U.S. Department of Housing and Urban Development (HUD) to assist low and moderate-income persons of the City in targeted neighborhoods.

Comprehensive Annual Financial Report (CAFR)

A complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Contingency

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Debt Service

The portion of the budget pertaining to payment of principal and interest requirements on outstanding debts.

Deficit

The amount by which expenditures exceed revenues during an accounting period.



Department

An organizational unit of the City responsible for overall management of a major governmental function.

Depreciation

The process of estimating and recording the lost usefulness, expired useful life, or diminution of service from a fixed asset that cannot or will not be restored by repair and must be replaced. The cost of the fixed asset's lost usefulness is the depreciation of the cost to the reserve to replace the item at the end of its useful life.

Designated Fund Balance

Monies over the years that remain unspent after all budgeted expenditures have been made, but which are reserved for specific purposes and are unavailable for appropriation.

Disbursement

Payment for goods and services in cash or by check.

Effectiveness Measure

A performance measure identifying outcome quality.

Efficiency Measure

A performance measure identifying inputs used per unit of output, or unit costs.

Encumbrance

A financial commitment of appropriated funds for services, contracts, or goods that have not yet been delivered by a specified time, usually the end of the fiscal year.

Enterprise Fund

A fund that accounts for a governmental activity supported primarily with user fees or charges and operated using business principles.

Estimated Revenue

The amount of projected revenue to be collected during the fiscal year.

Expenditures

The measurement focus of governmental fund accounting identifying financial resources expended.

Expenses

The measurement focus of proprietary fund accounting identifying costs expired. Expenses reflect the cost of goods or services used.

FICA

Social Security Tax paid by the City for each permanent and temporary employee.



Fiduciary Funds

Funds used to separate, control, and track financial resources in which the government oversees as a third party, or on behalf of, another public entity. The four fiduciary fund types include: 1) Agency Fund, 2) Pension Trust, 3) Expendable Trust, 4) Non-Expendable Trust.

Fiscal Policy

The financial plan embracing the general goals and acceptable procedures for managing the City's financial resources.

Fiscal Year (FY)

The time designating the beginning and the ending period for recording financial transactions. In North Carolina, a municipal government fiscal year begins July 1st and ends June 30th.

Fixed Asset

A long-term tangible piece of property that is not expected to be consumed or converted into cash any sooner than at least one-year's time.

Fringe Benefits

A collection of various benefits provided by an employer, which are exempt from taxation as long as certain conditions are met.

Full Cost Accounting

Type of accounting concerned with accumulating both direct and indirect costs for financial reporting and decision-making purposes.

Full-Time Equivalent (FTE)

An FTE converts the hours worked by a position into a percentage of a full year's number of hours. Generally, on FTE equals 2,080 hours per year per permanent position.

Function

A group of related programs crossing organizational boundaries and aimed at accomplishing a similar broad goal or major service such as public safety, environmental protection, cultural activities, etc...

Fund

A fiscal and accounting entity that has a self-balancing set of accounts recording cash and other financial resources, as well as related liabilities and residual equity. These are segregated to carry on specific activities or objectives in accordance with special regulations, restrictions, or limitations as established by State and Federal governments.

Fund Balance

The amount of assets in excess of the liabilities or appropriations for expenditures also known as surplus funds. North Carolina General Statutes require general fund balance reserves of at least 8% of General Fund expenditures at the end of the fiscal year.



GASB Statement No. 34

The acronym used for Governmental Accounting Standards Board Statement #34: “Basic Financial Statements-Management’s Discussion and Analysis-For State and Local Governments”.

Generally Accepted Accounting Principles (GAAP)

Uniform minimum standards and guidelines for financial accounting and reporting. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices.

General Fund

A governmental fund used to account for financial resources of the City, except those required to be accounted for in another fund. Revenues to support the General Fund are derived from sources such as property tax, sales tax, franchise fees, and service fees. This fund usually includes most of the basic operation services, such as fire, police, finance, public works, administration, planning, etc...

General Ledger

A file that contains a listing of the various accounts necessary to reflect the financial position of the government.

General Obligation Bond (GO Bond)

A bond issued by a government that is backed by the full faith and credit of its taxing authority.

GFOA

The acronym used for Government Finance Officers Association of the United States and Canada.

Goal

A statement of broad direction, purpose, or intent based on the needs of the community. A goal is general and timeless.

Governmental Funds

Funds used to separate, control, and track financial resources of general government operations. The four governmental fund types include: 1) General Fund, 2) Special Revenue Funds, 3) Capital Projects Funds, 4) Debt Service Funds.

Grant

A contribution by a government or other organization to support a particular function.

Inter-fund Transfers

Amounts transferred from one fund to another.

Intergovernmental Revenues

Revenues from other governments (State, Federal, or local) that can be in the form of grants, shared revenues, or entitlements.



Internal Service Fund

This fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, on a cost reimbursement, or cost allocation, basis.

Inventory

A detailed listing of property currently held by a government.

Investment Earnings

Revenue earned on investments with a third party.

Lease/Installment-Purchase Financing

A method of purchasing equipment in which payments are spread over time. The purchased equipment serves as collateral.

Line Item

A budgetary account representing a specific object of expenditure.

Local Government Budget and Fiscal Control Act (LGBFCA)

The act governs all financial activities of local governments within the State of North Carolina.

Local Government Commission (LGC)

A division of the North Carolina Department of State Treasurer, the LGC is responsible for the approval, sale, and delivery of substantially all North Carolina local government bonds and notes as well as monitoring certain fiscal and accounting standards prescribed for units of local government by the Local Government Budget and Fiscal Control Act.

Long Term Debt

Debt with a maturity of more than one year after the date of issuance.

Maturities

The dates on which the principal or stated values of investments or debt obligations become due and/or may be reclaimed.

Mission

A broad statement outlining a department's purpose for existing.

Modified Accrual Basis of Accounting

Accounting method for governmental funds that recognizes revenues in the accounting period in which they become available and measurable. Expenditures are recognized in the period the fund liability is incurred, if measurable, except for unmatured interest on (and principal of) general long-term debt, which should be recognized when due.

North Carolina General Assembly (N.C.G.A.)

The legislative body of the State's government.



North Carolina General Statutes (N.C.G.S.)

Laws governing the State of North Carolina.

Objective

A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. An objective should imply a specific standard of performance for a given program.

Occupational Safety and Health Act (OSHA)

Regulations passed by the U.S. Department of Occupational Safety and Health Administration to assure safe and healthful working conditions for working men and women by authorizing enforcement of the standards developed under the Act.

Operating Budget

A financial plan for the provision of direct services and support functions.

Operating Expenses

The portion of the budget pertaining to the daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as supplies, utilities, and materials.

Pay-As-You-Go (or Pay-Go)

Financial policy of a government unit that finances capital outlays from current revenues rather than from borrowing.

Peer Group

Other municipalities with similar characteristics, such as population, services provided, and tax base, used for comparison of financial condition and performance.

Performance-Based Budget

A budget wherein expenditures, planning, and management decisions are based primarily upon measurable performance of activities.

Performance Indicator

A performance indicator is a measurement designed to determine whether a service objective has been met. It measures the effectiveness of achieving an objective.

Performance Measurement

The regular collection of quantifiable information regarding the results of service delivery.

Personal Property

Movable property classified within two categories; tangible and intangible. “Tangible” or touchable property includes items of visible and movable property not permanently affixed to real property. “Intangible” or non-touchable property includes stocks, bonds, notes, cash, bank deposits, accounts receivable, patents, trademarks, copyrights, and similar assets.

Personnel Services

Salaries and wages paid to employees for fulltime, part-time, and temporary work including overtime and similar compensation.

Policy

A definite course or method of action in light of given conditions to guide and determine present and future decisions.

Powell Bill Funds

Funding from state-shared gasoline taxes that are restricted for use on maintenance of local streets and roads.

Productivity Measure

A performance measure combining efficiency and effectiveness measures into a single factor.

Program

An organized set of related work activities that are directed toward accomplishing a common goal.

Property Taxes

Taxes levied on both real and personal property according to the property's valuation and tax rate.

Proprietary Funds

Funds used to separate, control, and track financial resources of business-type activities carried out by a government. The two proprietary fund types include: 1) Enterprise Funds, and 2) Internal Service Funds.

Real Property

Land, buildings, and items permanently affixed to land or buildings.

Reclassification

Change in a position title and/or the associated pay range based on changes in the job skills required for a given position.

Reserve

An account designated for a portion of the fund balance that is to be used for a specific purpose.

Resources

Assets that can be used to fund expenditures such as property taxes, user fees, beginning fund balance, or working capital.

Restricted Intergovernmental Revenues

Grants, entitlements, and shared revenues that are recorded in the appropriate fund and classified by both source and function for which the revenues are to be spent.



Retained Earnings

Amounts shown as retained earnings represent accumulated earnings of proprietary funds after all budgeted business expenses have been made.

Revaluation

The process of revaluing a jurisdiction's real property in order to adjust the tax value to the market value. By North Carolina law, a revaluation must be conducted at a minimum of every eight years.

Revenue

Funds the City receives as income including tax payments, fees from specific services, receipts from other governments, fines, grants, shared revenues, and interest income.

Revenue Bonds

Bonds issued by a government that are backed by a specific revenue source such as water and sewer fees.

Revenue-Neutral Rate

The tax rate that would generate the same amount of ad valorem revenues as before a revaluation while considering growth.

Special Assessment

A compulsory levy made against certain properties to defray part of the cost of a specific improvement or service, which are deemed primarily to benefit those properties.

Special Revenue Fund

A fund used to account for the revenues from specific sources that are to be used for legally specified expenditures.

Surplus

The amount by which revenues exceed expenditures.

Target-Based Budget (TBB)

A budget wherein departments receive a maximum dollar figure, or target, to provide services.

Tax Base

The assessed valuation of all taxable real and personal property within the City's corporate limits.

Tax Levy

The resultant product when the tax rate per one-hundred dollars valuation is multiplied by the total taxable valuation, or tax base.

Taxes

Compulsory charges levied by a government for financing services performed for the common benefit of the people. This term does not include specific charges made against particular



persons or property for current or permanent benefit, such as special assessments or to user charges for enterprise type services.

Undesignated Fund Balance/Undesignated Retained Earnings

The portion of a fund's unspent monies, or reserves that are not restricted for a specific purpose and are available for general appropriation.

Unencumbered Balance

The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for expenditures.

User Fee/Charge

The payment for direct receipt of a service by the party benefiting from the service.

Workload Measure

A performance measure identifying how much or how many products or services were produced.

Zero-Based Budget (ZBB)

A budget wherein all expenses must be justified for each new period. Budgeting starts from a "zero base" and every function within an organization is analyzed for its needs and costs.



Common Budget Acronyms

CDBG	Community Development Block Grant
CIP	Capital Improvement Plan
COPS	Certificates of Participation
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
LGBFCA	Local Government Budget and Fiscal Control Act
LGC	Local Government Commission
NCGA	North Carolina General Assembly
NCGS	North Carolina General Statute
OSHA	Occupational Safety and Health Act
PM	Performance Measurement

